



# Consumer Buying Behaviour While purchasing Electronic Home Appliances

## Submitted By:

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## ➤ Abstract:-

Generally speaking, consumer behaviour is the study of the processes that individuals or groups go through in making their purchasing choices in order to satisfy their needs. Usually the buying behaviour takes many forms of consumer's choices that can vary depending on a broad set of factors such as: earnings, demographics, social and cultural factors. Beside these basic internal factors which are considered to be influential to the buying behaviour, there are also a set of factors that would be simulated by the external circumstances in the environment surrounding the consumer.

In this research, we have done the survey of the consumer buying behavior and preferences of the consumers in the Home appliances market of Haier, which are used by people of all ages. After this research we shall come to know how people perceives these products on the variables like price, quality, advertisement, satisfaction, taste, packaging, brand loyalty etc.

**Keywords :-Electronic Goods, Home appliances, Consumer Behaviour, Advertising**

## ➤ Introduction :-

India is the second largest consumer market in the world. The Indian consumer profile has been developed and changed in terms of education, income, occupation, and reference group and media habits. There is a shift in consumer brand preference for durables products for the past decade with the influx of modern technology. The consumer buying preferences are rapidly changing and moving towards high-end technology products with acculturation. Products which were once considered luxury items have become a necessity because of the changing lifestyle and rising income levels. With growth in disposable incomes, the demand for high-end products such as television, washing machine, refrigerator, and air conditioners has increased considerably. It is also facilitated by the easy availability of finance and prevalence of nuclear families. Increasing in demand for consumer durable in the market the fall in prices as Indian consumers are continue to attach a high degree of importance to value for money. The consumer is brand-conscious, but not necessarily brand-loyal, and might even pick up a reliable private label if it offers good price and quality values

## Consumer Home Electronics Market in India :-

India has an increasingly affluent middle class population that, on the back of rapid economic growth, has made the country's consumer electronics industry highly dynamic. The industry has been witnessing significant growth in recent years due to several factors, such as retail boom, growing disposable income and availability of easy finance schemes. But still, the consumer electronics goods, like refrigerators, microwave and washing machines have low penetration in the country, representing vast room for future growth. The report finds that since the penetration of several products like LEDs, Refrigerators, A/Cs are reaching saturation in the urban areas; the markets for these products are shifting to the semi-urban and rural areas. The report thoroughly analyses the historic performance and future prospects, offering 4- year industry forecast, of following consume electronics products:

PCs (Desktop, Laptops, Notebook & Tablet PCs)

TVs (LCD's, LED's, 3D TVs)

Air Conditioner

Refrigerator (Frost-free & Direct Cool)

Washing Machines (Semi-automatic & Fully

Automatic) Microwave Oven

### ➤ Objectives of the Study are:

1. To present an overview of the Electronic home appliances Market in India.
2. To identify the motives behind the buying behaviour,
3. To examine the buying behaviour for Electronic home appliance Products, and
4. To analyse the factors influencing consumers perception towards purchase behaviour of electronic home appliances.

### ➤ Research Methodology & Data Collection:-

#### Research Methodology:

The process used to collect information & data for the purpose of making business decision. The methodology may include publication research, interviews, survey and other research techniques and could include both present & historical information.

The present study is an analysis of consumer behaviour towards home appliances (Refrigerator, Washing Machine and air-conditioner). This is a descriptive kind of research study.

Descriptive is the most widely-used research design as indicated by the theses, dissertations and research reports of institutions. Its common means of obtaining information include the use of the questionnaire, personal interviews with the aid of study guide or interview schedule, and observation, either participatory or not. Includes studies that purport to present facts concerning the nature and status of anything. This means that descriptive research gives meaning to the quality and standing of facts that are going on. For instance, the information about a group of person, a number of objects, a set of conditions, a class of events, a system of thoughts or any other kind of phenomenon or experience which one may wish to study.

Descriptive research is designed for the investigator to gather information about present existing conditions.

- Descriptive research involves collection of data in order to test the hypothesis or to answer questions concerning the current status of the subject of the study.
- Descriptive study determines and reports the way things are. It has no control over what is, and it can only measure what already exist.

