Chapter 1
INTRODUCTION

Our markets are flooded with various kinds of consumer durables with Indian and foreign labels. There is a vast range of these durables to choose from. Many of these have become an inseparable part of modern living which was not the case some twenty years ago. A marked rise in the personal disposable income, rising expectations of people in general, the perceived social mobility associated with the possession and consumption of certain products seem to have accelerated growth of the consumer market. Families are constantly in the lookout for newer products, added features and promotional avenues to satisfy their needs and desires. Manufacturers are increasingly aware of this consumer phenomenon and are over extending their expertise and reach to woo the consumers. Large scale media publicity adds yet another dimension to the glitz and glamour of the rising conspicuous consumerism.

The modern family has been the locus of control of many significant social changes. The demographic, educational, socio-economic and cultural environment of families becomes the foreground for these. The changing role of women in the recent times is seen as the major factor in governing the purchase practices of families. Yesterday’s status and luxury goods have now become necessities. The consumer durables like air conditioners, microwave ovens, mobile phones computers, washing machines, generators and inverters have become part of the essentials. At the same time there is an emerging group of people who are buying the latest consumer durables as mere status symbols.

The motivations to acquire consumer durables seem to be many. It is assumed that use of these durables improves the quality of work, increases the output while at the same time saving time and human energy. These durables help in performing household chores, faster and with greater ease. Besides work productivity and efficacy some of these consumer durables also provide information and entertainment like the television, music system with video compact disc player, mobile phone and computer. There are others which offer mobility like the motor cycle/cars. Depending on the design and construction details their prices vary from a few thousand rupees to multiple thousands.

In the present market scenario families as consuming units have become the focus of attention in the markets in general and the consumer industry in particular. This situation unleashes certain questions in the minds of not only the consumers but also the other stakeholders, namely, the manufacturers, marketers and policy makers, academicians and researchers engaged in consumer studies. In a family situation the husband and wife...
invariably team up and in some cases there could be other knowledgeable members involved in choice making, deliberating on the final selection of a good or two.

How do families process the available information and arrive at a decision to acquire? How do they assess the merits and demerits of a given item with multiplicity of brands, working/special features and competitive price ranges? What are the primary motivations which determine and drive the purchases? What role do women in general and the housewives in particular play in the decision-making process for acquiring consumer durables? Are they aware of their rights and responsibilities?

What are the family dynamics in the selection and purchase process? What all happens at the pre and post purchase stages? Are there other intervening factors and imperatives? How involved are the children in the whole process of decision making specially, when it comes to considering items for personal use and that for the family? Does consumer finance, advertising and sales promotion tactics have a bearing on the decisions that are made? What electrical consumer durables are considered essential for family living? What durables do families aspire for? What is the average usage pattern and life cycle of common home appliances? Answers to these queries may throw some light on the consumer psyche and whole spectrum of the market flurry.

**Significance of the Study**

As a consuming and decision-making unit, the family occupies a central space in the market. It is also the core social unit of society and community. The resource allocation and consumption patterns in families affect the economy and trade across the globe. Consumer awareness of the design component, functionality, compliance to correct usage and upkeep of an appliance/equipment cannot be undermined. Equally important is documenting and showcasing the ‘best practices’ followed through the various stages of decision-making.

To understand how families within a specific income and occupational group, sharing the same geographical location, make decisions would give further insights into the consumption status and also provide valuable guidelines to the growing middle income consuming clientele. Consumption practices of the sample families may offer some ‘best practices’ and guidelines to other families which they may be able to emulate.

Awareness about the consumer redressal system encompassing the role of consumer courts, the mass media and the several voluntary organisations engaged in consumer activism is vital for consumer protection against frauds and malpractices.
Insights about what motivates families with limited means to buy durables can also guide the market to produce products that can meet their requirements and even delight them by offering more value for money. Producers and retailers can design some strategies to not only gain but also retain consumers by building mutually satisfying relationships.

To look into and understand how families buy selected electrical consumer durables a study entitled *Motivations and Management Practices of Families in the Acquisition and Use of Consumer Durables: An Appraisal* was conducted with the following objectives:

**Objectives:**

1. To identify the motivations underlying the acquisition and use of the selected consumer durables by the families.
2. To gain insight into the influence of various family demographic characteristics on the acquisition and use of consumer durables.
3. To study the management practices followed by families for acquisition and use of the consumer durables.
4. To understand the considerations kept in mind by the families in the acquisition and use of consumer durables.
5. To find out the general awareness of families about consumer protection.

**Operational Definitions:**

Following terms were operationally defined for the study:

**Consumer Durables:** Consumer durables are electrically/electronic/battery operated household gadgets/appliances/equipment and other items, that are time and labour saving, provide unique function, render service to end users for extended periods of time.

The consumer durables selected for the study were electrical appliances generally categorized as white goods, consumer electronics and brown goods. They were all priced above Rs.2000 (with no upper limit) and purchased during 2007-10. This period was chosen to ensure that the families would have got an opportunity to use the selected consumer durables for at least one year and hence, would be in a position to recall specific details pertaining to their use and maintenance practices.

**Motivation:** Motivation is a need that is sufficiently pressing to drive a person to make a purchase of a consumer durable.
Management Practices: The actual process and action taken by families from the inception of idea to execution, ownership operation and upkeep of the consumer durables under the study purview.

The following terms have been used as synonyms in the study:

- consumers, household and families
- consumer durables, appliances, gadgets, durables, goods and products

Review of literature to build a conceptual framework for the study has been presented in the next chapter.