

An Exploratory Study on Factors Influencing Consumer Behavior towards Durable Products in Two Municipal Towns of Undivided Balasore District of Odisha

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ABSTARCT

The object of the present study is to examine the important factors affecting the consumer buying behavior towards durable products. The study covered the areas of two municipal towns namely Balasore and Bhadrak in the state of Odisha. A structured questionnaire was administered to obtain information on selected variables affecting the buying behavior of the consumers towards refrigerators and washing machines. Finally, the information from 300 consumer respondents representing cross section of population was collected. The data so collected has been analyzed by the application of cross tab and chi-square test as statistical tools. The result reveals that the factors influencing buying behavior of consumers have significant impact on the brand preference of consumers towards durable products. On the basis of the findings, few important suggestions were offered for the benefit of marketers and consumers.

Key words: Brand, Consumer Behavior, Demographic Variables, Durable Products.

Introduction

Research on consumer behavior is essentially a tough job in marketing of all sorts of goods particularly durable products for any business organization. It provides guidelines as how to reach and serve the consumers efficiently and effectively. Consumer behavior is the study of how individuals, groups and organizations select, buy, use, and dispose goods and services, ideas, or expression to satisfy their needs and wants. The study of consumer behavior not only provides evidence for introducing or improving products and services but also helps in setting prices, devising channels, designing and developing messages and other marketing activities. Successful marketing action requires that business organizations should fully connect with their customers for better delivery of marketing activities and programs. Thus, understanding consumer behavior helps to ensure that right products are marketed to the

right consumers in the right way (Kotler and Kevin, 2007). Hence, the study of consumer behavior is vital and primarily concerned with the study of factors that influence a person to buy or not to buy.

Statement of the Problem

Change in consumer behavior is a foremost challenge to the business organizations particularly manufacturing ones as it affects their production and marketing decision. Moreover, it may be noted that research in consumer behavior today goes far beyond from purchase of goods and services to the use of goods that consumers buy and evaluate after its use. Hence, every manufacturer and marketer should monitor from time to time the consumer behavior. Besides protecting the business, such studies would also offer vital clues on consumer's preference on products/brands and accordingly, the manufacturer would make necessary changes to the products as per the needs of the consumers. For this study, two municipal towns of undivided Balasore district namely Balasore and Bhadrak have been selected by the researchers. Undivided Balasore District is one of the developed districts of Odisha in which there is a great scope for marketing of household consumer durables. So, an attempt has been made by the researchers to study the behavior of consumers of durable products in these two municipal towns.

Review of Literature

The literature review is an important component in the research work. Review of earlier research studies reveals the works carried out by individual researchers and institutions and helps to connect the research gap and assist for further research in the concerned area. Various studies related to consumer behavior, particularly in urban markets have been conducted by the researchers in India and abroad. While reviewing the literature in the area of consumer behavior, it is found that the application of various marketing strategies in marketing of consumer durables has gained momentum. The research work carried out by the eminent scholars in this area include George and Terry (1982), Losarwar (2002), Selvaraj and Mahindra (2003), Harish (2007), Nabi et al. (2010), Lalitha and Kumar (2011), Thakur and Hundal (2012) and others. These studies mainly focused on the buying behavioral aspects of consumers towards consumer durables. Similarly, the well-known scholars namely Hundal and Sandhu (1987), Ranganathan and Shanthi (1995), Mahavi and Felix (2000), Felix (2002), Reddy and Rajalakshmi (2004), Vyas (2010), Nandamuri and Gowthami (2012) and others conducted study on buying behavior of consumers towards selected consumer durable products and offered important suggestions for effective marketing of such consumer durables. Most of the studies exposed that factors affecting the consumer behavior have direct and positive relation on the choice and use of durable products. In the light of the above discussion, the present research paper made an attempt to study the factors impacting the buying behavior of consumers towards two durable products in the two municipal towns of undivided Balasore district.

Objectives of the Study

The following objectives are framed for the present research work.

1. To study the demographic profile of the consumer respondents in two municipal towns of undivided Balasore district viz., Balasore and Bhadrak.
2. To identify the factors affecting the buying behavior of consumer respondents with regard to Refrigerator and washing machine in the said area.
3. To offer suggestions based on the findings of the study for the benefit of consumers and manufacturers.

Hypothesis for the Study

Keeping in mind the objectives set for the study, the following hypotheses are framed to test in due course of analysis.

1. H_0 : There is no significant association between the factors affecting the buying behavior of consumer respondents and their preference for refrigerator brand.
2. H_0 : There is no significant association between the factors affecting the buying behavior of consumer respondents and their preference for washing machine brand.

Research Design

The research design adopted for the present research work is outlined below.

