Influence of Price on the Dynamic Transformation of Search, Experience and Credence Goods

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Abstract: Purpose –Goods and services are traditionally classified as Search, Experience, Credence (SEC) categories. Nevertheless, studies have indicated that the internet has transformed experience goods into search goods, but with contrary findings. This paper aims at evaluating whether products retain their category classification or does external stimuli like price cause products to traverse the SEC continuum. Secondly, post establishing the category, this paper also presents the unique combination(s) of sources of influence that motivates the consumer to make the final purchase decision for product(s) in each of the SEC categories. Design/ methodology – Data collection was employed to collect data across respondents of different ages in a small town in India. Findings – The results of this paper indicated that as prices vary, attributes of goods changes from search to experience, the preferred channels (online/offline) also have shown a change. Additionally, the research reports interesting behaviour with respect to the sources of influence that influence buyers purchase decisions. Originality/ Value – This paper presents that the SEC classification is not static, but the same product traverses across the SEC continuum under the influence of price variation. Also with such variations, the sources of influence for the final product purchase also varies. This could present marketers with insights to adopt dynamic strategies for the same product to gain better market position.

Keywords: Search goods, experience goods, credence goods, consumer behaviour, price influence, influencers
Paper type Research paper.

I. INTRODUCTION

Nelson (1974) was the first to classify the products as goods for search and experience. This classification was further developed by Darby and Karni (1973) and advanced by Klein (1998), which resulted new classification of Search, Experience and Credence (SEC) goods (Mitkyo, 2012). SEC goods are classified on the basis of the ease or difficulty with which consumers can evaluate the information on those goods. Search goods are those that can be assessed prior to purchase. Consumers assimilate information for the pre-purchase evaluation of search goods based on prior experience or through direct product inspection. Some of the commonly quoted examples for search products are mobile phones, PCs, bestselling books, stationary items. Experience goods are those that can only be assessed after purchasing and experiencing the product. Some of the examples are buying shoes, salon of beauty, etc. The third category i.e.

credence goods are very hard to evaluate before and after purchase. After consumption, credential goods require some time for evaluation. Examples of credentials include medical diagnosis, vitamin consumption, legal service, etc. (Nelson 1970; Darby and Klein, 1973). However, it was seen that products do not exhibit the characteristics of a particular class always; it can be subject to transformation, subject to external factors like the advent of internet. In a study, Klein (1998) found that the internet could act as a catalyst, under the influence of which search goods could be transformed to experience goods. This can be seen in three possible ways – the internet has reduced search costs of products; the process of evaluation of different product attributes has changed over the internet and finally, there is no physical or direct inspection of product qualities of experience goods such as software. On the contrary, Nakayama, Sutcliffe and Wan (2010) conducted a research to analyse whether web transformed experience goods into search goods and found that there was no significant shift of experience goods into search goods. The contrary reports lead to results, which are inconclusive. Thus demanding further research to evaluate if the classifications are static or can be dynamic. In addition to price blurring the differences between the SEC categories, the large assortment of similar products has confused consumers and made the final purchase decision a very complex process. Given, these voluminous choice sets, consumers tend to feel stressed and suffer from choice paralysis, resulting in making no purchase (Schwartz, 2004). Furthermore, when knowledge is limited and time is scare, consumers sense increased perceived risk and exhibit a lack of interest to be a part of such complex decisions (Lee, Shi, Cheung, Lim, & Sia, 2011, p. 185). To reduce the complexities in the decision making process, consumers use the information provided by the trusted others (Salmon et al., 2015).

Consumers now have a good idea to make the purchase decision of different products for a few days. They spent hours on search engines and use many other variables to collect all the product information they choose to buy. Consumer behaviour for different products is changing dramatically. A person spent at least 1 to 2 hours on different search engines before buying a normal product. Consumers rely on many advisory sources such as Word of Mouth (WOM), Electronic WOM, expert advice, physical evidence, etc. As the product price increases, many of these sources will be checked by consumers prior to purchase.

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These sources play an important role in the customers ' purchasing decision. A product can be of low price range and high price range as well. Although it is the same product, when the price increases, the buying behaviour of the customers will also be different. If the product's price is low, then customers will mostly rely on their own self - knowledge and experiences, but if the same high - priced product is purchased then customers ' purchasing behaviour will change completely. They will even change their buying channel and will also rely on many other sources to gather information until they are satisfied and all the risk factors are reduced. It is believed that rising perceived risk increases as prices rise. As perceived risk increases, the behaviour of consumers buying changes for the same goods and as a result the nature of the goods tends to move or shift from one category to another (Sheth and Parvatiyar, 1995).

Research as of now has only consider multiple products under various categories. There is a gap in research which has not look at how price influences the same good be transformed from search to experience goods. So this paper aims to understand the influence of price over the transformation of search goods into experience goods. The first aim of this paper is to analyse the influence of price on the transformation of search goods to experience goods.

Secondly, marketing literature recognizes the capability of consumers to influence one another (Dichter, 1966; Cialdini, 2009). This influence is ever-present on the Internet and is applied through recommendations, numerical ratings and verbal review (Sheth and Parvatiyar, 1995).

There has been limited research to understand categorically the influencers who impact the purchase decisions of consumers for search, experience and credence goods. Hence the second aim of this article is to understand the key sources that influence the consumers purchase intention of search, experience and credence goods respectively.

