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## **A study on influence of family members and their interaction in the purchasing behavior of durable goods in Pudukkottai district of Tamil Nadu**

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### **Abstract**

The Indian Consumer market has witnessed sustained development since the liberalization and privatization policies came into effect post 1991. Owing to the changes in the economic environment, there has been a positive change in the life style of the consumers, the disposable income available to them has increased, the product range as well as the brand options have widen.

Emergence of dual income nuclear families has been instrumental in increasing the disposable income floating in the economy coupled with decrease in amount of savings and increase in borrowing by households.

The entry of global giants like Sony, Samsung, Hitachi, Panasonic, Toshiba etc., have played a major role in shaping up the present Indian market new product launches, wide product offerings; and aggressive marketing campaigns, competitive pricing, innovative promotional activities are few of the characteristic of the Indian consumer market.

A study was conducted to study the purchase behavior of family members for the purchase of consumer durables. Specifically five (television, washing machine, microwave oven, refrigerator, air conditioner) was taken into consideration. Data was collected from 210 respondents. They were asked to indicate the family member on who are initiator, influencer, decider, purchaser and user. The result as well as decider and purchaser are same family members other roles are played by different members of the family for all consumer durables.

**Keywords:** Interaction family members, purchasing decision of durable goods

### **Introduction**

This study examines those roles that different family members play in the purchase of consumer durables. This chapter introduces the basic elements of the research study. During the last two decades the Indian consumer durables industry has observed substantial developments. Changing lifestyles, higher disposable income joined with greater affordability and an indication in advertising has been instrumental in bringing about a change in the consumer behavior pattern. An increase in disposable income is supported by an increase in the number of dual-income nuclear families. Steady income gains, consumer financing and hire-purchase schemes have become a major driver in the Indian consumer durables industry. In the case of high and consumer goods, such as high-end colour televisions (LCD and LED), refrigerators, washing machines, split air conditioners and personal computers, retailers are joining hands with banks and financing companies to market their goods aggressively. Advanced technology and increasing competition have narrowed the price gap of durable goods. Several global players like Samsung, Philips, LG, Whirlpool, Nokia and Sony are well established in the consumer durables sector in India, with competition from strong Indian players like Bajaj Electricals, Blue Star, Carrier, Godrej, MIRC Electronics, Videocon, and Voltas. Developments of such degree have to be tracked and studied by marketers to formulate successful marketing strategies for their survival and growth in Indian market.

### **Importance of the study**

The Indian consumer market has never had it better. Higher disposable incomes, the development of modern lifestyles and an increase in consumer awareness have affected

buyer behavior-in cities, towns and even rural areas. According to a 2007 report by Mckinsey & Co., India is set to grow into the fifth largest consumer market in the world by 2025. Buyer power has also expanded to new consumer segments-be it the youth or the urban woman. The vast rural heart-land of India is calling and the sheer numbers make it impossible to ignore. In this scenario, creating consumer loyalty is now a whole new challenge. These demographic shifts have also created the need for leaders who can keep pace with change and identity with and predict future demand.

#### Growth of consumer durables

Korean high-tech companies LG and Samsung have virtually taken over India's consumer durables market with aggressive marketing and competitive price positioning, according to the Economic Times of India, Statistics show that LG and Samsung command between them a market share of 24 percent in the colour television market, 40 percent in the refrigerator industry's frost free segment, 38 percent in the air conditioning industry and close to 55 percent in the microwave oven segment. (www.emeeconomy.com).

Sl. No.	Consumer Durable's	Percentage (%)	Rank
1.	Colour Tvs	24%	IV
2.	Refrigerator	40%	II
3.	Air Conditioners	38%	III
4.	Microwave Oven	55%	I

e-source: (www.emeeconomy.com)

Several global players are well established in the consumer durables sector in India, with competition from strong Indian player.

**LG Electronics:** is a global electronics and telecommunications company headquartered in Seoul, South Korea, The company operates its business through five divisions. Mobile Communications, home entertainment, home appliance, air conditioning and business solutions. LG Electronics is the World's second-largest manufacturer of television sets and third-largest producer of mobile phones. It is a flagship subsidiary company of LG group, one of the World's largest electronic conglomerates.

