

CHAPTER – II

REVIEW OF LITERATURE

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A Literature review is a critical and in depth evaluation of previous research. It is a summary and synopsis of a particular area of research. It is not a chronological catalog of all of the sources, but on evaluation, integrating the previous research together, and also explaining how it integrates into the proposed research program. In order to have comprehensive understanding of the proposed study the following research studies have been reviewed.

This literature review is done under four main sections for better understanding, namely, studies on employment aspects, studies on savings, investment, consumption and expenditure pattern, reviews on purchase behaviour and decision making and reviews based on life satisfaction after retirement.

2.1 Studies on employment aspects

Henkens and Solinge (2013) in their study “Returning to Work after Retirement” focused on the older adults of Netherlands. They examined the extent to which older adults in the Netherlands continue to participate actively in the labour market after they have retired, and what factors determine the engagement in paid work after retirement. For society at large, the willingness of experienced older adults to work beyond retirement age provides a valuable resource. The key to capitalizing on this resource is to understand older worker’s work-retirement decisions. 1,678 surveys provide complete or virtually complete data which were collected in three large Dutch multinational companies in the private sector and in the public sector. The research results showed that employment is most widespread among the better educated and among people in good health.

Mattijis, Simon, Jong, Jansen and Bakker (2012) investigated what I-deals (i.e. the idiosyncratic deals made between employees and their organization) play in the motivation of employees to continue working after retirement. They hypothesized two types of I-deals (i.e. development and flexibility I-deals) to be positively related to motivation to continue working. More specifically, they drew from continuity and personality theory to argue that the motivation to continue working is enhanced by I-deals, because they fulfill

people's needs for personalized work arrangements. Moreover, drawing from activity and disengagement theory was hypothesized that two types of unit climate accommodative and development would moderate these relationships. Specifically, it was predicted that i-deals would be positively related to motivation to continue working under conditions of low accommodative or high development climate. Results of a multi level study among 1083 employees in 24 units largely supported the above expectations. Flexibility I-deals related positively to motivation to continue working, and unit climate moderated the relation between development I-deals and motivation to continue working.

Dubois and Anderson (2012) in their study on “Income from work after retirement in the EU” investigate retirees’ motivations to take up paid work and how they relate to income adequacy. It explores who these working retirees are, characterizes the work they are doing and concludes with lessons for policymakers and employers. Evidence comes from literature, analyses of EU databases and seven country studies. The literature review includes evidence from the EU as well as the US. The study is concluded from the analysis of EU-SILC data, in 2009, income from work amounted to 7% of gross individual income of people aged 65+, compared to nearly 85% for those of working age. This income from work refers to cash income from salaried employment and self-employment, including losses from business as well.

Dingemans & Henkens (2012) dealt with “Bridge Employment after Involuntary Retirement: A Bridge to Better Postretirement Well-Being of Older Adults?” Their center theme was to find to what extent bridge employment can smooth the retirement transition in terms of life satisfaction of older adults. The study empirically examined the impact of bridge employment conditional on the nature of the retirement transition and it is based on three-wave panel data from the work and retirement panel, carried out by the Netherlands Interdisciplinary Demographic Institute (NIDI). The data are based on self-completion questionnaires where 3,899 older workers were used as sample. They concluded that bridge employment is an important strategy for involuntary retirees to regain preretirement satisfaction levels. By taking a bridge job after involuntary retirement, older adults seem to be able to correct for the abrupt and unexpected loss of perceived control over the

retirement transition. Although bridge employment provides retirees with additional financial resources, results of this research show that the financial component of the bridge job is only of limited influence on life satisfaction.

Steven Venti (2012) focused on the factors that shape the age profile of wealth after retirement. The goal of the work is to better understand what households do with their assets after retirement and in particular to understand how asset draw-down decisions are affected by health, education and the structure of public and private annuities. He indicated that retired households depend primarily on three sources of financial support in retirement: Benefits from the social security system, payments from private defined benefit (DB) pension plans, and withdrawals from personal retirement accounts (PRAs). He founded that for the expenses like home relocation, home alteration, transportation, health care etc; the retired households must either pay out of current income or spend down assets. He concluded that for most households in the bottom half of the wealth distribution, there is no draw down decision to be made. Other than housing, these households hold few assets that could be drawn down or annuitized to supplement other sources of income. Moreover, these households appear to treat their home equity as a source of reserve wealth to be tapped in extreme circumstances rather than as a source of income for day-to-day consumption.

Kevin, Michael and Joseph (2011) in their study “Reentering the labor force after retirement” aims to study why people work after retirement. The HRS (Health and retirement study) is tested for survey with the initial group of about 12,600 respondents (from approximately 7,600 households) varied in age from 51 to 61 years is used for interview. The initial questionnaire asked about a respondent’s current (in 1992) job and all previous jobs that lasted 5 or more years. He found that Reentry was more common among those who were younger and in better health at the time of their transition from their full-time career job but the rates of reentry declined with age for both men and women.

Knoll (2011) focused on the health and wealth aspects of retirement. Judgment and decision making and behavioural economics suggest that there may be a number of behavioural factors influencing the retirement decision. The author reviews and highlights the factors and offers a unique perspective on potential determinants of

retirement behaviour, including anchoring and framing effects, affecting forecasting, hyperbolic discounting, and the planning fallacy. The study indicates that financial and health concerns are a major part of the retirement decision, there are other issues that enter into the retirement decision that are unrelated to individuals financial and health status. The study concluded that the people in better health and those enjoying a higher socio-economic status tend to work longer than their less healthy and less wealthy counterparts.

Victoria, Dennis, Lieberum (2010) examined whether motivation and perceived work ability have an influence on the desire for continued employment. Besides the objective factors such as enterprise size and occupational status, they examined the subjective factors, such as assessment of recognition, the demands, and the meaningfulness of the work for their contributions to the explanation. The core results of the statistical analysis showed that in men high motivation is linked to the desire for continued employment in retirement age. This does not apply to women. For them, work ability is the decisive criterion. They observed that a positive assessment of the subjective influencing factors strengthens work motivation, with regard to objective factors it was ascertained that for men the working hour and occupation status correlate positively with the desire for continued employment. In particular, meaningful work increases motivation among men and work ability increases motivation among women.

Will Maimaris, Helen, Karen (2010) in their study reviewed the evidence for the mental health impacts of working beyond retirement and discussed the implication for future public health and welfare policy. A systematic literature review was conducted to examine the effect of working or volunteering beyond traditional retirement ages on mental health outcomes. Of the ten studies reviewed none showed a negative impact of working beyond retirement age on mental health. Four studies showed that post retirement working has a statistically significant positive effect on a range of mental health outcomes. The reviews also suggested that working beyond traditional retirement ages may be beneficial for mental health in some populations. The research also showed that allowing older people free access to the employment market may have important health benefits, flexible retirement strategies are needed to ensure that any national policy to increase statutory retirement age does not increase health and social inequalities in the elderly.

Bearden, William, Ronald (2007) in their study tested a series of predicted relationships regarding the effects of household life-cycle variables, as well as other important consumer characteristics, on both wealth and perceived well-being among retired households. A sample of 1938 retired married households and 855 retired single person households' were analyzed in an investigation of the effects of household marital and parenthood characteristics on both accumulated wealth and perceived well-being. After controlling for education, race, gender and health effects, the results demonstrated the significant life-cycle effects of marital status and number of children on consumer wealth. In addition wealth at retirement age is found to be a significant predictor of overall well-being.

