

## A Study on customer response towards the selected Consumer Durables of Mnc's In Coimbatore City

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### Abstract

Consumer behaviour is a new and a rewarding area for marketers to explore. Brand choice, which constitutes an important aspect of consumer behaviour, refers to the selection of the product of a specific brand out of the available brands in the market by considering their various attributes. Marketing is considered to be the most important function of all business organizations, worldwide. It has changed the nature of business in recent years. The main objective of the study is to identify the various demographic factors and factors influencing consumer's brand preference which influence the level of satisfaction of the respondents. The statistical tools like simple percentage, average score analysis, ranking analysis were applied to realize the objective of the study. The entire study shows that Consumer durables are very much popular in between the respondents whether their residential status is urban and rural.

**Keywords:** Consumer, brands, organizations and business

### Introduction

The consumer durable and semi-durable industry in India is dynamic and highly competitive. The Rs.20,000 crore consumer durables segment of this industry has a dominance of Multi-National Companies (MNCs) and can be segregated into consumer electronics (TVs, VCD/DVD players and audio systems) and consumer appliances (also known as white goods) such as refrigerators, washing machines etc. Over the years, the demand for consumer durables has kept pace with rising income levels, double-income families, changing lifestyles, easy availability of credit, increase in the number of nuclear families, increasing consumer awareness and introduction of new models. While CTVs and refrigerators have been around for many years, washing machines and DVD/VCD players are beginning to make their presence felt in Indian households.

The Indian consumer durables market has undergone a major transformation since the liberalization process, initiated in 1991. The market size, product penetration, the variety and technology of products sold, have all experienced a quantum leap. Improved product choice and decline in real prices, matched by increased consumer incomes have driven the market growth rate to dizzy heights. However, in recent years, the consumer durable industry is in doldrums. In spite of comparatively low product penetration, there is a slowing down in demand growth for many products. Intense competition has pushed down prices and profit margins, putting the manufacturers and traders in a quandary. At the same time, the industry is facing a point of inflection due to the advent of modern retailing formats.

### Statement of the Problem

Marketers cannot now go by the expectation of yester years and assume that rural India consumes only essential products and that its share in other product categories is meagre. With regard to consumer durables, according to the survey conducted by the National Council of Applied Economic Research (NCAER), it is revealed that seven consumer durables are owned by urban household on an average. The

new income earning opportunity and the revolution in urban areas have increased their purchasing power, which in turn provides substance to their aspirations. It is often said that markets are made, not found. But in the case of urban market, even though it offers large scope on account of its size, it is fascinating and challenging.

The study of consumer buying behaviour has become an indispensable one in the present day of marketing since it is based on consumer satisfaction. The study of consumer buying behaviour is a study of how individuals, groups and organizations select, buy, use and dispose of goods, services, ideas or experience to satisfy their needs and desires. Among the various aspects of marketing, understanding the expectations, actual satisfaction, their future action based on their actual satisfaction, and their awareness about the products are considered to be the important aspects. The answer to these aspects will automatically provide solutions to all the problems relating to consumer durables marketing. Consumer brand choice has a great significance on the manufacturer. There is a keen competition in the field of consumer durables market. So a study on the consumer brand choice behaviour for consumer durables may offer a great potential to the firms, who are interested in drawing specific implications for their marketing decisions.

### Scope of the Study

The study is expected to reveal the customers' brand preference of selected durables of MNCs. The study includes the assessment of the consumer's degree of influence while purchasing consumer durables and it is expected to increase the perceived value of a brand by giving it more value. The present target of all the manufacturers is the consumers, and not the retailers/dealers. Understanding their purchase behaviour helps to identify the preference, influence of brand in their purchase decisions etc. on the purchase of a particular product. This insight will help the manufacturers to adopt new strategies which would help not only to attract new customers but also to maintain the loyalty of the existing customers, as in the present competitive scenario the consumers are prepared to choose

their right product not only based on their needs but also on the basis of personal interest shown by the manufacturers on them. Many studies have been made on consumer behaviour in areas like family decision making, shopper dissatisfaction for major household appliances, factors affecting decision making for electrical appliances etc. However, a study on the buying behaviour of consumers in Coimbatore City in relation to consumer durable products of MNCs has not so far been carried out. So, the present study titled, "A study on Customers' Brand preference of selected durables of MNCs in Coimbatore city" aims to probe into the preference, purchase, post-purchase evaluation with regard to selected household durables/electrical appliances and awareness among the consumers.

### Objectives of the Study

The primary objective of the study is to find the consumer behaviour towards the selected durables of MNCs in Coimbatore city.

