



A Critical Study on Preference of Consumers Towards Organized & Unorganized Outlet for the Consumer Durable Goods With Special Reference to Lucknow City (U.p)

KEYWORDS

Ashish Kumar Srivastava

Research Scholar BBD University

ABSTRACT *The role of consumer durables in the Lucknow city in recent years is critically analysed in this paper. Various factors are studied in this paper which affects the purchasing behavior of consumers. The contribution of consumer durables for hiking the living standard and livelihood of customers is very imperative. This paper helps to know about the changing behavior of customers regarding purchasing of consumer durables. This would help to take steps to enhance the purchasing power ability decisions of customers.*

Introduction:-

- Durable goods are those which don't wear out quickly, yielding utility over time rather than at once. Examples of consumer durable goods include electronic equipment, home furnishings and fixtures, photographic equipment, leisure equipment and kitchen appliances. They can be further classified as either white goods, such as refrigerators, washing machines and air conditioners or brown goods such as blenders, cooking ranges and microwaves or consumer electronics such as televisions and DVD players.

Performance

- In the past 10 years, the global market has witnessed a surge in demand as economies such as Brazil, Mexico, India and China have opened up and begun rapid development, welcoming globalization with élan. The consumer durables industry has always exhibited impressive growth despite strong competition and constant price cutting, and the first contraction since the 2001 dot-com bust has been due to the global recession. Given the strong correlation between demand for durables (both new and replacements) and income, the industry naturally suffered during the 2008-2009 period. However, projections for current year going forward are very optimistic, as consumers resume spending, and producers launch new enticing variants to grab new customers. Leading players include Sony Corporation, Toshiba Corporation, Whirlpool Corporation and Panasonic Corporation.
- Developing countries such as India and China have largely been shielded from the backlash of the recession, as consumers continued to buy basic appliances. In fact, China has been ranked the second-biggest market in the world for consumer electronics. Despite the recession, their strong domestic economy and growing high-income population have buoyed demand leading to aggressive market growth.
- There is growing interest for new age products such as LCD-TVs and DVD players. Meanwhile, the penetration of the basic, largest dollar items such as ovens, washing machines and refrigerators is also increasing. India too, has witnessed a similar phenomenon, with the urban consumer durables market growing at almost 10 %p.a., and the rural durables market growing at 25% p.a. Some high-growth categories within this segment include mobile phones, TVs and music systems.
- The Indian consumer durables industry has witnessed a considerable change in the past couple of years. Changing lifestyle, higher disposable income coupled with greater affordability and a surge in advertising has been instrumental in bringing about a sea change in the consumer behavior pattern. Apart from steady income gains, consumer financing and hire-purchase schemes have become a major driver in the consumer durables industry.

In the case of more expensive consumer goods, such as refrigerators, washing machines, color televisions and personal computers, retailers are joining forces with banks and finance companies to market their goods more aggressively. In addition, change in policy, such as the WTO FTA in 2005 resulted in zero customs duty on imports of all telecom equipment, thereby improving the pricing and affordability of imported goods. As per a survey conducted by FICCI on the Indian consumer durables

Indian consumer durables industry can be segmented into three key groups

White goods	Kitchen appliances/ brown goods	Consumer electronics
Refrigerators	Grinders	Mobile phones
Washing machines	Microwave ovens	Televisions
Air conditioners	Irons	MP3 players
Speakers	Electric fans	DVD players
audio equipment	Cooking range & Chimneys	VCD players

Research Methodology :-

Objective:-

- To analyze the factors affecting purchase of consumer durables.
- To study preference of consumers towards organized & unorganized outlet for the consumer durable goods.

Hypothesis:-

H0: Purchase of consumer durables from organized & unorganized outlets both affects the purchasing behavior of customer in Lucknow city (U.P)

H1: Purchase of consumer durables from organized & unorganized outlets both does not affect the purchasing behavior of customer in Lucknow city (U.P) Research Design:- Exploratory Research

Data Collecton Sources:-

- Primary Data:-** Data were collected through structured questionnaire.
- Secondary Data:-** Data were collected from various past studies and other sources like magazine, newspaper, reports and web sites etc.