Marcie and Smyer (2005) examined some of the important reasons that a greater percentage of today's older workers are more likely to continue to work. Older workers preferences for different types of work arrangements were also discussed. They highlighted some of the non-monetary reasons that older workers plan to continue to work like (i). The work makes them feel useful. (ii). Being productive and helping others. (iii). enjoying the job. Even family responsibilities may also influence older workers decisions about continuing employment. It is concluded that changes in the public policy is necessary for many older workers to extend their participation in the labour force. The successful labour force participation of older workers will require that there is a good "fit" between the priorities and preferences of older workers and the employment options that are actually available in the work place.

Frankie (1990) used the data from the 1987 Consumer Expenditure Survey to examine whether there are differences between those who opt for "early retirement" and those who continue to work beyond the age of 65. In the study, the author specifically compares the two groups in terms of family characteristics, asset levels, income, and expenditures. Using Probit analysis, the author finds that age, spouse's employment status, education, housing tenure, household size, marital status, and gender are significant factors in predicting the likelihood of being retired. Other comparisons show that "average dividend and interest [income] amounts were higher for retired than for working families," and that "health was the only category of expenditures for which households with a retired reference person spent more than those with an employed person.

2.2 Studies on savings, investment, consumption and expenditure pattern

Palanivelu and Chandrakumar (2013) briefly examined how the salaried peoples managing their investment. They depicted that a proper understanding of money, its value, the available avenues for investment, various financial institutions, the rate of return/risk etc are essential to successfully manage one's finance for achieving life's goal. The main objective of the study was to analyze the investment choice of the salaried class. The study is based on personal interviews with salaried peoples using a structured questionnaire using probability sampling technique and analyzed using percentage and chi-square test with the help of statistical software. The results highlighted that certain factors like education level, awareness about the current financial system, age of investors etc make significant impact while deciding the investment avenues. It is concluded that income level of a respondent is an important factor which affects portfolio of the respondent. Middle age group, lower income level group respondents are preferred to invest in insurance and bank deposits rather than any other investment avenues.

Vickie and Foster (2013) prepared a report focusing on measuring retirement benefit adequacy in light of both expected and unexpected expensed in retirement and linking the measurement to the needs and objectives of different stakeholder groups. The report begins with a conceptual discussion of benefit adequacy and the various ways it has been and can be measured. Adequacy measures examined includes replacement ratios, projected expenditures and minimum societal standards. Different measures were better suited to the needs of different stakeholders and at different life stages. To investigate the impact of various risks on retiree welfare, a simulation model of retirement spending, incorporating standards of living goals as well as investment, inflation, life health, and long term care risks, with distributed assumptions for each random variable were developed. It also tested several common retiree decisions that expected to impact adequacy, including reducing the post retirement standard of living, buying an annuity, buying long term care insurance, delayed and early retirement, and the decision to pay off a home mortgage prior to retirement. The key findings include

- a. Many of the next generation of retirees are facing a big drop in their standard of living when they retire
- b. The most appropriate measures of retirement benefit adequacy depend on the stakeholder.

Bhawana, Nisha, Sharma (2013) attempted to throw light on the investment behaviour of the employees, as the Investment in capital goods is the pre-requisite for the growth of an economy. The main objective of the study is to analyze the income, consumption and savings pattern of employees and to examine in depth the most popular investment avenues. The empirical information was gathered from 50 employees from different department's at random sampling technique, and an interview schedule was designed. According to the analysis of investments in financial assets undertaken by employees majority of them were investing in jewellery, gold, land and buildings because they feel it is a safe investment. Apart from this the employees have been largely investing especially in bank deposits and post office schemes. Investment in stock market is considered highly unsafe due to the high degree of risk involved. It was suggested that employees should channelize their surplus in diversified way so that they may get good returns.

Rekha (2012) attempted to study the spending and saving habits of the youth in the city of Indore since India is a developing country where the middle-class has relatively grown monetarily stronger and with the increase in the spending power of the adults, even the young have become free-hand spenders and spend thrifly in some cases. The study addresses the question of why, where and how the youth spend? The objective of the study is to identify the gender wise spending habits of the youth and the modes of savings practiced. Convenience sampling methods were adopted by 275 respondents falling in the age bracket of 15-30 years. The study depicts that the male respondents spent the highest on entertainment followed by eating out and thereafter investing on gadgets and personal needs; whereas the female respondents spent the highest on personal grooming, followed by spending on personal needs and thereafter entertainment. The results indicated that the youth also does not believe much in saving and believes in spending more on entertainment, gadgets, eating out and personal grooming.

Manasseh and Ephraim (2012) made an attempt to review and evaluate the saving behaviour in Ghana, the most developing part of the world where families find it difficult or almost impossible to save due to low levels of income. The main objective of the study was to explore the saving behaviour of rural households. The sample sizes of 160 households were drawn from the population using the multivariate stage cluster sampling technique. Descriptive statistics were used to analyze the data collected. The findings showed that in general, the family heads' knowledge about savings is low and that the families save more in the informal forms than in the formal forms. The findings also revealed that personal, social and organizational constraints inhibit the respondent family's ability to save. The study also recommended that an outreach programme would be instituted to help educate the rural families on the use of their income as well as on the savings avenues that are available for them.

Sudipto (2012) in the study of consumption or expenditure patterns provides a better sense of retirees' well-being than arbitrary estimates. The issue examines the consumption pattern of the older section. The majority of the households studied were either reached retirement age or were on the cusp of retirement. The primary objective of the study was to examine how consumption patterns evolve with age, income and other demographic characteristics and to study the income expenditures and wealth holding patterns of the elderly to get a sense of how they are managing their finances and if they are at risk of outliving their assets. The questionnaire contained detailed spending information on 26 non-durables and six durable categories and was sent randomly for those between ages 55-64. The results indicated that high income households are managing their income and expenses well in retirement but the low income households are struggling. It was found that household consumption steadily declines with age and successive birth cohorts have higher consumption and concluded that on average retired households spend about 80% of working households and their earnings are about 57% of those of working households.

Yogesh and Charul (2012) have studied the investment perspective of salaried people in the private sector. The main aim of the research is to study and understand the behavioural pattern of investment among the salaried people working in the private sector and the difference in perception of an individual related to various investment alternatives.

The study also aimed to provide an insight into factors considered for an appropriate investment. The study sample comprised of 50 salaried people in private sector and using a stratified random sampling method the salaried people were classified into two categories on the criterion of sex. A questionnaire was framed consisted of 20 closed end questions and open end questions covering the personal and demographic profile, the awareness related to methods, models, reasons of saving and investment and other related data were collected. They concluded that the new breed of Indian Youth has its pockets full and is intelligent enough not to let its money rust in bank accounts. Options like post office schemes and fixed deposit are not very popular with the young as the rate of interest on them is lower as compared to other investment options available safety and security which were once upon a time the main reasons for investment are no longer the major criteria that determine the choice of investment. With money in hand and age on their side the young investors are not hesitant in taking risk. They also indicated that most of the people who opt for fixed deposits are senior citizens. They also suggested that while analyzing the popular saving options, one should consider two key factors: Taxation and Inflation along with risk and return.

