



THE BEHAVIOUR OF CONSUMER TOWARDS DURABLE GOODS

(A Study of selected Home Appliances in KRISHNA District. AP.

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Abstract:

The behavior of Consumer is comparatively a new field of study which evolved just after the Second World War. The seller's market has disappeared and buyers market has come up. This led to paradigm shift of the manufacturer's attention from product to consumer and specially focused on the consumer behaviour. The evaluation of marketing concept from mere selling concept to consumer oriented marketing has resulted in buyer behaviour becoming an independent discipline. The growth of consumerism and consumer legislation emphasizes the importance that is given to the consumer. Consumer behaviour is a study of how individuals make decision to spend their available resources on consumption related aspects. Consumer durables are a category of consumer products that do not have to be purchased frequently because they are made to last for an extended period of time (typically more than three years). They are also called durable goods or durables.

Social, cultural and Economic systems effect the buying behavior of consumers. It is a fact that in these aspects the differences are decreasing gradually. Till these differences remain, the groups require different treatments. These allied questions call for scientific enquiry to find out the prospects of consumer behavior towards durable goods. Against this backdrop, a humble attempt is made in this study with reference to Krishna District of Andhra Pradesh state.

Key Words: Consumer, Behaviour, Durable Goods, Market.

1. Introduction

1.1. An Overview

The behavior of Consumer is comparatively a new field of study which evolved just after the Second World War. The seller's market has disappeared and buyers market has come up. This led to paradigm shift of the manufacturer's attention from product to consumer and specially focused on the consumer behavior. The evaluation of marketing concept from mere selling concept to consumer oriented marketing has resulted in buyer behavior becoming an independent discipline. The growth of consumerism and consumer legislation emphasizes the importance that is given to the consumer. Consumer behavior is a study of how individuals make decision to spend their available resources (time, money and effort) or consumption related aspects (What they buy? When they buy? How they buy? etc.).

It is broadly the study of individuals, or organizations and the processes consumer use to search, select, use and dispose of products, services, experience, or ideas to satisfy needs and its impact on the consumer and society..

1.2. Consumer durable goods sector

Consumer durables are a category of consumer products that do not have to be purchased frequently because they are made to last for an extended period of time (typically more than three years). They are also called durable goods or durables.

Examples of consumer durable goods include books, household goods (home appliances, consumer electronics, furniture, tools, etc.), automobiles, sports equipment, jewelry, medical equipment, firearms, and toys. Nondurable goods or soft goods (consumables) are the opposite of durable goods.

Some of the top consumer durables brands in India are:

- Nokia
- Philips
- Samsung
- Sony
- Whirlpool
- Blue Star
- Carrier
- Godrej India

- Hitachi India Limited
- Sharp India Limited
- Tata
- Toshiba India Private Limited
- Videocon
- Voltas

1.3. Need for the Study

As rapid socio-economic changes sweep across India, the country is witnessing the creation of many new markets and a further expansion of the existing ones. With over 300 million people moving up from the category of rural poor to rural lower middle class between 2005 and 2020, rural consumption levels are expected to rise to current urban levels by 2020.

Consumer durables involve any type of products purchased by consumers that are manufactured for long-term use, as opposed to many goods that are intended for consumption in the short term. Consumer durables are intended to endure regular usage for several years or longer before replacing the required consumer product. Every household contains at least a few items that may be properly considered to be of a consumer durable nature. A combination of changing lifestyles, higher disposable income, greater product awareness and affordable pricing have been instrumental in changing the pattern and amount of consumer expenditure leading to robust growth of consumer durables industry.

Social, cultural and Economic systems effect the buying behavior of consumers. It is a fact that in these aspects the differences are decreasing gradually. Till these differences remain, the groups require different treatments. These allied questions call for scientific enquiry to find out the prospects of consumer behavior towards durable goods. Against this backdrop, a humble attempt is made in this study with reference to Nizamabad District of Telangana state.

1.4. Objectives of the Study

The main objective of this study is to analyze the buying behavior of consumers towards durable goods in Krishna District of Andhra Pradesh state.

