



A Study on Consumer Buying Behaviour of Durable Goods in Erode District with Special Reference to Refrigerators

KEYWORDS

Consumer, Buying Behaviour, Durable Products, Refrigerator, Influencing factor

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ABSTRACT The consumer durables industry in India is showing sustained growth over the long term, fuelled by favourable consumer demographics, overall growth in services and industrial sectors, infrastructure development etc. In this research, the researcher has focused on examine the consumer buying behavior of consumer durable in Erode district of Tamilnadu. For this purpose of the study, the researcher has collected 150 consumers by using stratified random sampling technique. To attain the research objectives, simple percentage analysis, mean score analysis and Correlation analysis has been used. The research found that majority of the consumers are purchased through credit from multi-branded stores and influenced by price of the refrigerator and purchased double door refrigerator at the maximum

1. INTRODUCTION

Consumer behavior is defined as activities people undertake when over taking, consuming and disposing of product and services. The study of consumer behavior does not only include reason for buying but also the consumption process of the consumer at large. In the entire process of buying consumer get driven by influences such as feeling, motivation, income, lifestyle, opinion, culture, personality etc. The Indian consumer market has higher disposable income, the development of modern urban life style and increase in consumer awareness have affected by buyer behavior in cities, town, even rural areas. According to 2007 report by McKinsey & company, India is set to grow into the fifth largest consumer market in the world by 2025. In this scenario, creating customer loyalty is now a whole new challenge. These demographic shifts have also created the need for leader who can keep pace with change and identify with and predict future demand. This study is basically emphasis on influencing factor on Indian consumer buying behavior towards the refrigerator on the basis of demographic, psychographic and behavioral factors.

Increasing disposable income, working women and the advancement of technology, increases the need for the varied consumer durable goods. This in turn is leading to a strong competition among the different consumer durable brands available in the nation. Before the liberalization of the Indian economy, only a few companies like Kelvinator, Godrej and Voltas were the major players in the consumer durables market covering approximately 90% of the market. LPG policy, changes in economic & demographic features & recently Prime Minister Narendra Modi's campaign for made in India is opened platform from the various multinational companies to enter in India. Today the players like LG, Sony, Samsung, Whirlpool appeared to be the major share of the consumer durables market.

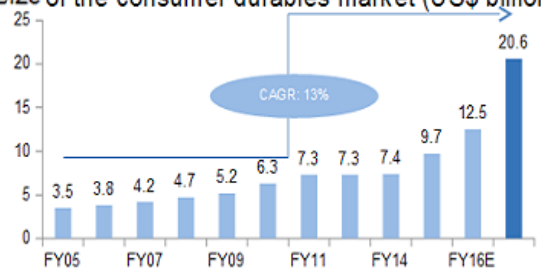
Durable Products

Consumer durables market is growing very fast because of increase in income levels, living standards, easy access to consumer finance, and increase in consumer awareness, and introduction of new models. The demand for consumer durables has increased significantly. Increasing competition results in the decrease in prices of

consumer goods of different companies and is available at an affordable price. The rural and urban market of consumer durables has been growing at a rate of around 15% on an average.

The growing purchasing power and rising influence of the social media have enabled Indian consumers to splurge on good things. The Indian consumer sector has grown at an annual rate of 5.7 per cent between FY2005 to FY 2015. Annual growth in the Indian consumption market is estimated to be 6.7 per cent during FY2015-20 and 7.1 per cent during FY2021-25. The consumer durables sector revenue has reached US\$ 9.7 billion in FY15 and is expected to reach US\$ 12.5 billion in FY16. Consumer durable market expected to grow at CAGR of 13 per cent from FY05 to FY20.

Size of the consumer durables market (US\$ billion)



Source: Electronic Industries Association of India, CAGR - Compound Annual Growth Rate. E: Estimated F: Forecasted

2. REFRIGERATOR MARKET IN INDIA

According to India Refrigerator Market Outlook 2021, the refrigerator market which is broadly divided into two categories - direct cool and frost free, both segments would continue to be strong for future years however in the long run frost free models will occupy the larger market share. The frost free refrigerator market of India is gaining massive popularity and momentum over traditional refrigerator models. There is a trend for double door refrigerators which start from 200 litre capacity to maximum 500 litres. The demand for refrigerators in India is mainly in urban

areas which account for a 75 percent share. Available features, energy star rating, warranty, quality, space, price, cleaning ease functionality and styling are currently major influential factors while purchasing a refrigerator.