In the following sections we present the literature review and propositions. Subsequently, we report the methodology and result of the research. Finally, we conclude by discussing the results.

Literature Review

In this section, we evaluate the framework and definition of search, experience and credence goods. After the theoretical study, we will consider the empirical tests and then some proposals of SEC goods. Also we review the influence of price in consumers purchasing decision of goods.Search-Experience-Credence (SEC) goods Framework: Nelson (Nelson 1974, Darby and Kami 1973) based on his seminal work classified consumer goods and services into three categories such as search goods, experience goods and credence goods. This classification of goods s based on the point in time where consumers can evaluate the quality of goods or services that they purchased. Search goods are those which consumers can evaluate the quality of goods before purchase i.e., search goods have characteristics that can identify by inspection and prior to its purchase. On the other hand, Experience goods are those goods that the consumers can evaluate the quality once after its purchase. It has attributes that can be evaluated only after its consumption. Third kind of good was credence goods that

cannot be evaluated in normal use or can evaluate only after a long time once purchase. The point is that the consumers can never be assured of the quality and value of credence goods, which differentiate credence goods from search and experience goods. Researchers have proposed various classification of SEC goods, for example in paper 1, Nakayama, Sutcliffe and Wan propose PC and best-selling book as search goods, cell phones and automobiles as experience goods, Auto insurance and Vitamins as credence goods. In an article, john Spacey (2017) proposed electronics such as tablet computers and mobile phones as search goods, Restaurants and Legal services as experience goods, Medical services and education as credence goods. In a third paper, Animesh, Vandana and Siva Viswanathan proposed search goods as CD and cell phones, experience goods as cruises and Auto insurance and finally credence goods as cosmetic surgery and therapy. So rating of SEC category differs from one consumer to others. In 2010 a study was carried out to analyse, as Klein (1998) predicted, the web transformed experienced goods into search goods. They analyse the background of their proposals for the study first. It was found that any experience to search goods shifts could be unclear by possible counter-forces. The analysis indicated that consumers are searching for products differently depending on price and convenience priorities. The study therefore claims that the web access of consumers does not appear to result in significant shifts between SEC classifications of goods because the counter - forces against such shifts also work on the web (Nakayama, Sutcliffe and Wan, 2010). Thus we make the following proposition.

P1: Price influences the transformation of products from search to experience categories

Research has revealed that products are selected twice as often if they are recommended by others and this influence is dependent on the type of recommendation source. Online recommendation systems offered by online retailers are more influential than the recommendation from experts or other consumers (Senecal and Nantel, 2004)A Nielsen report found that consumers' ratings were the second most trustworthy source of brand information (after recommendations from friends and family) (Nielsen, 2012).On the contrary, by years, customers' trust in online reviews and ratings about the product has been increasing and has even become as important as personal recommendations while taking purchasing decisions (Bright Local, 2014).There has been a long-held belief in social sciences in universal, and in marketing in specific, that others' influence our behaviour(Burnkrant &Cousinau, 1975; Katz &Lazarsfeld, 1955). Social influence implements two forms called normative and informational (Kelman, 1961).

Normative social influence is the one employed by the major reference groups, and

originates from behaviours that promote conformism with the expectations of other individuals, with the final purpose of obtaining rewards or avoiding penalties. In contrast, informational social influence involves the reception of information or advice from people who are not known by the subject but who provide reliable evidences of reality (Burnkrant & Cousineau, 1975).Consumers sometimes use time and effort to evaluate alternatives, but then lack the confidence or motivation to make a purchase decision and the actual purchase. People are most self-confident in decisions when information is highly diagnostic. Tversky and Kahneman (1974) found that the increased availability of reasons for a decision increases the decision maker's confidence. Similarly, the arguments of senior managers were found to be more persuasive when they provided a larger quantity of information (Schwenk 1986). A consumer may have a positive preference toward a product, but have not made the cognitive effort to identify the main reasons to choose a product, or to make a list of the pros and cons. Or, a consumer may be negatively liable toward a product, but not have the motivation to search and process information about other alternatives. In these situations, an in-depth review from someone who has already expended the effort is diagnostic, as it will help the consumer make the purchase decision. For experience goods, the social presence provided by comments can be important. According to social comparison theory (Festinger 1954), individuals have a drive to compare themselves to other people. Shoppers frequently look to other shoppers for social cues in a retail environment, as brand choice may be seen as making a statement about the individual's taste and values. Information that is personally delivered from a non-marketer has been shown to be especially credible (Herr et al. 1991).

However, reviews for experience products can be highly personal, and often contain tangential information idiosyncratic to the reviewer. This additional content is not uniformly helpful to the purchase decision. In contrast, customers purchasing search goods are more likely to seek factual information about the product's objective attributes and features. Since these reviews are often presented in a fact-based, sometimes bulleted format, search good reviews can be relatively short. The factual nature of search reviews implies that additional content in those reviews is more likely to contain important information about how the product is used and how it compares to alternatives. Therefore, we argue that while additional review content is helpful for all reviews, the incremental value of additional content in a search review is more likely to be helpful to the purchase decision than the incremental value of additional content for experience reviews.