- 1) To study the socio-economic profile of the consumers in Krishna District of Andhra Pradesh state.
- 2) To know the awareness of the consumers among the durable goods.
- 3) To study the consumer brand preference towards durable goods.

- 4) To identify the role of various socio-economic, cultural and psychological factors that influence the purchasing pattern of consumers towards durable goods.
- 5) To know the satisfaction level of consumers towards durable goods.
- 6) Finally, to suggest some measures for effective implementation of marketing strategies to various consumer durable goods companies with reference by this study.

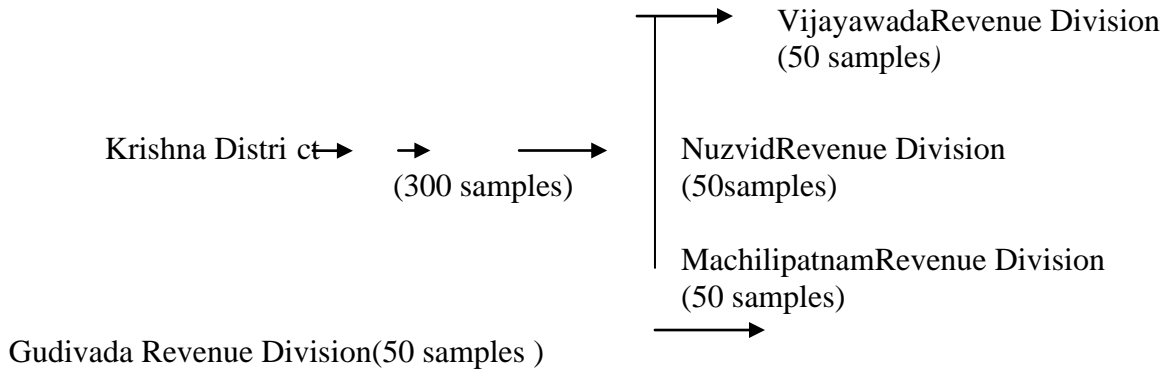
1.5. Research Methodology

Today, all the firms are engaged in a process of creating a life time value and relationship with their customers. Thus, this study aims at enquiring the behavioral pattern of the consumers with special reference to Home appliances of consumer durable goods. Behavior is depending on various social, economic and cultural factors. Hence conceptual developments on the issue have been enquired into and major attributes consulting these concepts have been identified. The study has attempted to derive information on these attributes in the area under study. Such information has been collected through interviewing selected consumers with the help of administering structured schedule of questions to them.

1.5.1. Sample Design

This study is based on convenient sampling method. The area under study spreads over areas of Krishna District of Andhra Pradesh state, India. To make the samples representative, as far as possible, various steps have been taken into consideration. Two hundred samples have been selected from the Krishna District. This study has taken up in three selected revenue divisions of Krishna District, Andhra Pradesh state, India. For this study six home appliances of consumer durable products have been selected. The products under Home appliances are Refrigerator, Television, DVDs, Washing Machines, Micro Wave Ovens and Dish Washers.

The **district** is divided into **4 revenue divisions** of Vijayawada, Nuzvid, Mchilipatnam and Gudivada. These are sub-divided into 50 mandals, 973 panchayats, 5 municipalities and 1005 villages.



From each area, a sample of Fifty respondents has been drawn.. These respondents are drawn from lower, middle and higher income groups. While selecting the sample respondents, it has been looked into that they use durables, with a view to enquiring their consumer behavior for buying durables.

1.5.2.Data Collection

The significant and distinctive stage of research in social science is collection of necessary information. The sources of information are generally classified as primary and secondary data.

Primary data required for this study was collected through schedules. Schedule has been constructed to collect data from consumers of Krishna district towards information related to consumer durable goods,

The secondary data has also been collected from different sources of journals, magazines, reports, Internet, books related to topic, etc.

1.5.3.Statistical Tools:

While analyzing the data simple average and percentages are computed. For the purpose of research have been used count, mean, and cross tables.