Amirtha (2012) investigated on generation Y consumption and spending behaviour which directly affect their saving and investment decision and to fill the knowledge gap on their spending, saving and investment behaviour. The main purpose of the study was to determine the consumption and spending patterns and to determine the level of saving and the forms of saving performed by them. The study targeted the population of working Malaysian Generation Y age between 19-32 years old and convenience Random Sampling was used. A total of 592 set of questionnaire has been collected both manually and online survey. It is concluded that investing in stock market are risky and majority of the Malaysian Generation Y do not prefer investing in high risk investment. The results analyzed from the project shall be of great interests of policy makers such as government and business in providing appropriate products and services in line with their consumption, spending and investment behaviour.

Amelie and Sebastien (2011) made an attempt to review and evaluate the consumption patterns among aging Canadians. The study of consumption over the life cycle is complicated by the fact, that expenditure and consumption information is

typically collected on a cross-sectional basis. The approach is based on the assumption that people, say 70 years of age in a survey collected in 2010, are deemed representative of those age 40 in a similarly designed survey in 1980. The study used a synthetic cohort approach to generate information about the consumption patterns of a cohort aging Canadians. The study also discussed the consumption changes in relation to changes in household income and examined whether consumption became more or less unequal as the cohort aged. The study indicated that when controls were introduced for the declining size of aging household's consumption levels remained relatively stable as households aged. Indeed households in their early 70s consumed 95% of the level 40's. Although consumption varied little over time, the composition of consumption did change. Among older households, a larger share of overall consumption was devoted to housing expenditures. Conversely they spent less on food, clothing and personal care items. Spending on health care increased over the period but still represented a relatively small portion of consumption. The results indicated that the households diverged in spending on residences and properties, while spending on food, clothing and personal care items converged.

Craig and Michael (2011) illustrated the phenomenon, implication and some potential interventions in the context of saving for retirement, where savings grow exponentially over long periods of time. They indicated that the employees must decide (i) whether to participate, (ii) how much of their monthly income to save for retirement and (iii) how to invest their savings. The study dealt with 5 experiments and most participants were undergraduate students, who might be a questionable population for studying retirement savings and employees at a fortune 100 company. Experiment 1 indicated that a majority of participants expect savings over 40 years to grow linearly rather than exponentially, leading them to grossly underestimate their account balance at retirement. Experiment 2 demonstrates that this misunderstanding leads to underestimate the cost of waiting to save. Experiment 3 to 5 highlighted the exponential growth of savings motivates both college students and employees to save more for retirement.

Tarujyoti (2009) attempted to discern the trend and pattern of savings in general and household sector savings in particular and to assess the major determinants of household sector savings based on fundamental theory. In India, household sector contributes larger share to the gross domestic savings. Savings in banks as net deposit,

currency, shares and debentures, net claims on government, life insurance and provident funds are the major financial institutions where households save as form of financial savings. He indicated that the household investment on shares and debentures is highly inconsistent and flexible downwards, so the households in India prefer to invest in traditional way of savings and where no risk, but low return. He had investigated that the average propensity to save rises as the income rises and it falls when income falls and the marginal propensity to save indicates that increase of one rupee worth of income leads to an increase of 28 paisa savings. The study resulted that the household disposable income is the better determinants for household savings and it increased with increase in income.

Gergana, Deborah and Morrin (2009) have explored various factors affecting retirement savings, such as income, age, job tenure, self control failure, financial literacy and trust as many individuals are required to make their own retirement savings and investment decisions, which has raised concerns about their ability and desire to handle these decisions. They also indicated that the investment choices have major implications for future financial welfare and it is important to understand how individuals make these decisions and to identify potential ways to improve the decision making process. A field of experiment involving 439 individuals was conducted to examine the effects of hope and hopefulness for having enough money to retire and then either manipulated, threatened or enhanced – or did not manipulate their hope and hopefulness. Hope was measured by asking respondents about their desire to retire with enough money, the importance of having a financially secure retirement for their psychological well-being and the pleasure that this outcome would give them. Hopefulness was measured by asking participants to assess the like hood of having enough money to retire using a scale of 0% to 100%. They conducted two sets of analysis. First the authors examined the relationship of participants' prior levels of hope and hopefulness to their demographic characteristics, psychological traits, and investment decision. For this purpose they calculated the correlation between these variables in the control condition where participants' levels of hope and hopefulness were not affected by and experimental manipulation. Second, they compared participant's responses across the 3 experimental conditions in order to examine whether investment decisions diffused. For this purpose they conducted a series of analysis of Variance (ANOVA) comparing the mean responses

on the dependent variables examined in the study across the 3 conditions. The results revealed that hope and hopefulness are related to different individual traits and lead to different investment behaviours. The findings could lead to more effective ways of presenting defined contribution plans to employees and financial instruments to investors.

Aguila & Meghir (2008) analyzed the changes in consumption around retirement age using the panel component of the consumer expenditure survey (CEX) from 1980 to 2000. The results of the study contributed to the debate on consumption behaviour during old age. This type of analysis is also relevant for policy makers to assess the welfare of individuals at retirement. It has direct consequences for the design of policies to promote savings through compulsory pension schemes, fiscal and labour market regulations among others. The empirical estimation should not effect for non-durables and a decline in food for households whose head transitions from employment to retirement. The results concluded that food represents 32% of total non-durables. The drop in total food is due to the decline in food consumed at home and out of home around retirement age. The cohort profile analysis showed that other work related categories such as clothing and transportation start decreasing around retirement age.

James (2007) explains two of the central tasks in the design of retirement income policy are forecasting the future financial status of elderly households under the present system of government policies and estimating the likely effects of changes in such policies. Both of these tasks depend critically on the assumption maintained about the determinants of personal savings. Subjects of perennial controversy were in both theoretical and empirical economics. The paper also identified several aspects of personal saving behaviour that bear on projecting the future financial status of elderly households with a particular focus on the effects of social security, pension and other government policies that affect personal savings.

David (2007) made an attempt to study the retirement and consumption in a life cycle model as the consumption expenditure declines slowly at the time of retirement for many households. The study focuses on testing whether the drop in consumption at retirement can be reconciled with the implications of the life cycle framework. The results of the paper show that a drop in consumption at retirement is not in principle

but a puzzle for the life cycle framework. Even with preference that are separable between consumption and leisure. It also added that retirement is typically a discrete event, the timing of which is inherently uncertain and retirement may not be easily reversible for a variety of reasons. If retirement occurs as a result of an unanticipated layoff, there is an abrupt drop in expected lifetime resources as well. Thus it should not be surprising that consumption behaviour is discontinuous at retirement for some households.

Christopher (2006) in his study revealed that consumption and saving decisions are at the heart of both short and long run macro economic analysis. In the short run, spending dynamics are of central importance for the business cycle analysis and the management of monetary policy. And in the long run, aggregate saving determines the size of the aggregate capital stock, with consequences for wages, interest rates and the standard of living.

Aydogan (2004) given an importance to investigate the consumption and savings patterns of the elderly population in terms of an assessment of their post-retirement well being and an evaluation of whether the elderly are able to sustain their standard of living as they head to the retirement period. The goal of the study was to capture the changes in consumption patterns around the time of retirement. The findings concluded that the consumption of the retired households was consistent with the smoothing behaviour implied by the conventional permanent income/ life cycle models. The results presented evidence that the elderly actually do not reduce their standard of living around the time of retirement due to a shortage in savings or some other reasons. The study also indicated that relative to pre-retirement, households shift their demand from energy, consumer goods and durables to housing and consumer services during the post-retirement period. However, the demand pattern for food does not significantly differ between the pre and post retirement periods.

