CHAPTER - VIII

SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND SUGGESTIONS

The present chapter provides a summary of major findings conclusions and suggestions for improvement. The findings cover a wide range of theoretical and practical aspects of consumer durables and the strategical aspects of marketing of the same. The findings have practical significance since they are identified both in terms of generality of the marketing strategies involved in dealing with the consumer durables in general and in relation to the selected items of consumer durables in the study area in particular.

The entire exercise of the analysis of the marketing strategies involved in dealing with the consumer durables is done with an extensive and intensive study of the consumer behavior in relation to the selected items of consumer durables in the study area. The empirical study has led to some very useful and practical findings and conclusions. This chapter contains some useful suggestions which have emerged in the light of the empirical analysis of the consumer behaviour in relation to consumer durables.

MAJOR FINDINGS AND CONCLUSIONS

The major findings of the present study are:
1. Consumer behavior is influenced by a unique set of cultural, social, economic and psychological factors. These factors are non-controllable by marketer but should be aware of these factors and take them into account while formulating his marketing strategy.

2. Cultural factors include values, perceptions, performance, and behaviour which are acquired through family and other institutions. Sub-cultures provide more specific identification and socialization for their members. They include nationalities, religions, racial groups and geographical regions. They make up important market segments and marketers often design products and marketing programmes tailored to their needs.

3. Economic factors, which influence consumer behaviour, relate to: (i) personal income and disposable income, (ii) discretionary income, (iii) family income, (iv) future income expectations, and (v) consumers' liquid assets and availability of consumer credit.

4. Sociological factors influencing consumer behaviour relate to: (i) Reference groups have a direct or indirect influence on the person's attitude or behavior, (ii) Family is another important sociological factor influencing buying behavior of consumers. Marketers must be interested in the roles and relative influence of the husband, wife and children in the purchase of a large variety of products and services, and (iii) Roles and statuses do influence the behavior of persons.
5. Psychological factors determining consumer behaviour involve four major aspects, viz; (i) motivation, (ii) perception, (iii) learning, and (iv) beliefs and attitudes.

6. All the factors - culture, economic, sociological and psychological-are prone to work simultaneously and influence a consumer's choice when he/she is in the process of taking a purchase decision.

7. Optimum marketing strategy is a method of matching product and consumer self images in such a way that in some market segments there is full matching whereas in others not so such that the cost-revenue equilibrium is maintained. The optimum matching strategy comprises market segmentation, product offering and product differentiation.

8. Demand for consumer durables is more volatile since it moves rapidly or evaporates quickly in relation to business conditions. Marketers separate the current demand for durable goods in terms of (i) replacement of old products and (ii) expansion of the total stock demand for such goods.

9. Consumer durables are characterized by high unit cost, long life and consequently low frequency of purchase. Hence, potential consumer is likely to seek more information and give more thought to the purchase of a consumer durables than to a non-durable where the risk is considerably less and the decision does not entail much less risk even if a mistake is made.
10. Age wise distribution of the 250 purchasers of consumer durables in the study area, 10 were in the age group of 26 to 30 years constituting 4 percent of the total; while 150 were in the age group of 31 to 50 years, constituting 60 percent of the total. Further, 90 respondent buyers of consumer durables were in the age group of 51 years and constitute 36 percent of the total. The age profile of the respondents has a significant bearing on the purchase decisions of consumer durables.

11. Educational background of the respondents and their family members has an influence on their demand pattern for goods in general and for consumer durable goods in particular. The responses gathered from the families covered by the study has revealed some significant trends.

12. The occupations of the persons influence their needs and requirements and their preference. Hence, the marketers have to take cognizance of this important independent parameter influencing the demand for the consumer durable goods.

13. Of the sample consumers, it was found that majority of them were possessing consumer durables. The number of consumers possessing fan, iron box, radio/tape was the highest and in case of washing machine, it was the lowest.