- To bring out a general view of the consumer durable products of MNC.
- To study the profile of the respondents based on the demographic factors and the various attributes involved in consumer's brand preference.
- To ascertain the brands preferred and the reasons for particular brand preference.
- To determine the level of satisfaction of the respondents regarding durables of MNCs.
- To identify the various demographic factors and factors influencing consumer's brand preference which influence the level of satisfaction of the respondents.

### Methodology Used

#### 1. Research Design

Descriptive research design has been used.

#### 2. Area of the Study

The sampling unit is limited to the Coimbatore city.

#### 3. Source of Data

The data has been collected from primary and secondary sources. Primary data is collected using questionnaire with 23 questions. The questionnaire has three parts, the first part is to study the profile of the respondents, the second part is to study the product awareness of the consumer and purchase details, and the third part to study the opinion and satisfaction of the respondents about the product. In order to have adequate representation of respondents of all ages from 23yrs to 70yrs and both gender, the researcher approached a number of respondents and collected data in a structured manner.

Secondary data has been collected from previous Dissertations/Research Papers/Marketing Journals/ Magazines/ Newspapers/ Text Books and Websites.

#### 4. Sample Size

250 questionnaires were distributed without considering whether the respondents are using MNC products or not; out of those 50 questionnaires were found to be incomplete, which were rejected. Therefore, the sample size for the study is limited to 200 respondents.

### 5. Statistical Tools used for the Study

- Percentage analysis
- Average Score analysis- Five point scaling technique
- Average Rank analysis

### Limitations of the Study

The availability of literature in this area is limited. So, the researcher relied upon primary sources of information which have been collected from the sample consumers. The range of consumer durable goods available in the market is very large, but the present study covers the products viz., TV, Refrigerator, DVD/CD player and washing machine only. The various models, varieties and allied products are not taken into consideration. Further, the behaviour will not be the same at all times. The findings indicate only contemporary views of urban consumers which may not hold well for all times and for all the product categories.

- The universe being large, the study is restricted to respondents residing in Coimbatore City.
- The sample size is only 200, so the sample may not be truly representative of the population.
- The questionnaires were to be filled independently by the respondents, from 23yrs to 70yrs only because, they are considered to be the income earners for the purpose of the study.
- Data collection was a difficult task. Out of the 250 distributed questionnaires 50 questionnaires were found to be incomplete which were rejected.
- The time covered by the study is from November 2015- January 2016, the results of which may not hold good for all times.
- The above limitations serve as impediments for 100% accuracy in analysis.

### Period of Study

The collection of data began from the month of November 2015 and was completed in January 2016.

### Profile of Geographical Area of Study

The study is conducted in the Coimbatore city. Coimbatore district is the third largest district in TamilNadu. The district covers an area of 7496sq.km. It is located on the North Western part of TamilNadu, surrounded by Nilgris on the North, Erode and Dindigul districts on the East and in the West by the state of Kerala. Coimbatore is also known as the "Manchester of South India", because of its reputed textile industry. The rich black soil of the region and the pleasant climate throughout the year had contributed to successful growth of agriculture. It is the pioneer in almost all the sectors of economy like agriculture, industry, tiny & cottage industries.

### Profile of the Respondents

This study is based on findings of a survey of 200 respondents spread over the Coimbatore city. The respondents are in the age group of 23 to 70years. Both male and female are selected at random using convenient sampling method. The respondents are mostly from middle class and upper middle class strata of the society. Further, the respondents being adults, items/products of durables used by them may have substantial degree of influence in their purchase decision making process.

**Review of Literature**

Jayashree Krishnan, (2006) [2]. has reviewed the lifestyle and its influence on brand choice behaviour. She concluded that lifestyle has a significant influence on the purchase behaviour of the refrigerator users. Customers more interested in the well-known and established brands in the market, preferred ‘Videocon’ before 2003, and their choice had shifted to ‘Godrej’ and ‘BPL’ after 2003. However, prior to 2003 LG was the most dominant brand among the innovative people, who were interested in enjoying anything new in the market regardless of the brand at the earliest.

Sakthivel Murugan M, Jayashree Krishnan, (2006) [2]. have concluded that, in a modern consumer society, people select the set of products, services and activities that define themselves, and in turn, create a social identity that is communicated to others. As people’s attitudes, interests and opinions regarding products and services change, it is vital for marketers to continually monitor the social landscape in order to anticipate where these changes will lead to.

According to Madana Mohan, (2007) [3]. Man has been continuously trying to improve the surroundings to make him more and more comfortable. Today consumer durables are used out of necessity by all the upper middle classes and above that range classes in addition to comfort.