Specifically, the depth of the reviews is perceived as more helpful for search goods than for experience goods (Mudambi & Schuff, 2010). In the video game industry, online reviews have a greater influence on the video game players when they have more Internet experience (Zhu & Zhang, 2010). The perceived expertise of the author of the review may also exert a more effective influence on readers (Boatwright, Basuroy, & Kamakura, 2007). Depending on

the level of expertise, Park and Kim (2008) conducted a study from the twin perspective of the authors' expertise and the customers' expertise. Their results indicate that the cognitive fit between the types of reviewed attribute-centric vs. benefit-centric and customers' level of expertise solve prior inconsistencies between online consumers' reviews and purchase intention. Also, Duan et al. (2008) stated that online reviews themselves do not play a direct role in influencing consumer purchases, but act as a reliable predictor of sales.

Since for the three goods there is a difference in time for evaluation by consumers, they have to use various product evaluation strategies before making shopping decisions. In earlier period consumers use direct inspection or physical inspection method for search goods and for experience goods a sampling strategy method is used. For credence goods, consumers depend on the brand name, recommendations and various advising agents for making a decision.

From the above discussion we can make a proposal that:

P2 –Experience goods need physical inspection for evaluating and making purchase decision but now people starts depending on eWOM for making a purchase decision.

With increase in technology and digitalisation, online shopping is now become an emerging trend which helps the sellers a better opportunity to reach and influence the customers more easily. Online shopping has revolutionized the business world by making everything anyone could want available by simple click of mouse button. Online shopping become trend due to various reasons. There are certainly outside factors such as increasing fuel prices, difficulty in getting to traditional stores and hassles related with shopping malls and other traditional stores causes the increased interest in online shopping (Sunitha and Gnanadhas, 2014). From the discussion, we can make a proposal that;

P3 – Consumers prefer more to online purchasing whatever is the price of goods.

Consumer behaviour is also driven to reduce the risk (Bauer 1960; Taylor 1974). Perceived risk is related with the uncertainty and magnitude of outcomes. Consumers develop a variety of policies to reduce the perceived risk. Among those policies, the two most general strategies are; 1) involve in external search for information, especially through word of mouth and develop a greater self-assurance in their own ability to judge and evaluate choices (Cox 1967; Beatty and Smith 1987; Dowling and Staelin 1994), and 2) become loyal to a brand, product, store, or marketer (Howard 1965; Locander and Hermann 1979). Developing a self-confidence for purchase or consumption is a natural human tendency, although this confidence can also achieve from external sources.

Based on a current data in March 2018, 97% of consumers depend on

reviews for purchase decisions. Customer reviews have changed the way shoppers research, discover and purchase products both online and offline. Today's consumers have come to expect easily accessible information to aid the purchase decisions. A data collection conducted by the power review team pointed out that customer/ product reviews have a larger impact on purchasing decisions than recommendations from family and friends. From this statements we can make a proposal that;

P4 - Even though the consumers want to make their purchase (of Search) (of Experience) (of Credence) through offline, they will evaluate the product or consult eWOM before making purchasing decisions.

The rating of SEC category for the product and services is different from one consumer compared with the others. Any products or services can have different characteristics and these aspects can range from search and experience to credence goods categories. For example, a laptop is a search goods for a person who engage in or discuss computer-related tasks obsessively or with great attention to technical detail, but it is an experience good for a person who is unfamiliar or not much experienced with the laptop. However, the SEC category for the same product and service could be same in the traditional background for most of the consumers, but it could be different when the evaluation mode is based on the web which include customer reviews, ratings etc. and could also related to the variation in the price of the product etc. (Wan, Nakayama and Sutcliffe, 2009).

Researchers have proposed various classification of SEC goods, for example in paper 1, Makoto Nakayama, Normal Sutcliffe and Yun Wan propose PC and best-selling book as search goods, cell phones and automobiles as experience goods, Auto insurance and Vitamins as credence goods. In an article, john Spacey (2017) proposed electronics such as tablet computers and mobile phones as search goods, Restaurants and Legal services as experience goods, Medical services and education as credence goods. In a third paper, Animesh, Vandana and Siva Viswanathan proposed search goods as CD and cell phones, experience goods as cruises and Auto insurance and finally credence goods as cosmetic surgery and therapy. So rating of SEC category differs from one consumer to others.

Empirical Tests

The past evaluations of SEC characteristics are challenging as there is no generally accepted methods for classification of goods (Ekelund et al., 1995). Here we are going to discuss 4 studies that used data collection from various consumers to rate the SEC characteristics. We use 1-3-5 scale for SEC ratings, in which 1 for search goods, 3 for experience goods and 5 for credence goods so that we can easily compare the ratings of the 4 studies. Here we must use different types of products, samples and methods for the four studies. The samples that used for the 4 studies are students. For the first study the samples are 98 MBA students, for second study the sample took was 113

advanced undergrads in US and 167 in Canada. For the third study the sample was 65 undergrads and for the fourth study sample was 108 students. So the 4 studies we took different samples from different backgrounds and use different methods.