**Samsung Electronics:** is a South Korean Multinational electronics and information Technology Company headquarters in Samsung Town, Seoul. It is the flagship subsidiary of the Samsung Group. With assembly plants and sales networks in 61 countries across the world, Samsung has approximately 160000 employees.

In 2009, the company took the position of the world's biggest IT maker by surpassing the previous leader Hewlett-Packard. Its sales revenue in the areas of LCD and LED displays and memory chips is number one in the world.

**Onida:** Onida was started by G.L. Mirchandani and Vijay Manusukhani in 1981 in Mumbai. In 1982, Onida started assembling television sets at their factory in Andheri, Mumbai. Since then, Onida has evolved into a multi-product company in the consumer durables and appliances sector. Onida achieved a 100% growth in ACs and Microwave Ovens and a 40% growth in washing machines last year.

**Voltas Limited:** is an engineering, air-conditioning and refrigeration company based in Mumbai, India. It makes stuff for Industries in areas such as heating, ventilation and air conditioning, refrigeration, construction equipment, materials handling, water management, building management systems, indoor air quality and chemicals. Voltas is a part of the Tata Group.

**Whirlpool Corporation:** is an American multinational manufacturer of major home appliances headquartered in Benton Charter Township, Michigan, United states, near Benton Harbor, Michigan. The company is listed in Fortune 500 and has annual revenue of approximately \$18.4 billion, more than 70000 employees, and more than 70 manufacturing and technology research centers around the world. The company markets whirlpool, Maytag, Kitchen Aid, Amana, Gladiator, Ingles Estate, Brastemp, Bauknecht, consul, and other major brand names to consumers in nearly every country around the world.

**Godrej:** The Godrej is an Indian Conglomerate headquarters in Mumbai, India. It was founded by Ardeshr Godrej and Pirojsha Godrej in 1897, Lalbaug, Mumbai. With 7 major companies with interests in real estate, FMCG, Industrial engineering, appliances, furniture, security and Agricore-to name a few-its turnover crosses 2.6 billion dollars.

#### Decision making

An investigation of decision-making in families is important to identify the members most vibrant in making a purchase while for some product purchase husband may be most influential, for others wife or other family members may decide about all or most dimensions of purchase. Participation of wives in family decisions, besides other factors, is essentially a function of attitude of the family towards role of women in the society. On the basis of division of power, a family may be matriarchal, patriarchal, or egalitarian. Indian society and economic changes are making the power structure in families more egalitarian-where husbands and wives participate almost equally in the decision-making process. The marital power structure in families determines the domain of spouses and other family members within which they exercise influence in purchase situations.

#### Statement of the problem

Consumers from emerging market like India have greater brand choice from global and domestic companies than ever before. India's liberalizing policies and changing business environment along with regulatory changes have enhanced the macroeconomic growth of India along with expansion of multinational companies in Indian markets by setting up of their business in India, thereby increasing offerings to Indian consumers. This has increased a wide range of choice to Indian consumers. Companies are interested not only in the product but also the behavior of the consumers and brand equity because it gives them the right orientations for brand positioning. Building brand equity is the foremost task of the companies to reduce the searching cost of the potential customers. Brand equity generally grouped in to five categories namely, perceived quality, brand loyalty, brand awareness, brand association and brand image provides the scope of increasing brand value and profitability.

In this scenario marketers should take a broad view of marketing activity for a brand and recognize the various effects it has on brand knowledge, as well as how changes in brand knowledge affect more traditional outcome measures such as sales. Markets must realize the long-term success of all future marketing programmes for a brand is greatly affected by the knowledge about the brand in memory that has been by the firm's short term marketing efforts. In this liberalized and competitive market, both foreign and Indian companies must understand consumer's motivation towards their brand choice and consumer behavior is essential. Building and properly managing brand equity has become essential for any business organization and consumer durable organizations are no exception.

### Scope of the study

The Researcher limits its scope to selected consumer durable such as television, washing machine, microwave oven, refrigerator, air conditioner in Pudukkottai District of Tamil Nadu. The present study mainly confined to analyze the impact of consumer behavior and different dimensions of brand equity like brand image, brand awareness, brand association, perceived quality and brand loyalty in consumer durable product market. The study does not cover other brand equity property assets such as trade mark, patent, logo, symbols.