1.6. Limitations of the Study

- This study has been selected samples three revenue divisions of Krishna District in Andhra Pradesh state, India.

- Due to the diversity of the locations and lack of awareness researcher was not able to collect qualitative data.
- This study is mainly focused on consumer selected home appliances of durable goods like Refrigerator, Television, DVDs, Washing Machines, Micro Wave Ovens and Dish Washers.

2. Review of Literature

The literature review is an important step in any research process. Review of earlier studies discloses the works and studies done by individual researchers and institutions and help to establish further the need for the study. Reports of surveys undertaken by the government and the non government agencies provide very useful information to the research process. Various studies related to consumer behavior, rural marketing and urban markets have been conducted by different social scientists at micro as well as macro level in India and abroad. While there has been much literature available about the customers, it is found in the study that the marketing of consumer durables is of recent development. An attempt has been made in the study to review the earlier studies relating to marketing specifically rural and urban consumer behavior and of customer care on durable products.

Ashish kumar, Poonam Gupta (2015) made a study entitled, “To analyze consumer buying behavior and preferences in the home appliances market of Haier”, A survey of the people has been conducted to know the liking pattern of the products of the company Haier. It is observed that overall people like to purchase Samsung brand rather than Haier. It is concluded that mostly people preferred Samsung due to its price, quality, technology and image and also due to the after sales service provided by the company. It is thus concluded from the facts collected that mostly people prefer to buy due to the attractive schemes and discounts given by the companies.

3. Analysis of Consumer Behavior towards Durable Goods (Home Appliances)

The data is analyzed on the basis of suitable tables by using mathematical techniques.

Table: 1 Gender of the Respondents

Gender	No. of Respondents	% of Respondents
Male	120	60
Female	80	40
Total	200	100

(Source: Primary Data)

Interpretation:

Here, in survey the 60% are male respondents & rest of the respondents are female. Male and Female both are more concerned about the consumer durables & also equally more attracted towards the electronics.

Table: 2 Ages of the Respondents

Age group (in years)	No. of Respondents	% of respondents
Below 20 years	0	0
20-30 years	64	32.
30-40 years	86	43
40-50 years	50	25
Above 50 years	0	0
Total	200	100

(Source: Primary Data)

Interpretation:

It can be seen that 43% of the respondents belong to the age group of 30-40 years while the only 25% of the respondent belong to the age group of 40-50 years Only 32% respondent were in the age group of 20-30 years.

Table: 3 Educational Qualifications of the Respondents

Educational qualifications	No. of Respondents	% of respondents
Illiterate	12	06
Primary level	14	07
SSC	28	14
Intermediate	32	16
Degree	78	39

PG & Others	36	18
Total	200	100

(Source: Primary Data)

Interpretation:

It can be seen that 39% of the respondents are completed their Degree, while the respondents completed their Intermediate and PG are 16% and 18% respectively. SSC and Primary level education are completed only 14% and 7% respectively. Illiterates are only 6%.

Table: 4 Family Size of the Respondents

Family Size	No. of Respondents	% of respondents
1-3	60	30
4-7	98	49
8-12	30	15
Above 12	12	6
Total	200	100

(Source: Primary Data)

Interpretation:

From the above analysis, it is observed that 49% of the total respondents have a family size of 4-7 members while 30% respondents have 1-3 family members. Only 6% respondents have family size of more than 12 members and 15% have family size of 8-12 members.

Table: 5 Monthly Incomes of the Respondents

Monthly Income	No. of Respondents	% of respondents
Rs. 0 to 10000	30	15
Rs. 10000 to 20000	42	21
Rs 20000 to 30000	76	38
Rs. 30,000 to 40,000	32	16
Above 40,000 Rs.	20	10
Total	200	100

(Source: Primary Data)

Interpretation

Out of the above analysis, it is noticed that most of the respondents have a monthly income of Rs 20000 to 30000 i.e. 38%, while 21% respondents have monthly income

between Rs.10000 to Rs.20000 , Rs 0 to 10000 and Rs 30000 to 40000 are 15% and 16 % respectively. Only 10% respondents have a monthly income of Above Rs 40,000.

