

A STUDY ON PRODUCT RELATED FACTORS INFLUENCING THE BUYING DECISIONS OF THE CONSUMERS IN PURCHASE OF HOUSEHOLD APPLIANCES

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Abstract

Customers are in a tough spot. Individuals have exposed to different window of information and varieties of products; many great deal of choices and options available in the market place impulse their purchase decision. In a consumption environment, a person chooses a product or a brand, which seems to possess a maximum possibility of the definition or elaboration of his life style identity. Hence it becomes necessary for the companies to identify the product related features which influences the consumers to purchase household appliances available in the market. Factor Analysis technique has been applied to find the underlying dimensions (factors) that exists in the sixteen product related variables. Using the Principle Component Analysis six factors have been extracted and it named as Feature, Price, Quality, Availability, Brand Warranty and Service.

Keywords: Household appliances, Consumer Awareness, Marketing

Introduction

Consumer behavior is a widely studied field. Consumers make buying decisions every day and many people do not even know the factors that drive them to this decision. Customers are in a tough spot. Individuals have exposed to different window of information and varieties of products; many great deal of choices and options available in the market place impulse their purchase decision. However the interpretation and decision making is different among individuals and also influenced by internal and external factors. Technological changes are taking place at the flash of an eye and standards are undergoing changes in time. Buying habits of the consumers are fast varying and so are the fortunes of various organizations. Hence it becomes necessary for

the companies to identify the product related features which influences the consumers to purchase household appliances available in the market.

Objectives

- To identify the product related factors influencing the buying decisions of the consumers in purchase of household appliances

Methodology of the study

- Data: Primary data was used and the data were collected through the issue of questionnaire.
- Sampling Technique: Convenient sampling method
- Sample size: 500 consumers were chosen for the study.
- Study Area: Coimbatore City, Tamil Nadu
- Period of study: April 2016 to March 2017
- Tools Used: Percentage Analysis, ANOVA and t-test

Discussion of the study

Various product related features influence the consumers in purchasing the household appliances available in the market. It includes brand reputation, product segmentation, competitive price etc. Hence an attempt has been made to find out the major factor that influences the consumers in purchasing the household appliances available in the market by taking into consideration of 16 product related factors and Factor Analysis technique has been applied to find the underlying dimension (factors) that exists in these variables. Using the Principle Component Analysis six factors have been extracted based on the variance (Eigen value greater than 1). Table 1 shows the percentage of variance, cumulative percentage and the total variance of the variable identified for the study.

Table 1
Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.510	15.689	15.689	2.510	15.689	15.689	1.680	10.498	10.498
2	1.472	9.197	24.886	1.472	9.197	24.886	1.495	9.345	19.843
3	1.402	8.761	33.648	1.402	8.761	33.648	1.461	9.134	28.977

4	1.175	7.343	40.991	1.175	7.343	40.991	1.374	8.585	37.562
5	1.115	6.971	47.962	1.115	6.971	47.962	1.362	8.513	46.076
6	1.021	6.382	54.343	1.021	6.382	54.343	1.323	8.268	54.343
7	.962	6.015	60.358						
8	.921	5.757	66.114						
9	.888	5.552	71.666						
10	.840	5.249	76.915						
11	.790	4.936	81.852						
12	.662	4.138	85.989						
13	.608	3.800	89.789						
14	.589	3.681	93.470						
15	.556	3.474	96.944						
16	.489	3.056	100.000						

Extraction Method: Principal

Component Analysis.

The six factors extracted together account for 54.34% of the total variance (information contained in the original sixteen variables). This is pretty good, because we are able to economize the number of variables (from 16 we have reduced them to 6 underlying factors), while we lost only about 46% of the information content (54% is retained by the 6 factors extracted out of the 16 original variables).

Since the idea of factor analysis is to identify the factors that meaningfully summarize the sets of closely related variables, the rotation phase of the factor analysis attempts to transfer initial matrix into one that is easier to interpret. Varimax rotation method is used to extract meaningful factors. This is given in Table 2.

Table 2
Rotated Component Matrix

	Component					
	1	2	3	4	5	6
Brand reputation	-.230	.191	.076	.176	.742	-.104
Product segmentation	.240	.480	.185	.218	.153	-.240
Competitive price	-.142	.337	.612	.116	.008	.058
Good quality	.002	-.029	.720	-.034	.066	-.060

Warranty period	.170	-.119	.058	-.166	.688	.273
After sales services	-.059	-.050	.082	-.133	.082	.673
Low maintenances and service charges	.001	.638	.161	.241	-.082	.247
Availability of products in the market	.059	.114	-.012	.795	-.064	-.020
Range of brand extension	-.045	.203	-.082	.257	.042	.668
Reasonable price of accessories	.099	.718	-.192	-.284	.075	.068
Superior technology	.335	.187	.321	.299	-.062	.387
Superior model	.315	-.174	.558	.005	.162	.137
Unique function	.229	-.189	.088	.543	.353	.186
Retail bank finance	.794	-.014	-.050	.103	-.012	.009
Rudeness feature of the product	.422	.089	.153	.036	.359	-.031
Eco friendly features (like: low power/water consumption, less carbon dioxide emission, etc)	.655	.105	.022	.034	-.037	-.067

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

We notice that variables Retail bank finance, Rudeness feature of the product and Eco friendly features (like: low power/water consumption, less carbon dioxide emission, etc) have loadings of 0.794, 0.422 and 0.655 on factor 1, this suggests that factor 1 is a combination of these variables. At this point, a suitable phrase which captures the essence of the original variables to form the underlying concept, factor 1 could be named as “Feature”. In case of the factor 2 column, the variables Product segmentation, Low maintenances and service charges and Reasonable price of accessories have high loadings of 0.480, 0.638 and 0.718 respectively. This indicates that factor 2 is the combination of these three variables and named as “Price”. In case of the factor 3 column, the variables Competitive price, Good quality and Superior model have high loadings of 0.612, 0.720 and 0.558 respectively. This indicates that factor 3 is the combination of these three variables and named as “Quality”. In case of the factor 4 column, the variables Availability of products in the market and Unique

function have high loadings of 0.795 and 0.543 respectively. This indicates that factor 4 is the combination of these two variables and named as “Availability”. In case of the factor 5 column, the variables Brand reputation and Warranty period have high loadings of 0.742 and 0.688 respectively. This indicates that factor 5 is the combination of these two variables and named as “Brand Warranty”. In case of the factor 6 column, the variables After sales services, Range of brand extension and Superior technology have high loadings of 0.673, 0.668 and 0.387 respectively. This indicates that factor 6 is the combination of these three variables and named as “Service”.

Conclusion

It is considered a priority for marketers to know the reasons behind the purchasing intentions of consumers towards household appliances. From this study it is clear that out of sixteen product related variables taken for the study, six factors have been identified namely Feature, Price, Quality, Availability, Brand Warranty and Service. So the marketers can take keen interest in highlighting their brands towards these six factors and multiply their sales and profit. Marketers could use this finding towards improving their quality as well as eco friendly features in their products. Products that show more quality could be beneficial to consumers. Marketers should also design such strategies so that consumers also consider other variables as shown in this study for purchasing household appliances.

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