

Brand Preference of Consumers for Selected Consumer Durables- A Case Study of Tinsukia Town

Abstract

Consumer durables are those products which do not wear out quickly and can be used for a long period of time. Understanding consumers' choice regarding purchase of any goods and services is a difficult task. The task becomes even harder when it comes to consumer durables. A total of 65 respondents have been taken on convenient sampling basis.

Keywords: Brand, Brand Preference, Consumer Durables

Introduction

Consumer durables are those products which do not wear out quickly and can be used for a long period of time. Consumer durables are primarily divided into two different segments in India viz- white goods and brown goods. The white goods consist of heavy domestic appliances like air conditioners, refrigerator, washing machine, etc. while brown goods consist of light electronic consumer durables like television, mixer, fans, iron, etc. The paper takes into consideration these two different segments of consumer durables. Today so many brands of consumer durables are available in the market.

Brand & price are two most important variables which influence consumer's decision regarding purchase of consumer durables. "Brand is a name that influences buyers"- J.N. Kapferer¹. In purchasing of a single consumer durable, people generally come across so many brands. The study is intended to find out different brands used and preferred by consumers in the market. People tend to buy quality products or top brands when it comes to consumer durables. But price sometimes becomes a barrier. So it is seen that people tend to compare brands with price. Because there are customers who are willing to buy several trusted brands of consumer durables but because of high price they cannot afford to purchase those. It is also seen that some consumers are very much loyal to some brands when it comes to consumer durables. The study also focuses on those consumers in the sense that what propels them to buy only selected brands i.e., to find out the reasons for brand preference.

Developing countries such as India and China have largely been shielded from the backlash of the recession, as consumers continued to buy basic appliances. In fact, China has been ranked the second-biggest market in the world for consumer electronics. Despite the recession, their strong domestic economy and growing high-income population have buoyed demand leading to aggressive market growth. In India too same situation prevails.

MNCs hold an edge over their Indian counterparts in terms of superior technology combined with a steady flow of capital, while domestic companies compete on the basis of their well-acknowledged brands, an extensive distribution network and an insight in local market conditions. The largest MNC incorporated in India are Whirlpool India, LG India, Samsung India and Sony India and homegrown brands are Videocon, Godrej Industries and IFB. The market for consumer durables is expanding day by day. The biggest attraction of MNCs dealing in consumer durables is middle class households. Due to increase in job opportunities in recent years there is a sharp increase income of households. It has also raised the demand for top branded high priced products. Even for purchasing of most commonly used durables now a days it is seen that people prefer to buy top branded products because they do not want to compromise the quality by any means.



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Changes in lifestyle, tastes & habits, easy availability of loans to purchase those products, easy availability of credit cards, introduction of new models, innovative outlook to modern consumer durables market, consumer awareness etc. have also played a part to it. Brand preference is always related to satisfaction level of consumers because a consumer will prefer a brand only when he/she is satisfied to that brand. The present study therefore is also intended to focus on it.

Review of Literature

The study endeavors to find out brand preference of consumers of mostly used consumer durables and also to assess their satisfaction level. In this context several literature on brand preference of consumer durables and customer satisfaction on brand and consumer durables are studied.

Ramesh Sardar (2012)² conducted a study on 'brand preference of passenger cars in Aurangabad district' with the objective of finding out the factors influencing the brand preference of passenger cars and also to assess the profile of passenger car consumers. The study was also intended to analyze the satisfaction level of consumers of passenger cars. A total of 150 respondents from Aurangabad district of Maharashtra was taken as sample. The study found that personal factors like age, educational qualification, gender, occupation, income status had significant influence over factors affecting brand preference. The study also found that 70% of the respondents were satisfied with the car which they were using.

P.sathyapriya, R.P. Sugesanesh (2011)³ conducted a study on 'factors influencing brand preference of passenger cars among existing car owners'. The objectives of the study were to identify brands of cars preferred by prospective consumers and also to understand factors that influence their choice in different segments of cars. The study also intended to assess the impact of demographic variables on the brand. Of passenger car preferred. A total of 603 samples were taken from Chennai. The study found that Maruti was the most preferred brand in mid car segment while Hero Honda was the most preferred brand in premium car segment. The study also found that performance safety and brand name of cars were the most influential factors in their purchase decision making. Age and income did have a direct role to play in influencing brand preference.