Nelson in 1970 set a list of search goods as a point for bench marking and that search goods include television, mobile phones, music instruments, jewellery, typewriters, radio, tire, battery, aircraft, bicycles, heating and plumbing, motorcycles and appliances. A study by Weathers and Makienko (2006) shows that the automobiles are search goods and appliances are to some extent consider as search goods. So that the SEC classification of this goods shifted from experience to search goods. In the second study done by Iacobucci's n 1992 found that the automobiles are close to search goods which was before the web becomes an emerging trend. But jewellery, electronics and musical instrument remain as experience goods itself. A study by Thakor and Kumar (2000) and a study by Krishnan and Hartline in 2001 focused their study on services. Services are intangible and need experience to rate it. From the study of Thakur and Kumar in 2000 reports show there is no change in the ratings as compared to previous study reports from a decade before but the rating from Krishnan and Hartline in 2001 are between search and experience goods. Because in their research they divided the rating scale of SEC in two i.e., from pure search to pure experience and pure experience to pure credence goods. Due to this rating method, the goods between experience and credence goods the respondents will rated it more towards the search good side. So that based on the 2 studies there is no shift is seen from experience to search goods in case of services. One interesting point that see is that the consumers are searching some confirmations prior to their purchase decisions. Consumers distinguish their search activities based on SEC ratings and other factors such as price levels. It will discuss in the coming sections.

P5 –Price of the product influences the choice of advising or influencing agents and as price increases people think there is a need to check with many sources to gather information.

Following table shows the summary about the nature of search, experience and credence goods and examples of various SEC goods.

Types of Goods	Nature	Example
Search	Evaluated before purchase, also check with e-WOM, friends, relatives before	Mobile phones, PC, Best-selling books
Experience	Evaluated after trial or experiencing for some time, Physical inspection is needed, check with e-WOM, experts, friends and relatives prior to purchase	Shoes, jewellery, furniture, all services
Credence	Difficult to evaluate or evaluate only after a long time once purchased, depends on experts and e-WOM prior to purchase	Medical diagnosis, Insurance Vitamins

Research Methodology

The research was conducted in two phases. Phase 1 included interviews with students to understand the most commonly used products in the SEC category. Interviews were necessary to capture the products adopted by this specific target audience and it was important to fit this context. Fifteen interviews were conducted with graduate students. They were presented with the definitions of search, experience and credence goods, and were asked to provide the most frequently used good under each of these categories. From the interviews, we found that mobile phones were the most commonly used search good, while shoes and vitamins were the popular responses for experience and credence goods respectively. These products were categorised as search, experience and credence goods. Further, it was found that the price based sub-categorisation under the SEC classification followed the following norms: for mobile phones, the suggested price categories were: (1) below 10,000 (INR), (2) between 10,000 (INR) to 30,000(INR) and (3) above 30,000(INR). For shoes the price categories were: (1) below 500 (INR), (2) between 500 and 1500 (INR) and (3) above 1500 (INR). For vitamins the price categories were: (1) below 500 (INR), (2) between 500 and1000 (INR) and (3) above 1000 (INR).

Based on this a questionnaire for main data collection was prepared.

Phase 2, comprised on pilot testing the questionnaire. This instrument was developed to (a) understand the influence of price on the transformation of these selected goods in the respective categories and (b) examine the major influencers and the channels of purchase for each of these categories. A pilot test was conducted to evaluate the respondent's ease of response and understanding of the instrument. The results were satisfactory and hence we proceeded with the main data collection.

The questionnaire was administered to 250 graduate students across the university and 100 young working professionals located in the tier 4 town of Kayamkulam located in Kollam district in the state of Kerala. As a result, we received 169 completed responses. However, 19 responses were incomplete and had to be dropped. Thus we

had 150 complete responses. Three major factors influenced the non-response rate - the presence of credence goods were not very popular with this target and the willingness to respond was overdriven by the semester submission and examinations. The young professionals were challenged with time, as their organisations were involved in the financial year ending procedures. However, the responses received are representative of the population and the response rate of the data collection is 88.7%. Majority of the respondents were students between 20 and 28 years of age, and the rest of the respondents work in different sectors, between 30 and 50 years of age. Among it, 51% were male and 49% were female. The data of this data collection are taken from a sample in which 55% were students doing their under graduation and post-graduation, 24% were professionals working in private firm, 16% were professionals working in government firm and 5% were self-employed.

RESULTS

From the research data collection, we obtain the following search, experience and credentials-related results. The below graph is about how the customers make their purchase of a mobile phone of price less than 10K, between 10K to 30K and above 30K.
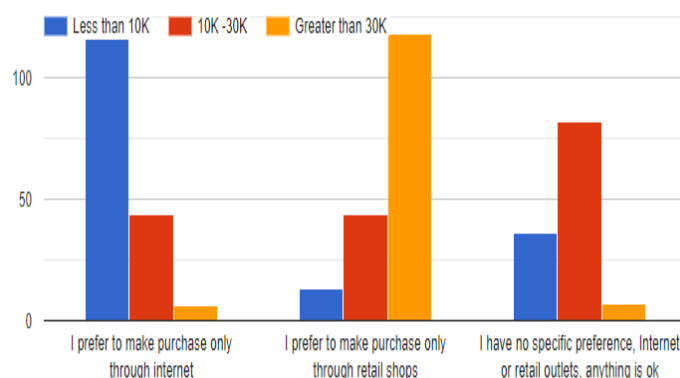

Figure 1. Preference of channels that customers choose to make purchase of mobile phones.