- Descriptive research has been criticized for its inability to control variables, for being a post-hoc study and for more frequently yielding only descriptive rather than predictive, findings.

Moreover, this study is mainly based upon primary data and the primary data have been collected through direct personal interview and questionnaire has been used as an instrument.

To conduct this study, I have surveyed 50 peoples to understand their buying behaviour towards purchasing of electronic Home Appliances'. In this Study, the home appliances like refrigerators, air conditioner, washing machine and the companies dealing in these products have been our main concern.

### **Data Collection:-**

For this research, mainly questionnaire method is used to collect data from the respondents. The sample of 50 respondents from different Occupation & age group. This study is based on both primary and secondary data. Primary Data were collected through questionnaire and secondary data were collected from various books, Journals, Magazines and websites.

### **Primary Data: -**

Sample size is 50 peoples who belonging to 21-60 age group & different occupations as well. We try to measure the behaviour towards their buying decision by analysing their response.

### **Secondary Data:-**

The consumer durable industry consists of durable goods and appliances for domestic use such as televisions, refrigerators, air conditioners and washing machines. The consumer durables market is estimated to be US\$ 15 billion as on May 2017 and is expected to reach US\$ 20.6 billion by 2020. Urban markets account for the major share 4 (65 per cent) of total revenues in the consumer durables sector in India. There is a lot of scope for growth from rural markets with consumption expected to grow in these areas as penetration of brands increases. Consumer electronics exports from India reached US\$ 186.7 million during April-September 2017. Also demand for durables like refrigerators as well as consumer electronic goods are likely to witness growing demand in the coming years in the rural markets as the government plans to invest significantly in rural electrification.

Growing awareness, easier access, and changing lifestyles have been the key growth drivers for the consumer market. The Government of India's policies and regulatory frameworks such as relaxation of license rules and approval of 51 per cent foreign direct investment (FDI) in multi-brand and 100 per cent in single-brand retail are some of the major growth drivers for the consumer market.

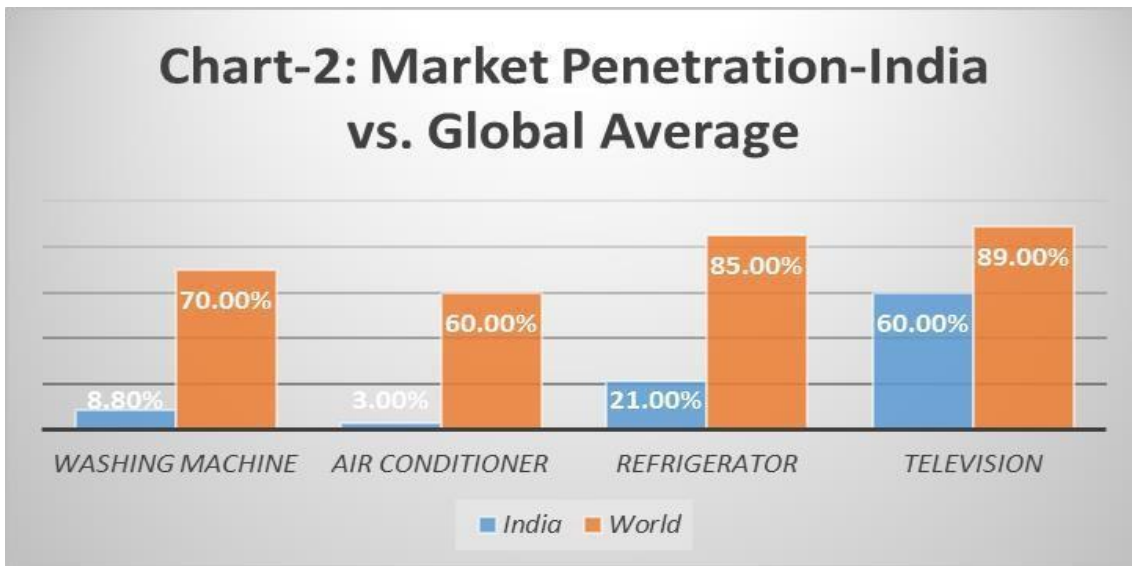
India is likely to emerge as the world's largest middle class consumer market with an aggregated consumer spend of nearly US\$ 13 trillion by 2030, as per a report by Deloitte titled 'India matters: Winning in growth markets'.