Table: 6 Awareness of the Respondents on Home Appliances

Types of Home Appliances	Awareness of respondents on Home appliances			% of Awareness of respondents on Home appliances	
	Awareness	Not Awareness	Total	% of Awareness	% of not Awareness
Refrigerator	168	32	200	84	16
Television	188	12	200	94	06
DVDs	108	92	200	54	46
Washing Machines	94	106	200	47	53
Micro wave Ovens	58	142	200	29	71
Dish Washers	50	150	200	25	75

(Source: Primary Data)

Interpretation:

From the above findings, it is clear that 94% of the respondents are aware of Television while 84% know the refrigerators. 54% and 47% of the respondents are aware of DVDs and Washing machines respectively while only 29% and 25% respondents are aware of using Micro Wave Ovens and Dish Washer respectively.

Table: 7 Respondents are Using Home Appliances

Types of Home Appliances	Using of Home appliances			% of Using of Home appliances	
	Using	Not Using	Total	% of Using	% of not Using
Refrigerator	110	90	200	55	45
Television	190	10	200	95	05
DVDs	116	82	200	58	42
Washing Machines	70	130	200	35	65
Micro wave Ovens	10	190	200	05	95
Dish Washers	08	192	200	04	96

(Source: Primary Data)

Interpretation:

From the above findings, it is clear that 95% of the respondents are using of Television while 55% are using the refrigerators. 58% and 35% of the respondents are using of DVDs and Washing machines respectively while only 05% and 04% respondents are using of Micro Wave Ovens and Dish Washers respectively.

Table: 8 Awareness of Respondents on Brands of Home Appliances

Brands	No.of Respondents	% of Respondents
Haier	30	15
Hitachi	10	05
LG	40	20
Samsung	64	32
Whirlpool	36	18
Godrej	20	10
Total	200	100

(Source: Primary Data)

Interpretation:

32% respondent said Samsung brand when they thought of any Home appliances while the percentage was least (only 5%) for Hitachi Brand. 15% respondent answered Haier brand while Percentage for LG and Whirlpool brands were 20% and 18% respectively.

Table: 9 Respondents are using Brands

Brands	No.of Respondents	% of Respondents
Haier	16	8
Hitachi	18	9
LG	46	23
Samsung	64	32
Whirlpool	36	18
Godrej	20	10
Total	200	100

(Source: Primary Data)

Interpretation:

32% respondents have ranked Samsung as their first preference while 23% respondents have ranked LG as their first preference. The share of Haier brand is 8% as the first preference of the consumer in Home appliances.

Table: 10 Buying Factors

Buying Factors	No.of Respondents	% of Respondents
Price / EMI Schemes	44	22
Features	12	6
Technology (power save)	26	13
Convenience	12	6
Brand Image	66	33
After Sales Services	40	20
Total	200	100

(Source: Primary Data)

Interpretation:

33% respondents have said that they would see the Brand Image while buying a Home Appliances while only 22% respondents said that they would see the price or EMI schemes.20% respondents preferred after sale service and would then decide the Home appliances.

Table: 11 Time taken for purchase decision

Time taken for purchase decision	No.of Respondents	% of Respondents
1st Visit	40	20
a) 2-3 Visit	50	25
3-5 Visit	80	40
More Than 5 visits	30	15
Total	200	100

(Source: Primary Data)

Interpretation:

From the above findings, it is observed that 40% of the respondent likes to visit 3-5 times before buying any Home appliances while 25% respondent's with 2-3 visits and 20% respondent finalizes their purchase decision in 1st visit.However, only 15% of the respondents visit more than 5 times to finalize their purchase for home appliance.

Table: 12 Mode of Information

Mode of Information	No.of Respondents	% of Respondents
Television	56	28
Radio / FMs	22	11

Newspaper	40	20
Books & Magazines	44	22
Friends & relatives	08	4
Internet	30	15
Total	200	100

(Source: Primary Data)

Interpretation:

From the survey, it is concluded that 28% of the respondents gets the information about the Home Appliances through Television while 20% respondents gets the information through Newspaper. Only 4% respondents get the information from their friends and relatives while 22% gets information from Books and Magazines.