From the figure 1, it is find that for mobile phones less than 10K people mostly prefer to make purchase through internet. When the price of the same product increases, between 10K and 30K consumers have no specific preference, they purchase either through internet or retail outlets. But when the price is again increased consumers prefer to make their purchase only through retail shops. So from this graph it is clear that for a search good (in this case mobile phone), when the price is increased the mode of purchasing changes from online to offline.

The below graph depicts by which mode consumers purchase a shoe, which is an experience good of different price ranges.
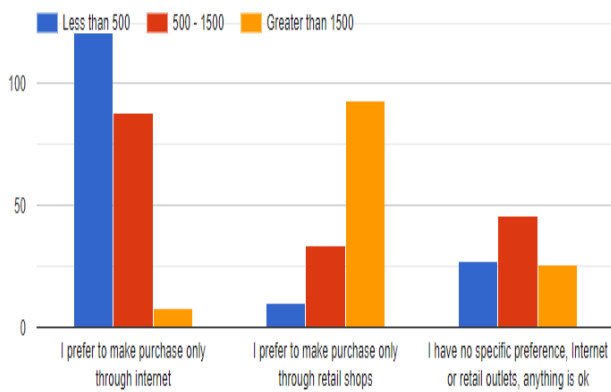
Figure 2. Preference of channels customers choose to make purchase decision of shoes.

From the data collection, it is find that shoes of price less than 500 and price between 500 and 1500, consumers prefer to make their purchase through internet. But when the price is increased, i.e., greater than 1500 the same consumers make their purchase through retail shops. So for experience goods also the mode of purchasing changes from online to offline when the price is increasing. The below graph shows, by which mode consumers make their purchase of vitamin (which is a credence goods) of different price ranges.

Figure 3. Preference of channels customers choose to make the purchase of vitamins.

Figure 3 shows that for credence goods of low price i.e., less than 500, consumers have no specific preference for the mode of purchasing. They either purchased through internet or retail outlets, anything is okay for the low priced credence goods. But when the price is increased between 500 to 1000 and greater than 1000, consumers preferred to make purchase only through retail shops. Next section of graphs explains how the consumers evaluate the search, experience and credence goods of different price ranges.
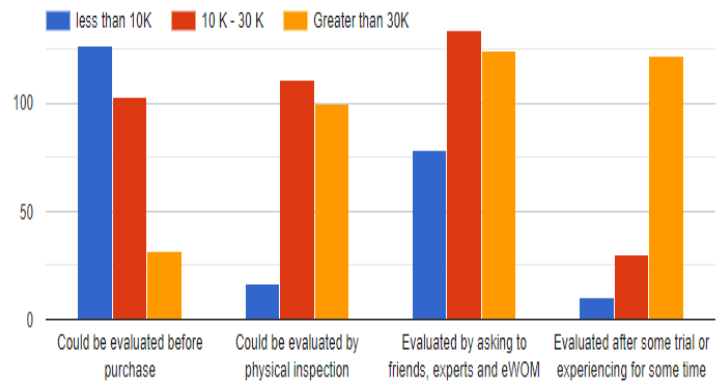

Figure 4. Evaluation methods used by customers to make purchase of mobile phone

From Figure 4, it is seen that in case of mobile phones of low price of less than 10k, the consumers could be evaluated the product before purchase and could be evaluated by asking friends, experts and electronic word of mouth. But when the price is increased, there is a decline in the graph, which means when price increased consumers check with many other factors before making a purchase decision. For mobile phones less than 10k, most of the consumers will not evaluated the mobile phone by physical inspection or by some trial or experiencing for some time. But for the mobile phone of price between 10k and 30k, consumers could be evaluated more by asking to friends, experts and electronic word of mouth, and could be evaluated by physical inspection. In case of mobile phones greater than 30k, consumers evaluated after some trial or experiencing for some time, evaluated by asking to friends, experts and electronic word of mouth and also could be evaluated by physical inspection. Below graph is about the experience goods. Here, we choose shoes as experience goods.
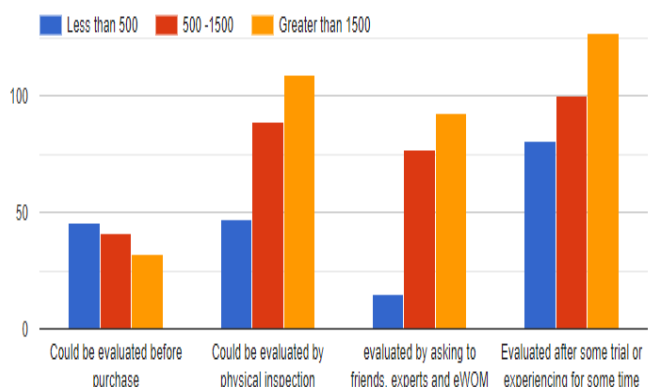

Figure 5. Evaluation methods used by customers for purchasing shoes.

From Figure 5, it is seen that most of the consumers evaluated shoes (even though it is of low price or high price) after some trial or experiencing for some time.

