Factors Influencing Consumer Buying-Behaviour Towards Durable (White) Products

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Abstract

Consumer durables have come up as one of the fastest growing industries in India. Once perceived as luxury items, but in today's scenario, consumer durables have become an essential tool for everyday use for the Indian middle class. Consumer durables industry is growing very fast because of some factors like increase in income levels, living standards, easy access to consumer finance, increase in consumer awareness, the introduction of new technology, models etc. The objective of the present study is to find out various factors like purchase-initiator, search information, source of information, importance of attributes etc. that affect consumer buying-behaviour towards consumer durable (white) products. Questionnaires were filled to analyse consumed buying-behaviour towards durable (white) products. The statistical tools used for the purpose of this study were descriptive analysis and t- test. The results of the study were that most of the purchase of refrigerators, washing machines and microwave oven were initiated by female respondents and for air conditioners and LCD\LED, purchases were initiated by the male respondents. Majority of the purchase-decisions made by the respondents were influenced by their family members and the next influencing sources were themselves and spouse. The respondents have collected the information about the selected white goods from family and friends first and thereafter from TV ad and e-media. For some respondents, showroom location is not at all important in case of all five products and they also do not give any importance to credit facility as they believe in cash purchases.

Key Words

Consumer Durable Products, Consumer Buying-Behaviour, Purchase Initiator, White Products, Attributes

INTRODUCTION

Consumer durables have come up as one of the fastest growing industries in India. Once perceived as luxury items, but in today's scenario, consumer durables have become an essential tool for everyday use for the Indian middle class (Ojha, 2013). Because a sustained growth has been seen in India for the consumer durable industry over the long-term, powered by favorable consumer demographics as well as overall growth has been observed in services and industrial sectors, infrastructure development etc. The demand for consumer durables has increased significantly. This may be due to decrease in prices of consumer goods of different companies, observed due to increase in competition and those are available at an affordable price (Laddha, 2015).

This is also supported by Consumer Electronics and Appliances Manufacturers Association (CEAMA, 2010) that 12-13 per cent growth had been registered for consumer durables and electronics sector in 2010. A considerable change has been witnessed by the Indian consumer durables industry over the last few years. India is the second fastest growing economy having a huge consumer class. Consumer durables have emerged as one of the fastest growing industries in India. Indian urban consumers are the young, energetic and good earners in the family, that's why, it automatically increases the demand of consumer durable earner (Buvaneshwari and Babu, 2014). The consumer durable industry was expected to grow at a CAGR of nearly 19 percent during 2010-2013 to US\$ 9.5 billion (Patel, 2013).

It is important to understand a few terms before going into further discussion:-

Consumer Durables

Consumer durables have emerged as one of the fastest growing industries in India. Indian urban consumers are the young, energetic and good earner in the family, that's why, it automatically increases the demand of consumer durable earner (Buvaneshwari and Babu, 2014). Consumer durables industry is growing very fast because of some factors like increase in income levels, living standards, easy access to consumer finance, increase in consumer awareness, the introduction of new technology, models etc. (Kumar, 2010).

According to the India Brand Equity Foundation (IBEF, 2012), consumer durable products are classified into two segments: Consumer Electronics & Consumer Appliances. Consumer appliances can be further categorized into white products and brown products.

White Products

White Products were typically painted or enamelled white, and many of

them still are white. Back in the days, the colour white represented as cleanliness, warmth, grace, and perfection. And the original manufacturers wanted their products that are mostly used in the kitchen or the living room to portray those qualities. The white products are generally machines which perform tasks, such as cooking, food preservation, cooling, and cleaning.

According to the report given by ICRA 2005-06, consumer durables include refrigerators, washing machines, air-conditioners, LCDs & LED TV, microwave oven, water heaters, freezers, speakers and audio equipments etc. The consumer durable white goods industry is heavily influenced by various energy-saving regulations, affecting not only the appliances but the manufacturing facilities as well (Dasar *et al.* 2013).