Robert and Eunfeang (2004) examined the household leisure expenditures for retired and near-retired households in order to better understand the dynamics associated with the move to retirement status. An economic model of household leisure expenditures was used to examine the impacts of work status, household income and household

characteristics on leisure expenditures. The results indicated that when the household is retired, with other factors held constant, the households' total leisure expenditures increase. A greater educational level of the household head also increased leisure expenditures, although the differences in educational groups were less during retirement. The results of the study strongly suggested that retired households have a strong preference for leisure and that this preference increases their spending on leisure goods and services. The findings of the study indicated that for retired household's greater total expenditures and education increased expenditure, while age and the presence of earned income decreased expenditures. For near-retired households, greater total expenditures education and the presence of asset income significantly increased leisure expenditures.

The purpose of the study by the **Hee-Sook Lee (2001)** was to take a new look at factors affecting the spending of retired elderly households by identifying the effects of different types of wealth components, along with socio-demographic factors, on current consumption. Data was drawn from 1990 consumer expenditure survey and 314 retired households' aged 62 or older, were selected as the sample and the study excluded those living in institutions. A Tobit linear regression model was utilized to estimate parameters in the consumption functions. Four different wealth components' were used as independent variables' 1. Annual income flow, 2. Checking and savings, 3. Stocks and bonds, and 4. Property assets. The results implied that the overall level and the types of expenditures by the retired elderly respondents primarily to changes in annual income flow. Total consumption and various consumption categories were the most responses shown changes in annual income flow and the least responsive to changes in property assets. In addition, age, residential areas, household type and education were found to be significant factors affecting total consumption and consumption categories of the retired elderly.

Charles, Madhumita and Diann (2000) made an exploratory study on the effects of retirement on consumption. The objective of the paper is a theoretical exploration into how consumption changes in retirement. The changes in retirement were splitted into two paradigms- the effects of being retired on consumption and the effect of age on consumption. The life cycle income hypothesis regarding the expected differences between pre and post retirement expenditure. The results revealed that with respect to retirements' effects on consumption, the life cycle model seems to be in direct conflict

with the household production model. The household production model says that consumption in retirement should go up and the life cycle model says that household production should go down.

Mohamed and Sharpe (1997) made an exploratory study focusing on the consumption pattern among the young old and the old-old. The purpose of the study is to test whether there are differences in spending patterns between the two groups of elderly based on the age 65-74(young-old) and 75 and older (old-old) and to examine the influence on the socio demographic variables on the significantly different expenditure categories. Data on 2810 elderly households were drawn from the Bureau of Labour Statistics 1990 Consumer Expenditure survey, using a rotating sample design. This data has been collected from the residents of the retirement communities and the long-term care facility residents were excluded in this study. Multivariate Tobit analysis was used to examine the spending pattern differences between households with a reference person aged 65-74 and aged 75 and older. Significant difference in spending were found for expenditure on food at home, food away from home, alcohol and tobacco, housing, apparel and apparel services, transportation, healthcare, entertainment, personal care and personal insurance. Comparison of results for the two age categories revealed higher marginal propensities to spend among the young-old for the food at home, food away from home, alcohol and tobacco, transportation, entertainment and personal insurance, while lower marginal propensities to spend were found for housing, apparel services, health care and personal care.

Bruce (1996) applied a framework to estimate the intra-household distribution of income and the economics of sharing for Australian married couples over retirement age. The goal of the paper is to present a new framework which permits a flexible mix of estimation and calibration to be used to derive and test models of intra-household consumer behaviour and welfare. The study investigated that the household income was relatively evenly shared between retired husbands and wives and at the preferred sharing assumptions, married couple households required 1.5 times the income of single person households to reach the same welfare level. The result was primarily determined by the expenditures on men' and women's clothing, where male and female consumption patterns differed most.

Rob Alessie (1995) dealt with the study of saving behaviour and wealth holdings of the elderly. The analysis can be summarized as the wealth holdings among the elderly are very unevenly distributed. After the age of 65 the medium household does not seem to accumulate or dissimulate significant amounts of wealth anymore. The findings indicated that for most elderly, the wealth holdings are so low, that the remaining wealth can be seen as a buffer adverse shock. Regards savings the representative sample have indicated that not only many elderly households saved in the past 12 months, but they also plan to continue savings in the future. The result investigated that for the vast majority of the elderly social security and pensions are absolutely essential to maintain a decent standard of living.

Nieswiadomy and Rubin (1995) proposed that with increased life expectancy and better health, older retirees would purchase more leisure activities and the marginal propensity to consume leisure related services would increase. Results indicated that substantial increases in the preferences of retirees for leisure activities over time. The propensity for retirees to purchase leisure doubled. In addition, they found that the retired spent more out of pocket for health care. Health care expenditures were positively correlated with age, as the older retirees greatly increased the amount of money spent on their health care. Expenditure shares for food, cash gifts and apparel declined for both groups, while alcohol and entertainment purchases increased.

Lomax and Settersten (1995) examined how expenditure patterns of elderly persons aged 65 – 74 and 75 and over at different income-to-needs levels differ from those of younger mature adults (aged 45-54 and 55-64) at similar income-to-needs levels. Patterns of spending were examined in a variety of areas within three domains-giving, recreation and essentials. It was investigated that households headed by persons of different age allocate their expenditures in the domains of essentials and re-creation but few differences existed in the domain of giving consistent income group differences exist in expenditure patterns across virtually every area within the three domains. Both age and income differences remained significant when multivariate analyses were performed. It is concluded that both age and income plays important roles.

Rubin and Michael (1994) in their article compares the expenditure functions of retired and non-retired persons aged 50 and older since the increasing numbers of people are retiring earlier in life and at the same time, many are living longer. The consumer expenditure data include only consumer units in independent living status and not in long-term care facilities. The sample size include 2,607 households both retired and non-retired. Tobit regression analysis reveals that the retired have a higher marginal propensity to spend for all categories of food, alcohol, house furnishings, apparel, transportation, health care, entertainment and gifts. The findings indicate that the retired have the desire to lead active life style by travelling and entertaining. The non-retired have a higher marginal propensity to spend for owned dwellings, compared with the retired who tend to own their homes without a mortgage. It is concluded that both the retired and non-retired, will play a larger role in driving economic trends, such as tourism, entertainment, health care delivery and philian therapy.

Schwenk, (1994) indicated in his study the non metro elderly are more likely to be poor than metro elderly. This study provides additional information on differences in the economic status of rural and urban elderly households. The consumer expenditure interview survey data 1990 and 1991 were used to provide income and expenditure information on rural and urban elderly households. Findings show that rural elders had 84% as much income and spend 85% as much as urban elders. Rural elderly women living alone had 69% as much income and spent 79% as much as urban elderly women living alone. Rural elderly women living alone are particularly at risk economically. It is suggested that the policy planners and service providers may need to be especially aware of their needs.

Thomas (1990) identified the differences in expenditure patterns between working and non working older consumer units. The results indicated that a). Non-working elderly households spend more on food prepared at home than do working elderly households, regardless of income level. b). high-income non-working elderly households spend more on housing particularly for utilities, fuels and public services and for house furnishings and equipment than do their low-income counterparts. c). Low-income working elderly households spend more on transportation than do low income non-working elderly households. d). regardless of income level, non- working elderly households spend more

on health care that do working elderly households. e). working elderly households spend more on retirement, pension and social security contributions than non working elderly households across all income levels.

