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Consumer Buying Behavior Towards Consumer Durables

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ABSTRACT

The Consumer Durables industry has been witnessing significant growth in recent years, helped by several drivers such as the emerging retail boom, real estate and housing demand, greater disposable income and an overall increase in the level of affluence of a significant section of the population. The industry is represented by major international and local players such as BPL, Videocon, Voltas, Blue Star, MIRC Electronics, Titan, Whirlpool, etc. The research paper surveyed 300 customers from Erode, Coimbatore, Salem and Karur and difference in buying behavior in context of education, Income, Occupation, and Employment was statistically tested. ANOVAs and descriptive analysis was used to find the influence of various factors like durability, price, promotional schemes, technology and service on income, occupation and employment status of consumers with respect to consumer durables.

KEYWORDS : Consumer durables, Disposable income, Reference groups, buying behavior.

INTRODUCTION

The Consumer Durables industry consists of durable goods and appliances for domestic use such as televisions, refrigerators, air conditioners and washing machines. Instruments such as cell phones and kitchen appliances like microwave ovens were also included in this category Reference groups influence consumer behavior in two ways: They set levels of aspiration for the individual, i.e. they offer clues as to what lifestyle should be led. They define items appropriate for a member of the group to lead that lifestyle. The research paper therefore is an attempt to study the influence of reference group on consumer buying behavior .The research paper studies the same taking into consideration the various factors influencing buying behavior like price, durability, promotion scheme etc. The paper also tries to understand the differentials in terms of various demographic profiles of customer like education, occupation, qualification etc.

NEED OF THE STUDY

In India consumer durables is in growth stage and needs to be explored to strengthen marketing activity or brand image of electronics consumer Durables Company. For achieving marketing goals, one should have the clear understanding of perceptions and preferences of consumers in their purchase decision for consumer durables and, influence of reference group and social class also.

OBJECTIVES OF THE STUDY

The research was aimed at studying the purchase pattern of consumers for consumer durables.

- To analyze the role of demographic factors on buying behavior with respect to consumer durables
- To analyze the consumer's perception about the brand of product they purchase
- To analyze the influence of social class on consumers' lifestyle characteristics and buying behavior.
- To study the factors affecting purchase of consumer durables.

HYPOTHESES

- H1: Durability/Price/Promotional schemes/Technology, Service influences the purchasing behavior in consumer durables with respect to different Income classes.
- H2: Durability/Price/Promotional schemes/Technology, Service influences the purchasing behavior in consumer durables with respect to different levels of education.
- H3: Durability/Price/Promotional schemes/Technology, Service influences the purchasing behavior in consumer durables with respect to different employment Classes.

RESEARCH METHODOLOGY:

Research Design: Descriptive

Source of Data: Primary: Questionnaire, Personal Interviews

Secondary: Internet, websites, Organizational reports, Case studies, Business magazines, Books, Journals.

Sample Size: 300 consumers

Sampling Frame: Serviceperson, Businessman, Household people, Students

Sampling Technique: Convenience sampling

Statistical Techniques: ANOVA

Scope of the study: Erode Coimbatore, Salem and Karur.

RESULTS AND DISCUSSION:

INCOME WISE

H1: Durability/Price/Promotional schemes/Technology, Service influences the purchasing behavior in consumer durables with respect to different Income classes

TABLE 1

Variable / Income	No of Samples	Overall Mean	Durability	Price	Schemes	Technology	Service
Less than 1.5 Lacs	39	3.39	F=1.185	F=3.210	F=5.481	F=6.143	F=2.422
1.5-3 Lacs	76	3.41	.117	.013	.018	0.00	.048
3-5 Lacs	91	3.47					
5-8 Lacs	54	3.64					
More than 8 Lacs	40	3.72					
Total	300	3.51					

The ANOVA test was conducted to find out difference in the preferences towards various features of consumer durable products on the basis of different Income groups. The results showed that consumers of five different groups during their purchasing encounters were found to be different. The mean analysis showed that consumers with income less than Rs 1.5 Lacs (3.39) have direct impact on various features of consumer durable products. Then it was followed by the consumers with income between Rs 1.5 and 3 Lacs (3.41), 3-5 Lacs (3.47), 5-8 Lacs (2.64) and more than 8 Lacs income (3.72). The Difference was found towards various features of consumer durable products like Price ($F = 3.210$, $p = .013$), Schemes ($F = 1.481$, $p = 0.018$), Technology ($F = 6.143$ $p = 0.00$), Service ($F = 2.422$ $p = 0.048$) which are significant at 0.05 level. So for

that null hypothesis of equal means is rejected and alternative hypothesis is accepted. We can say that different Income groups give different Priorities to Price in the consumer durables whose income is Less than 1.5 Lacs give more importance to price in compare to income groups of more than 8 lacs. We can say that different Income groups give different Priorities to Schemes in the consumer durables. People whose income is less they give the most preference to various Schemes compare to High Income groups. Technology has a Significant at 0.05 levels. So here Technology influences the purchasing behavior in consumer durables with respect to income (different socio-economic class). We can say that different Income groups give different Priorities to Technology in the consumer durables Services have a Significant at 0.05 levels. So here Services influences the purchasing behavior in consumer durables with respect to income (different socio-economic class). Durability (F = 1.185, p = 0.017), which are not significant at 0.05 level. So for that null hypothesis of equal means is accepted and alternative hypothesis is rejected. So here Durability does not influence the purchasing behavior in consumer durables with respect to income (different socio-economic class).