### Objectives of the study

The following are the main objectives of the study.

- To study the influence of family members and their interaction in the purchasing decision of selected durable goods in Pudukkottai district of Tamil Nadu.
- To study demographic factors influencing purchase decision of consumers with regard to durable products.
- To study the relationship between various dimensions of customer based brand equity.
- To study the valuable managerial implications of the findings and suggestions of the study.

### Research design

The present research focused on one outcome variable- which makes the decision. The developed set of demographic variables and attitude purchasing behavior of

family members of durable goods. The relationship between these predictors and the outcome variable were examined across product categories and decision types using cross-sectional research design.

### Decision types

Responses were coded to indicate whether the man or the woman in the family makes most of the decisions. For example, if she or a female respondent was mostly responsible for deciding on the product, she was coded as being part of the family in which the woman makes most of these decisions. If she said her partner or a male in the family chooses what they would do, she was coded as being in a family in which the man has the most say. The responses to the four roles (initiator, influencer, decider and purchaser) were then analyzed together to determine whether, on balance the man or the woman in the respondent's family made.

### Data collection procedure and sample

The study was conducted in Pudukkottai district of Tamilnadu state in India. The researcher has adopted sampling method for the data collection. Primary Data collection involving the use of a well structured format questionnaire. The prepared questionnaires were distributed among the women residing in areas identified for the survey purpose. The respondents were chosen through friends, relatives for identification. Of the 300 respondents contracted because of incompleteness and other survey difficulties, only 210 usable questionnaires were collected. Secondary data collected from publications, journals and books related to the topic. Considering the unique characteristics of the household products (Microwave oven, Washing Machine, Television, Refrigerator and Air Conditioner) were included in the study design.

### Analysis of data and interpretation

The analysis was carried out in two steps. In the first step, the respondent demographics and socio-economic characteristics were plotted and in the second step, the responses for purchasing involvement assessment were analyzed through factor analysis.

Sl. No.	Table No.	Demographic Variables	Characteristics	No. of Respondents	Percentage (%)
1.	1.1	Age	21-30 Years	44	20.8
			31-40 Years	75	35.9
			41-50 Years	68	32.5
			51 Years and Above	23	10.8
			Total	210	100.00
2.	1.2	Education	Schooling	42	19.8
			Graduate	86	40.9
			Post Graduate	42	20.0
			Professional	35	16.7
			Doctorate	05	02.6
Total	210	100.00			
3.	1.3	Occupation	Housewives	103	49.2
			Working wives	107	50.8
			Total	210	100.00
4.	1.4	Monthly income	Below Rs.7500	031	15.00
			Rs.7501-Rs.15000	118	56.00
			Rs.15001-Rs.22500	033	16.00
			Rs.22501-Rs.50000	019	09.00
			Rs.50000 and Above	009	04.00
Total	210	100.00			

5.	1.5	Tenure of marriage	Up to 10 Years	74	35.2
			11 Years – 20Years	57	27.0
			21 Years-30 Years	70	33.4
			31 Years Above	09	04.4
			Total	210	100.00
6.	1.6	Number of children	No Children	021	10
			One	068	32
			Two	102	49
			Three	016	08
			Four and Above	003	01
			Total	210	100.00
7.	1.7	Type of family	Nuclear family	156	74.4
			Joint family	054	25.6
			Total	210	100.00
8.	1.8	Family lifecycle stage	Couples with no Children:	21	11
			Family with the Youngest Child below 6 years:	51	25
			Family with youngest Child above:	66	31
			Family with all Children above 18 Years:	70	33
			Total	210	100.00
9.	1.9	Area of residence in pudukkottai city	Central Zone	54	25.8
			North Zone	55	26.1
			South Zone	53	25.0
			West Zone	48	23.1
			Total	210	100.00

Source: Primary Data

The above table shows that the sample is well represented and includes women of various age groups, different income levels, different education levels and different types of occupation. The typical respondent in this study is graduate working woman in the age group of 31 to 40 years earning monthly income of Rs.7501-Rs.15000 and a monthly family income of Rs.20001 to Rs.40000 been married for ten years having a nuclear family with two children above 18 years. The table also shows an almost equal representation of the respondents from all the four zones of Pudukkottai district of Tamil Nadu.

