



## A STUDY ON CUSTOMER PERCEPTION TOWARDS EMI FEATURE ON DURABLE GOODS WITH SPECIAL REFERENCE TO COIMBATORE CITY

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**Abstract:** This study aims to identify customer perceptions towards the EMI feature on durable goods. To achieve this goal, an in-depth survey was conducted with a sample of customers who had purchased durable goods with an EMI payment plan. Because of the most advanced innovative technology, consumer durable goods are in high demand today. The study's sample is provided by a descriptive research design. Simple Random Sampling is the sampling method applied for the research. The sample size used for the study is 100 respondents. The study was carried out in the Coimbatore city. The tools used for the Study are Percentage Analysis, Rank Analysis, Chi-square Test and ANOVA. The study concludes that even though there is a problem, the majority of customers only choose to buy durable products through EMI.

**Keywords:** EMI feature, Durable goods, Innovative technology.

### I. INTRODUCTION

Marketing, also known as customer attraction, is the process of identifying, anticipating, and satisfying consumer requirements and wants for commercial purposes. Customers build opinions about a product based on commercials, promotions, user reviews, comments on social media, etc. This cycle keeps going until the customer makes an opinion of the products. Because of the most advanced innovative technology, consumer durable goods are in high demand today. Consumer durable goods include things like furniture, electronics, mobile phones, computers, and many other things with a one-year or longer warranty. Typically, consumers use their credit cards to buy durable goods, and then they use EMIs to settle the remaining balance in an estimated amount of time. When there are financial constraints or when the product cost is too high to be paid in full at once, customers frequently use credit cards and end up making high-interest payments on their EMIs.

### II. STATEMENT OF THE PROBLEM

Data collecting for this research study was based on the idea of EMI features on durable items for consumers. The main goal of this survey is to learn how consumers feel about the EMI feature. Customers may reduce their burden by using this option. This study makes it easy to understand customer perspectives, awareness, preferences, and problems.

### III. OBJECTIVES OF THE STUDY

- To examine customer awareness and preference of EMI features on durable goods.
- To find customer satisfaction and problems with EMI features on durable goods.

### IV. RESEARCH METHODOLOGY

- **RESEARCH DESIGN:** Descriptive research design.
- **SOURCES OF DATA**
  1. **Primary data:** structured questionnaire in google forms.
  2. **Secondary data:** Books, journals, articles, and websites.
- **SAMPLING TECHNIQUE:** Simple random sampling.
- **SAMPLING SIZE:** 100 respondents
- **AREA OF THE STUDY:** Coimbatore city.
- **TOOLS USED FOR THE STUDY:** The SPSS package used for the study are Rank Analysis, Chi-square Test and ANOVA.

## V. ANALYSIS AND INTERPRETATION

## 5.1 Rank Analysis

## Factors Influencing to use EMI Feature

		Insufficient of funds	No outside borrowings	Flexibility in repayment	Affordability
Insufficient of funds	Correlation Coefficient	1.000	.225*	-.591**	-.606**
	Sig. (2-tailed)	.	.025	.000	.000
	N	100	100	100	99
No outside borrowings	Correlation Coefficient	.225*	1.000	-.593**	-.487**
	Sig. (2-tailed)	.025	.	.000	.000
	N	100	100	100	99
Flexibility in repayment	Correlation Coefficient	-.591**	-.593**	1.000	.130
	Sig. (2-tailed)	.000	.000	.	.199
	N	100	100	100	99
Affordability	Correlation Coefficient	-.606**	-.487**	.130	1.000
	Sig. (2-tailed)	.000	.000	.199	.
	N	99	99	99	99

## SOURCE: Primary Data

Spearman's Rank Correlation Coefficient,  $r_s$  is 0.225. It indicates a positive association between the variable at 5% level of significance. It concludes that the factor, borrowing money from friends/relatives influences the customers in choosing EMI feature.

## 5.2 Chi – Square Test

## Comparison between Age and Level of Preference

$H_0$ : There is no significant relationship between age and level of preference.

Factors	Value	df	Asymptotic Significance (Two - Sided)
Age	61.920 <sup>a</sup>	3	0.000
Refrigerator	101.600 <sup>b</sup>	4	0.000
Washing Machine	147.400 <sup>b</sup>	4	0.000
Television	72.100 <sup>b</sup>	4	0.000
Air Conditioner	44.400 <sup>b</sup>	4	0.000
Mobile Phone	30.200 <sup>b</sup>	4	0.000

## SOURCE: Primary Data

The P value is less than 5% level of significance, so null hypothesis is rejected.

## 5.3 ANOVA

## Comparison between Gender with Level of Satisfaction of the Respondents

$H_0$ : There is no significant difference between the gender and level of satisfaction.

Factors		Sum of Squares	df	Mean Square	F	Sig.	S/NS
Late Payments	Between Groups	0.129	1	0.129	0.180	0.672	NS
	Within Groups	64.002	89	0.719			
	Total	64.132	90				
Top-up Loans	Between Groups	0.671	1	0.671	2.190	0.142	NS
	Within Groups	27.285	89	0.307			
	Total	27.956	90				
Flexibility in loan tenure	Between Groups	0.150	1	0.150	0.232	0.631	NS
	Within Groups	57.520	89	0.646			
	Total	57.670	90				
	Between Groups	0.043	1	0.043	0.034	0.855	NS

No brokerage	Within Groups	112.485	89	1.264			
	Total	112.527	90				

**SOURCE: Primary Data**

The above table states that, the P value is greater than 5% level of significance, there is no significant difference between gender and level of satisfaction factors such as late payments, top-up loans, flexibility in loan tenure and no brokerage.

Hence, the null hypothesis is accepted.

**VI. FINDINGS**

- The value 0.225 has been given first rank borrowing money from friends/relatives as a major factor influences the customers in choosing EMI Feature.
- There is a significant relationship between age and given durable goods (Refrigerator, Washing Machine, Television, Air Conditioner, Mobile Phone).
- There is no significant difference between gender and level of satisfaction.

**VII. CONCLUSION**

According to a survey on consumer perceptions of the EMI feature on durable goods, most consumers prefer to purchase these items on EMI because it gives them more payment flexibility. In recent years, it has increased customers purchasing power. It facilitates customers financial planning on a monthly basis. All of the respondents to the study are aware of the EMI feature, and the majority of them think that an air conditioner is the best durable goods to buy using the EMI method. The study has found that the primary factor influencing customers to choose the EMI payment option is borrowing money from friends or family. The late payments are satisfactory to the users. Customers believe that paying Extra Charges on skipping EMIs is a major problem when purchasing goods using the EMI option. The study concludes that even though there is a problem, the majority of customers only choose to buy durable products through EMI.

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