Fuelled by rising incomes and growing affordability, the consumer durables market is expected to expand at a compound annual growth rate (CAGR) of 14.8 per cent to US\$ 12.5 billion in FY 2015 from US\$ 7.3

billion in FY 2012. Urban markets account for the major share (65 per cent) of total revenues in the Indian consumer durables sector. In rural markets, durables, such as refrigerators, and consumer electronic goods are likely to witness growing demand in the coming years. From US\$ 2.1 billion in FY 2010, the rural market is expected to grow at a CAGR of 25 per cent to touch US\$ 6.4 billion in FY 2015.

The total market which was INR 403 billion for the four white goods including TV has reached to a total market of INR 1077 billion by the year 2016 and is projected to reach at INR 2021 billion by the year 2020.

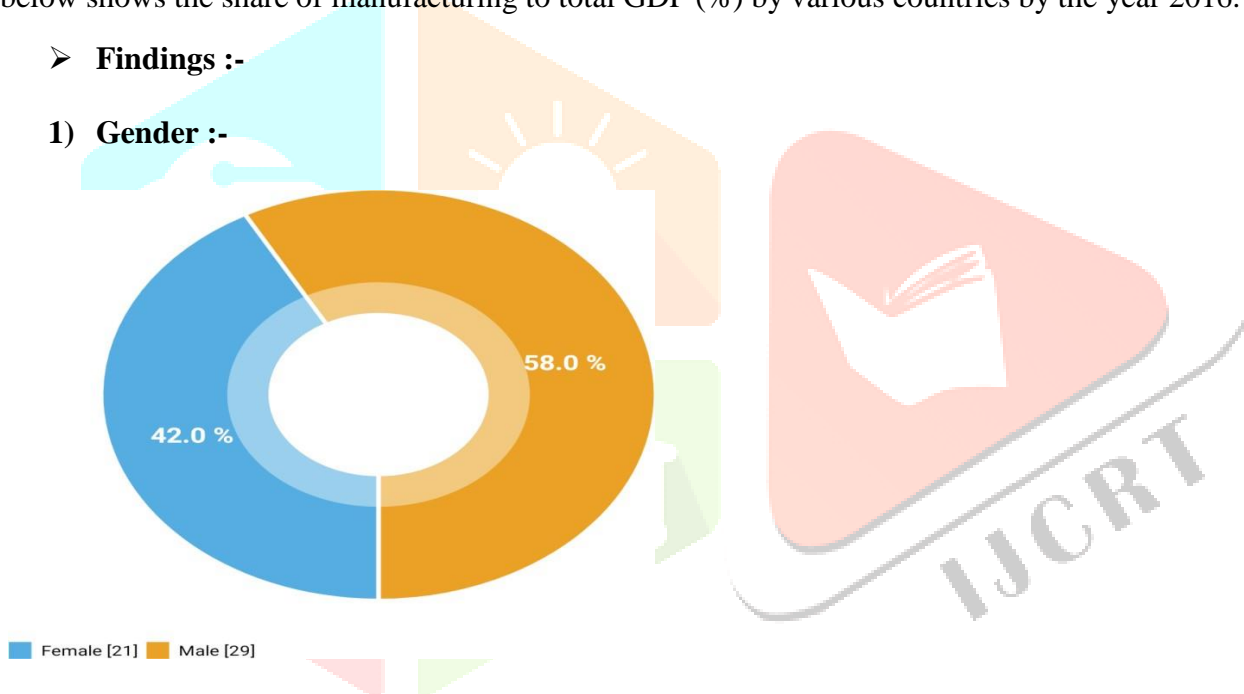
The market penetration for the above goods can also be compared with the global market. In a comparison it can be seen from the chart2 that, Indian durable market is having enough potentialities to grow further.