Description of the study area:- Lucknow City

Sampling Plan:-

- Target Population:-** Customers in Lucknow City

- Sample Size:- 300

Analytical Tools:- Frequencies, Charts, Chi square test

Analysis and Interpretation:-

WHERE YOU PREFER					
		Fre-quency	Percent	Valid Percent	Cumulative Percent
Valid	Organ-ized	87	29.0	29.0	29.0
	Unor-ganized	38	12.7	12.7	41.7
	Both	175	58.3	58.3	100.0
	Total	300	100.0	100.0	

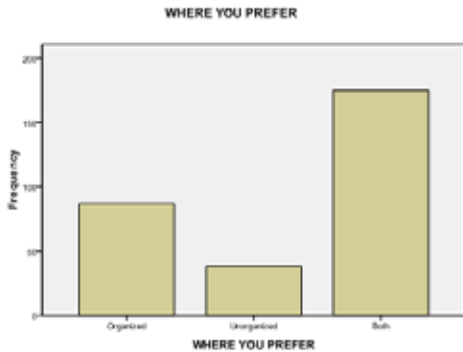


Chart 1.1

Interpretation:-

By the above chart 1.1 we can easily say that very organized outlet which are preferred by the consumers in durables are 29% and 12.7% consumers are of unorganized outlets. In spite of that 58.3% consumers prefer both outlets.

Factors that influence the purchase of Consumer Durable Products				
Factors	Frequency	Percent	Valid Percent	Cumulative Percent
Brand Name	93	31	31	31
Product Quality	79	26.3	26.3	26.3
Price of Products offered by the Brand	55	18.3	18.3	18.3
Brand Promotion	42	14	14	14
Distribution of Brand	14	4.7	4.7	4.7
packaging and Labelling of the Brand	17	5.7	5.7	5.7

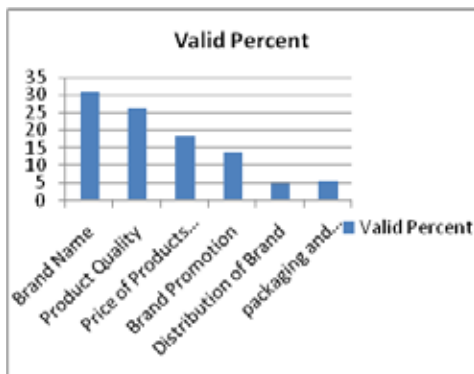


Chart 1.2

Interpretation:-

As shown in chart 1.2 31% consumers focuses on Brand Name, 26.3 % consumers emphasizes on Product Quality, 18.3 consumers delighted to use the product on the basis of the Price, 14% consumers are considering the Brand Promotion of the Product, 14.7% consumers adopts the products by their Distribution of Brand on the other hand 5.7% consumers prefers Packaging and Labeling of the Product.

Hypothesis Testing:-

WHERE YOU PREFER			
	Observed N	Expected N	Residual
Organized	87	100.0	-13.0
Unorganized	38	100.0	-62.0
Both	175	100.0	75.0
Total	300		

Chi Square Test

	WHERE YOU PREFER
Chi-Square	96.380 ^a
df	2
Asymp. Sig.	.000
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 100.0.	

Table 1.3

Table 1.3 reveals that majority of the customers admit that Purchase of consumer durables from organized & unorganized outlets both affects the purchasing behavior of customer in Lucknow city (U.P).it means 58.3 percent population accepts that purchasing behavior for durables is affected by organized and unorganized outlets.

So the hypothesis stating that Purchase of consumer durables from organized & unorganized outlets both affects the purchasing behavior of customer in Lucknow city (U.P) is accepted.

FINDINGS-

- Most of the customer prefers the brand name for the consumer durables .i.e. 31%.
- Customers prefer both (organized and unorganized) outlets for purchasing of consumer durables.i.e.58.3%

CONCLUSIONS-

Purchasing behavior of consumers towards durables is preferred in both outlets may it is organized retail and unorganized retail and most of the consumers prefer brand name.

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