14. Purchase decisions about the consumer durables are largely made by the head of the family. The spouses too have involved in such decisions to some extent.
and the involvement of children in such decisions is negligible compared to the head of the family or his spouse. Very rarely, the other members of the family are involved in purchase decisions of the consumer durable.

15. Analysis of initiators of purchase decision indicates that the initiation of the family head is predominant in respect of all sample consumer durables except washing machine, refrigerator and mixer in respect of which the wife plays a decisive role.

16. Analysis of sources of recommendations for purchase decisions reveals that inner urge is the major source responsible for taking purchase decisions in respect of majority of consumer durables followed by the companies' advertisements.

17. Analysis of time gap between purchase decisions and actual decisions indicates that the time taken for actual purchase is relatively more in case of high cost durables rather than low cost durables.

18. The end-users are heads of the family in majority of the cases particularly relating to Fan/Iron Box and Radio/Tape/CD Player; while the end-user is the spouse in case of Mixer/Grander and Colour TV/ B & W TV. According to majority of respondent consumers, children have been end-users in case of CTV/B&W TV, Radio/Tape/CD Player and Fan/Iron Box as suggested by a good number of respondents.
19. Analysis of modes of payment brings to the light that majority of the sample consumer durables are purchased on cash basis, may be because of heavy price quotations connected with credit and instalment purchases.

20. Analysis of concessions at the time of purchase of consumer durables indicates that majority of the consumers have availed of price concessions and discounts.

21. Frequency of demand for concessions reveals that majority of the consumers insist for concessions always at the time of purchase of consumer durables.

22. The buyers are satisfied and are still using the consumer durables purchased by them according to largest majority of respondents. Another trend in the post purchase reaction is that consumers are not satisfied with the durables purchased by them but they have retained them. A very small number of respondents asserted that they were not satisfied with the product and hence they have resold the same while others have scrapped them.

23. Retailers are the main source of supply of consumer durable as mentioned by maximum number of respondents. However, a good number of respondents have also obtained the durables from distributors/wholesalers. A very small number of buyers have purchased the consumer durables from the manufacturers and very few of them have purchased them from their friends.

24. A large number of respondent buyers of consumer durables have mentioned that they consulted the dealers about the product before purchasing the same.
The dealer has enlightened the buyer in price determination, evaluation of durability, quality of the product and credit facility etc.

25. Majority of buyers of the consumer durables mentioned that they were aware of the various brands of consumer durables. A very small and negligible number of them expressed their ignorance of the brand names of consumer durables.

26. The normal time of purchase of consumer durables is not related to a specific time period. Such purchases take place during any time of the year. However some buyers of such goods mentioned the festival season and very few others mentioned post harvest period. A very negligible number of them mentioned marriage season for the purchase of consumer durables.

27. High cost, low quality and durability of the consumer durable goods are the problems mentioned by a few buyers of these goods. The purchase of consumer durables was not constrained by the financial problem as mentioned by majority of the respondents.

28. It is a significant finding that majority of buyers of consumer durables had recommended their brands to their neighbors and relatives. This is a form of self-advertising of the product itself.

29. Locally manufactured durable goods are preferred by a smaller number of respondents while larger number of them preferred nationally well-known brands of durable goods.
30. Majority of buyers are found to enquire the price of other brands before buying a particular brand of consumer goods.

31. It is ascertained from the majority of respondents that they don't identify good looking package, physical appearance with the quality of the product. They expressed the view that they take time and consider various aspects before buying the consumer durables.

32. Majority of the buyer respondents have mentioned that they stick to well known brand and that they recommend their brand to others.

33. There is no special preference for imported consumer durable goods as mentioned by majority of buyers covered by the study. Few of the respondents who preferred imported consumer durables have mentioned better quality, durability, performance and symbol of status for buying them.

34. Economic factors influencing the buying decision of the respondents for buying consumer durables related to physical necessity of the product, additional income, price reduction and loan facility to buy them.

