

# A Study on Customer Purchasing Behaviour on Durable Goods in Kukatpally, Hyderabad

Dr. E. Murali Darshan, Boosa Ravi Teja

Department of Humanities and Social Sciences, JNTUHCEH, Hyderabad, Telangana, India

## ABSTRACT

The consumer durable goods industry is operating in a highly competitive, complex and rapidly changing business environment. The consumer buying preferences are rapidly changing and moving towards high-end technology products. Products which were once considered luxury items have become a necessity because of the changing lifestyle and rising income levels. The consumer is brand-conscious, but not necessarily brand-loyal. Buyers tend to exhibit different types of buying behavior when they are in the process of purchasing goods and services and the behaviors witnessed are influenced by the type of product he/she wants to buy. It is a very long process where the consumer makes the final decision whether or not to buy the product. This is called buying decision making. There are various factors which influence consumer decision making which include demographic; socio-economic and cultural status etc. The major factors that affect consumer buying behavior are age, gender, income, social influence. In addition, from the product side price, durability, brand name, product features, after sales service etc., may also have a great impact on decision making. This project deals with the study on the factors that affect the consumer purchase behavior on Durable goods. This study is helpful for both business firm to maintain good customer relationship and for the consumer also as he need not look for more alternatives.

**Keywords:** Durable Goods, Consumerism, Customer Buying Behavior, Electronics

## INTRODUCTION

Marketing is the moving and exciting activity in everybody activities. The sellers, distributors, advertising agencies, consultants, transporters, financiers, store agencies and every one as a counter are part of the marketing system. Any exchange process be it consumer, goods, intermediary goods, services of ideas, comes under the preview of marketing. It is very often regarded that the development of markets and marketing is synonymous with the economic development of account. In the ever-growing corporate world, marketing is being regarded as a crucial element for the success of an Enterprise. It is whole business seen from the point of view of its final result, that is, from the customer's point of view. Business success is not determined by the producer but by the customer".

### Durable Goods:

A durable good or a hard good is a good that does not quickly wear out, or more specifically, one that yields utility over time rather than being completely consumed in one use. Highly durable goods such as refrigerators or cars usually continue to be useful for three or more years of use, so durable goods are typically characterized by long periods between successive purchases. Examples of consumer durable goods include automobiles, books, household goods (home appliances, consumer electronics, furniture, tools, etc.).

### Consumer Behaviour:

One thing that we have in common is that we all are consumers. In fact, everybody in this world is a consumer. Every day of our life we are buying and consuming an incredible variety of goods and services. However, we all have different tastes, likes, dislikes, and adopt different behaviour patterns while making purchase decisions. Consumer Behaviour (or Buyer Behaviour) is broadly defined by various scholars & researchers as: It's the

behaviour displayed by the consumers during the acquisition, consumption and disposition of products, services, time and ideas by decision making units. It is the body of knowledge which studies various aspects of purchase and consumption of products and services by individuals with various social and psychological variables at play. The behaviour that the consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs.

### OBJECTIVES OF STUDY

The main objective is to determine the current consumer behaviour levels of the customers towards Durable Goods.

1. To study and analyse factors influencing consumer shopping behaviour on Durable Goods.
2. To assess the behaviour level of different type of customers buying Durable Goods.
3. To identify what type of strategies are suitable for the company to reach the targeted customers.
4. To identify effective advertising sources which are influencing customer purchasing behaviour.
5. To find out how the consumers spend their incomes, time on the purchasing of the products.

### SCOPE OF STUDY

The durable goods sales are increasing day by day and companies are developing durable goods innovatively with various features. The scope of study is to identify the factors which influence the consumer purchase behaviour on durable goods. It was aimed to help different companies involving both online and offline selling of durable goods so that this study helps them to assess consumers behaviour at different levels and improve their marketing strategies. The scope of study is confined to Hyderabad City only and this study helps to assess consumer behaviour on durable goods (bikes, mobiles, laptops).