Harrison (1986) pointed up the differences in characteristic, incomes and expenditures of younger and older populations within the larger group of persons aged 65 and over. His study indicated that the mean income before taxes of the 65-74 age group was more than one-third higher than for both groups were retirement income (consisting of social security, private, and government retirement) which accounted for 53% of the income of the 65-74 group, wages and salaries made up about 30% of the income of the younger group, which indicated that the reference person or other household member was still working, while it dropped to 10% of income for those 75 and over. The results revealed that, although persons 65 and over are often viewed as a homogeneous group, the characteristics, incomes and needs of the younger and older populations within the larger group are actually quite different.

Daniel (1984) in the cross sectional study examined the relation of consumption on income across age groups. The empirical research has examined how wealth accumulation changes with ages. The purpose of the study is to test the theory of life-cycle utility maximization in which consumption is the choice variable. Despite the focus of the theory on life cycle consumption, though, empirical work using longitudinal data has been based exclusively on data on wealth and earnings. To examine the relation of older workers' consumption and their ability to finance the researcher used the linked retirement history survey-social security administration data. The retirement history survey (RHS) provides inter alia data on 4000 white couples with the household head aged 58 to 63. The spending measures are compared to currently available and future resources. The data is based on three sources of wealth among retired households: physical and financial, Pension and social security. To conclude, the study has demonstrated two hitherto undiscovered phenomena describing life-cycle behaviour. First it showed that the resources available to retirees are insufficient to allow them to sustain the level of real consumption enjoyed early in their retirement. Second, both cross-section and longitudinal data demonstrate, that they respond to this insufficiency by reducing

their real consumption as they become age. It also concluded that social security benefits are essential to maintain older persons' consumption even under the assumption that they displace 50 cents of private savings for each dollar of benefits.

Charles and Dejavan (1983) jointly investigated the consumption patterns of the retired household. In their research, data on 4,004 elderly households were drawn from the bureau of labour statistics 1972 to 1973 Consumer Expenditure survey to test the life-stage consumption hypothesis. Using Multivariate techniques, expenditure differences between the retired and non-retired family were established for most consumption categories. Compared with the non-retired family, the retired family commits a smaller proportion of additional income to necessities, a much larger proportions to gifts and contributions, and an equal proportion to transportation. The research also suggests that the average retired household enjoys a considerable degree of economic security, medical care and energy-related expenses. Finally the study also indicated that the retired family does not rely on savings to buffer the erosion of income following the retirement.

2.3 Purchase behaviour and Decision making related reviews

Mahalakshmi & Chitra (2013) in their research reinforce a stream of previous studies which demonstrates the values of psychographic information over age alone regarding store characteristics and the elderly. In this study an attempt is made to identify and obtain information about the concerns, needs and problems that are salient in the minds of older consumers at retail outlets. Efforts were made to identify psychographic characteristics of the elderly consumer as well as to determine life style groups and the relationship between these groups and retail store attributes. Convenience samples of 550 respondents were drawn from senior citizens. The criteria for those participating in the study were age, income and living arrangement. The lifestyle data (62 statements) were submitted to a factor analysis which performed a principal components analysis along with a varimax rotation. To reduce the number of variables relating to store attributes the 35 questions were submitted to a factor analysis. The results indicated there is a significant difference among the lifestyle groups when considering Store/personnel quality.

Anders (2013) presented an empirical findings about generational cohorts and their shopping behaviour, as the behavioural issue of why consumers buy is of great

importance in designing and implementing strategies for retailing. The study was compared with two significant cohorts. Baby boomers (born 1945 and 1958) and Generation Y (born on 1977 and 1989) with respect to their shopping behaviour and purchase involvement for food, clothing and automobiles. The results implicated that for these three products. Baby boomers value the retail experience and in-store service higher than Generation Y. The study also observed that for baby boomers, the purchase process starts with a retailer the consumer trusts, who gives advice for choosing the right product, while the generation Y, the purchase process starts with choosing a product. It also presented an implication for retail strategies that have an appeal to different generational cohorts and considers how retailers should deal with building customer relationships.

Jayashree (2011) emphasizes the importance of life style and its influence on the consumer's purchase behaviour. The main objective of the study was to examine the association between the consumers' general life styles and their consumption pattern. The study is descriptive in nature and used a survey method. A structured non disguised questionnaire was used for collecting the data. The questionnaire had three constructs first measured the demographic characteristics like the age, education, income level, gender and occupation, the second was to identify the life style dimensions of the respondents and the third construct related to the purchase behaviour possessed by them before 2002 and after 2002. 2002 was taken up as a base year as the durable marketing India was flooded with new products and brands during that period. Convenience sampling procedures was used for collecting the primary data and a sample size of 711 was selected for the study. From the study it was concluded that consumers often choose products, services and activities over other because they are the building blocks of life style, marketers should therefore, have a complete idea of these changing life styles so as to segment them and position their products successfully.

Donald, Marshall and Witle (2011) analyzed a preliminary study which is utilized to develop a series of propositions regarding the attitudes and perceptions of mature adult consumers pertaining to age qualified active adult communities. The objectives of the study were to know how the adult communities planning to purchase a new residence and the awareness of the location of the prospective active adult community over the fifty years of old. The study was conducted among 200 heads of households, 50 years of age or

older, and the areas include 1. Target buyer characteristics and information sources 2. Community design preference and amenities 3. Location preference 4. Specific product features desired and 5. Influence of differing factors on relative purchase interest of duplexes vs. single family homes. The findings indicated that i). The print media, face to face, electronic media were key sources used by the target buyers to learn about active adult communities. ii. Community amenities like low maintenance, park areas, club house are obviously important consideration in the purchase of any new home, iii). For location preference the findings indicates that shopping and entertainment and convenient to public transportation.

The paper by **George & Fon (2011)** examined the effects of religiosity on the well-being and changes in consumer preferences of 645 adults aged 50 and older. They focused on the older consumers because they were the most likely to show greater diversity in values and behaviours than younger age groups. The results confirm the positive effects of religiosity on well-being but showed differences across three main ethnic sub cultures of Malaysia and they provided little support for the hypothesis that the consistency of consumer brand and store preferences was influenced by religious values. It was also suggested that the relationship between religiosity and consumer behaviour warrants additional research, focusing also on the variables that relate to religiosity, method of analysis and on mechanism that link religiosity to consumer behaviour.

Katarina (2011) in the study indicated that aging is not only a challenge for food producers and consumers, but also provides a treasure of new opportunities for the research of product development and innovations. The study have designed three prototype models of food consumption of the elderly with the goal of calling the attention of producers and growers, as well as, consumers to the specific needs of the growing niche market segment. However the food consumption habits of the elderly cannot be compacted into a single model, since the specific age group is not homogenous. Simplistic concept model had been used, which includes not only the elements and their inner connections but also that of forces and inertia. The additional part of the study deals with the models of a supposed food consumer behavior of the elderly age, because the examined age group manages unique food consumer qualities. The elderly consumer

besides the traditional products often looks for the organic foods and the functional foods too. In the elderly consumer, the food does not mean the essential element of his subsistence, but it is a part of a conscious health maintainer life style.