For shoes of low price, i.e., less than 500 mostly evaluated by physical inspection also. Consumers did not evaluate much by asking to friends, experts and eWOM when price is low. But when price increased (i.e., price range between 500- 1500 and greater than 1500) consumers evaluated after some trial or experiencing for some time, could be evaluated by physical inspection and also by asking to friends, experts and eWOM. Below shown graph is about the credence goods, which is vitamins in this research.
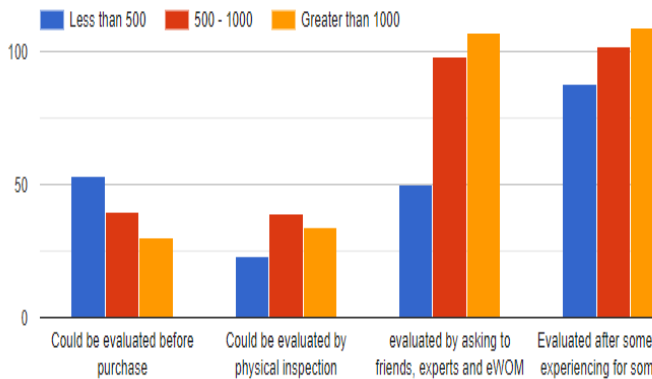

Figure 6. Evaluation methods used by customers for purchasing vitamins.

From Figure 6, it is seen that vitamins of both lower and higher price could be mainly evaluated after some trial or experiencing for some time. But when price increases consumers also depend on other sources or advising agents like by asking to friends, experts and eWOM for evaluating the product. When price is less, then also some consumers evaluated the goods by asking to friends, experts and eWOM. The below pie chart, Figure 7 is to show whether the price of the product influences the consumer's choice of advising agents (WOM, Electronic WOM, Expert advice, self-knowledge, physical inspection).
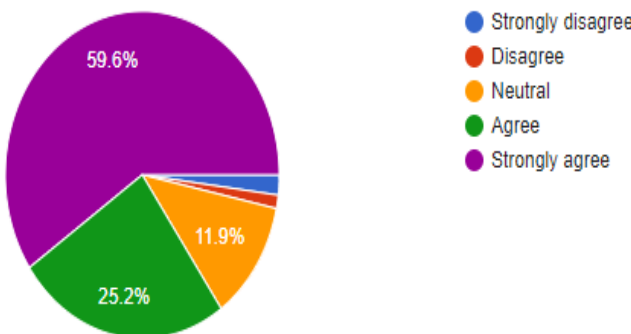

Figure 7

From the pie chart it is clear 59.6% of consumers strongly agree and 25.2% agrees that the price of the product influences their choice of advising agents. The next pie chart, Figure 8 is to check whether when price increases, the consumers believe that there is need for checking with several sources before purchase
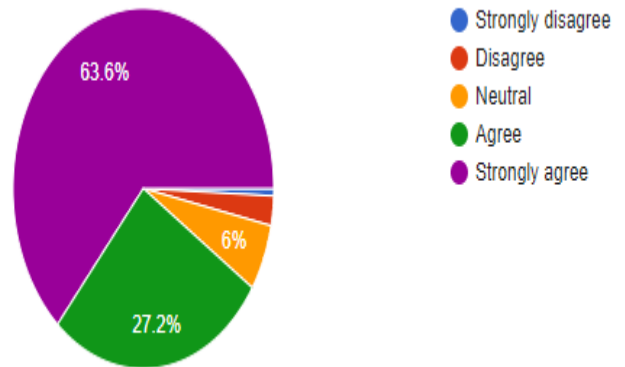

Figure 8

From the pie chart, it is clearly find that 63.6% consumers strongly agree and 27.2% consumers agrees that when price increases, consumers believe that there is a need to check with several sources before purchase. Next sections of charts are to find whom do the consumers consult before purchase of goods is made. Before making a purchase decision most of the consumers depend on various influencing or advising agents like experts, friends and relatives, product review, customer reviews etc. Some kind of people depend on their own self-knowledge for making a purchase decision and also some people need physical inspection of product before purchasing. Consumers' behaviour on depending these factors varies among the SEC goods based on their price and other dimensions of that particular good.
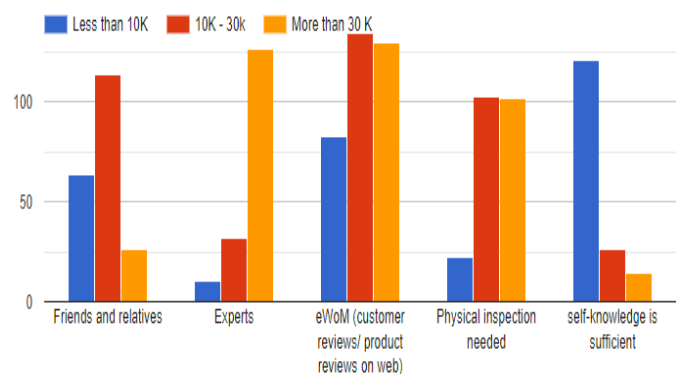

Figure 9. Influencing sources for mobile phones before making purchase decision.

