Consumer Behaviour in the Purchase Process of Household Product

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Abstract

Household products have become an inseparable part of our daily life. Their purchase is an infrequent, expensive and technical one so it gains high momentum. The consumer has to make the decision under significant brand differences because their purchase results in a long lasting bond between him and the product. The present study was conducted on a ***sample of 300 consumers in Varanasi city*** *to get an overview of their purchase behavior and product related perceptions. Further they were* ***divided into three income categories*** *to find the attitudes with relevance to income level.* ***The products selected for the study were Television, Refrigerator and Food processor.*** *The primary objective of the research was to study the relation of income level with the perceptions regarding product attributes; major choice determinants viz. reference groups, effective modes of communication and consumer attitude regarding advertising. The findings revealed that purchase of household product was not a single man's decision. It was inferred from the study that lower and middle income category consumers evaluated products in more utilitarian terms such as sturdiness rather than style or fashion ability. They were less likely to experiment with new products. In contrast, upper category consumer was mainly concerned about appearance and body image.*

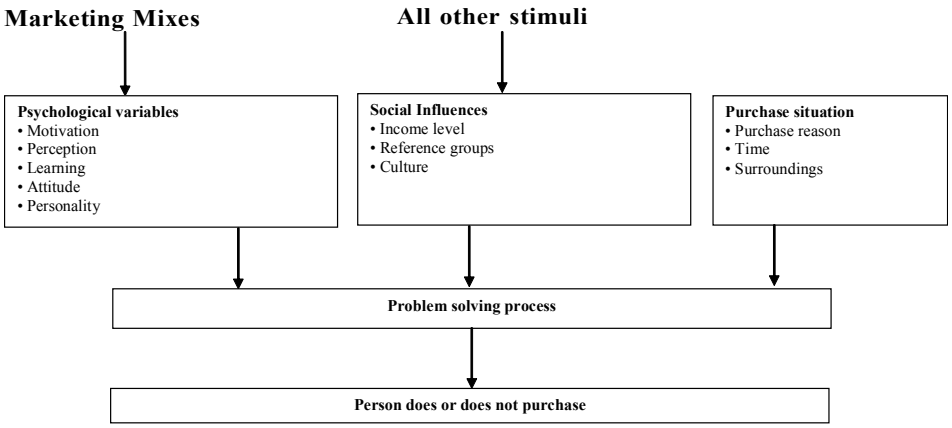
Introduction

Marketing plans of companies are undergoing a change and in this dynamic era "Income Level" has emerged into a popular tool of figuring out how products fit into a consumer pattern of living. As markets are made up of people with money to spend, it becomes mandatory for a marketer to have thorough knowledge of the income level of his target consumers and their behaviour because they are the real "power holders" in this competitive market place. Now a days prudent companies consider consumer's income level to be the new coronet of their marketing strategies. The need of the hour is to have a comprehensive marketing plan by utilizing various brand promotion techniques so as to establish an image and attract prospects to the company. The present study has been undertaken against this backdrop to understand the consumer purchase behaviour and his product perceptions aggregating them with his income level.

Sources of Power: How People Make Decision?

Income is a major player behind the purchase decision but certainly it's not the only one. In the present scenario consumer can be rightly named as the power holder. This power is composed of many variables Exhibit 1 lines all of them.

EXHIBIT 1: Showing Buyer Behavior Model



Here it can be figured out that psychological variables, social influences and purchase situation all affects a person's buying behavior. In this research study, an attempt is made to analyze some of these distinct variables which shape the choice patterns of consumer belonging to different income groups. To construct a meaningful profile of consumer 3 income categories has been used. A few selected household products were chosen to elicit major choice determinants and income level was believed to play an influential role in shaping product related behaviour.

Objectives of the Study

The primary objective of this research was to study the choice pattern of different income groups in this rapidly changing market place.

Following were the other specific objectives:

1. To analyze how the general economic conditions affect the way consumers allocate their money towards purchase of household products.
2. To find out the consumer perception regarding functional attributes of these products.
3. To figure out the reference group who played a significant role in affecting consumer's product preference.
4. To find out the most effective medium of communication.
5. To study the attitude of the respondents regarding usefulness of advertising.