Sharma (2010) attempted to review the literature on the elderly consumer market on parameters like segmentation, product use and adoption and communication required to target the elderly consumers and also compared the results of West and India. He implicated that the percentage of senior consumers in total population of world is increasing. In the near future, due to better exposure to education, health and financial planning, they would be in a significant position to enjoy and demand better products and services. The review shows that in western Literature, a host of studies have dealt with the segmentation of senior consumers. The literatures on segmentation of Indian consumers are still limited. The social dimension of aging in India is very different from that in the west. In India, traditionally, elders have been the responsibility of the sons' household. However, that is fast changing in the urban scenario. The number of old couples staying alone had increased. Changes in family structure bring out changes in other socio economic variables also. Indian research should, therefore, recognize such a variety of changing factors to understand senior consumers in India.

Anne & Crnholdt (2008) examined the parents' perception of their children's (5-13 years old) participation in and general influence on the family decision making process when purchasing in 14 different product categories. Focus is on three sub decision stages: suggesting buying the product category, deciding on the brand, and deciding on the model. Based on a review of the literature within the area of family decision making, the author aimed to study whether the type of influence characterizing a purchase decision will depend in part on product type, in part of the sub decision stage and in part of the children's buying role, age and gender. Hypothesis about children's influence patterns and various variables were developed, tested and discussed. A cross tabulation of the child as initiators and the child's role as influencer for the 14 product categories and three sub decision stages has been made in order to identify the child's impact on the family decision process for different products. The study indicated that since children tend to influence product decisions that are relevant to them, marketers must appeal to children as much as parents. Furthermore children's involvement with a

product category has a positive impact on children's level of influence on family decision making. Therefore the marketers should try to identify the types of products that appeal to children.

Sinha (2008) in the study dealt with the male and female adolescence in terms of peripheral and central role measures and also investigated emotional and communication levels with parents and its impact in the family purchase decision. The investigation concentrated on the sample of socio-economic class of SEC A and SEC B of Indian family. The process of sampling included equal representation of age groups of adolescents between 12 to 19 years. The reliability test was conducted to develop consistency with different items in the scale. The various items framed in the questionnaire were subjected to data reduction to identify minimum factors for further multivariate analysis. Factor analysis, principal component analysis with varimax rotation was applied to identify factors renamed as peripheral and central role measures for adolescents in family purchase. T-test was found appropriate for the purpose of comparing means between two groups of male and female adolescent. The study closely scrutinized the gender differences in family purchase on emerging issues of communication and emotion to fill the gap of research in related fields. In the Indian family with strong family relationship, the influencing role measures for adolescents on the basis of gender differences is significant in the family purchase and the study got a deep insight in understanding the relationship of adolescent-parent orientation in terms of communication and emotion. The study concluded that the awareness and knowledge about male and female adolescents may have significant impact on technological development as an information sources and future research may be directed at studying its impact.

Diansheng and Kaiser (2008) in their study, compared the panel data double-hurdle model with the marked renewal model to analyze the household purchasing and non-purchasing behaviour. The empirical application of the two models revealed that both fit the data well. The double hurdle model focused on the interpretation of household zero purchase, while the marked purchase renewal model was based on the prediction of interpurchase time. The results of the former model showed that for household milk purchase a hurdle due to non economic reasons exists but the other model showed that the probability of purchase at the present time increases as the time from last

purchase becomes longer, which implies positive duration dependence. Both models found that advertising could increase household milk purchase volume or accelerate the frequency of purchases.

Haiyan and Jasper (2007) made an exploratory qualitative study to capture mature consumer attitudes, motivations and values regarding retail mall shopping experiences. An in-depth personal interview with 30 mature consumers aged 55 and over was conducted regarding their shopping habits, by convenience sampling method. They founded five elements that are important for mature consumers to form and impression of the shopping malls they visited most often: Convenience, choice, crowds, ambiance, parking and hedonic shopping orientation. The mature consumers generally had favourable attitude towards shopping malls in terms of their provision of an extensive selection of products, convenience and opportunities for social interaction. However they also felt that the malls today have not yet adjusted to meetings to their specific needs.

Claire, Capella and Taylor (2007) made an exploratory study focusing on the retirement and transition phenomena in the family purchase process as retirement is a major life changing event, involves an economic role transition occurring in later life. Both boomers and the retirement-age couples in this study presented special opportunities to marketers through new roles adopted in retirement. The study reports on perceptions of family purchase process participation among retirement-age couples. Results indicate that transition retirees' family purchase process participation differs from that of post-transition retirees. The findings have managerial implications for marketers wishing to serve desirable segments of current and future retirement age consumers.

Fon and Chuah (2006) made an attempt to examine grocery shopping habits and retail attributes valued by retirees, since increasing number of retirees represents a segment worth exploring. The main objective of the paper is to examine the shopping habits and retail attributes salient to urban retirees in Malaysia, and to identify retirees' preference from retail stores, shopping habits and product attributes that they consider important in their purchase decision. A total of 200 questionnaires were administered with 157 usable responses, yielding a response rate of 79.5%. The optional retirement age for the public sector is used as a basis to demarcate retirement age which is 45 years or

older for females and 50 years for males. Convenience Sampling was used and a pilot test was conducted prior to data collection. Significant differences in attributes are found between those who are younger than 60 years. The results indicated that the females are more concerned about readable labels and tags, and accessibility by public transport, while males consider product packaging, ample parking bays, and free parking as desirable. The Findings were also useful to retailers in identifying sales opportunities, to improve store layouts and product assortment, provide clear store directions, reasonable pricing, and if possible, provide free parking which is currently practiced by a limited number of hypermarkets.

Venkoba (2006) carried out in his study that consumers' attitude towards online shopping is a prominent factor affecting actual buying behaviour. The results of the study reveals trust, security, interest, speed and responsiveness significantly affect online purchasers' behaviour. In addition an examination of demographic variables like gender, age and education are used. The study reveals that it might help organization to develop effective strategies eventually leading to customer satisfaction.

Mark & David (2006) made an attempt to investigate the brand purchasing behaviour of the older consumers as the marketers are becoming more aware of the growing importance of older consumers. The purpose of the study was to examine the brand purchasing behaviour of older buyers compared to younger buyers. He made an attempt to compare the older and younger consumers in terms of some standard brand performance measures. Juster Scale and Dirichlet model were used to analyze the four contrasting types of product category. Tea and retail fuel are chosen to represent repertoire (skilled) markets, bank credit cards are used to represent subscription products and newspapers are used to represent mixed markets. A cross-sectional survey was used to collect the relevant information several empirical conclusions were drawn in the study. First, there are age-based differences in product category purchasing, i.e. older consumers are relatively more important in the newspaper category than retail fuel. Second, these age-based differences carry forward to brand performance measures in that higher category buying by a particular age group results in more opportunities to buy. Finally the leading brands in a category tend to be the same for all age groups.

Joseph and Smith (2005) investigated the shopping behaviour of the low income senior citizen. The objective of the exploratory analysis were to develop a comprehensive shopping behaviour, profile if the low income senior citizen including the day normally preferred for shopping, the time of day preferred for shopping, whether the respondents tend to shop alone or with friends and relatives and the extent of in-home shopping and to determine the basic sources utilized in obtaining information about selected product and services. The study focused on the following products and services in developing the behavioural profiles, food and beverages, clothing, medical and personal care recreation and recreational equipment, house furnishing and automobile maintenance, personal interviews were conducted with residents of a public housing complex built especially for the elderly. The study concluded that the senior citizen shopper apparently relies to only a limited extent on in-home shopping services in making purchases. The primary sources of product information utilized are personal observations in terms of physical search and the newspaper. Most shopping is likely to be in the morning hours. Most food purchases are from a chain supermarket. Clothing and household furnishing purchases are primarily made in the central business district.