Electrics manufacturing industry contributes significantly to the most of the developed countries' GDP. In India it is 1.7% while it is 15.5% for Taiwan, 15.1% for South Korea and 12.7% for China. The chart-3 drawn below shows the share of manufacturing to total GDP (%) by various countries by the year 2016.

➤ **Findings :-**

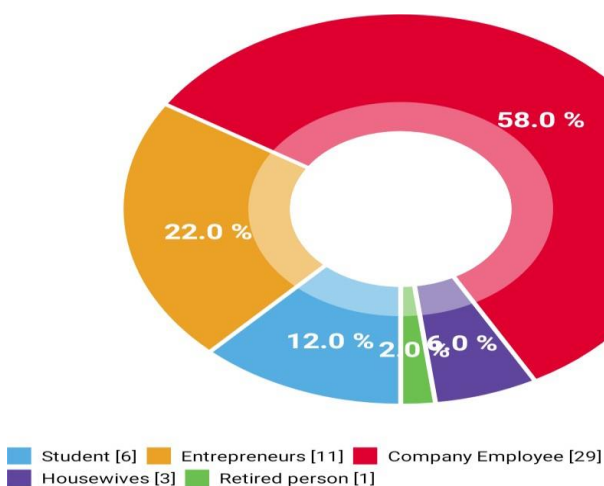
1) **Gender :-**



**Interpretation: -**

I have received response from 21 Females & 29 Males.

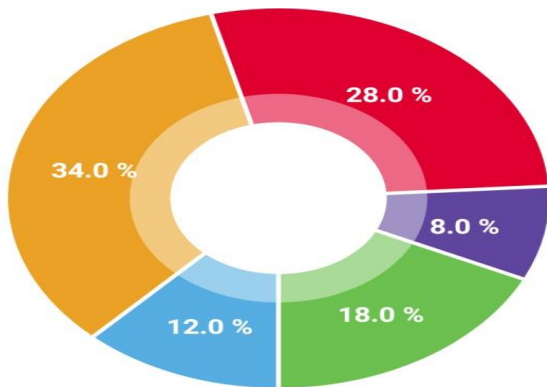
2) **Occupations :-**



**Interpretation :**

Person mind set or purchase decision sometimes depends upon his/her occupation & social image also, hence in this survey I include different occupations people in survey like company employee, students etc.

**3) Monthly Income:-**

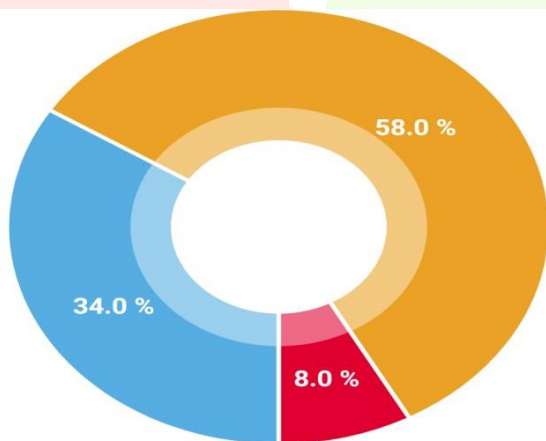


Rs. 10,000 to 20,000 [6]    Rs. 20,000 to 30,000 [17]  
 Rs. 30,000 to 40,000 [14]    Above 40,000 [4]    None [9]

**Interpretation :**

Purchase decision is depend upon the earning of peoples ,person who earn good always gives preference to brand & high cost product. In this survey Student & housewives earning is nil.

**4) Family Size:-**

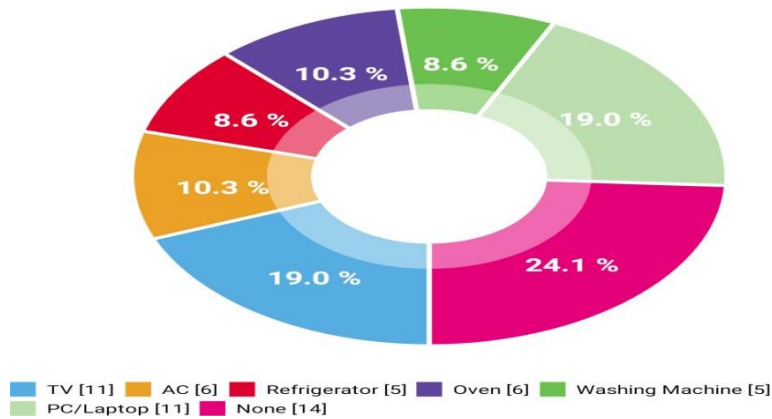


1 to 3 [17]    4 to 7 [29]    8 to 12 [4]

**Interpretation:-**

Need & purchase decision is depends upon the family size & income of overall family .In this survey I have consider different family size peoples.

