



An Impact of Demographic Variables on Consumer's Preference with reference to Air conditioner

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ABSTRACT

This empirical research paper deal with an impact of demographic variable on consumer preference towards purchase of air conditioner. This study throws light on how far the demographic variables such as age, gender, educational qualification, income, having an influence on consumer preference towards purchase of air conditioner. To identify the consumer preference a set of questions were framed. The data were collected by using convenience sampling from 115 consumers belong to Chennai city. Using SPSS, some of the relevant tests were carried out like t-test, percentage analysis, ANOVA. Based on the analysis made various finding were derived that will be useful, relevant and significant to determine the consumer preference in the selection of Air conditioner.

Keywords : Consumer preference, Demographic variable, durable goods - Air-conditioner

2. Introduction

Preference ("taste") is a concept, used in the social sciences, particularly economics. It assumes a real or imagined "choice" between alternatives and the possibility of rank ordering of these alternatives, based on happiness, satisfaction, gratification, enjoyment, utility they provide. More generally, it can be seen as a source of motivation. In cognitive sciences, individual preferences enable choice of objectives/goals. The individual consumer has a set of preferences and values whose determinations are outside the realm of economics. They are no doubt dependent upon culture, education, and individual tastes, among a plethora of other factors. Consumer preferences are defined as the subjective (individual) tastes, as measured by utility, of various bundles of goods. They permit the consumer to rank these bundles of goods according to the levels of utility they give the consumer. Consumer needs and preferences are changing, given change the factors like demographics and lifestyles. These changes can become great business opportunities for alert marketers and threats for marketers who fail to adapt. It is very essential to know how buyers behave in modern marketing field.

3. Literature Review

(Campbell, et al. 2004; Gao and Schroeder 2009) have shown that consumer preferences are heterogeneous, and as such, identification of specific consumer groups that have similar attitudes toward product attributes is critical. Both demographic and behavioural variables can be used to explain heterogeneous preferences, though neither is sufficient on their own. Consumer demographics are commonly believed to be poorly related to consumer behaviour (Johns and Gyimothy 2002), however, consumer demographics are readily available. Although demographics are not likely to explain all of the variation in consumer preferences, some are often significantly related to preferences. For example, numerous studies have found location (city, region or country) to be an important factor in explaining heterogeneous consumer preferences (e.g. Fox 1995; Jaeger, et al. 1998). Psychographic characteristics are more reliable as a measure of consumer lifestyle and may serve as a better predictor for market segmentation; however these variables are lacking theoretical foundation, measurement reliability, and are difficult to access without a detailed survey designed for the specific problem (Lesser and Hughes 1986; Edris and Meidan 1989).

4. Research Methodology

The research design used in the study was descriptive in nature as it evaluates the existing state of affairs of consumers in Chennai city. The sample size of the study was 115 selected based on convenience sampling in Chennai. Questionnaire is developed for collecting primary data from the respondents. The questionnaire consists of several statements using 5 point Likerts scale and few demographic factors questions are also been collected. A pilot study was conducted to validate the questionnaire and Cronbach's alpha statistical tool used to measure the internal consistency or reliability of the questionnaire. It is found that the Cronbach alpha value is .987. This implies that the research instrument is valid at 98 % level. The study was also supplemented by references from different magazines, literatures, books and publications related to monetary benefits. The data gathered through the survey are to be analyzed with appropriate tools and techniques and are represented with tables and graphs as and when necessary. In order to analyze descriptive data analysis and statistical tools used such as percentage method, ANOVA and T-test was employed. Demographic and Rational profile of the respondents were analyzed using percentage analysis.

5. Objective

- To study the demographic variables of the consumer which influence the preference of Air -conditioner.
- To measure the impact of demographic variables on consumer preference in the purchase of Air-conditioner.

6. Analysis and Findings

In this chapter, effort has been made to identify the demographic profile of the respondents and to find out the consumers preference on Air-conditioner.

6.1. Classification of Respondents based on demographic variables

Demographic Variables	Particulars	No. of Respondents	Percentage
Gender	Male	53	46
	Female	62	54
	Total	115	100

Age	Below 25	25	22
	26-35 years	39	34
	36-45 years	37	32
	Above 46	14	12
	Total	115	100
Marital Status	Single	46	40
	Married	69	60
	Total	115	100
Educational Qualification	Schooling	21	18
	UG degree	41	36
	PG degree	39	34
	Professional	14	12
	Total	115	100
Occupation	Business	12	10
	Government employee	21	18
	Private employee	70	62
	Professional	12	10
	Total	115	100
Annual income	Below Rs. 3 lakhs	48	42
	Rs. 3-4 lakhs	46	40
	Above Rs. 4 lakhs	21	18
	Total	115	100
No. of earning hands in family	One	35	30
	Two	62	54
	Three	18	16
	Total	115	100

Source: Primary Data

It is inferred from the above table that 54% of the respondents were female, 34% of the respondents were between the age group of 26-35yrs, 60% of the respondents were married, 36% of the respondents had UG as their educational qualification, 62% of the respondents were working as private employees, 42% of the respondents had below Rs.3 lakhs as their annual income and 54% of the respondents had two earnings in their family.

6.2 T – Test

To find out whether there is any significant relationship between different levels of the respondents and their preference for Air-conditioner; a null hypothesis is framed and tested with the help of 't' test. 't' test values were calculated for Gender and Marital status of respondents. The t – values calculated were compared with the table 't' values (at 5% level and at 1% level) to test the significance of variation in respect of preference of the respondents on Air-conditioner. The results were tabulated and interpreted in the table 6.2

Table: 6.2.1 Gender and preference of the respondents towards Air-conditioner

Gender	Mean	S D	t-value
Male	67.04	13.281	1.475
Female	61.23	14.176	(p=.147)

Source: Primary Data
*significant at 5% level

The obtained 't' value is 1.475 and it is not significant at 5% level. The value indicates that there is no significant mean difference between Gender of the respondents with respect to consumer preference in air conditioners.

Table: 6.2 .2 Marital Status and preference of the respondents towards Air-conditioner

Marital status	Mean	S D	t-value
Single	62.78	14.327	.464 (p=.645)
Married	64.70	13.871	

Source: Primary Data
*significant at 5% level

The obtained 't' value is .464 and it is not significant at 5% level. The value indicates that there is no significant mean difference between marital status of the respondents with respect to consumer preference in air conditioners.

Table: 6.3 ANOVA

To find out whether there is any significant difference between individual demographic variables such as age, educational qualification, Occupation and income of the respondents and the perception about industrial relations a null hypothesis is framed and tested.

Findings

- It is inferred that 54% of the respondents were female, 34% of the respondents were between the age group of 26-35yrs, 60% of the respondents were married, 36% of the respondents had UG as their educational qualification, 62% of the respondents were working as private employees and 42% of the respondents had below Rs.3 lakhs as their annual income.
- There is no significant difference between Gender and Marital status of the respondents and consumer preference.
- There is significant difference between Age of the respondents and consumer preference.
- There is no significant difference between Education, Occupation, Annual income of the respondents and consumer preference.

Conclusion

The study reveals that demographic variables have significant influence on consumer preference towards Air-conditioned. It shows that consumer preference do not differ significantly between Gender, Marital status, Education, Occupation and Annual income of the respondents, but it differs significantly with the age of the respondents, specifically the age group of 26-35yrs is very high. Based on the findings of the study it suggests that marketers should pay keen attention to 'Age' of the consumers as it has a greater impact on inducing preference towards products. Therefore these demographic shifts creates the need for marketers to keep pace with change and identify with and predict future demand.

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