The competition between different manufactures in the Indian refrigerator market has changed over time with many players entering and leaving the market. Both LG and Samsung, multinational companies from Korea have managed to capture a combined 50% market share in the refrigeration industry in India. While LG has two refrigerator manufacturing units in India, Samsung has none and relies on imports to maintain its market share in India. Domestic manufacturers like Godrej and Videocon are also working on increasing their market shares. The penetration rate of refrigerators in India is still very low when compared to other emerging market or developed countries. The southern region of India leads the refrigerator market in sales volume followed by the northern, western and eastern regions. India Refrigerator Market Outlook, 2021 discusses the following aspects of refrigerators in India.

LG dominates the refrigerator market but Samsung holds maximum share in the frost free segment because of its smart feature refrigerators and different variants. To compete with Samsung, LG Electronics recently announced the industry's first 5 star rated frost free refrigerator in India. Underpinned by the Smart Inverter Compressor, LG's frost free refrigerators fully comply with India's strict new 2014 energy regulations and offer up to 36% more energy efficiency than 3 star rated refrigerators of 2014 energy norms. LG's Door Cooling feature ensures a stable, uniform temperature throughout the entire refrigerator compartment, including the convenient storage areas located on the inside of the door. Meanwhile, the pull-out Tray is completely removable, making it quick and easy for users to retrieve items stored at the back of fridge. This model of LG's New Frost Free Refrigerator GL-D322 is available at a price of Rs.40090 in India.

3. LITERATURE REVIEW

Consumer behavior which was earlier termed as covered behavior is a continuous consumption process related to pre-purchase, purchase and post purchase issues. This refers to the physical action of consumers that can be directly observed and measured by others. According to Michael R.Solomon & Nancy J.Rabolt (2004), consumer behavior is the study of the process involved when individuals or groups, select, purchase, use or dispose of product, service, idea or experience to satisfied need and desires. According to Frank R. Kardes (2002), Consumer Behavior is the study of human or consumer responses to product, services and the marketing of products and services. According to Sethi J.A. (2015), understand the consumer buying of refrigerator from the perception and opinions of consumers from the age group of more than 25 years to make it useful to management students, researchers, and managers of consumer durable industry. According to Aluregowda (2013), consumer buying behavior of the consumer depends upon the awareness of the product, taste and preference of the brand

Sproles & Kendall (1986) established a model to conceptualize consumers decision making behavior with eight consumer mental orientation variables viz., perfectionism consciousness, brand consciousness, novelty and fashion conciseness, impulsive and careless consumer, confused by over choice consumer, habitual and brand loyal consumer, recreational and hedonic shopping conciseness, price and value conciseness .

Jin & Kang (2010) in their study of purchase intension towards foreign brand jeans using four antecedents viz., face saving, attitude, perceived behavior control and subjective norms found that face saving, attitude, perceived behavior control have significant influence of purchase intension where as subjective norms has not significant influence towards purchase intention.

4. OBJECTIVES OF THE STUDY

To find out the socio-economic status of the consumers who are utilizing refrigerators in Erode district.

To identify the positive and negative factors that influenced buying behavior of the selected consumers in Erode district.

5. RESEARCH METHODOLOGY

Descriptive research study has been used in this research. Around 150 consumers were collected by using stratified random sampling method in Erode district. That is, in 6 taluks of Erode district, 25 respondents have been collected equally. The study is based on primary data as well as secondary data. Simple percentage analysis, mean score analysis and correlation analysis has been used in this research study.