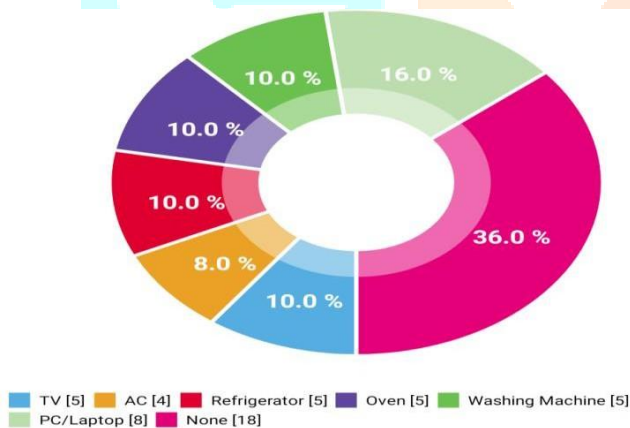
5) What Electronic home appliance/s was purchased by you in last 12 months :-



**Interpretation :-**

Consumer Home electronics products are durable products & with high cost. Peoples purchase it only when there is real need arise. Therefore in above graph we can see that 24.1% consumers consumer in none category.

6) What home appliance/s do you plan to purchase in next one month?

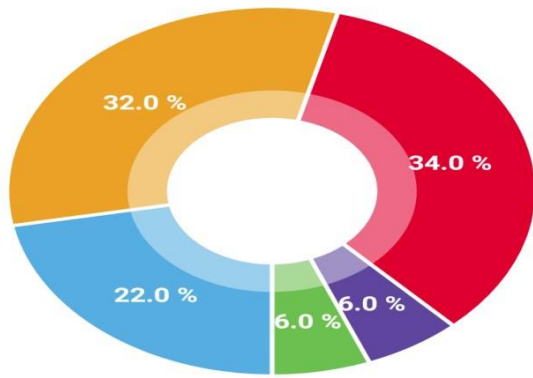


**Interpretation :-**

Electronics consumer goods are durable goods which have long life, also price of these products are always on higher side, hence peoples not purchase them frequently. People purchase these material whenever there is need arise, sometime they purchase them if there is some occasion/ festival season.



7) What do you keep in mind before buying the Electronic Home Appliances?

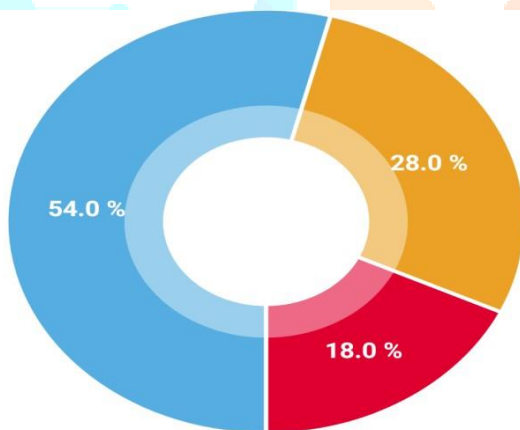


Price / EMI Schemes [11] Features [16] Technology [17]  
 Convenience [3] Brand Image [3]

**Interpretation :-**

Most of peoples select advance features & technology product ,while some gives important to price & EMI scheme ,Middle income person always thinking about price/ EMI scheme associated with the product.

8) Does advertisement influence your purchasing decisions?