Consumer Buying-Behaviour

Consumer behavior is the study of when, why, how, and where people do or do not buy products. It attempts to understand the buyer decision-making process, both individually and in groups (Subramanian, 2015).

Consumer behavior explains the reasons and logic that underlie purchasing decisions and consumption patterns; it explains the processes through which buyers make decisions. The study includes within its purview, the interplay between cognition, affect and behavior that goes on within a consumer during the consumption process: selecting, using and disposing of goods and services (Sahney, 2009).

REVIEW OF LITERATURE

Sarvana (2010) had studied the consumer buying-behaviour with special reference to durable products. The result of this study was that education, high income and family influence the consumer buying-behaviour the most while purchasing consumer durable goods. This was also supported by Thaman and Ahuja (2010) and analyzed that the consumer behaviour in the purchase of television, refrigerator and food processor, high income level and family influence the most. Freda (1995) has also concluded that the decision of family members jointly influence the buying-behaviour of consumers for durable products. Raju and Saravanan (2001) opined that in the case of consumer durables, most of the families take purchase-decision jointly and also observed that with the help of advertisements and publicity through mass media, the company can reach to the consumer closely followed by information from friends and relatives. Gupta and Chundawat (2002) observed the roles played by family members and the social influence on the purchase of a refrigerator and found that females of the house were

found to be playing a significant role in demand initiation and the husband took the final decision in the purchase of a refrigerator. This was also supported by Gupta and Verma (2000). In this study, the researcher had found that husbands' influence is considerably higher than the wives. Children also play an active role in the brand selection of CTV. Prasad and Kumari (1987) have concluded that advertisement leaves a very positive impact on the consumer buying-behaviour for consumer durables market. In this research, the importance of refrigerator among consumer durables is studied. In a study conducted by Das and Mohanty (2008), it had been observed that the most affected factors for consumer buying-behaviour for durable goods are-word of mouth, technical features, durability and ground reality.

Kishore and Nabi (2000) pointed out that consumers give importance to brand while purchasing any durable product like television etc. Consumers always prefer reputed brand while they purchase televisions because as per their opinion, television is a branded product. This has also been supported by Rajeswari and Pirakatheeswari (2014) in their study and concluded that among the 10 features that influence the respondents while they purchase the consumer durable goods, the factor "Price" ranked first, "Quality" got the second, "Brand Image" got the third rank and "Model/Design" got the fourth rank. Mohanram and Mahavi (2007), found that teenagers were influenced by updated information of the product and collected information from different dealers on various aspects of price, technology, etc. and influenced by peers compulsion and sales talk of the dealer. In respect of promotion mix, various sales initiatives like store visits, stores display, and other sales promotion efforts attract the teenagers very much. Estelami & Maeyer (2004), observed that the existing research in pricing has not extensively examined the impact of the product category on consumers' knowledge of prices, especially for durable goods.

Das *et al.* (2008) have made a study on consumer buying-behaviour in the durables market with reference to colour television and observed that every day, consumers and households make decisions about the goods and the services they purchase. The factors that influence their buying decisions are commonly price, quality, advertisement, recommendation from near and dears etc.

OBJECTIVE OF THE STUDY

The objective of this study is to find out various factors like purchase-initiator, search information, source of information, importance of attributes etc. that affect consumer buying-behaviour towards consumer durable (white) products.

RESEARCH METHODOLOGY

The research methodology for this study is as follows:-

The universe for this study was Delhi – NCR covering all the users of selected durable (white) products. 150 questionnaires were filled to analyse consumed buying-behaviour towards durable (white) products. The consumers of Delhi-NCR Region (Delhi, Faridabad, Gurgaon, Ghaziabad and Noida) were considered. The consumers of the selected durable (white) products were included in the sample. They had been chosen on the basis of judgement and convenience of the researcher. Pre-designed questions were framed for collecting primary data to study the consumer buying-behaviour towards durable (white) products. The statistical tools used for the purpose of this study were Descriptive Analysis Test and t-Test.