## LITERATURE REVIEW

The literature review is a significant step in each and every research process. Review of earlier studies discloses the works and studies done by individual researchers and institutions help to establish further the need for the study. The previous studies identified important gap that will be explored in this thesis. In this research special attention being given to the marketing strategies adopted by the manufacture for effective reach is also done. The various studies related to consumer behaviour, rural market and urban market have been conducted by different social scientists at micro as well as macro level in India and abroad. The present study was covered the Consumer Behaviour towards consumer durable goods. But no study was made in purchase Behaviour towards consumer durable goods.

**James U. Mcneal, Chyon-Yeh (2016)** have searched that examining –Tolerance for Unethical Consumer Behaviour Provides a Key Insight to how People Behave as Consumers Worldwide|. In this study, consumer reactions to unethical consumer behaviour scenarios are investigated using sample data from Austria, Brunei, France, Hong Kong, the UK, and the USA. Nationality is found to be a significant predictor of how consumers view various questionable behaviours. Gender is not a significant predictor, while age and religious affiliation are found to be significant predictors of consumer ethical perceptions.

**Krishna Mohan Y. and Naidu, (2015)** have identified –An Evaluation of Consumer Awareness in Rural Markets|. This paper deals with the extent of awareness in rural markets of India. It presents the – Gold| available in this steadily growing market which has been going great guns since the 1980's and now bigger than the urban market for both FMCG's and durables, the former with 53 per cent share and the latter with 59 per cent of total market.

**Sudarshan R. and Sridhar, (2013)** have conducted –Impact of Consumer Involvement of Buying Decision - A Conceptual Frame-Work. Consumer involvement refers to the intensity of interest with which consumers approach the market place. It is related to the consumers values and self-concept which influence the degree of personal importance ascribed to a product or situation consumer involvement varies across different individuals, product, brands and situations.

**Alet C. Erasmus, Meriam M. (2012)** has focused on the –The Paradox of Progress: Inexperienced Consumers Choice of Major Household Appliances|. The results supported the initial notion that limited consumer socialization may result

in, and even necessitate inexperienced consumers reliance on surrogate indicators of quality, such as price, brand name and store image, as compensation for lack of appropriate product knowledge unfortunately the use of surrogate indicators of quality does not necessarily imply informed, responsible buyer behaviour.

## METHODOLOGY

The study is based on the primary data collected through sample of 53 people. Questionnaires have been constructed to understand the factors that influence the consumer purchase behavior on durable goods. The data has been collected through online survey along with demographic details of employees. Secondary data has been gathered from various sources such as books, journals and online resources. The area of this study is consumer purchasing behaviour of Durable goods in Kukatpally, Hyderabad. The questionnaire was sent by email and Whatsapp contacts in the form of google forms. Completed questionnaire were sent back through email and responses were updated in Google forms. Follow-up enquiries were made to enhance timely responses. The data collected was analysed using tables, bar chart and pie chart. Simple arithmetical percentages were used as a measure of proportion of responses. Hyderabad is a place where we can get a lot of different people. Since Hyderabad is technically a developed a lot, these days a lot of people depend on e-commerce and e-commerce users have increased enormously, so the respondents residing in Kukatpally, Hyderabad were taken for the study. The Respondents were Students, Employee, Businessman.

## DATA ANALYSIS

### How do you make decision to buy Durable Goods?

**Table: 1 Decision to buy durable goods**

DECISION	Frequency	Percent
Asking Friends	19	35.8
Discussing with Family	18	34
Own Decision	12	22.6
Through Advertisements	4	7.5
<b>Total</b>	<b>53</b>	<b>100</b>

### Do you prefer to buy a product solely based on Brand Image?

**Table: 2 buy product solely on brand image**

Only Brand	Frequency	Percent
No	31	58.5
Yes	22	41.5
<b>Total</b>	<b>53</b>	<b>100</b>