Table: 13 Feedback of Respondents

Options	No.of Respondents	% of Respondents
Excellent	64	32
Very Good	86	43
Average	44	22
Dissatisfactory	06	03
Total	200	100

(Source: Primary Data)

Interpretation:

43% of the respondents have said that the Home Appliances are “Very Good” while 32% respondents have given an excellent rating to Home Appliances. 3% respondents are dissatisfied while 22% respondents said that the Home Appliances are only average.

Table: 14 Attributes

Attributes	No.of Respondents	% of Respondents
Cost	78	39
Style	30	15
Color	32	16
Technology	50	25
Uniqueness	10	05
Total	200	100

(Source: Primary Data)

Interpretation:

From the above findings, it is noticed that 39% of the respondent would see the cost of the product while purchasing a Home appliances while 25% of the respondent would see the Technology. Only 05% respondent would see the uniqueness of the

product. 16% and 15% respondents would see the color and the style of the product respectively.

Table: 15 Switching Current Brands by Other promotional Schemes

Yes/No	No.of Respondents	% of Respondents
Yes	50	25
No	110	55
May be	40	20
Total	200	100

(Source: Primary Data)

Interpretation:

From the above findings, it is noticed that only 25% of the respondents would like to switch their current used brand to get some promotional schemes in another brand of Home appliances in future while 55% respondents say “NO”. 20% of the respondents are not sure and may be switch their current used brand in future.

Table: 16 Factors

Factors	No.of Respondents	% of Respondents
Monetary benefits	70	35
Communication	20	10
Unique features	60	30
Social needs	50	25
Total	200	100

(Source: Primary Data)

Interpretation

From the above findings, it is noticed that 35% of the respondents go with Monetary Benefits while 30% respondents prefer Unique Features. 25% respondents go with Social needs while 10% of the respondents prefer communication.

Table: 17 Motives

Options	No.of Respondents	% of Respondents
Price	50	25
Quality	40	20
Service	32	16

Brand name	22	11
New Technology	56	28
Total	200	100

(Source: Primary Data)

Interpretation:

28% of the respondent wants to buy new home appliances due to its technology while 25% respondents think that price is important factor for them to buy a product. 20% of the respondent will see the quality of the product while 16% will choose the after sale service. Only 11% of the respondent will check the Brand name.

4. Findings, Suggestions& Recommendations:

Findings:

- Availability of all brands at a time should be there in unorganized retail outlet. More than 60% of the respondents are preferred financial schemes to purchase the consumer durables.
- Approximately 80% of the respondents purchases consumer durables while discounts are available during festivals & promotional schemes.
- Approximately 44% are respondents which are not the brand specific if they get the promotional schemes.
- Regarding the brands, Samsung is more powerful brands in Home appliances.
- Consumers who are brand conscious, they are generally do not switch over the brand for the any type of financial or the promotional scheme.
- Advertisement plays a major role for selecting home appliances. Television emerges as a major mode of media for advertisement.

Suggestions& Recommendations:

- Because of companies extensive and effective advertisement campaigns and all consumers prefer branded products for their frequent use, this may be indication of increasing literacy and improving communication technologies.
- Company should concentrate more on television for advertisement; mostly people get attracted through television only.

- Companies should offer attractive priced discounts during Festivals and off seasons to attract customer in order to increase its sale.
- For promotional offers, company should go for free gifts rather than going for other ways.
- Home appliances companies should concentrate on its technology and durability as people are least satisfied with it.
- Company should make sure that their products are available with almost all the dealers so that customer will not face any difficulty in finding them.
- Company should also focus on after sale service and if possible try to provide extra months warranty than offer by its competitors.
- People are unsatisfied with the price and quality of products so company should concentrate in this regard also.
- New entrants in the FMCG market can select Television to create brand awareness among the consumer and maintain with Quality product.

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