ANALYSIS

The analyses of the study are as follows:-

Purchase Initiator of Selected White Products

In Indian society, a transformation from traditionalism to modernism is taking place. Women working outside the homes are being encouraged. Today, it is the female who influences the family purchase-decision. The following Table describes the purchase-initiator of selected durable (white) products.

Table 1
Purchase Initiator of Selected White Products

	Initiator of Purchase							
Product		Own Decision	Family Members	Friends/ Relatives/ Neighbours	Sales People	Peer Group	Total	
Refrigerator	Frequency	29	116	4	1	_	212	
	Percentage	19.3	77.3	2.7	0.7	_	80.7	
Washing	Fequency	28	113	5	3	1	122	
Machine	Percentage	18.7	75.3	3.3	2.0	0.7	81.3	
Air	Frequency	33	97	16	1	2	116	
Conditioner	Percentage	22.0	64.7	10.7	0.7	1.3	77.4	
LCD /	Frequency	34	99	16	_	_	115	
LED TV	Percentage	22.7	66.0	10.7	_	_	76.7	
Microwave	Frequency	34	101	14	_		115	
Oven	Percentage	22.7	67.3	9.3		_	76.7	

Source: Primary Data

From the above Table, it is understood that for all selected (white) products, most of the respondents were influenced by their family members. The next purchase-initiator source is the own decision. Compared with other influencing sources, the influence by the peer group is low.

Search Information by the Respondents

One person can search information about the selected durable (white) products through various sources. The following Table describes the respondents who search information for selected durable (white) products.

Table 2
Search Information by the Respondents

Search Information	Frequency	Percentage		
Myself	71	35.0		
Spouse	28	13.8		
Family Members	87	42.9		
Friends	7	3.4		
Relatives	10	4.9		
Total	203	100		

Source: Primary Data

From the above Table, it is understood that for all the selected (white) products, family members are the most reliable source from all the mentioned sources.

Sources of Information for the Purchase of Selected White Goods

Vyas (2010) pointed out that sources of information such as authorized dealer's shop, technical expert advice, and role of television as media and influence of friends, relatives and neighbors found important in purchase of durables by respondents. The following Table shows the sources of information for the purchase of selected white goods.

Table 2
Sources of Information for the Purchase of Selected White Goods

Search Information	Frequency	Percentage		
e-Media	53	21.2		
Reference Groups	3	1.2		
Work Groups	11	4.4		
TV Ad.	80	32.0		
Newspaper	27	10.8		
Word of Mouth	6	2.4		
Print Media	2	0.8		
Family and Friends	71	28.4		
Total	253	100		

Source: Primary Data

The above Table shows that for the purchase of durable products, family and friends play the most important role as source of information. The next important source of information is e-media.

Importance of Attributes while purchasing the selected white products

There are so many important attributes related to any product. The following Table depicts the importance of some attributes while purchasing the selected white goods by respondents.

The results show that for some respondents, show room location is not at all important in case of all five products and they also do not give any importance to credit facility as they believe in cash purchases. For other respondents, features, model, brand name, advance features & durability, size of products & maintenance facility are an important attribute for them. Price, energy saving, guarantee and after sale service are very important attribute while purchasing durable products for some respondents.

Further t-test has also been applied by family type and by gender type. It is used to determine whether there is a significant difference between the means of two groups. It also measures the size of the difference relative to the variation in our sample data.