Importance of the Study

In today's scenario Television, Refrigerator and other electronic household appliances has become an inseparable part of every household. As the decision to buy these household products is an infrequent one so their purchase bears great influence on buyer behavior and his way of living. This study is quite significant for the marketers as it can help them in developing a better understanding of their present and prospective customers.

Sample

For the purpose of this study, the sample of 300 households was chosen from Varanasi city on the basis of Random Sampling. Judgment also became a base so as to make the sample representative enough. Household products selected for the study included Television, Refrigerator and Food Processor. These products were chosen keeping in view that most households do possess them. The sample was taken this way so as to relate buying behavior along with purchasing power.

Limitations of the Study

No study is complete in itself, however good it may be and every study has some limitations. The limitations of this study can be summarized below:

1. The findings of this study were based on the expressed opinions of the respondents, so the personal bias may have crept in due to respondents tendency to rationalize their views.
2. This was not an inclusive survey due to time and resource constraints.
3. The scope of the study was limited only to three household products.

Analysis

Sample Profile

It's a proven fact that consumer exhibit different behavioral patterns according to their demographic characteristics. So, the classification of the respondents on the basis of such characteristics viz. *age, gender and income* is practiced to segment respondents into various sub groups. The data pertaining to these variables is presented in Tables 1.1, 1.2 and 1.3.

Table 1.1: Gender age classification

Age groups→ Gender ↓	Below 24	25-34	35-44	45-54	Above 55	Total
Male	8(67)	50(77)	85(81)	40(67)	42(72)	225(75)
Female	4(33)	15(23)	20(19)	20(33)	16(27)	75(25)
	12	65	105	60	58	300

The data in Table 1.1 revealed that out of the total sample, 75 per cent constituted male and 25 per cent female respondents. As purchase of these household products is infrequent, technical and expensive so in most of the households these decision were taken by men. Moreover the decision making power vested in age group of 35 44 in case of males and in case of females in 35 44 and 45 54.

Income Classification

Purchasing power certainly affects the demand of products. Consumer behaviour differs according to level of income. An analysis of the income group along with the sample is discussed in Table 1.2

Table 1.2: Showing income classification

Monthly income	Categories	No. of households
Below 10,000 10,000-15,000	I1	92(30.7)
15,000-20,000 20,000-25,000 25,000-30,000	I2	160(53.3)
30,000-35,000 35,000-40,000 40,000-45,000 Above 45,000	I3	48(16)

Note: Figures in the parenthesis are percentages of total number of households.

The data was grouped in 3 categories i.e. I1 as lower income (up to Rs. 15,000), I2 as middle income (up to Rs. 30,000), I3 high income (above 45,000).

Age Income Classification

The age group classification of respondents under different income categories is presented in Table 1.3.

Age (Years)	Income			Total
	I1	I2	I3	
Below 24	4(4.35)	7(4.38)	1(2.08)	12(4.0)
25-34	15(16.30)	36(22.5)	14(29.17)	65(21.7)
34-44	18(19.56)	65(40.62)	22(45.83)	105(35.0)
45-54	17(18.48)	36(22.5)	7(14.58)	30(20.0)
Above 54	38(41.31)	16(10.0)	4(8.34)	58(19.3)
Total	**92**	**160**	**48**	**300**

Note: Figures in the parenthesis are percentages of total of respective columns.

These observations revealed the decision making power in I1 category vested in age group of above 54. Whereas in categories I2 and I3 age group of 35 44 played a dominant role.

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Consumer Perceptions

The decision to purchase a consumer durable results in the establishment of a long lasting bond between consumer and the product. The product becomes a part of the household and reflects the lifestyle. So the consumer in its decision making process compares various brands, their prices, features and many other aspects. In this present study all these variables are studied in relation to consumer's level of income

Television

Brand Ownership

Table 1.4 presents the various brands of televisions in usage by the respondents among all income groups.