6. RESULTS AND DISCUSSION

6.1 The socio-economic factors of the selected consumers are given below table.

Table 1 : Socio-Economic factor of the selected consumers

No.	Factors	Number of Respondents	%
1	Age		
	Below 30 Yrs.	33	22.0
	31 – 40 Yrs.	78	52.0
	Above 40 Yrs.	39	26.0
	Total	150	100.0
2	Gender		
	Male	46	30.7
	Female	104	69.3
	Total	150	100.0
3	Educational Status		
	School level	47	31.3
	College Level	89	59.3
	Professional	14	9.3
	Total	150	100.0
4	Occupation		
	Govt. Employee	39	26.0
	Pvt. Employee	67	44.7
	Business	29	19.3
	Others (Students, House wives, Agriculturist, etc.)	15	10.0
	Total	150	100.0
5	Marital Status		
	Married	129	86.0
	Unmarried	21	14.0
	Total	150	100.0
6	Monthly Income level		
	Below Rs.15000	29	19.3
	Rs.15000 – Rs.25000	49	32.7
	Above Rs.25000	72	48.0
	Total	150	100.0

It could be found from the analysis that 22.0 percent of the respondents belong to below 30 years age category, 52.0 percent of the respondents belong to 31-40 years age category and remaining 26.0 percent of the respondents belong to above 40 years. Around 30.7 percent are male and 69.3 percent are female. The respondents have school level as 31.3 percent, college level as 59.3 percent,

and 9.3 percent for professional. Around 26.0 percent are working as government employee, 44.7 percent are working as private employee, 19.3 percent are business people and remaining 10.0 percent are having some other status like agriculturist, housewives, students, etc. Noticed that 86.0 percent are got married and 14.0 percent are not married. Among the 100 percent, 19.3 percent are earning below Rs.15000, 32.7 percent are earning Rs.15000 to 25000 and remaining 48.0 percent are earning above Rs.25000.

6.2 The buying behaviour of the selected consumers are given in the following table.

Table 2 : Behavioural factors of the selected consumers

No.	Factors	Number of Respondents	%
1	Amount Spent for purchase of Refrigerator		
	Less than Rs.10000	43	28.7
	Rs.10000 – Rs.15000	52	34.6
	Above Rs.15000	55	36.7
	Total	150	100.0
2	Type of Refrigerator Purchased		
	Single Door	24	16.0
	Bottom Freezer	21	14.0
	Double Door	85	56.7
	Side-by-Side	20	13.3
	Total	150	100.0
3	Capacity of Refrigerator		
	Below 300 litre	29	19.3
	300-600 litre	86	57.4
	Above 600 litre	35	23.3
	Total	150	100.0
4	Influencing factor		
	Price	42	28.0
	Quality	31	20.7
	Capacity	27	18.0
	Color	14	9.3
	Energy consumption	28	18.7
	Durability	8	5.3
	Total	150	100.0
5	Buying point		
	Company Store	29	19.3
	Online	18	12.0
	Multi-branded stores	72	48.0
	Nearby Store	31	20.7
	Total	150	100.0
6	Mode of payment		
	Cash	52	34.7
	Credit (Finance, Credit Card)	74	49.3
	Both	24	16.0
	Total	150	100.0

It could be found from the analysis that 28.7 percent of the respondents spent less than Rs.10000, 34.6 percent of the respondents are spending Rs.10000 to Rs.15000 and 36.7 percent of the respondents spent above Rs.15000. It is observed that 16.0 percent are using single door refrigerator, 14.0 percent are using bottom freezer refrigerator, 56.7 percent are using double door refrigerator and 13.3 percent are using side-by-side refrigerator. It is noticed that 19.3 percent are using below 300 litre refrigerator, 57.4 percent are using 300-600 litre refrigerator and 23.3 percent are using above 600 litre. Around 28.0 percent are influenced by price, 20.7 percent are influenced by quality, 18.0 percent are influenced by capacity, 9.3 percent are influenced by colour, 18.7 percent are influenced by energy consumption and 5.3 percent are influenced by its durability. The respondents are purchased refrigerator from company store with the percentage of 19.3, 12.0 percent are purchased from online, 48.0 percent purchased from

multi-branded store and 20.7 percent are purchased from nearby store. On the other hand, 34.7 percent of the respondents are purchased through cash payment, 49.3 percent of the respondents are purchased through credit payment and 16.0 percent are purchased through both cash and credit.