Rathod M. Raju, (2007) [4]. have found that many homes have refrigerator, washing machines, microwave ovens, dishwashers, etc. Today, the consumers demand more value for money, and they are health and quality conscious. Companies today have streamlined their businesses according to customer

needs and preferences. There is a buyer’s market today because of competition. A number of companies and dealers are putting in their efforts to make the buyer aware of the product features and the brand. Their objective is to build familiarity and liking for the product. Many Indian and multinational companies started aggressive retailing by choosing either exclusive or multinational format of retailing with a host of other value-added services. As far as multi brand retailing is concerned, Sales in India and next are very popular in the retailing of white goods.

Harish R. (2007) [5]. has reviewed the studies on, “Emerging Trends in the Marketing of consumer durables in India”. He has concluded that about 60% of the domestic demand for durables is met by local manufacturing, while the rest is achieved through imports. LG, Samsung, Philips and AIWA are planning to use India as the sourcing hub for their worldwide requirements of specific products. However, on the whole it would appear that the Indian consumer would be buying more of imported durables in the years to come.

According to Kavaldeep Dixit, (2008) [8]. consumer durable industry in India is at a take- off stage. It has emerged as one of the most dynamic and fast paced sectors with several reputed players entering the market. The market is growing; there are favourable government policies and emerging technologies to facilitate efficient operations.

**Analysis and Result**

- Percentage Analysis

**Table 1:** Demographic Variables of the Respondents

Factors	Options	No. of Respondents	Percentage (%)
Gender	Male	122	61
	Female	78	39
Age	Up to 35 yrs.	30	15
	36 - 45 yrs.	58	29
	46 - 55 yrs.	92	46
	Above 55 yrs.	20	10
Marital Status	Married	186	93
	Un married	14	7
Educational Qualification	School Level	98	49
	Graduate	61	30
	Post Graduate	28	14
	Professional Courses	13	7
Occupational Status	Private Employee	56	28
	Govt. Employee	39	20
	Business	50	25
	Professional	12	6
	Agriculture	10	5
	House Wife	33	16
Monthly Income level	Below Rs.5,000	30	15
	Rs.5,000 - Rs.10,000	73	36
	Rs.10,000 - Rs.20,000	65	33
	Rs.20,000 - Rs.30,000	20	10
	Above 30,000	12	6
Members in the Family	Up to 3 (Small)	57	29
	4-5 (Medium)	129	65
	6 & above (Big)	14	7
Area	Urban	154	77
	Rural	46	23

It can be inferred from the table - 1Majority 61% of the respondents are male, 46% of the respondents in the study

belong to the age group of 46-55 years, 49% of the respondents have completed school level education only, 93%of the

respondents are married, 48% of the respondents falls in the category of employees, 36% of the respondents monthly income is below Rs.10,000, 65% of the respondents' family consists of 4-5 members, 77% of the respondents are residing

in the urban area. Therefore, the study depicts the views of Coimbatoreans.

• **Average Score analysis**

**Table 2:** Distribution of the respondents based on the level of satisfaction of selected products

Satisfaction	Products			
	TV	Refrigerator	DVD / CD player	Washing machine
	Mean ratings	Mean ratings	Mean ratings	Mean ratings
Price of the product	4.33 (HS)	4.38 (HS)	4.30 (HS)	4.29 (HS)
Product performance	4.24 (HS)	4.31 (HS)	4.25 (HS)	4.18 (HS)
Technology	4.03 (HS)	4.17 (HS)	4.05 (HS)	4.04 (HS)
Appearance	4.04 (HS)	4.12 (HS)	4.05 (HS)	3.99 (HS)
Spare parts	3.63 (S)	3.77 (S)	3.66 (S)	3.55 (S)
Power consumption	3.69 (S)	3.69 (S)	3.79 (S)	3.48 (S)
Brand image	3.86 (S)	3.71 (S)	3.75 (S)	3.67 (S)

It is found from the above table that majority of the respondents are highly satisfied with the price, performance, technology and appearance of the products. They are also

satisfied with the spare parts availability, power consumption and brand image.

• **Average Rank Analysis**

**Table 3:** Reasons for the purchasing the products

Reasons	Products							
	TV		Refrigerator		DVD / CD player		Washing machine	
	Mean rank	Final Rank	Mean rank	Final Rank	Mean rank	Final Rank	Mean rank	Final Rank
Quality	2.61	2	2.88	2	2.88	3	3.24	3
Technology	2.84	3	2.87	3	2.87	2	2.96	2
Appeal	4.88	5	4.68	5	4.68	5	4.78	5
Brand image	3.99	4	4.25	4	4.25	4	3.94	4
Festival offer	5.92	7	5.70	7	5.70	7	5.71	7
Credit facility	5.38	6	5.31	6	5.31	6	5.22	6
Necessity	2.40	1	2.30	1	2.30	1	2.05	1

It is derived from the above table that all the respondents have ranked necessity as 1, quality and technology have been ranked as 2nd and 3rd for TV and refrigerator whereas for DVD / CD player and washing machine the same are ranked as 3rd and 2nd respectively, followed by the brand image, appeal, credit facility and festival offer with 4th, 5th, 6th and 7th ranks respectively.