### Concepts of definitions

**Consumer Behaviour:** Consumer behavior is the process of perceiving and evaluating different components of a purchase.

**Brand:** Brand is a name, symbol, design or some combination which identifies the 'product' of a particular organization.

**Brand Equity:** Brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol add or subtract from the value provided by a product or service to a firm.

**Brand Awareness:** Brand awareness is the ability to identify a brand under different conditions.

**Brand Image:** The image of a brand shows how it is perceived by the consumer.

**Perceived Quality:** Perceived quality is perception of superiority of a product or service with respect to its intended function.

**Brand Association:** Association linking to the brand may be strong, while some times it can be weak.

**Brand Loyalty:** Loyalty implies customers who would continue to buy the brand.

**Durable Products:** Durable products are thing that can be used for a long period of time as they are not easily destroyed, Examples of durable goods include; household appliances, machinery and sports equipment.

**Television:** Television is an electronic device used to receive sound and images which create television programmes that people watch.

**Washing Machine:** This appliance is exclusively destined to wash and spin machine washable laundry in quantities which are usual for private households.

**Refrigerator:** An appliance or Compartment that is artificially kept cool and used to store food and drink.

**CD/VCD Player:** A DVD/CD player is a device that plays discs produced under both the DVD-Video and DVD-Audio technical standards.

**Digital Camera:** A Camera that records and stores digital images.

### Findings and suggestions

- The majority of the respondents are Age that using the Durable goods for purchasing behavior is increase of goods (35.9%).
- The purchasing behavior of education is majority of the respondents (40.9%) are Graduate.
- The majority of the respondents are occupation of the respondents is working wives.
- The majority of the respondents are monthly income of Rs.7501-Rs.15000.
- The majority of the respondents are tenure of marriage up to ten years of the purchasing decision of consumer durable goods.
- The majority of the respondents are number of two children's.
- The majority of the respondents are nuclear family (74.4%), Family lifecycle stage (amily with all children above 18 years (33%)) and the Main area of residence in Pudukkottai city is North (26.1%).

The Suggestions for the development of purchasing decision of durable goods industry are

Given below:

- Study of purchasing behavior enables marketing researchers to predict how family members will react to promotional messages and to understand why they make the purchase decision they do. Marketers realized that if they know more about the consumer decision making criteria, they can design marketing strategies and promotional messages for influencing consumers more effectively.
- Age of family members and the income of parent are imperative in the durable goods market. The marketer must have a closer look at the socio-demographic variables. It helps the marketer to segment the market and the position the various durable goods.
- The industry is marked by fluctuations, which are seasonal and trend-driven. Summer vacation and festival seasons are most important for durable goods sales in Pudukkottai district. So, manufacturing various types of durable goods suitable for different seasons helps to make the market lively.
- Television, catalogue and hoardings are the most important to attract the children and improve the brand image. The study found that the children and improve the brand image. The study found that the catalogues make a significant impact on sales of durable goods. Attractive catalogues describe the various features of the durable goods, which helps to persuade the parents to purchase the durable goods. Attractive package and caption about the product, as well as identification of cartoon characters with the product also help to get a distinct brand image for the product in the market.
- The world has been changing at great speed since the arrival of the internet. All information is just a click away on the computer. So, the detailed information available in the internet about the durable goods and variety, price as well as quality, names of the retail outlets and the organization are persuading the parents to purchase; and ultimately it helps to boom the sales. Lists of the various durable goods and its features provided in the internet help to improve the sales in the modern economy. The parents and children can easily identify the new durable goods and its features through internet.

### Conclusion

The buying behavior of parents in purchasing decision of durable goods involves several psychological factors. These factors the individual thinking process (like motivation, perception and attitude), decision-making steps involved in buying (decision making process), interaction of the family members with several groups like friends, family and colleagues (group-oriented concepts), and selection of the brand and outlet depending on features and emotional appeal (marketing mix elements in a given environment). All family members engage in shopping with certain fundamental decision-making modes or styles, including rational shopping and consciousness regarding brand and quality.

Quality is one of the important factors to influence the purchase decision of family members in durable goods. Quality in the purchasing behavior of market comprises of

design, comfort, entertainment value, educational value, non-toxicity and safety.

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