6.3 Factors Influenced by the sample respondents

The following analysis noticed that selected sample respondents are purchased the refrigerator by the influence of various factors. For identifying buying behavior, 8 statements with five point scaling technique have prepared and collect the respondents' opinion towards their behavioral aspect for purchasing refrigerator. From the opinion of the respondents about the buying behavior, total score and mean score calculated and considered as dependent variable. In order ascertain the influenced factor of the respondents for purchase refrigerator, the researcher has used mean score analysis and correlation analysis. The results are discussed in the following table.

Table 3 : Identifying Factors through Mean score analysis and correlation analysis

No.	Factors	Mean Score	'r' value	'p' value
1	Age			
	Below 30 Yrs.	3.5	0.724	0.000*
	31 – 40 Yrs.	4.2		
	Above 40 Yrs.	3.7		
Total	3.7			
2	Educational Status			
	School level	3.8	0.673	0.001*
	College Level	4.5		
	Professional	4.1		
Total	4.1			
3	Monthly Income level			
	Below Rs.15000	4.4	0.812	0.000*
	Rs.15000 – Rs.25000	4.6		
	Above Rs.25000	3.7		
Total	4.2			
4	Amount Spent for purchase of Refrigerator			
	Less than Rs.10000	4.1	0.634	0.009*
	Rs.10000 – Rs.15000	4.3		
	Above Rs.15000	4.0		
Total	4.1			
5	Capacity of Refrigerator			
	Below 300 litre	3.8	0.586	0.016**
	300-600 litre	4.3		
	Above 600 litre	3.9		
Total	4.0			

Note : * - Sig. at 1% level, ** - Sig. at 5% level

It could be noticed from the analysis that majority of respondents are influenced to purchase the refrigerator who belongs to 31-40 years aged, college level educated, Rs.15000 to 25000 earned as monthly income, Rs.10000 to 15000 spent for purchase of refrigerator and 300-600 litre capacity of refrigerator used. From the correlation analysis, it is found that all the variables are having positive association with buying behavior of the respondents.

7. FINDINGS

It is found from the analysis that majority of the respondents belong to 31-40 years, female, college level education, private employee, got married and earning monthly income of above Rs. 25000.

It is identified from the analysis that majority of the respondents spent for above Rs.15000 for purchase of refrigerator, purchased double door refrigerator, using 300-600 litre capacity refrigerator, influenced by price, purchased from multi-branded stores and they purchase through credit.

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spondents are influenced to purchase the refrigerator who belongs to 31-40 years aged, college level educated, Rs.15000 to 25000 earned as monthly income, Rs.10000 to 15000 spent for purchase of refrigerator and 300-600 litre capacity of refrigerator used.

From the correlation analysis, it is found that all the variables are having positive association with buying behavior of the respondents.

8. SUGGESTIONS AND CONCLUSION

From the research, 'Price' influences the purchase decision process is to be considered more seriously than the influence of any other factor. The marketing strategy to be adopted under conditions which purchase decisions are dominated has to necessarily differ when such factors are dominated.

In order to reach the prospective buyer without any complications, the Marketer's prime responsibility is to identify the person dominating the decision making process and he / she is to be influenced further towards the desired action. It is believed that, such an approach will serve the purpose more effectively than a generalized approach often practiced by Indian Marketers towards the family purchase activity.

Women should be aware of the new products introduced in the market and of its special features, price, quality, etc. They should be capable of identifying duplicate products and should avoid purchasing unnecessary items. Purchase is to be made on the basis of the quality, income and according to the budget. Women must know the standard store which sell products at reasonable prices with excellent service. They should give importance to the package date, manufacturing date, ISI marks, expiry date, brand etc while purchasing. They should bargain and should clarify their doubts regarding the product, they buy.

Also, from the study, credit purchase is more than cash purchase. So, proper planning is essential before going for purchasing and should know the credit facilities, offers, discounts, etc available for the products in the market. In order to bring about lasting happiness in purchase, decision should be 'Joint Decision'.

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