S. Subadra, K.M. Murugesan, R. Ganapathi (2010)⁴ conducted a study on 'consumer perception and behaviour: a study with special reference to car owners in Namakkal district.' The study carried out with the objective to evaluate car owners' perception and behaviour pertaining to the purchase and use of cars and also to analyses the factors influencing purchase of cars. A total of 300 respondents from Namakkal district were taken as sample. The study found that driving comfort, fuel economy, availability of spare parts, price, brand image are some of the important factors that influence consumers to purchase. Age, family income, occupation, education, family size made an impact to those factors.

A. Santosh Kumari, D.Raghunatha Reddy, M.L. Kameswari (2005)⁵ in their study on consumer buying behaviour in two wheelers industry- with special reference to Hero Honda motorbikes. The study intended to make complete analysis of Indian two wheeler industries and also to find out awareness levels of consumers regarding different brands of two wheelers in the market. It was also to identify the factors affecting purchase decision of buyers. A sample of 20 dealers and 150 consumers were taken. The study found that Hero Honda was the market leader in two wheeler industry and it was due to factors like declining prices of motorbikes, rising aspiration levels of westernization, fuel efficiency, etc. which gave Hero Honda the recognition of market leader.

S. Gowri(2012)⁶ conducted a study on 'impact of brand factors on the purchase of various brands of television' with the objectives to know the background characteristics of households using television and also to assess the influence of brand factors like brand heuristic, brand knowledge, brand loyalty, perceived value, brand association, etc. Total of 500 samples were taken in Coimbatore city. The found that brand heuristic, brand knowledge, and brand trust had significant influence on purchase of specific brands while others like brand loyalty, perceived quality, brand association had not influenced purchase decision.

Akhilesh Chandra Pandey and Mithilesh Kumar Pandey (2012)⁷ conducted a study on 'relationship between lifestyle and brand preference-case study of television'. The objectives of the study were to evaluate the relationship between lifestyle and brand preference and also to examine the relation between price and brand. The study also conducted to know how role of family members and expert opinion affect purchase decision. A total of 100 consumers from Haridwar were taken. It was found that during selection of durable goods people wanted to buy highly priced branded durables. During that selection process role of family members and expert opinion played big role.

P. Janaki and S. Premila (2012)⁸ in their study on 'customer involvement in purchase of home appliances'. The objectives of the study were to understand socioeconomic profile of consumers and also to study purchase decision behaviour. The study also analyzed factors influencing customers' purchase decision making. A total of 200 samples were taken for the study from Coimbatore city. The study found that brand was the most influential determinant which affects customers' decision to purchase home appliances. In addition to that search and information processing was the most important factor that affects brand preference and thereby purchases decision making.

Lilly. J (2010)⁹ conducted a study on 'customer perception and preference towards branded products with special references to television sets' with the objectives to examine customers' perception of promotional factor of purchase towards branded products and also to understand whether the demographic variables of the customers had influence

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on brand preference of television sets. A total of 200 respondents were taken as samples. The study found that demographic variables like age, gender, educational qualification, occupation and monthly income had impact on the customers' perception towards brand.

Hitesh D. Vyas(2010)¹⁰ conducted a study on 'consumer purchase of consumer durables- a factorial study'. The study carried out with the objective to analyze the important sources of information in purchase of consumer durables. A sample of 100 households respondents were taken of Bhavnagar city. The study found that brand was the main factor which influences a purchaser to purchase consumer durables.

Urvashi Makkar (2006)¹¹ conducted a study on 'impact of the phenomenon of social class mobility on the consumer buying and disposal behaviour in Indian perspective: a case study of white goods market'. The study intended to evaluate how far marketers of white goods able to uplift social class mobility. It was found that consumer finance, structural changes in income distribution i.e. income growth and affordability growth, structural changes in product ownership had resulted in uplifting social class mobility.

Saravanam.S (2010)¹² conducted "A Study on Consumer Behavior of Women with Special Reference to Durable Goods in Coimbatore City". The study has been conducted with the objective of analyzing the factors influencing women's purchase behavior. The primary data were collected from customers through questionnaire with the sample size of 250 respondents. The descriptive statistics, weighted scaling technique and ranking technique were used and hypotheses were tested. The study concluded that the modern market is highly competitive and transitional. The prominence gained by an individual consumer in marketing decision making compels the marketers to look at the components of the marketing mix through the customer's eyes.

Most of the previous researches in this field were conducted to identify the factors influencing brand preference and also to find out the satisfaction level of consumers of any one segment of consumer durables. But very few researches were done to understand the factors influencing brand preference and to judge the satisfaction level of consumers using items of all three different segments of consumer durables i.e., combination of items of white goods, brown goods or consumer electronics together to find out the desired result. Keeping this point in view the present study is pursued to identify the factors influencing brand preference of consumers using selected items of consumer durables consisting of all the segments having unique feature that these items are most commonly used by households. The study is also concerned to find out the satisfaction level of consumers of those selected items.