The present study has used a structured questionnaire for collection of primary data from the consumer respondents. To collect primary data, purposive random sampling method was followed. 360 questionnaires were administered to consumer respondents reside in two municipal towns namely Balasore and Bhadrak in the state of Odisha. However, the researchers have collected responses from 300 consumer respondents only. Further, the data for the current study was collected during October, 2019. The reliability of the data set was tested by using Cronbach's Alpha whose test value was found to be 0.736 and considered highly reliable. The collected data was analyzed and interpreted by using the statistical tools such as percentage, Crosstab, Chi-square test, etc.

Analysis and Interpretation of Data

1. Descriptive Analysis

The demographic variables namely, gender, age, education, occupation, and annual income are taken into account to study the demographic status of the consumer respondents participated in the survey.

Table-1: Demographic variables of consumer respondents (N=300)

Variables	No. of consumers	Percentage
Gender:		
Male	197	65.67
Female	103	34.33
Age (in years):		
20 to 30	121	40.33
31 to 45	93	31.00
46 to 60	74	24.67
Above 60	12	4.00
Education:		
Literate	12	4.00
10 th pass	16	5.33
12 th pass	11	3.67
Graduate	97	32.33
Post-graduate	143	47.67
Others	21	7.00
Occupation:		
Agriculture	18	6.00
Government service	109	36.33
Private service	63	21.00
Business	77	25.67
Others	33	11.00
Annual income (Rs. in lac):		
2 or less	86	28.67
2 to 4	92	30.67
4 to 6	76	25.33
6 to 8	33	11.00
Above 8	13	4.33

Source: Data compiled from survey.

Table-1 shows the distribution of sample respondents by their demographic variables. From the above table, it is evident that the out of total number of respondents, maximum respondents are male constituting 65.67%. The share of female respondents is 34.33%. It implies that the sample is unequally distributed gender wise with dominance of male respondents. It is

further revealed that the maximum respondents i.e. 121 are in the age group of 20-30 years constituting 40.33%. It is followed by age group of 31-45 years with 31%. Further, it is noticed that among the 300 respondents, 143 i.e. 47.67% belong to the category of post-graduates followed by 32.33% graduate respondents. It can be said that majority of the sample respondents are belonging to highly qualified category. From the above table, it is further observed that 36.33% consumer respondents are from government service followed by 25.67% in business category. The table also reveals that there are 92 i.e. 30.67% consumer respondents in the annual income group between Rs. 200001 and Rs. 400000. Respondents earning below Rs.200000 income are 86 in number i.e. 28.67%. It can be stated that majority of the consumer respondents are in the annual income group of Rs. 200001- Rs. 400000.

Inferential Analysis

Factors influencing the buying behavior of consumer respondents

The consumer behavior towards purchase of two durable products is discussed in the following section taking into account the key variables relating to the buying behavior of consumers. These key variables are age, education, occupation, income, awareness of the product, source of information of the product, reference group, place of purchase, final decision making to purchase the product, level of satisfaction, etc. In order to find out the factors influencing the buying behavior of consumer respondents, the crosstab tool has been used and the chi-square test has been applied to test the result of the analysis. These aspects are presented separately for each product.

Refrigerator

1. H_0 : There is no significant association between the factors affecting the buying behavior of consumer respondents and their preference for refrigerator brand.

Table-2 (a): Case Processing Summary

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	No.	Percent	No.	Percent	No	Percent
Satisfaction*Refrigerator brand	300	100.0	0	0.0	300	100.0
Satisfaction * brand code	300	100.0	0	0.0	300	100.0
code*Refrigerator brand	300	100.0	0	0.0	300	100.0
code * brand code	300	100.0	0	0.0	300	100.0

Table-2(b): Crosstab result

Crosstab														
		Refrigerator Brand											Total	
		Electrolux	godrej	Heir	kelvinator	LG	Liyods	Panasonic	Samsung	Vedion	Volta	Whirlpool		
Satisfaction	No	Count	6	55	0	4	35	2	29	55	12	8	40	246
		% within Satisfaction	2.4%	22.4%	0.0%	1.6%	14.2%	0.8%	11.8%	22.4%	4.9%	3.3%	16.3%	100.0%
	Yes	Count	1	22	1	0	9	0	2	15	0	2	2	54
		% within Satisfaction	1.9%	40.7%	1.9%	0.0%	16.7%	0.0%	3.7%	27.8%	0.0%	3.7%	3.7%	100.0%
Total	Count	7	77	1	4	44	2	31	70	12	10	42	300	
	% within satisfaction	2.3%	25.7%	0.3%	1.3%	14.7%	0.7%	10.3%	23.3%	4.0%	3.3%	14.0%	100.0%	

Table-2(c): Chi-square test result

Chi-Square Tests			
	Value	D.f	Asymp. Sig. (2- sided)
Pearson Chi-Square	22.954 ^a	10	.011
Likelihood Ratio	26.715	10	.003
No. of Valid Cases	300		
a.9 cells(40.9%) have expected count less than 5.The minimum expected count is.18.			

