Chapter VI

Summary, Major Findings, suggestions and Conclusion
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SUMMARY, MAJOR FINDINGS, SUGGESTIONS AND CONCLUSION

6.1 SUMMARY

The theories on market demand have predicted that it is the demand for the product that determines the growth of the economy as it encourages the manufacturers to augment the supply of the product. In the context of the Indian economy, of late, particularly, after the introduction of New Economic Reforms there has been a surge in the demand for consumer durables. As a result, there has been a discernible shift in the consumers’ preference in favour of higher-end, technologically superior branded products, the demand being spurred by increasing consumer awareness and preference for new models. Researchers have explained that increase in the personal disposable income is the major reason for such increase with the other reasons being a combination of changing lifestyles, greater product awareness and affordable pricing has been instrumental in changing the pattern and amount of consumer expenditure leading to robust growth of consumer durables industry. Due to these reasons, the Indian economy could become the fifth largest consumer markets in the world.

This shift has also resulted in the growing trend of products being manufactured in the organized sector of the economy and the narrowing down of the price differential between branded and non-branded goods. Competition has forced companies to offer efficient after sales service and support and this, in turn, has swayed Consumer preference for branded products. Apart from these, availability of Quality products with superior technology, qualitative change in consumers’ preference growth in production in the organized segment and domestic availability of branded products due to lowering of import duties, narrowed price difference between branded and unbranded goods, product
differentiation, increased bargaining power of Consumers due to availability of many brands have all resulted in the quantitative expansion in demand for consumer durables.

However, the studies carried out in recent times could indicate that the consumer's demand for a particular product is being determined by their socio economic condition prevailing in the case of the consumers. More specifically, in the Indian context, given the differences in the socio economic conditions and the life style between the rural and urban consumers, there expected to be differences in the customers' taste and preference and the sources of awareness. Thus the following issues emerge in the context of the demand for consumer durables: 1) whether there is a significant difference among the rural and consumer durables in terms of the source of awareness about the various consumer durables, 2) whether the rural and urban consumers are significantly difference in their purchase preference for the products, 3) is there a significant difference among the rural-urban consumers on the factors determining the Consumers' preference for products and brands?, 4) is there a significant difference among the rural-urban consumers on the preference for specific brands? The present study has made an attempt to examine these issues in the context of the urban and rural areas of Coimbatore district.

More specifically, the objectives framed for the study were as follows: 1) to study the socio economic background of the sample respondents, 2) to trace out the sources of awareness about the durable items and brands, 3) to estimate the factors determining the demand for consumer durables, 4) to identify the significance of the difference between the rural and urban consumers in terms of source of awareness?, 5) to trace out the significance of the difference between the rural and urban consumers in terms of their preference for durable items and brands? and 6) to provide suggestions to improve the market standards in the rural and urban areas.
The hypotheses framed for the study were: 1) there is a significant difference between the rural and urban consumers in terms of the source of awareness, 2) there is a significant difference between the rural and urban consumers in terms of the factors determining their preference for items of consumer durables, 3) there is a significant difference between the rural and urban consumers in terms of the brand preference.

To carry out the study primary data were collected from 600 respondents spread over both rural and urban areas with 300 samples each. The data were collected by adopting the direct interview method using a pre tested questionnaire.

The collected data were analysed using the simple tools like, the simple percentage method, and coefficient of variation, rank correlation, chi square technique, logic model and Analysis of Variance (ANOVA) were used.

6.2 MAJOR FINDINGS OF THE STUDY

6.2.1 SOCIO ECONOMIC PROFILE OF THE SAMPLE RESPONDENTS

➢ The demographic characteristic of the sample respondents is that a majority of the sample respondents are females with the highest sample respondents falling in the age group of 45-55 years. A majority of whom have migrated to rural areas. Among the sample respondents a higher share are married and they are from backward caste.