From the Figure 9, it is find that in case of mobile phones of low price (less than 10k) most of the consumers consider their self-knowledge is sufficient and some consumers also depend on eWOM and also consult with their friends and relatives before making the purchase decision. In case of mobile phones of price between 10k and 30k consumers mainly consult with eWOM which includes customer reviews, product reviews etc. Also consult with friends and relatives, and also some consumers went to retail shops and did physical inspection of the product before purchasing. When price is greater than 30k, consumers consult with experts, check with eWOM and also did physical inspection before purchasing. Below chart is for shoes, which is an experience good.
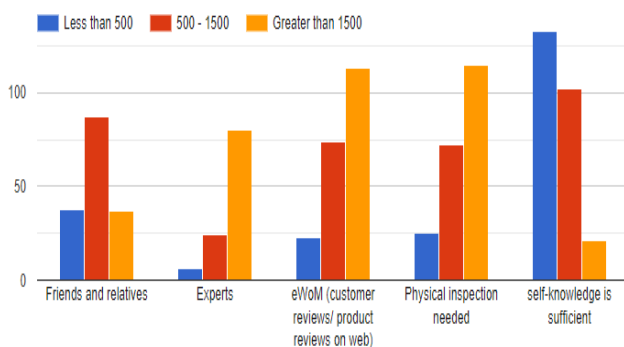

Figure 10. Influencing sources for shoes before making purchase decision.

From Figure 10, it shows that for shoes of price less than 500 and between 500 and 1500, majority of consumers consider that mainly self-knowledge is sufficient. Shoes of price less than 500 did not consider much other influencing factors for making purchase decision. For shoes of price between 500 and 1500, consumers depend on friends and relatives, eWOM and also physical inspection needed for some consumers. When price greater than1500, consumers depend mainly on physical inspection, eWOM like product reviews and customer reviews, and also check with experts when the price is very high. Following graph is for vitamins, which is under credence goods.
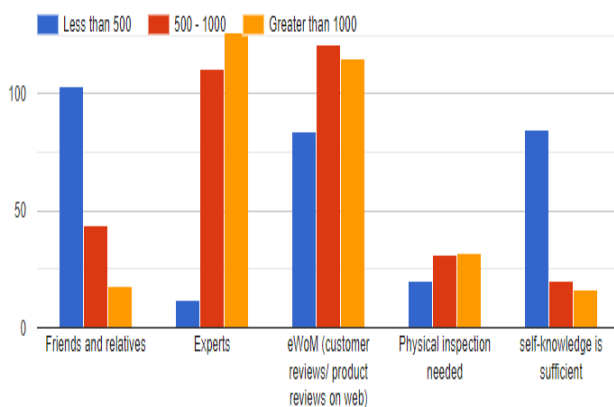

Figure 11. Influencing sources for vitamins before making purchase decision.

From the Figure 11, it is clear that for vitamins of low price (less than 500), consumers consider self-knowledge is sufficient and also consult with eWOM (product/ customer reviews) and also with friends and relatives. But when price is increased i.e., for vitamins of price range between 500-1000 and greater than 1000, consumers depend mainly on eWOM and also they consult with experts to know more about the product before making a purchase decision.

Discussion and Findings

Piece Influences on transformation of goods

From the results, it is observed that consumers are able to evaluate inexpensive mobile phones before their actual purchase, which reflects the characteristics of a search good. This finding concurs with past research (electronic items were considered as search goods (references)). On the contrary, for the same product, we find that as price increases consumers prefer to evaluate the product based on expert advice and demand physical inspection of the good. This resonates the characteristics of experience goods. Thus, we posit that price influences the transformation of a product from search good to experience. However, such transformations were not seen in the case of experience and credence goods.

A summary of the effects is presented in Table 2

Sources influencing consumer purchase intention for each product category

From the result, we find some interesting facts about SEC goods as well as changing the behaviour of the consumer and involving various influencing factors to make purchase decision when the price of the same product rises. It is seen that the product price influences the consumer's choice of advising agents and when the price increases for the same type of goods, consumers strongly believe that multiple sources need to be checked before purchasing. Thus, in the case of search, experience and credentials, these sources or agents vary with price increases

Search goods

We can discuss the search goods case first. Here we select different price range mobile phones (from low price to high price) as the search good for the research. As a result, it was found that less than 10k consumers rely on online purchases when the price is low. But when the price increases the attitude toward changes in the way consumers buy. The same consumers go for offline purchases as the price of the mobile phone increases. When mobile phone prices rise between 10 K and 30 K, most consumers say they don't have any particular preference, either internet or retail outlets, they're all right.

But consumers prefer to make their purchase only through retail shops when the price is greater than 30k. The way search goods are purchased

changes from online to offline when the price increases for the same good.

As the price of search goods increases, also changes the way the consumer evaluates the goods. From the result, we found that when the mobile phone price is low, i.e. less than 10 K, consumers could be assessed the good before purchase and evaluated by asking friends, experts and eWOM as well. When the price rises between 10k and 30k, consumers can be evaluated before purchase by asking friends, experts and eWOM, and they can also begin to be evaluated through physical inspection. When the price rises again to more than 30k, prior to purchase, the same customers failed to assess the goods. They assessed for some time after some trial or experience, asking friends, when the price rises again to more than 30k, before purchase, the same customers failed to assess the goods. They evaluated for some time after some trial or experience, asking friends, experts, and eWOM, as well as through physical inspection. Usually search goods can be evaluated before purchase, but it was found from the research that customers failed to evaluate the product before purchase when the price of the search goods increased. They assessed by having some time of trial or experience, physical inspection, or asking friends, relatives, or eWOM. Thus, when the price increases, the search goods become experienced goods, which can be evaluated primarily by physiology When the price of search goods increases, the consumer's way of evaluating the goods also changes. From the result we had found that when the price of mobile phone is low i.e., less than 10K, consumers could be evaluated the good before purchase consider self-knowledge is sufficient for making purchase decision and they also evaluated by asking to friends, experts and eWOM. When the price increases between 10k and 30k, consumers could be evaluated before purchase, by asking to friends, experts and eWOM and also they start evaluated by physical inspection also. When the price again increases to greater than 30k, the same customers failed to evaluate the goods before purchase. They evaluated after some trial or experiencing for some time, asking to friends, experts and eWOM and also by physical inspection. Usually search goods can be evaluated before purchase, but from the research it was found that when the price of the search goods increased customers failed to evaluate the product before purchase. They evaluated by having some trial or experiencing for some time, by physical inspection or by asking friends, relatives or eWOM. So when the price is increasing the search goods are transforming to experience goods, which can evaluate mainly by physical inspection or experiencing to avoid all the risks.