Interpretation

The Chi-square test revealed the significant association between consumer respondents brand preference and factors affecting buying behavior on refrigerator product. From the Chi-square test output table, it is seen that the calculated value is more than the tabulated value at 5% level of significance. Hence, the null hypothesis is rejected. This means the Chi-square test is showing a significant association between the two variables at 95% confidence level. It can be concluded that the brand with different factors affecting buying behavior towards refrigerator play a vital role in purchasing intension of consumer respondents.

Washing Machine

2. H_0 : There is no significant association between the factors affecting the buying behavior of consumer respondents and preference for washing machine brand.

Table-3 (a): Case processing summary

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	No.	Percent	No.	Percent	No.	Percent
satisfaction * WM brand	300	100.0	0	0.0	300	100.0
satisfaction * brand code	300	100.0	0	0.0	300	100.0
code * WM brand	300	100.0	0	0.0	300	100.0
code * brand code	300	100.0	0	0.0	300	100.0

Table-3(b): Crosstab result

Crosstab														
		Washing machine brand											Total	
		Godrej	heir	Kelvinator	LG	Liodyds	Onida	Others	Samsung	Videocons	Volta	Whirlpool		
Satisfaction	No	Count	38	2	5	57	3	29	3	76	12	12	28	265
		% within satisfaction	14.3%	0.8%	1.9%	21.5%	1.1%	10.9%	1.1%	28.7%	4.5%	4.5%	10.6%	100.0
	Yes	Count	12	0	2	3	0	8	0	5	3	1	1	35
		% within satisfaction	34.3%	0.0%	5.7%	8.6%	0.0%	22.9%	0.0%	14.3%	8.6%	2.9%	2.9%	100.0
Total	Count	50	2	7	60	3	37	3	81	15	13	29	300	
	% within satisfaction	16.7%	0.7%	2.3%	20.0%	1.0%	12.3%	1.0%	27.0%	5.0%	4.3%	9.7%	100.0	

Table-3(c): Chi-square test result

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.006 ^a	10	.015
Likelihood Ratio	21.901	10	.016
No. of Valid Cases	300		
a. 11 cells (50.0%) have expected count less than 5. The minimum expected count is .23.			

Interpretation

The Chi-square test revealed the significant association between factors affecting buying behavior of consumer respondents and brand preference on washing machine. From the Chi-square test output table, it is observed that the calculated value is more than the tabulated value at 5% level of significance. Hence, the hypothesis is rejected. This means the Chi-square test is showing a significant association between the two variables at 95% confidence level. It can be concluded that the brand with different factors affecting buying behavior of consumer respondents play a vital role in purchasing intension of consumer respondents towards washing machine.

Findings of the study

The major findings of the descriptive and inferential analysis of the study are presented below.

Descriptive Analysis: The demographic profile of the consumer respondents reveals that out of the total respondents 65.67% are male and the remaining 34.33% are female respondents participated in the survey. There are 121 respondents (40.33%) whose age group is in between 20 and 30 years. Similarly, the maximum respondents' i.e.143 (47.67%) do have educational qualification of post- graduate. It is observed that government service holders constituting 36.33% are the maximum respondents in the total sample. Further, nearly 60 percent of the respondents belong to the income category of Rs. 200000 – Rs. 400000 and below Rs. 2, 00,000.

Inferential Analysis: It is observed from the analysis that the consumer respondents are very much conscious about the brand. The study also reveals that the majority of the respondents express their satisfaction on the performance of the products used by them. It is further observed from the analysis that there is significant association between the factors affecting the buying behavior of the consumer and the brand (Products) used by them. In other words, the findings confirm that there is a significant association between factors affecting buying behavior of

consumers and their preference of brand. Keeping in view the above facts, the marketers should devise suitable marketing strategies to woo the consumers of durable products.

Suggestions

1. Region specific consumer profile should be developed to understand the characteristics of target market. The strategy should be formulated based on the interrelationship between determinants of consumer behavior and marketing-mix variables.
2. The study revealed that majority of the consumers is giving least importance to other leading brands. Hence, the marketers should try to position their brands through innovative marketing strategies.
3. It is observed from the study that consumers consult retailers to select a brand and retailers play an important role as advisors for brand selection. Keeping this fact in view, the manufacturers should educate and involve the retailers in all promotional activities. This will prove to be more effective because from manufacturing to consumption, the retail outlet is the main intermediary that is interacting with the ultimate consumers.
4. The product attributes and brand knowledge play a vital role in determining the behavior of consumers. Therefore, it is suggested that the manufacturing companies may advertise the products by giving more emphasis on product attributes, its nature and characteristics.
5. The study revealed that brand has played an important role in the psyche of customers; brand building is very important in marketing of consumer durables. Therefore, companies should remember that “Brand is Supreme” and accordingly, devise the brand building exercise.

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