➢ The social condition indicated that a majority of the sample respondents are Sec/HSC completed and a majority of the heads of households is business men.

➢ A higher share of the families is four member families with the average dependency ratio is lower in the case of urban sample respondents’ families. Among the members, the young age groups constituted the highest share in the sample households.

➢ The economic conditions indicated that a higher share of the families’ monthly income is Rs.20000-25000. With this income a majority are able to have a monthly savings of Rs.7500-10000. These savings are in the form of bank deposits.
Another indicator of the economic conditions of the sample namely the ownership of house indicated that a majority of the sample respondents live in rented houses.

With regard to decision making in the case of the purchase of any items at home, children are the major decision makers.

6.2.2 SOURCE OF AWARENESS

With regard to the source of awareness, a lion’s share of the sample respondents have come to know of the product through advertisements made in televisions and there are differences in the source of awareness between rural and urban respondents.

6.2.3 PREFERENCE AND REASON FOR PREFERENCE

In the case of the ownership of the consumer durable items among the sample respondents, a majority of the sample respondents own Fans, Television, Mobile Phones, Grinders and Mixer and they have purchased the product outside their residing area and that to in one shop. The reason for such behaviour is that they have purchased the product under credit.

In the course of purchase of the product a majority purchase during the festival season as they get offers and discount. Among other things, they expect the product to be in good quality at a reasonable price. With regard to this objective of the consumer there is no much difference between the urban and rural customers. They purchase they product in credit they expect for a low initial down payment. However, at the same time, they expect that a regular income is the major criteria of purchase of the product in credit. Even when they purchase the product they bargain for the product. The reason for such bargaining activity is that they have doubt about the quality of the product. Hence, to avoid risk to some extent, they purchase the product in one shop always. They view that such activity helps to create intimacy with the owner of the shop.

Poor service back up is the foremost important reason for dissatisfaction of the respondents for purchasing the product under credit system.

A majority of the respondents are moderately agree with the view that quality of the product has a higher influence on the preference for the product.
6.2.4 ANOVA

- The results indicated that there is a significant relationship between the socio economic status of the sample respondents like, income education, age, sex and the portfolio investment among rural samples.
- The results indicated that there is a significant relationship between the socio economic status of the sample respondents like, income education, age, sex and the source of awareness about the brand and the product.
- The results indicated that there is a significant relationship between the socio economic status of the sample respondents like, income education, age, sex and the nature of purchase of consumer durables among rural samples.
- The results indicated that there is a significant relationship between the socio economic status of the sample respondents like, income education, age, sex and the reason for preference of a particular durable item.

6.3 HYPOTHESES TESTING

In the present thesis three hypotheses have been formulated.

The first hypothesis is 'There is a significant difference between the rural and urban consumers in terms of the source of awareness. To test this hypothesis, the F test has been applied. The various sources awareness has been arranged for urban and rural respondents separately using the Likert scale. The mean score is calculated by samples. The F test has been applied. The application of the tool has resulted in the rejection of the hypothesis that there is no difference between the rural and urban areas in terms of rural and urban areas in the source of awareness. This means the acceptance of the formulated hypothesis that 'there is a significant difference between the rural and urban consumers in terms of the source of awareness.

The second hypothesis is 'There is a significant difference between the rural and urban consumers in terms of the factors determining their preference for items of consumer durables. To test this hypothesis, the F test has been applied. The various
factors determining the preference of the sample customers in the purchase of consumer
durables has been arranged for urban and rural respondents separately using the Likert
scale. The mean score is calculated by samples. The F test has been applied. The
application of the tool has resulted in the rejection of the hypothesis that there is no
significant difference between the rural and urban consumers in terms of the factors
determining their preference for items of consumer durables. This means the acceptance
of the formulated hypothesis that 'there is a significant difference between the rural and
urban consumers in terms of the factors determining their preference for items of
consumer durables.