Table 1.4: Showing television brands in usage

Brand	Income Categories			Total
	I1	I2	I3	
Videocon	12(13.04)	16(10)	5(10.42)	33(11)
LG	13(14.13)	**48(30)**	3(6.25)	64(21.32)
BPL	13(14.13)	24(15)	6(12.5)	36(12)
Sony	7(07.61)	12(7.5)	**20(41.67)**	39(13)
Samsung	5(5.43)	5(3.13)	4(8.33)	14(4.67)
Sansui	2(2.17)	3(1.87)	2(4.17)	7(2.33)
Onida	10(10.87)	30(18.75)	7(14.58)	47(15.67)
Philips	9(9.78)	10(6.25)	1(2.08)	20(6.67)
Weston	**18(19.57)**	6(3.75)	-	24(8.00)
Akai	7(7.61)	4(2.5)	-	11(3.67)
Others	3(3.27)	2(1.25)	-	5(1.67)
Total	**92**	**160**	**48**	**300**

Note: Figures in the parenthesis are percentages of total of respective columns.

It can be inferred from Table 1.4 that Weston was having highest user ship in lower income group closely followed by LG and Videocon. Middle income group owned LG (30%) mostly, but in case of upper income group, Sony (41.67%) was the most favored brand.

Main consideration while purchase

Table 1.5 presents the major consideration behind the purchase of this product.

Table 1.5: Showing consideration variables

Consideration variable	Income Categories			Total
	I1	I2	I3	
Brand reputation	20(21.74)	41(25.63)	19(39.58)	80(26.67)
Credit facility	14(15.22)	8(5.00)	1(2.08)	23(7.67)
Price	**26(28.26)**	**34(21.24)**	6(12.5)	66(22.0)
Styling	6(6.52)	31(19.37)	**15(31.26)**	52(17.33)
Advertisement	9(9.78)	18(11.25)	4(8.33)	31(10.33)
Exchange offer	10(10.87)	11(6.88)	1(2.08)	22(7.33)
Accompanied gifts	7(7.61)	17(10.63)	2(4.17)	26(8.67)
Total	**92**	**160**	**48**	**300**

Note: Figures in the parenthesis are percentages of total of respective columns

It can be inferred from the Table 1.5 that among lower income group price (28.26%) was the major consideration in purchase, closely followed by Brand reputation (21.74%). In middle income group brand reputation (25.63%) was most important factor in television's purchase. Upper income group considered brand reputation (39.58%) and its styling (31.26%) as most important factors. To check the relevance of purchasing power with the buying considerations a Null Hypothesis (H0) was taken that there is no significant association between buying motive and level of income and an alternate hypothesis H1 that there is significant association between buying motive and level of income.

Statistical test: Accordingly chi square was found most appropriate here.

Level of significance $\alpha = 5\%$

Degrees of freedom = (r 1) (c 1) = (7 1) (3 1) = 12

$\chi 2 = \Sigma$ [(O E)2/E]

= 36.14 (calculated value)

Table value $\chi 2$

0.05 = 21

Interpretation: As the calculated value was much greater than table value H0 was rejected and it was proved that the buying considerations differed with the level of income.

Benefits expected

To find out the perceptions regarding the expected benefits from the purchase of Television this question was framed. Table 1.6 traces out their responses.

Table 1.6: Showing reasons for buying television

Benefit	Income Categories			Total
	I1	I2	I3	
Entertainment	37(40.22)	65(40.63)	12(25.0)	114(38.0)
Knowledge	25(27.17)	38(23.75)	10(20.33)	73(24.33)
Status	10(10.87)	20(12.50)	18(37.50)	48(16.00)
Necessity	12(13.04)	25(15.63)	05(10.42)	42(14.00)
Participate in parties	8(8.70)	12(7.5)	3(6.25)	23(7.67)
Total	**92**	**160**	**48**	**300**

Note: Figures in the parenthesis are percentages of total of respective columns.

From the analysis it was inferred that both I1 and I2 categories attached a very high degree of entertainment value with television i.e. 40.22% and 40.63% respectively. But in case of I3 category buying a latest model of television i.e. LCD or Flatron was a status symbol.

Refrigerator

Brand ownership

Table 1.7 presents the various brands of Refrigerators in usage by the respondents among different income groups.