### How do you decide on which shop to buy durable goods?

**Table: 3 Consumer satisfaction with the service department**

	Agree	Disagree	Neutral	Strongly Agree	Strongly Disagree	Total
I buy from a shop closest to me	17	4	19	10	3	53
I buy from a shop which offers low price	28	3	10	11	1	53
I mostly buy from a shop where am treated with respect	27	0	13	13	0	53
I buy from a shop where I spend less time in transaction	24	1	19	8	1	53
I buy from a shop where transportation is easier	23	2	16	11	1	53

**OCCUPATION****Table: 4 Occupation**

Occupation	Number of respondents	Percentage
Student	39	73.6%
Government Employee	3	5.7%
Homemaker	1	1.9%
Private Employee	9	17%
Self-employed	1	1.9%
Total	53	100%

**Do you prefer to buy durable goods online?****Table: 5 buy durable goods online**

Online Purchase	Frequency	Percent
No	18	34
Yes	35	66
Total	53	100

**CHI-SQUARE ANALYSIS****Occupation correlated to buying Durable goods online?****Table: 6 Employment status of the respondent and buy goods online**

OCCUPATION	YES	NO
Government Employee	3	0
Homemaker	1	0
Private Employee	2	7
Self-Employed	1	0
Student	11	28
<b>TOTAL</b>	<b>18</b>	<b>35</b>

From the above data specified we can say that students prefer to buy durable goods online when compared to others. The above analysis can also be analysed with the chi-square test to find the relation between people of different occupation and their preference to buy durable goods online. This test is as follows:

Ho = There is no relation between occupation of people and purchasing Durable goods online.

Ha = There is relation between people occupation of people and Durable goods online.

**CHI-SQUARE TEST:****Table: 7 Chi-square test**

	Value	df	Asymptotic Significance (2sided)
Pearson Chi-Square	10.852 <sup>a</sup>	4	0.028
Likelihood Ratio	11.988	4	0.017
<b>N of Valid Cases</b>	<b>53</b>		

From the above chi-square table value calculated is 0.028. ( $X^2 < 0.05$ )

Therefore, Null Hypothesis is rejected. It implies that there is a significant relation between occupation and online purchase. That is, students and private employees tend/prefer to buy online more when compared to others.

**FINDINGS**

From the responses of consumers collected in Hyderabad city findings can be listed as follows:

- As per the analysis, in this modern age everyone is using Durable goods (mainly mobile phones, laptops, bikes) in their day to day life irrespective of their age, income, occupation.
- Majority of the people are making purchase decisions by asking their family and friends.
- From the findings it can be said that consumers are paying more attention to price, brand, and product quality all these factors they are not ready to buy a product solely based on brand image.
- It has been found that consumers tend to buy goods only in the shops where they feel comfortable.
- It has been also found that people mainly youth of age around 19-40 and private employees are preferring to buy these goods online.

**RECOMMENDATIONS OR SUGGESTIONS**

As per the study few suggestions can be made to improve the sales of durable goods in future:

- The companies have to go for innovative advertisements of their products rather than using media like TV or newspapers advertisements.
- Giving gift vouchers, conducting lucky draws, any other events involving the customers can grab their attention towards your product.
- Company staff must be trained in such a way that they can please any buyer with their convincing behavior and make him/her buy the product.
- Companies need to concentrate on all kinds of people as majority of them develop products focusing youth. But it has to come up with innovative ideas to influence all age groups of people.
- In these days after sales service also plays a vital role in this scenario because buyers can influence other people.
- Innovative packaging ideas may also improve the sales of the durable goods.
- Buyers prefer to buy products from the shop which is nearer to them, where the transportation is easy.

**CONCLUSION**

In Hyderabad city various kinds of people live. Their tastes are different and as technology is increasing day by day people are updating to new technologies more. So, the old marketing strategies may not be applicable to them. As most of the people are educated, e-commerce has increased extensively and they are preferring online purchases which saves their time and energy. This study helps the marketers to understand the factors effecting consumer purchase behavior on durable goods. It also helps to understand the problems faced by consumers like sales person's disrespectful behavior or customer needs are not given importance etc. This study helps to understand which brand people prefer the most and why. It helps to understand why people prefer that particular brand only and also find out other factors responsible or influence the customers purchase behavior on durable goods.

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