Lisa (2004) focused upon the brand loyalty behaviour across different product categories and investigates the dimensions that drive loyalty behaviour within 18-24 age groups. The main objective is to measure brand loyalty among 18-24 years old across six product categories via coffee, toothpaste, breakfast cereals, trainers, soap and jeans and also to identify the dimension that underpins the brand selection. 268 undergraduate students within the 18-24 age group were selected. Chi-square analysis was conducted to see if there were statistical differences by course, gender, year of study etc. Anova was conducted in order to identify whether or not there was any significant statistical differences, between the mean responses across product categories. The dimensions of brand selection also vary by product type. Brand heritage in terms of parental influence was evident in coffee and toothpaste purchase, with brand as a reflection of self-image being something that is important to clothing brands. Value and Variety are important attributes of cereal brand selection.

Verma and Kapoor (2003) have attempted to isolate the dimensions of buying roles in family decision making as the members of a family influence the decision-

making process in the purchase of different products. The purpose of the study is to examine the family buying process and to identify the roles played by different family members. They have surveyed 313 families living in Delhi, who had purchased one of the six durable consumer products in recent years. Five roles namely the initiator, the influencer, the decider, the buyer, and the user, played by family members were examined for the study. While the young, well educated women in the family emerged significantly as initiators of the buying decision and students and children among the influencers and the purchase decision process was relatively democratic at the initial stages, subsequently it seemed to become much more unilateral in terms of the roles played by the decider-member. The husband was found to play the highly significant roles of coordinator, decider and buyer.

The paper by **Daniel (2001)** is concerned with the empirical regularities of bread purchasing behaviour. It studies the joint purchasing behavior of those commodities composing the bread class in the Spanish budget survey.1990-91, based on data on the number of purchases and applying multivariate count data models. The results observed that households purchasing behaviour is different between goods belonging to the same survey commodity class. It revealed that household purchasing behaviour could help to get some insight on the goodness of expenditure as an approximation to consumption. If a household makes its purchase occasionally then expenditure and consumption will be substantially different.

Moye, Letecia Nicole (1998) analyzed that elderly consumers are often overlooked in the retail marketplace; however, evidence suggested that the elderly population had a considerable amount of discretionary time and purchase power. He predicted that unlike past generations, this consumer group was relatively healthy, active and demands a wide array of products and services. The purpose of this research was to determine the relationship between store attributes and approach avoidance behaviour of elderly apparel consumers. In addition he examined the relationships between age, the importance of store attributes, and shopping orientations of elderly apparel consumers. Data were collected using a convenience sample of persons 65 and older from the southeastern part of the United States. Four hypotheses were formulated. Data were analyzed using frequencies, chi-square, factor analysis, regression and MANOVA. Results revealed that

elderly consumers in this study preferred to shop department stores and mass merchandisers for clothing. These consumers reported that they would spend more time and money in retail stores that offered credit, discounts for those 65 and over and liberal return policies. Further, the consumers reported they would not return to and would avoid looking around in retail stores without rest areas, with difficult to find items, inferior products, and poor business practices. Regression analyses showed significant relationships between shopping orientations and three of the five attribute factors. MANOVA revealed significant differences between two age groups and the importance placed on quality products, store reputation, and well-known labels/brands. Chi-square analyses showed no significant relationship between age and shopping orientations.

Julieand & Commuri (1998) indicated the gap exists in the literature with respect to whether and how decision role structure changes over time. For this purpose a qualitative research study was conducted with urban middle class couples in India regarding their decision making process for a diverse set of product categories. They had investigated the relationship of macro level socio-economic and cultural factors to changes in family decision making. The study was made in India as India was considered to have apt environment as rapid socio-economic changes were taking place. The couples were asked to recall decision making process before 8 years period and the product categories. A trend towards decision making jointly by both the parents was identified for many of the products. Some degree of collaboration was found to exist between them. The results indicated that macro level environmental trends towards urbanization, westernization and the degree to work hard and grow rich were associated with shifts in the decision role structure over the eighth year period.

Holdert and Antonides (1997) studied two structural dimensions, power and cohesion to describe the type of family. The effects of these dimensions on four stages of family purchase processes were investigated. Four different purchases were studied: holidays, adult and child clothing and sandwich filling. A survey was carried out among 103 families. In each family, one child and its parents were questioned, to obtain a clear picture of the family as a whole. Children aged 8-12 years were selected since they were able to think conceptually and they could finish concrete tasks by themselves. The results of the study showed that on average the children's influences were relatively high in the

later stages of the decision process at the expenses of the wife's influence. However; children in modern families had more influence than those in traditional families in the problem recognition stage. Cohesive families relatively often evaluated alternatives jointly and took into account another desires. Non-cohesive families relatively often had conflicts and formed coalitions to solve conflicts.

Barbara, Shufeldt and Vaught (1996) attempted to identify and obtain information about the concerns, needs and problems that are salient in the minds of older consumers regarding the purchase of over-the-counter (OTC) drugs at retail outlets. This product was chosen because of its prevalent use by the elderly. The purpose of the study is to determine how the life styles of the elderly affect their perceptions of the attributes of retail outlets that sell over the counter-drugs. A convenience sample of 550 respondents over the age 65 or older was participated in the study. The survey instrument was a self administered questionnaire used to determine the life style data (62 Statements) were submitted to a factor analysis which a varimax rotation analysis of variance (ANOVA) tests were applied to determine if there are differences among the life style groups when considering store attributes. The study concluded that life style information can be used by retailers to improve marketing strategies in order to appeal to a target group of senior shoppers. The findings of the study regarding store attributes, the life style groups differ significantly when considering store/personal quality, overall life style groups do not differ significantly when considering store characteristics, discounts/ sales policies or service attributes.

Jong-Hee, Patriya and Richard (1991) in their research tried to find out the affection in the family decision making process. A clear picture of family decision process and the factors that influenced the process were broadly discussed and it was found that the love, affection and intimacy; the basic human emotions. The inclusion of these dimensions in the family decision-making process helps to establish these emotional components as important explanatory factors. The paper also suggested that there was a need to recognize the salience of love, affection and intimacy as important sources of the individual goals and desires that influences joint decision in families.

Caroline (1985) reviewed the literature on the decision making behaviour of the older consumer. In the first part of the paper, information sources and exposure, information processing, influence ability, consumer choice and decision making in retirement of the older consumers were reviewed. The second part of the paper suggested the marketing strategies which are particularly appropriate to the older consumer on the basis of the review of their decision making behaviour. It is concluded that older consumers is not isolated from information on which to base consumer decisions. An increased use of the mass media and reliance on their extended family and peer group interaction is used to compensate for the shrinking of the older consumers in the social world.

Charles (1984) in his study focused on the theoretical foundations for understanding the elderly consumer and catalogues on some indications of how marketers should perform their marketing mix activities-product, place, promotion and price. The study revealed that the elderly as a whole are neither in poor physical condition nor financially poor. The “young – old” outnumber the “old-old” three to two and are trying to live life to their fullest. The findings indicated that the elderly are not price conscious and don’t seek out discount stores, generics or special economy packaging to reduce their expenses. In fact many actually seek out expensive items. The study also paints a very heartening positive portrait of the elderly, a growing population that is active, vigorous, and full of unique wants and needs.