The third hypothesis formulated is 'There is a significant difference between the
rural and urban consumers in terms of the brand preference'. To test this hypothesis, the
F test has been applied. The various factors determining the preference of the sample
customers on the preference for brand for consumer durables has been arranged for urban
and rural respondents separately using the Likert scale. The mean score is calculated by
samples. The F test has been applied. The application of the tool has resulted in the
rejection of the hypothesis that there is no significant difference between the rural and
urban consumers in terms of the preference for brand. This means the acceptance of the
formulated hypothesis that 'there is a significant difference between the rural and urban
consumers in terms of the brand preference'.

Thus all the three hypotheses have been proved and accepted.
6.4 SUGGESTIONS

- A majority of the sample respondents purchase their desired product in outside the area of their residence.

- Analysis on the customers' factors of preference for consumer durables indicated that when compared to all other factors, the customers prefer quality of the goods as the most important factor. Hence, the manufacturer, by improvement the quality of the factor at affordable cost can increase their sales.

- An analysis on the source of awareness of both urban respondents and rural respondents indicated that friends and relative are the major source of awareness for the product. This indicates that advertisement media could not establish itself as the major source of awareness. This has so happened in spite of the fact that the manufactures could allocate a huge sum of money in advertising the product through media. Hence, the manufacturers could identify effective and attractive method of advertisement. One such method is to advertise the product in TV in peak hours and advertising the product in full page in the main sheets of the news papers and magazines.

- An analysis of the buying pattern of the sample respondents indicated that the respondents purchase the product in a particular shop and providing the product in credit constitute the major reason for it. The retailer, for the purpose of retaining their customers can have a close affinity and rapport with the customers by knowing them personally and sending greeting cards during the festival seasons, providing offers during the festival or off seasons.

- An analysis of the reason for choosing a particular shop for the purchase of the durable items indicated that the amount of initial payment forms the foremost important conditions for purchase of the product. Hence, the retailers by fixing a reasonable down payment or no interest and easy installment can attract more of customers and also retain the old customers.

- An analysis on the level of satisfaction on the various factors of preference indicated that Poor service back up is the foremost important reason of dissatisfaction of the respondents for purchasing the product. One of the important determinants of the preference for the durable product is the service backup. Hence, the retailers and the dealers can provide effect service backup.

- An analysis on the relationship between the distribution of age and the reason for preference for consumer durables indicated a significant relationship. Hence, the manufacturer, for the purpose of successful
business, can identify the features of preference for each of the age groups and modify the product in tune with the expectations of that group which the firm wants to attract more.

- An analysis of the relationship between the rural and urban respondents in terms of the source of awareness about the product. This indicates that the awareness created between the rural and urban areas is significantly different. Hence, the manufacturers can adopted different methods of advertisement and techniques to attract the urban and rural respondents separately.

- An analysis of the relationship between the rural and urban respondents in terms of the season for purchase of consumer durables indicated that there is a significant difference between the two in terms of season for purchase. Hence, attractive schemes and offers can be provided to both urban and rural areas at different seasons depending on their season of purchase.

- For attracting the customers continuously setting standards on quality of service to customers, and for every 5 years sets prices that companies can charge customers over the ensuing quinquennium.

6.5 CONCLUSION OF THE STUDY

The prime objective of the present piece of research was to understand the customers' preference for consumer durables and to find out whether there is any significant difference between the rural and the urban samples in terms of the source of awareness and the factors of preference for consumer durables. For this purpose, 600 sample respondents with 300 samples from each of the rural and urban areas have been collected using the personal interview method, with the help of a pre tested questionnaire. The stratified random sampling technique has been adopted for this purpose. The collected data have been analyzed using the simple tools and techniques like, the simple percentage method, and coefficient of variation, rank correlation, chi square technique, logic model and Analysis of Variance (ANOVA) were used. The analysis of the data has provided the major conclusion that the socio economic status of the respondents has a significant influence on the source of awareness and the factors of preference for consumer durables.