Table 1.7: Showing refrigerator brands in usage

Brand	Income Categories			Total
	I1	I2	I3	
Videocon	**21(25.00)**	22(13.75)	11(22.92)	54(18.49)
LG	17(20.24)	**39(24.37)**	**16(33.33)**	72(24.66)
BPL	5(5.95)	8(5.0)	3(6.25)	16(5.48)
Godrej	14(16.67)	31(19.37)	5(10.42)	50(17.12)
Kelvinator	15(17.86)	17(10.63)	4(8.33)	36(12.33)
Whirlpool	2(2.38)	26(16.25)	9(18.75)	37(12.67)
Haier	9(10.71)	12(7.5)	-	21(7.19)
Others	1(1.19)	5(3.13)	-	6(2.06)
Total	**84**	**160**	**48**	**292**

Note: Figures in the parenthesis are percentages of total of respective columns.

It was inferred that in lower income group Videocon (25%) was the first choice. As in the case of middle and upper income groups LG was the favourate brand with 24.37% and 33.33% of user ship respectively.

Main Consideration while Purchase

This question was framed to find the main consideration behind the selection of a particular brand.

Consideration variable	Income Categories			Total
	I1	I2	I3	
Brand reputation	15(17.86)	**47(29.38)**	**16(33.33)**	78(26.71)
Credit facility	**17(20.24)**	10(6.25)	2(4.17)	29(9.93)
Price	21(25.0)	32(20.0)	5(10.42)	58(19.86)
Styling	5(5.95)	24(15.0)	11(22.92)	40(13.70)
Advertisement	4(4.76)	36(22.5)	7(14.58)	47(16.1)
Exchange offer	12(14.29)	7(4.38)	3(6.25)	22(7.53)
Free gifts	10(11.9)	4(2.5)	4(8.33)	18(6.16)
Total	**84**	**160**	**48**	**292**

It is clear from Table 1.8 that the main consideration behind purchase decision was the Reputation of the brand. Whereas the lower income group differed in opinion they considered price as the main influencer with 25% of the responses. Here a H0 (Null Hypothesis) was taken that purchasing motive behind Refrigerator was independent of income level; then H1 (alternative hypothesis) as there existed significant relation between income level and motive was taken.

Statistical test: Then chi square test was applied at 5% level of significance

Degrees of freedom = (7 1) (3 1) = 12

$\chi 2$ = 60.28 (calculated value)

Table value $\chi 2$

0.05 = 21

Interpretation: As the calculated value was much greater than table value, H0 was rejected. Hence, there was a strong association between level of income and buying motive.

Benefits expected

To find out the perceptions regarding the expected benefits from the purchase of refrigerator this question was framed, the responses are shown in Table 1.9

Expectation	Income Categories			Total
	I1	I2	I3	
Energy efficiency	15(17.86)	27(16.88)	3(6.25)	45(15.41)
Cooling	21(25.0)	30(18.75)	4(8.33)	55(18.84)
Storage capacity	**28(33.33)**	**50(31.25)**	10(20.88)	88(30.14)
Status symbol	11(13.09)	18(11.25)	5(10.42)	34(11.64)
Retention of freshness	6(7.14)	21(13.33)	**14(29.17)**	41(14.04)
Additional features	3(3.57)	14(8.75)	12(25.00)	29(9.93)
Total	**84**	**160**	**48**	**292**

Note: Figures in the parenthesis are percentages of total of respective columns.

It was revealed from the analysis that there were similar expectations of lower and middle income group category as both desired for better storage capacity i.e. 33.33% and 31.25% respectively where as upper income group attached main importance with retention of freshness (29.17%).

Food Processor

Ownership of food processor brand

Table 1.10 lines out the main brands available in market and their ownership among the respondents of all income groups.

Table 1.10: Showing ownership of food processor

Brand	Income Categories			Total
	I1	I2	I3	
Philips	17(21.255)	**46(31.08)**	12(25.53)	75(27.27)
Kenwood	8(10)	30(20.27)	7(17.89)	45(16.36)
Panasonic	-	20(13.51)	**17(36.17)**	37(13.45)
Jupiter	**24(30)**	5(3.38)	1(2.13)	30(10.91)
Inalsa	14(17.5)	15(10.14)	2(4.20)	31(11.27)
Nova	10(12.5)	10(6.76)	3(6.38)	23(8.36)
Oster	7(8.75)	22(14.86)	5(10.64)	34(12.36)
Total	**80**	**148**	**47**	**275**

Note: Figures in the parenthesis are percentages of total of respective columns.