EDUCATION WISE

H2: Durability/Price/Promotional schemes/Technology, Service influences the purchasing behavior in consumer durables with respect to different levels of Education.

TABLE 2

Variable / Education	No of Samples	Overall Mean	Durability	Price	Schemes	Technology	Service
Post Graduate & Above	102	3.43	F=697	F=1.060	F=1.017	F=1.109	F=1.223
Graduate	175	3.67	.554	.366	.035	.006	.002
10+2	19	3.76					
10th or below	4	3.66					
Total	300	3.51					

EDUCATION WISE

The ANOVA test was conducted to find out difference in the preferences towards various features of consumer durable products on the basis of different Education groups. The results showed that consumers of five different groups during their purchasing encounters were found to be different. The mean analysis showed that consumers with Education Post Graduate & Above (3.43) have direct impact on various features of consumer durable products. Then it was followed by the consumers who are Graduate (3.53), 10th or below (3.66), and 10 + 2 (3.76).

The Difference was found towards various features of consumer durable products like Schemes (F = 1.017, p = 0.035), Technology (F = 1.109, p = 0.006), and Services (F = 1.223, p = 0.002) which are significant at 0.05 level. So for that null hypothesis of equal means is rejected and alternative hypothesis is accepted. So here Durability does not influence the purchasing behavior in consumer durables with respect to Education (different socio-economic class). So here Price does not influence the purchasing behavior in consumer durables with respect to Education (different socio-economic class). We can say that different Education groups give different Priorities to Schemes in the consumer durables. Technology has a Significant at 0.05 levels. So here Technology influences the purchasing behavior in consumer durables with respect to education (different socio-economic class). We can say that different Education groups give different Priorities to Services in the consumer durables. Other features like Durability (F = 0.697, p = 0.554) and Price (F = 1.060, p = 0.366) which are not significant at 0.05 Level so for that null hypothesis of equal means is accepted and alternative hypothesis is rejected. Hence there is no impact of Education group on Features like Durability and Price.

EMPLOYMENT WISE

H3: Durability/Price/Promotional schemes/Technology, Service influences the purchasing behavior in consumer durables with respect to different employment

Classes
1
TABLE 3

Variable / Employment	No of Samples	Overall Mean	Durability	Price	Schemes	Technology	Service
Salaried	120	3.48	F=5.111	F=1.685	F=2.648	F=4.187	F=2.559
Businessman	83	3.83	0.001	0.153	0.034	0.003	0.039
Retired	1	3.00					
Housewife	25	3.58					
Student	71	3.16					
Total	300	3.51					

EMPLOYMENT WISE

The ANOVA test was conducted to find out difference in the preferences towards various features of consumer durable products on the basis of different Employment groups. The results showed that consumers of five different groups during their purchasing encounters were found to be different. The mean analysis showed that consumers with Employment Status Retired (3.00) have direct impact on various features of consumer durable products. Then it was followed by the consumers who are Student (3.16), Salaried (3.48), housewife (3.56), and businessman (3.88). The Difference was found towards various features of consumer durable products like Durability (F = 5.111. p = 0.001), Schemes (F = 2.648, p = 0.034), Technology (F = 4.187, p = 0.003), and Service (F = 2.559, p = 0.039) which are significant at 0.05 level. So for that null hypothesis of equal means is rejected and alternative hypothesis is accepted. Other feature like Price (F = 1.685, p = 0.153) which are not significant at 0.05 Level so for that null hypothesis of equal means is accepted and alternative hypothesis is rejected. Hence there is no impact of Education group on Feature like Price.

CONCLUSION

Income influences the purchasing decision of any consumer when they want to purchase any brand of consumer durables. Income dose not influence on durability feature in consumer durables, every consumer gives Preference to durability when they want to buy any consumer durable. Income influence on Price, Schemes, Technology and Services in consumer durables, every consumer give different reference to the above features with respect their income groups. Consumer durable companies have an option to determine which income groups they want to target with respect to Price, Schemes, Technology and Services so by that way they can attract more Consumers towards him. Durability and Price does not influence the purchasing behavior in consumer durables with respect to Education. Schemes, Technology and Services influence the purchasing behavior in consumer durables with respect to Education. Majority of the respondents (152) consider head of the family has the most effective reference group in CTV/LCD/PLASMA (consumer durables).Majority of the respondents (199) consider family members have the most effective reference group in Refrigerator (consumer durables).Majority of the respondents (192) consider of the family Members has the most effective reference group in washing Machine (consumer durables).Majority of the respondents (152) consider of the Friends/Relatives has the most effective reference group in laptop/Desktop Computer (consumer durables). Majority of the respondents (163) consider of the Friends/Relatives has the most effective reference group in mobile (consumer durables). Majority of the respondents (142) consider of the Head of Family has the most effective reference group in mobile (consumer durables).

LIMITATIONS AND FUTURE SCOPE OF RESEARCH

The sample size for the survey of customers was limited to 300 respondents, which might not be representative of all customers of Tamilnadu state. Research also depends on surveyors' bias & his/her ability to analyze the data & draw conclusion. Future research may be carried on taking some more variables and other consumer durables sector could be carried.

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