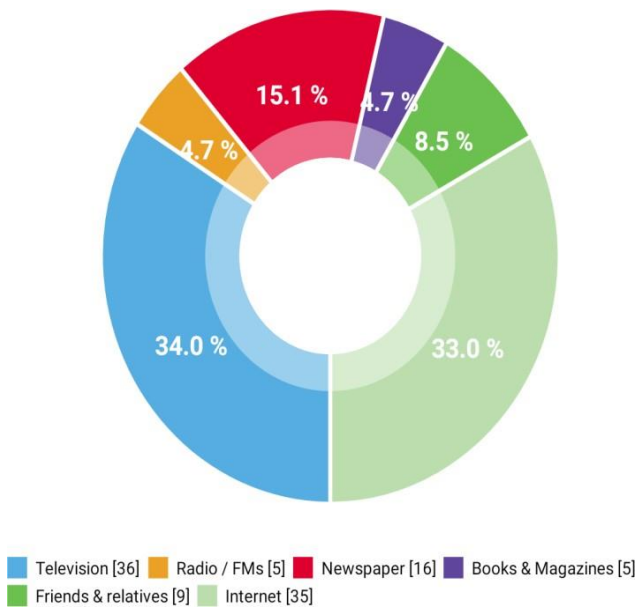


Yes [27] No [14] Maybe [9]

**Interpretation :-**

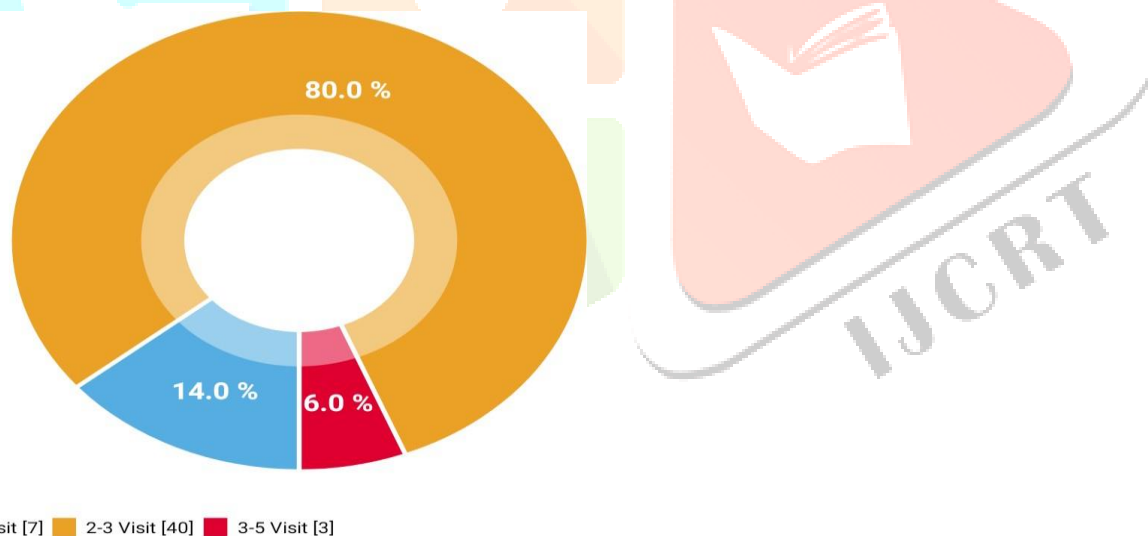
54% peoples are influence by advertising and 28% peoples purchase product by seeing it & after appropriate research.

9) How do you get information about the Electronic Home Appliances and Products?



**Interpretation :** To create brand awareness some mediums are used like TV, internet etc. In my survey most of the people influence by TV & internet advertisement.

10) you take in making a purchase decision?