It was concluded from the analysis that Jupiter (30%) was the most favoured brand in lower income group. Philips (31.08%) ranked first in middle and in upper majority of the respondents owned Panasonic (36.17%) food processor. It was found that Panasonic was an unpopular brand in lower income group.

Main Consideration in Purchase Decision

Table 1.11 presents the main factors which convinced the respondents regarding the purchase of a specific brand.

Table 1.11: Income categories

Factors	Income Categories			Total
	I1	I2	I3	
Brand reputation	13(16.25)	**49(33.11)**	**16(34.04)**	78(28.36)
Price	**22(27.5)**	19(12.84)	3(6.38)	44(16.00)
Features	10(12.5)	22(14.86)	13(27.66)	45(16.36)
Advertisement	5(6.25)	10(6.76)	9(19.15)	24(8.73)
Warranty	16(20)	36(24.32)	4(8.51)	56(20.36)
Free gifts	14(17.5)	12(8.11)	2(4.26)	28(10.19)
Total	**80**	**148**	**47**	**275**

Note: Figures in the parenthesis are percentages of total of respective columns.

It was concluded that price played an important role in lower income category (27.5%) in purchase decision. Whereas brand reputation was the major factors which influenced the respondents of middle and upper income group.

Benefits expected

Table 1.12 revealed the major benefits expected by different income groups in the purchase of Food Processor.

Table 1.12: Showing the expected benefits

Benefits	Income Categories			Total
	I1	I2	I3	
Multiple uses	**39(48.75)**	41(27.7)	10(21.28)	90(32.73)
Time saving	29(36.25)	**75(50.68)**	17(36.17)	121(44)
Necessity	12(15)	32(21.62)	**20(42.15)**	64(23.27)
Total	**80**	**148**	**47**	**275**

Note: Figures in the parenthesis are percentages of total of respective columns.

In was analyzed that 48.75% of the respondents of lower income group desired a number of services from their food processor. But according to middle income group which was mainly service class expected that it should help in serving time (50.68%). The upper income groups found it a necessity (42.15%) and felt that kitchen work was impossible without a food processor.

Choice Determinants

Consumer buying behavior is an outcome of a variety of factors i.e. not just those relating to obvious features of the product. So an examination of such important factors viz. reference groups, media channel and impact of advertisement becomes essential for the study to group their behavior under a particular pattern.

Role Dominance in Purchase Decision

In order to find out the members who had a major influence in the purchase process of the above discussed

products, the respondents were asked their opinions as to who influenced their decision mostly. Their responses are given in table 1.13.

Table 1.13: Showing role dominance in purchase decision

Members	Income Categories			Total
	I1	I2	I3	
Family	**31(33.7)**	**69(43.13)**	12(25)	112(37.33)
Friends	24(26.09)	41(25.63)	**26(54.17)**	91(30.33)
Neighbours	17(18.48)	27(16.88)	-	44(14.67)
Relatives	5(5.43)	3(1.87)	3(6.25)	11(3.67)
Colleagues	15(16.30)	13(8.12)	-	28(9.33)
Self	-	7(4.37)	7(14.58)	14(4.67)
Total	**92**	**160**	**48**	**300**

Note: Figures in the parenthesis are percentages of total of respective columns

It can be concluded from the above table that family played a major role in the choice of a particular brand both in case of I1 and I2 categories i.e. 33.7% and 43.13% respectively. Whereas I3 category differed in opinion, in their decision making process friends (54.17%) were the major influences. There was one common point in all the categories that relatives did not play an important role. It was also analyzed that purchase of household product was not a single man's decision.

Impact of Media Channel

There are varied means of communication these days. Table 1.14 depicts major influencing media channel amongst all categories.