William, Mason (1979) explored the unique concerns and characteristics of the elderly shoppers in the retail environment. The objective of the study was to provide some insight into elderly use and processing of shopping-related information frequently encountered in the retail setting. Data concerning shopping behaviour were gathered from 110 elderly households by a series of in-depth personal interviews. Significant differences were found between the responses of a group of elderly consumers and the responses of the representative groups of shoppers. The findings indicated that the lower level of sensitivity of older consumers to shopping occurrences which would prompt feelings of dissatisfaction. The study concluded that since the elderly appear less informed and are less likely to adopt new patterns of behaviour, special attention needs to be directed towards them so that this important segment can make full use of the advantages provided by many consumer-oriented programs.

Robert (1962) in his study, indicated that the disposable incomes of the older population have been under estimated. With a high rate of mortgage-free home ownership and reduced family size, older person do not have the same financial obligations as younger people. It also implied that negative effect of inflation must be considered in any analysis of older persons' financial conditions, the sources of income may counterbalance increased living costs, retirement plans, and income in kind, and understatement of assets, favourable tax exemptions and government plans and aids may indicate heretofore unrecognized disposable income availability. The study concluded that as older persons search for satisfying activities, they may make their needs known. If shopping is made pleasant, interesting and satisfying for the older consumers, they may purchase gifts and products for their friends and relatives and prefer to shop in same places and also concerned with quality and integrity.

2.4 Life satisfaction after retirement

Mattoo & Thoker (2014) studied about “Life satisfaction of retired working and non working women on rural and urban background-A Gerontological study”. The study was undertaken to find and compare the life satisfaction of retired working and non working women on rural and urban background. 200 retired working and non working women were selected by using purposive cum stratified sampling technique. The data was subjected to statistical treatment by using percentage analysis, Mean, Standard Deviation, and t test. They found that retired working and non-working women differ significantly on level of life satisfaction. Retired working women were found low satisfied as compared to non-working women. Further, it was found that locality has significant impact on life satisfaction of retired working and non working women, rural group was found much satisfied than urban group.

Eileen (2013) looked at some of the psychological and emotional issues involved in making the decision to retire and the process of re-organizing the life after retirement. She highlighted three phases of retirement. The first is the pre-retirement phase when thoughts and feelings about retirement begin entering the person's mind. Next the retirement phase which describes the fair amount of disorientation and a strong sense of loss and ambiguity about potential gains, and the third phase is the post retirement phase, when the person has forms a new life under different social and psychological conditions.

Bruce and Mendolia (2012) addresses two sets of issues. The first set concerns people's expectations of retirement and their perceptions of their living standards after retirement. The second set addresses the actual expenditure patterns of retired people. The results of these two sets of investigations are contradictory. Income and expenditure decline with age, but people are generally satisfied and less likely to report financial hardship. The results also indicated that after retirement some expenditure needs decrease (e.g. work expenses) while others increase (e.g. health care costs). The survey suggested that, in order to maintain their pre-retirement level of expenditure on goods that are not affected by either type of change, retired people would need to increase their total (after-housing) income and expenditure in retirement. The results suggested that in order to maintain their level of commodity consumption, couples who retire need to increase their previous level of income. In fact, however they decrease their income and expenditure. This apparent decrease in consumption had been described as the retirement consumption puzzle.

Marjan and Benjamin (2011) deal with "The impact of retirement on the subsequent physical and mental health of the retired: a survey among general practitioners in Belgium". The main objective is to investigate, on the basis of the perceptions of general practitioners (GPs) in Belgium, the impact of retirement on subsequent physical and mental health. Cross-sectional surveys were used by them on the basis of a self-completed anonymous questionnaire sent at random to 120 GPs in Flanders (Belgium) to which 81 responded. They concluded that they claim health problems and may frequently arise as a consequence of the retirement event. Since the factors causing these problems point to unhealthy behaviour, there is scope for health improvement: firstly, by stimulating older people to postpone retirement or to continue some professional activities during retirement: secondly, by making them aware of the role of social networks, physical activity and food consumption.

United Nations (2011) presented a report on the current status of the social situation, well-being, development and rights of older persons at the national and regional levels. The report consists of six sections focused on the social and economic well-being of the ageing population, documenting the demographic of older age, reviewing the economic situations of older persons, exploring health related issues and examining societal perceptions and the social integration of older residents. In each of these areas,

the diversity of situations characterizing older persons in society and across the world has been made to capture the evolving reality and perceptions of old age as well as older person's own views. The study concluded that the ageing population is growing at an unprecedented rate. Older people live in developing countries, where the bulk of the increase will occur. The analysis of the current social and economic status pointed to a high degree of heterogeneity and the occurrence of rapid and complex change. A growing number of older persons live in urban areas, though many are still rural residents. As is true for other population the health status, living conditions and socio-economic circumstances of older persons vary considerably.

Lachlan (2011) investigated the changes in levels of life satisfaction across the retirement transition using latent growth mixture modeling. The impact of various social, economic resources is also investigated in relation to life satisfaction during the retirement transition period. It founded that there are distinct phases of change in life satisfaction observed as people move through pre and post retirement. The results showed that a model with discontinuities 3 years before retirement, at retirement and 3 years after retirement is the optimal model for summarizing variations in life satisfaction compared to linear quadratic and two component piecewise models. Using this model the overall trajectory in life satisfaction for individuals was broken up into multiple linear segments with two phase before retirement and two phases after retirement. In particular, better health was shown to be related to high life satisfaction for retirees.

Rappaport (2003) addressed the concerns about the implications of increasing longevity at the very high ages for families, businesses and society as a whole. The study reveals that increasing longevity affects a fundamental balance in society, between those who work to provide goods and services and those who have retired but continue to consume those goods and services. Its implication reaches to the individual, the family and the private and public sectors. It affects the future ability of all governmental programs to help the elderly and the poor in general.

Nathawat and Rathore (1996) conducted a study to ascertain the effects of gender, hardiness and social support on different measures of life satisfaction and well being. The main objective of the study was to compare life satisfaction and subjective

well-being on various tests in aged men and women, aged with high hardiness and low hardiness and aged with high social support and low social support. The hypotheses were formulated as old men would have significantly better life satisfaction and subjective well-being than those of old women. 120 old men and 120 old women were selected with the criteria as i). age must be within 60-70, ii). may be at least graduates, iii). They must have retired from government jobs. The robust analysis (multiple ANOVA) was employed to test the main and interactive effects of gender, hardiness and social support (independent variables) on different measures of life satisfaction and subjective well-being (dependent variables). The result indicated that the main effects of gender, hardiness and Social support turned out to be significant for life satisfaction. The findings emerged from the study were that old men were more satisfied in terms of life satisfaction, higher positive affect and lower negative affect and hopelessness than old women.

Gilly & Zeithaml (1985) investigated the adoption of several key consumer related technologies by the elderly. Specifically, the adoption of scanner-equipped grocery stores, electronic fund transfer, automated teller machines, and custom telephone calling services was compared in an elderly and a non-elderly sample of consumers. 2500 respondents from 18-64 years of age and 2500 respondents aged 65 and over were selected. Chi-square analysis was used to compare elderly and non-elderly respondents on their knowledge, sources of information, implementation and satisfaction with the four technological innovations. The data suggested that the elderly have levels of awareness for most of these technologies that are comparable to those of younger consumers. The results indicated that lower percentages of the elderly group were in the trial and adoption stages for most of the innovations. It also suggested that organizations interested in communicating with the elderly about innovations should contact them directly.