Statement of the Problem

Understanding consumers' choice regarding purchase of any goods and services is a difficult task. The task becomes even harder when it comes to

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consumer durables. Existing literature on consumer durables show that brand preference is the most important determinant that influences consumers' purchase decision making. Very limited numbers of studies have been made to examine the brand preference of consumers of mostly used consumer durables. Although in odd occasions such attempt is made the researcher is not inclined to determine consumers' satisfaction level. Henceforth an initiative is taken to determine the brand preference of consumers for mostly used consumer durables like color television, electric mixer, electric iron, refrigerator, pressure cooker and ceiling fan.

Objectives

The study is intended to fulfill the following objectives:

1. To find out the brands of select consumer durables those are mostly preferred by the respondents.
2. To identify the reasons for such preference.

Hypothesis

The hypotheses drawn for the study is:

H0: Customers are satisfied and loyal towards the brands of consumer durables that they are using.

Methodology

The study is all about to assess the brand preference of consumers for selected consumer durables. The consumer durables selected for the study are color television, ceiling fan, pressure cooker, refrigerator, electric iron, & electric mixer keeping in view that these are mostly used consumer durables. The study is carried out in Tinsukia town.

Collection of Data

The study is intended to be based prominently on primary data. The primary data is collected from questionnaire and interview method.

Sample Size

Total sample taken for the study is 65 respondents in Tinsukia town.

Sampling Unit

The households in Tinsukia town who buy & use any of these selected durables are the sampling unit.

Period Of Study

The study was conducted during the period 2013-14

Analysis of the Data

It is proposed to analyze and interpret collected data with the help of diagrams and standard tools like percentages, averages, and chi square.

Analysis and Interpretation

Different tables are shown to analyse the most popular brands of consumer durables in the market as well as to analyse the satisfaction level of consumers.

Table showing specification of brand of TV

		Frequency	Perc-ent	Valid Percent	Cumulative Percent
Valid	LG	22	33.8	33.8	33.8
	BPL	2	3.1	3.1	36.9
	SAMSUNG	7	10.8	10.8	47.7
	ONIDA	7	10.8	10.8	58.5
	THOMSON	5	7.7	7.7	66.2
	VIDEOCON	8	12.3	12.3	78.5
	BESTAVISION	2	3.1	3.1	81.5
	SANSUI	3	4.6	4.6	86.2
	SONY	6	9.2	9.2	95.4
	PHILIPS	3	4.6	4.6	100.0
Total	65	100.0	100.0		

The table suggests that 100% of the respondents have colour television in their house. LG is the most preferred brand as 33.8% are using this brand.

Table showing specification of ceiling fan

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Usha	35	53.8	53.8	53.8
	BAJAJ	12	18.5	18.5	72.3
	ORIENT PSPO	9	13.8	13.8	86.2
	VINOD	9	13.8	13.8	100.0
	Total	65	100.0	100.0	

The table suggests that Usha is the most preferred brand as 53.8% are using that brand.

Table showing specification of brand of pressure cooker

		Frequency	Percent	Valid Percent	Cumulative Percent
	HAWKINGS	40	61.5	61.5	61.5
	PRESTIGE	12	18.5	18.5	80.0
	BAJAJ	4	6.2	6.2	86.2
	MISSMARRY	6	9.2	9.2	95.4
	VIGLA	3	4.6	4.6	100.0
	Total	65	100.0	100.0	

The table depicts that that Hawkings is the most preferred brand as 61.5% of the respondents having pressure cooker are using Hawkings.

Table showing specification of brand of refrigerator

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	WHIRLPOL	9	13.8	18.4	18.4
	LG	13	20.0	26.5	44.9
	SAMSUNG	5	7.7	10.2	55.1
	KELVINATOR	9	13.8	18.4	73.5
	BPL	3	4.6	6.1	79.6
	VIDEOCON	5	7.7	10.2	89.8
	GODREJ	5	7.7	10.2	100.0
	Total	49	75.4	100.0	
Missing	System	16	24.6		
Total		65	100.0		

The table depicts that LG is the most preferred brand of refrigerator as 26.5% of the respondents having refrigerator are using LG.