Table 1.14: Showing the effectiveness of different media channels

Media	Income Categories			Total
	I1	I2	I3	
Television	**47(51.09)**	**86(53.75)**	**23(47.92)**	156(52)
Print	16(17.39)	49(30.62)	12(2.5)	77(25.67)
Internet	2(2.17)	9(5.63)	9(18.75)	20(6.67)
Tele marketing	10(10.87)	5(3.12)	3(6.25)	18(6.0)
Hoardings	17(18.48)	11(6.88)	1(2.08)	29(9.66)
Total	**92**	**160**	**48**	**300**

Note: Figures in the parenthesis are percentages of total of respective columns.

Table 1.14 depicted that television was the most effective media channel for all three categories i.e. 51.09%, 53.57%, 47.92% respectively.

Subliminal Embed Effect on Multiple Uses of Advertising

As marketing can be used for a number of reasons. The effectiveness and efficiency of marketing varies for different causes. The question was asked to know about the attitude of respondents toward usefulness of advertising for these causes. A 5 point linkert scale was used for measuring their views. Their responses are shown in Table 1.15.

Table 1.15: Showing usefulness of advertising

Uses	Lower group		Middle group		Upper group	
	Mean score	Opinion	Mean score	Opinion	Mean score	Opinion
Getting initial information	4.03	Useful	3.72	Indifferent	4.64	Very useful
Facilitates comparison	4.00	Indifferent	3.09	Not useful at all	3.82	Not useful
Offers availability	**4.41**	Very useful	**4.44**	Very useful	**4.18**	Indifferent
Technological improvement	3.78	Not useful	3.97	Useful	4.36	Useful
Taking ultimate decision	3.13	Not useful at all	3.16	Not useful	3.72	Not useful at all

It is clear from the table that the respondents of I1 and I2 category felt that advertisement was best for getting information regarding offer availability whereas the I3 category believed that advertisement was best used for getting initial information only. Responses were negative regarding taking ultimate decision as respondents felt that advertisement is not a single influencer.

Results and Conclusions

The inferences drawn from the analysis about the various aspects of research study are as follows:

- The profile constituted 75% male and 25% female respondents. The wide gap was due to the existence of some technical decisions usually taken by men only.
- In males the decision making age group was 35 44 years whereas in case of females the decision making power vested in two age groups i.e. 35 44 and 45 54.

It was inferred from the study that the consumers of I1 and I2 category evaluated products in more utilitarian terms such as sturdiness rather than style or fashion ability. They were less likely to experiment with new products. In contrast, I3 category consumers were mainly concerned about appearance and body image. Product wise analysis is given as follows:

Television

- Weston (19.57%), LG (30%), Sony (41.67%) were the most favoured brands in lower, middle and upper income categories respectively.
- Price (28.26%), brand reputation (25.63%), (39.58%) were the major considerations behind purchase decision in lower, middle and upper income categories respectively.
- It was proved by applying Chi square Test that purchasing power influenced buying consideration.
- Entertainment value was the main reason behind the purchase decision in lower and middle income group with 40.22% and 40.63% responses respectively. 37.5% of the upper income group considered it as a reflection of their status.

Refrigerator

- Videocon (25%), LG (34.37%) and LG (33.33%) were the most favoured brands in lower, middle and upper income group categories respectively.
- Price (25%), brand reputation (29.38%), and (33.33%) were the major considerations behind the purchase decision in lower, middle and upper income groups respectively.
- It was proved by applying Chi square Test that buying motives differed in various income categories.
- Better storage capacity was the mainly desired feature in lower and middle income group i.e. 33.33% and 31.25% respectively.
- Retention of Freshness was the main area of concern i.e. 29.17% among upper income group.

Food Processor

- Jupiter (30%), Philips (31.08%), Panasonic (36.17%) were the most favoured brands in I1, I2, I3 category respectively.
- Price (27.5%) brand reputation (34.04%) and (34.04%) were the major considerations behind the purchase decision in I1, I2, I3 category respectively.
- Multiple uses (48.75%), time saving (50.68%) and necessity (42.15%) were the major benefits expected by the three categories respectively.

Choice Determinants

- Family (33.7%) and (43.13%), friends (54.17%) played a dominant role in decision making process in respectively categories.
- Television was found the most effective media channel among all three categories viz. 51.09%, 53.75% and 47.92% responses.
- It was found by applying Likert Scale that advertisement was mainly taken as a useful medium of information but do not indulge them into actual purchase.

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