Table 4
Importance of Attributes While Purchasing the Selected White Products

	Not at all Slightly Neither				her	Important Very			Total			
Attributes		rtant	1 "		1		 		Important			
					Nor	Un-						
					important							
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Brand Name	1	0.7	3	2.0	2	1.3	72	48.0	72	48.0	150	100
Model	5	3.3	8	5.3	15	10.0	77	51.3	45	30.0	150	100
Advance Features	3	2.0	4	2.7	14	9.3	70	46.7	59	39.3	150	100
Durability	_	_	8	5.3	9	6.0	70	46.7	63	42.0	150	100
Comfort- able Size	4	2.7	9	6.0	17	11.3	67	44.7	53	35.3	150	100
Features	_	_	10	6.7	7	4.7	92	61.3	41	27.3	150	100
Colour	2	1.3	22	14.7	22	14.7	59	39.3	45	30.0	150	100
Price	2	1.3	4	2.7	5	3.3	43	28.7	96	64.0	150	100
Energy Saving	_	_	9	6.0	13	8.7	41	27.3	87	58.0	150	100
Show- Room Location	17	11.3	21	14.0	47	31.3	44	29.3	21	14.0	150	100
Offers & Schemes	6	4.0	17	11.3	36	24.0	42	28.0	49	32.7	150	100
Guarantee	_	_	4	2.7	17	11.3	51	34.0	78	52.0	150	100
Credit Facility	9	6.0	16	10.7	33	22.0	48	32.0	44	29.3	150	100
Mainte- nance	4	2.7	17	11.3	11	7.3	67	44.7	51	34.0	150	100
After Sales Service	1	0.7	7	4.7	17	11.3	37	24.7	88	58.7	150	100

Source: Primary Data

Table 5 t-Test (Importance of Attributes While Purchasing the Selected White Products)

Attributes	t-Test Value	t-Test Value		
	(By Family Type)	(By Gender)		
Brand	.918	.930		
Model	.927	.495		
Advanced Features	.467	.423		
Durability	.485	.984		
Comfortable Size	.083	.139		
Features	.061	.098		
Colour	.899	.165		
Price	.061	.218		
Energy Saving	.132	.429		
Show Room location	.059	.084		
Offer and Schemes	.840	.415		
Guarantees	.916	.891		
Credit Facility	.644	.651		
Maintenance	.528	.229		
After Sale Service	.229	.049		

Source: Primary Data

From the above Table it is observed that by family type, some attributes like brand, model, price, size, colour, guarantees, offers and schemes play the most significant role while purchasing consumer durable (white) products. By gender type, attributes like brand, durability, features & guarantees play the most significant role for purchasing of these products.

DISCUSSION

Most of the respondents for the purchase of refrigerators, washing machines and microwave oven were initiated by female respondents and for air conditioners and LCD\LED, purchases were initiated by the male respondents. Majority of the purchase-decisions made by their family members and the next influencing source was themselves and spouse.

The most reliable source is family & friends while collecting source of information for purchasing consumer durable (white) products. The results also show that for some respondents, show room location is not at all important in case of all five products and they also do not give any importance to credit facility as

they believe in cash purchases. For some of the respondents, features, model, brand name, advance features & durability, size of products & maintenance facility are an important attribute for them. Price, energy saving, guarantee and after sale service are very important attribute while purchasing durable products for some of the respondents.

MANAGERIAL IMPLICATIONS

The present study helps marketers to convince family and friends for selling their products as family and friends are the most reliable source for information to consumers. Consumers are believed to pay on cash basis as they don't want to pay any extra money for interest. So, marketers should apply suitable cash discount for boosting up sales. Price, model, size, colour, guarantees, offers and schemes are important factors, which are considered while selling durable products. Hence, companies have to focus on these factors to increase their sales.

The Academicians can also get valuable information for further study regarding any other durable products and for other areas.

LIMITATIONS

The present study has some limitations. As less number of existing research papers, the researcher has used other linked theories in order to complete the consumer durable products literature. It is difficult to find people likely to participate in the interviewing process because of a rigid time schedule in the day to day life. The study does not include other durable products like speaker and audio equipments, DVDs, mobile phone etc. which limits its scope and restrict the study to be comparative. The findings of the study will be limited to Indian consumers of Delhi (NCR) only. The discussion and conclusion may vary with the involvement of other consumer durable products and consumers from different area.

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