35. Pressure of the family members was the major social factor influencing the buying decision of the respondents. Purchases by neighbours and the possession of the product as a symbol of status are the minor social factors influencing the buying decision of the respondents.
36. The product appeal due to its colour, design, shape and size are the major psychological factors influencing the buying decision of the respondents. Other psychological factors influencing the buyers related to the impression on people by possessing it and the feeling that non-possessing of the product would psychologically make the respondents unhappy. Majority of respondents felt that there were other factors which also influenced their buying decision relating to consumer durables.

37. Maximum number of the respondents mentioned that they did not feel that their decision to buy was wrong or it was impulsive. A small number of them felt that they did not feel that they should have postponed the purchase of the product.

38. Maximum number of respondents have belief in ISI mark as a symbol of quality and standard.

39. A large majority of respondents have mentioned that they considered the present advertisement of consumer durables as informative. A small number of them have perceived the present advertisement as descriptive and persuasive. However, almost the same small number of them considered advertisement of consumer durables as superfluous or waste of money and time.

40. Analysis of dealers' marketing operations reveals the following factors:
a) majority of the sample dealers deal in almost all the consumer durables selected for study;

b) the sales value was relatively more in case of high priced items;

c) majority of the dealers forecast the sales of TV, washing machine and refrigerators rather than other consumer durables;

d) majority of the sample dealers have crossed the sales forecast figure;

e) about 80 percent of dealers in TV, washing machine and refrigerators operate in a segmented market;

f) there is an absence of market information system with most of the dealers;

g) majority of the dealers prefer to purchase consumer durables on credit basis rather than on cash basis;

h) the number of dealers availing of concessions while purchasing the consumer durables is more pronounced in case of washing machine, refrigerator and mixer;

i) majority of the dealers prefer to sell the consumer durables on cash basis on credit basis;

j) the dealers face more competition in respect of high valued items rather than low valued items;

k) majority of the dealers have not taken interest in the post-purchase
behavioural studies, may be mainly because of absence of effective market information system at dealers' level;

l) majority of the dealers take a maximum period ranging from a week to two weeks for complying with the consumer complaints in respect of majority of the consumer durables under study; and

m) about 50% of the dealers felt that there is ample scope for growth of the market for the consumer durables and that there has been change in the consumer durable mix dealt-in by almost all the dealers under study.

Suggestions:

The study has revealed some significant trends about the consumer behavior in relation to the purchase of consumer durables in Dharwad District. Based on the responses of the buyers and the dealers, the following suggestions are made:

1. Brand consciousness among the purchasers of the consumer durables is an important trend found in the study. It is desirable that the consumers prefer high valued consumer durables of well established brands.

2. The marketers and manufacturers of the consumer durables must try to convert the brand consciousness into brand loyalty for their well established brands. The consumer behavior in this direction should be properly exploited by the manufacturers and dealers to maximize their sales.
3. ISI mark has been a symbol of quality of the Indian products. Hence, the sellers should try to get the ISI mark for their product by maintaining needed quality.

4. The responses of the buyers reveal that there is a strong preference on the part of the buyers of consumer durables with ISI mark. Hence, the manufacturers should obtain the ISI mark to fulfil the purchase preference of the consumers in order to maintain the consumers satisfaction. Preference for goods with ISI marks implies the quality consciousness among the urban buyers of consumer durables.

5. The buyers of the consumer durables have largely shown their preference to make extensive enquiry from the dealers of different brands of the products. This trait should be emulated by all the buyers in order to avoid post-purchase dissatisfaction about the quality and performance of the products.

6. Concessions in the form of price reductions, discount sales, gifts to the buyers, etc; have become common practices. The buyers of the consumer durables should try to avail of these benefits, whenever they are available. However, the buyers of such goods should not be lured merely by concessions without considering the quality and performance aspects of these high-valued products.

7. The study has revealed that the buyers have been demanding the concessions
from the dealers of the consumer durables. The dealers of these goods should, therefore, adopt suitable policies of providing concessions like price reductions, discount sales and gifts in order to honour the sentiments of the consumers.