Table showing specification of brand of electric mixer

		Frequency	Percent	Valid Percent	Cumulative Percent
	SAMRAT	5	7.7	10.4	10.4
	HUDSON	1	1.5	2.1	12.5
	MAHARA	8	12.3	16.7	29.2
	PHILIPS	4	6.2	8.3	37.5
	LEXUS	10	15.4	20.8	58.3
	BAJAJ	2	3.1	4.2	62.5
	PHX	5	7.7	10.4	72.9
	USHA	6	9.2	12.5	85.4
	HIGHER	4	6.2	8.3	93.8
	LG	3	4.6	6.3	100.0
	Total	48	73.8	100.0	
	Missing	System	17	26.2	
Total		65	100.0		

The table depicts that Lexus (20.8%) followed by Maharaja (16.7%) are two most preferred of electric mixer.

Table showing specification of brand of electric iron

	Frequency	Percent	Valid Percent	Cumulative Percent
PHILIPS	11	16.9	21.2	21.2
BAJAJ	9	13.8	17.3	38.5
LUNA	3	4.6	5.8	44.2
USHA	16	24.6	30.8	75.0
PHX	7	10.8	13.5	88.5
LX	3	4.6	5.8	94.2
VIGLA	2	3.1	3.8	98.1
HIGHER	1	1.5	1.9	100.0
Total	52	80.0	100.0	
Missing System	13	20.0		
Total	65	100.0		

The table suggests that Usha (30.8%) followed by Philips (21.2%) are two most preferred brands of electric iron

Descriptive Statistics showing reasons for brand preferences

Reasons behind brand preference	N	Minimum	Maximum	Mean	Std. Deviation
Cost effectiveness	65	1.00	3.00	1.4000	.55340
Advertisement	65	1.00	5.00	2.3538	1.06699
Influenced by peer groups	65	1.00	5.00	2.5692	.95147
Brand name and status	65	1.00	5.00	1.9077	.84267
Product appearance and style	65	1.00	4.00	1.6462	.71656
After sales service_	65	1.00	5.00	3.4923	1.18747

The table depicts that cost effectiveness (mean value 1.4) is the most important determinant followed by product appearance (mean value 1.6462) and brand name (1.9077).

Hypothesis Testing

Observed Frequencies

Consumer durables	Satisfaction level towards brands of consumer durables	Loyalty towards to brands	Total
Colour television	43.85	30	73.85
Ceiling fan	45.35	33.85	79.2
Pressure cooker	44.6	32.3	76.9
Refrigerator	32.3	23.8	56.1
Electric iron	30.8	19.2	50
Electric mixer	26.95	25.35	52.3
Total	223.85	164.5	n= 388.35

Expected values

Consumer durables	Satisfaction level towards brands of consumer durables	Loyalty towards brands of consumer durables
Colour television	42.57	31.28
Ceiling fan	45.65	33.55
Pressure cooker	44.32	32.57
Refrigerator	32.33	23.76
Electric iron	28.82	21.18
Electric mixer	30.14	22.15

$$\chi^2_{sig; df} = \frac{(O_i - E_i)^2}{E_i}$$

$$\sqrt{\chi^2_{.05;5}} = 1.263 \text{ (calculated value)}$$

$$\sqrt{\chi^2_{.05;5}} = 11.07 \text{ (table value)}$$

Null hypothesis is accepted so we can say that customers are satisfied and loyal towards brands of consumer durables that they are using.

Findings

The study highlighted on following aspects:

1. LG (33.8%) is the most preferred brand of colour television used by the respondents.
2. Usha(53.8%) is the most preferred brand of ceiling fan used by respondents.
3. Hawkings (61.5%) is the most preferred brand of pressure cooker used by respondents.
4. LG (26.5%) is the most preferred brand of refrigerator used by the respondents.
5. Lexus (20.8%) is the most preferred brand of electric mixer used by the respondents.
6. Usha (30.8%) is the most preferred brand of electric iron used by the respondents.
7. Most of the respondents are satisfied with the brands that they are using for all the consumer durables selected and they hardly like to switch over to other brands.

8. Cost effectiveness is the most important reason behind brand preference of select consumer durables followed by product appearance and brand status.

Conclusion

Consumer durable is one of the fastest growing industry segments in India accounting for US\$6.58 billion in 2009-10. According to Cygnus estimates, consumer durables market is further expected to cross the US\$20.0 billion milestone by the year 2014-15, growing at a CAGR of 33.8. Today in the era of competition so many brands of consumer durables are available in the market. So onus is on the marketers to find out the factors influencing the brand preference of consumers for consumer durables and also to know the level of satisfaction customers of consumer durables. The study reveals that several factors like cost effectiveness, brand status, product style and appearance and after sales services are important in influencing brand preference of consumers for consumer durables. The present study also reveals that customers are satisfied and loyal towards the brands of consumer durables that they are using.

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