Experience goods

We select shoes for the research in the case of experienced goods. It has been found from the research that when the price is low i.e. less than 500 range and also for the price range between 500 and 1500, consumers only made their purchase online. When the price rises to over 1500, consumers prefer to buy only through retail outlets, i.e.,

offline purchases. So, in the case of experienced goods, too, if the price increases the way you buy from online to offline.

Whatever the price of experienced goods, whether it is of low price or high price, the data collection showed that, after some trial or experience for some time, consumers evaluated the product and they could also be evaluated by physical inspection. By asking friends, experts and eWOM, consumers evaluated the product when the price rises between 500 and 1500 and the price range above 1500.Consumers evaluated mainly by having some test or experiencing the product over a period of time for experience. When the price rises, consumers give eWOM equal preference for their assessment.

When the price of experienced goods is low, the consumers consider their self-knowledge is sufficient for making purchase decision. For the price increased between the range of 500 and 1500, consumers will ask to their friends, relatives and eWOM. And some consumers also evaluated by physical inspection to make a decision. When the price is high i.e., greater than 1500, consumers consult with experts, eWOM and also do physical inspection before making purchase decision.

Credence goods

In case of credence goods of low price (less than 500), consumers have no specific preference for their channel of purchasing, either online shopping or retail outlets, anything is okay for them. But when the price increases (price between 500 and 100, and above 1000), consumers prefer to make their purchase only through retail outlets. Since credence goods are difficult to evaluate and it requires much time than other categories of goods, consumers mainly prefer to make offline purchasing.

The consumers evaluated the credence goods by experiencing or trial it for sometimes even though it is of very low price or very high price. Also consumers evaluated credence goods by asking friends, relatives and eWOM for every price ranges to get conformation and more information about the product.In case of credence goods of any range (high or low) consumers didn't make their purchasing decision by their self-sufficient knowledge. For low price credence goods consumers consult their friends and relatives and also consider eWOM to know about the product reviews and customer reviews. When price of these same credence goods increases consumers consult experts and also check with eWOM prior to make their purchasing.

Following table from the data collection shows how the attributes of goods are changing when the price increases.

Influence of Price on the Dynamic Transformation of Search, Experience and Credence Goods

Table 2: Summary of nature of goods, advising agents and channel of purchasing customers using for SEC goods of different price ranges

Type	Nature	Advising agents	Channel of purch
Search good + Price at 10K	Could be evaluated before purchase	Self- knowledge, e-WOM	Online
Search good + Price between 10K - 30K	Could be evaluated by asking to friends, experts and e WOM, evaluated by physical inspection	e-WOM, friends and relatives, physical inspection	Have no specific preference, Intern retail outlet, anyth is okay
Search good + Price greater than 30K	Could be evaluated after some trial or experiencing for some time, evaluated by physical inspection and also by asking to experts, friends, e WOM	Physical inspection, e WOM, Experts	Offline
Experience good + Price less than 500	Could be evaluated after some trial or experiencing for some time, by physical inspection	Self-knowledge, friends and relatives	Online
Experience good + Price between 500-1500	Could be evaluated after some trial or experiencing for some time, by physical inspection	Self-knowledge, physical inspection, e WOM, friends and relatives	Online
Experience good + greater than 1500	Could be evaluated after some trial or experiencing for some time, by physical inspection and also by asking to experts, friends and e WOM	Physical inspection, e WOM, experts	Offline
Credence good + Price less than 500	Could be evaluated after a long time once purchased	Friends and relatives, e WOM	Have no specific preference, Intern retail outlet, anyth is okay
Credence good + Price between 500 - 1000	Could be evaluated after a long time once purchased, also evaluated by asking to friends, experts and e WOM	e WOM, experts	Offline
Credence good+ Price greater than 1000	Could be evaluated after a long time once purchased, also evaluated by asking to friends, experts and e WOM	e WOM, experts	Offline

Table 2: Summary of category transformations based on price

Present state of good	Transformation as price increases
Search	Search → Experience
Experience	No change
Credence	No change

II.   CONCLUSION

This paper focus to find out that has price transformed search goods into experience goods and also to identify various sources of influencing agents for making a purchase decision by the consumers. From the research, it is found that the purchasing behaviour of consumers for buying a same product of low price and high price varies drastically. When a product of low price is purchasing, consumers mainly take purchasing decision based on their self - knowledge and some will check with e WOM. But when the same product of high price is purchasing consumers will check with many sources like WOM, e WOM, physical evidence, friends, experts etc. So the attributes of goods likewise varies when price increases. Therefore, we note that hike in price seems to result in the significant shifts between SEC classification of goods.

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