8. The buyers of the consumer durables should insist on giving all the technical information on the use of them without any technical fault leading to frequent repairs. Free servicing of the durables by the dealers during the guarantee period should be insisted upon by the buyers.

9. The buyers of the consumer durables prefer well known Indian brands to imported ones since the imported products have been found to be inconvenient in view of the problems of post-purchase servicing faced by them. The so-called better quality and performance of the imported products is found to be a myth by many buyers of the consumer durables.

10. The marketers of consumer durables should ensure that the number of distribution outlets is limited because the volume is not large enough to justify larger number of outlets. Further, each outlet is expected to perform certain functions and provide services to customers. This can be economically provided only if the shop is able to attract sufficient volume of business for the particular durable. Limited number of outlets with sufficient volume can provide these services.
11. Factual promotion executed with creativity brings about lasting customer loyalty and goodwill. Marketers should state only realistic product claims. Promotional attempts should focus on the solution or performance of product rather than the product. This will signify the desire of marketers to provide satisfaction to customers.

12. Marketers must assure the buyers even after the purchase is concluded of their commitment to customers satisfaction. A 'thank you' letter or visit to customers inquiring about their post purchase feelings go a long way in building a healthy and everlasting relationship with the customers.

13. Well established manufacturer/dealers of consumer durables should undertake research which can provide clues as to how to reach and serve consumers more effectively. The factors on which research is to be done relate to economic, cultural, social, personal and psychological. Marketers must identify who makes and influences the buying decisions. This will enable the marketers in understanding how consumers actually make their buying decisions. These persons may be initiators, influencers, deciders, buyers or users. Different marketing campaigns might be targeted to each type of persons. Marketers must also examine buyers level of involvement and the number of brands available to determine whether consumers are engaging in complex buying behaviour, dissonance reducing buying behaviour, habitual buying behaviour or variety seeking behavior.
14. Marketers of consumer durables must aim at (i) building consumer satisfaction, (ii) maintaining consumer satisfaction, and (iii) avoiding consumer dissatisfaction. A win-win relationship is the dire need of the hour. Post-purchase evaluation no doubt is strictly concerning the buyer and the seller. However, other parties too get involved in case the consumer decides to approach the outside intervention mechanism against product failure or dissatisfaction. The intervention by the government and consumer protection organization is a case in point. Thus, a marketer has to design appropriate responses to post purchase activities that will not only keep the customer satisfied but also avoid the intervention of other parties in the matter.

15. The marketer should initiate and encourage a regular monitoring of consumer reaction towards himself, his product range and a particular brand. A continuous inflow of such monitoring data will develop into an information system and serve as early warning signals. Such monitoring is of particular significance where products are sold through non-store purchasing route.

16. Improving product quality benefits can best be realised only when maintenance of product quality is brought under marketing responsibilities. Quality control will upgrade itself from being an isolated function of production department to a joint mission of marketing and manufacturing department.

17. Marketers should take steps to minimise the amount of consumer post-
purchase dissatisfaction. Post-purchase communications to buyers have been shown to result in fewer product returns and order cancellations.

18. Marketers should monitor how the buyers use and dispose of the product. If consumers store the product, it is probably not satisfying and word of mouth will not be strong. If they sell or trade, the product new product sales will be depressed. If consumers find new uses for the product, the marketers should advertise their uses.

19. Marketers should go beyond the usual lip service to handling of customer complaints. Complaints should be taken up at the earliest opportunity and action notified to the complainant without delay. The marketers should note that considerable differentiation and competitive edge can be generated by being a courteous and helpful host to visiting customers.

20. Dealers along with the manufacturers must undertake the market surveys to understand the pulse of the consumer durables. Multifarious environmental factors be scanned before formulating the marketing strategy.

In brief, the marketing strategies relating to market-mix elements, if formulated based on regular consumer behavioural studies and environmental scanning, would go a long way in improving the quality of marketing operations of the dealers in consumer durables in the study area in particular and those of other dealers elsewhere in general.