**Summary of Findings**

• **Percentage Analysis**

- Majority (61%) of the respondents are male.
- Majority (46%) of the respondents in the study belong to the age group of 46-55 years.
- Majority (93%) of the respondents are married.
- Majority (49%) of the respondents have completed school level education only.
- Majority (48%) of the respondents falls in the category of employees.
- Majority (36%) of the respondents monthly income is below Rs.10,000
- Majority (65%) of the respondents' family consists of 4-5 members.
- Majority (77%) of the respondents are residing in the urban area. Therefore, the study depicts the views of Coimbatoreans.

• **Average Score Analysis**

- Majority of the respondents are highly satisfied with the price, performance, technology and appearance of the selected products taken for the study. They are also satisfied with the spare parts availability, power consumption and brand image.

• **Average Rank Analysis**

- All the respondents have ranked "Necessity" as 1st, followed by "Good quality" and "Technology" with 2nd and 3rd rank respectively as the reasons for purchasing the selected products. "Necessity" is the foremost reasons for buying the products. "Good quality and technology" are the next reasons to buy a branded product.

• **Suggestions**

- Customers are more concerned about the quality than the cost of the product; they primarily seek for the quality in the product; they are ready to accept even unbranded product if it is of good quality. Therefore the manufacturers should produce only quality goods that in turn help them to be successful in the market; also help to increase their market share.
- Some customers are conscious of branded items; they consider a better known brand as a better brand. They also do not mind paying extra for a branded product. Therefore, the companies producing quality products but marketing with unpopular brands need to allocate huge budget for

advertising and publicity in order to build a brand image. Successful brand building among the customers can also lead to the customers suggesting their brands to others; this ensures brand loyalty.

- Customers associate a branded product with 'good quality'. To successfully promote a brand and to retain customer loyalty, the marketer must ensure that quality of the product is maintained at a high level.
- Marketers of unbranded products must strive to penetrate the market by improving quality of the products and give wide publicity.
- Our Indian companies should resort to suitable advertising strategies, adopt to the local conditions and enhance their brand building skills; otherwise their advertising expenditure may prove to be a big failure and that may result in many more MNCs establishing themselves well in durables market.

### Conclusion

The growth in the population of India and the increasing urbanization had attracted the attention of manufacturers and marketers of MNC. The Indian market has its own typical socio-cultural features. The impact of large number of urban population on the total market for all types of goods is an important aspect. As far ownership of consumer durables, carrier leads in the market.

The study reveals the fact that a customer buys a durable only when he feels the need for it. While executing his decision to buy he considers the other aspects like quality, technology, price, etc. That is, in case of need, if the quality available is good if he is satisfied with technology on which it is based he readily decides to buy, thus it means, he does not buy for the sake of the company or for the brand name. Thus, the manufacturer/dealer, through suitable advertising & promotional strategies create awareness, make the customer to feel that his product is essential for him, influence him to buy and experience the product in wholesome, deeply implant the goodness if it, in the customer create repetitive need for the same, upgrade the product simultaneously and try to retain the customer for ever.

Thus, no manufacturer/dealer can any more decline a customer with inferior products accompanied by vast attractive and repetitive advertisement media alone. The concepts of globalisation, privatisation, etc., have paved way for easy entry of MNCs with a wide product range and systematic development. The study shows that even a customer with family monthly income of Rs.10,000 also prefers a product of MNC. It is mainly because of increase in purchasing power provided by increased incomes and increased job opportunities. In this scenario, if our Indian companies in the same field do not wake up, overhaul themselves thoroughly in all possible ways, in the coming years we can say more number of MNC retail outlets in semi urban and rural areas also, threatening Indian companies. Thus, it is high time for Indian companies to do the needful at the earliest.

The study reveals the fact, that in spite of a number of well-established Indian companies like Godrej, Videocon, Onida, BPL etc., people have gone for MNC products. The study also reveals that customers have preferred MNC products for their quality, brand image, technology updating etc. Thus, it is clear that its products of Indian companies are not up to the expectation of the customer in their aspects. However in the

case of refrigerator around 55% of the respondents have chosen Indian brands. The Indian company have proved to be much better than MNCs refrigerators. Likewise Indian manufacturers of other products can also over rule the MNCs if they take necessary care to produce quality items and use the advertisement and publicity strategies suitable for our society. Overall, the research concludes by stating that there is a tremendous scope for consumer durables sector in the consumer market, which can properly use by Indian companies so that there will be more scope for development of the economy.

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