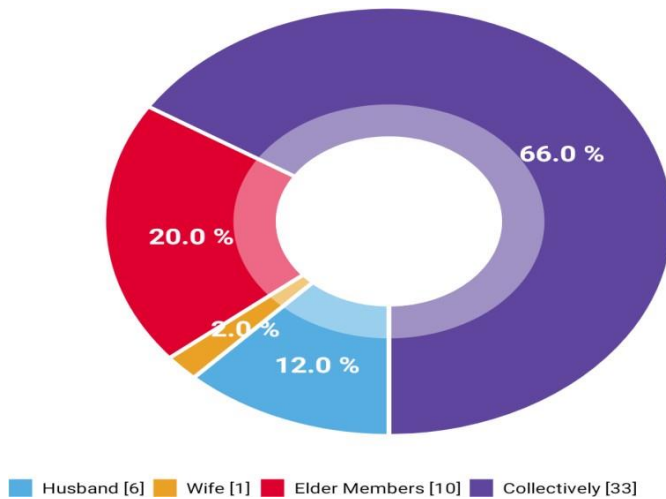


**Interpretation :-**

For make final purchase decision 80 % persons want 2-3 visit required, where 14 % peoples buy product within single visit. 3 people wants 3-5 visits before make final decision.

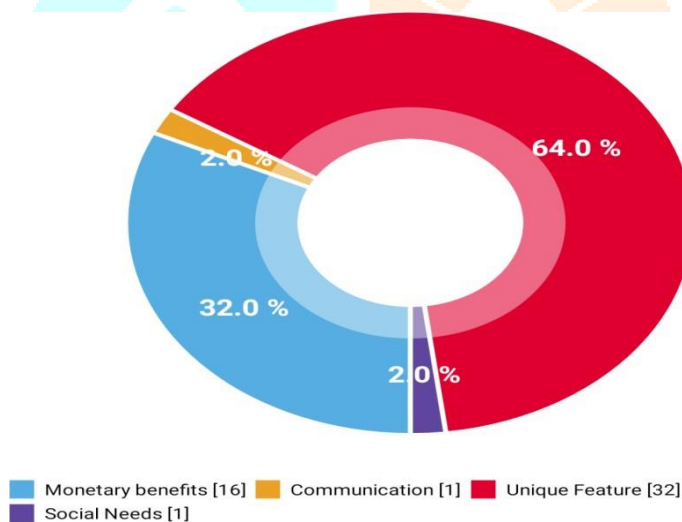


### 11) Purchase Decision Maker:-



**Interpretation :-** Electronic home product mostly use by all family member hence decision making done collectively, In my survey also most peoples(66%) agree on collectively decision making .Where in 12% family members depends on their elder family members decision (mostly student)

### 12) do you think play an important role to motivate customers?



**Interpretation :-** Before purchasing home appliance we all interested for knowing features associated to it & price /EMI benefit. My sample peoples also think same. Above pie chart clearly show 64% go for unique feature & 32% give preference to monetary benefit.

#### ➤ Limitations of the study:-

- The consumers buying decision keeps on changing regarding the state of mind that leads to consumers making imperfect purchasing decision or lacking confidence in the correctness of their purchasing decisions. The consumer is familiar of the product or service offering; but he is unaware of the various brands
- The study covers only selected household appliances viz. Refrigerator, Washing Machine, Oven, PC/Laptop and Television. Other household appliances have been neglected.
- The size of the sample consumers is limited to 50. Considering the time and other factors asconstrains

➤ **Suggestions / Recommendation:-**

- Few peoples still give preference more to monetary benefit than unique features .Some product are high in cost but they give you more features than other product also the warranty period is more.
- Children's know the current technology & advance product features very well ,elder family members should consider their suggestion also while decision making process involvement of children's are important.
- Before make final purchase decision most of peoples want 3-5 visit, to reduce this consumer home electronic company should advertise their product with EMI benefit plan . this will help them to make quick sale.

➤ **Conclusion :-**

Despite the basic characteristics of consumers the behavior pattern of consumers are more or less similar to each other, particularly in the aspects like quality, preference and decision making. However it is evident that the present approaches to draw the attention of customers are not adequate. The consumers are particular about the appropriate system of distribution and hence there is a great need for change in the electronics buying system. It may not be always correct to say that consumers behave in the same way as it much depends on type of products, quality of the products and price of the products. Consumer attitude towards electronics based on age group , income group ,and price leads major role while purchasing the electronic good. Income is one of the important determinants which has significant positive effect on the demand for the major electronics appliances . The level of education of the household head has positive significant effect on the demand for major appliances.

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