CHAPTER # 6

CONCLUSIONS AND SUGGESTIONS
6.1. Introduction

Consumer behaviour analysis is the use of behaviour principles, usually gained experimentally, to interpret human economic consumption. It stands academically at the intersection of economic psychology on one hand, and marketing science – the study of the behaviour of consumers and marketers, especially as they interact – on the other. Whilst behaviour principles are central to its theoretical and empirical research programme, its quest to interpret naturally occurring consumer behaviours such as purchasing, saving, brand choice, the adoption of innovations, and the consumption of services, have quite often than not, raised subtle issues.

This chapter presents major findings of the study and conclusions in terms of consumer buying behaviour with respect to white goods. It brings to fore different factors like cultural (culture, subculture, and social class); social (reference groups, family, and social roles and statuses); and personal (age, stage in the life cycle, occupation, economic circumstances, lifestyle, personality, and self-concept) that influence consumer buying behaviour for white goods. It tracks consumers’ mind their perceptions and preferences for products like colour televisions, home theatres, microwave ovens, refrigerator, washing machines, vacuum cleaner and food processor / juicer mixer. It provides clues to customers’ thinking patterns for these white goods in terms of their status symbols and indicates proportion of income spent on basic necessities and the amount of income spent on luxuries. It helps in understanding or identifying factors that motivates consumer brand switching. These findings and conclusion ultimately lead to valuable suggestions to design winning marketing strategy. It provides marketer with clues to reach and serve consumers more effectively.
6.2. Results and Findings

On the basis of the analysis of the data with appropriate tools, some broad findings, inferences and observations were made which are as under:

6.2.1 Price recall and ownership pattern of consumers

- It was found that out of the total of 1000 respondents, colour television, refrigerator and food processor / juicer mixer were owned by all the households. However, products like home theater under the category of entertainment; washing machine and vacuum cleaner under the category of cleaning, and microwave oven under the category of preservatives were owned by 56.50%, 67.60%, 50.90%, and 60.10%.

- It was found that the colour television market is dominated by BPL with 25.2% of respondents possessing the brand. The market is closely followed by LG, Sony and Onida with 22.3%, 18% and 12.5% respectively. The brands that rule the home theater market includes LG and Sony with 37.35% and 28.14% respectively which is way ahead of other competing brands operating in the same industry.

- The penetration of brands for washing machine suggested presence of many players with small market share which is lead by LG (23.96%), IFB (18.64%), Videocon (17.75%), BPL (16.86%) and Whirlpool (11.69%). The vacuum cleaner market is solely dominated with the presence of Eureka Forbes brand (64.24%) and leaving all other brands way behind.

- The microwave oven market shows 14.14% penetration of IFB brand. Brands in the refrigerator market include LG (42.4%), Godrej (24.1%) and Whirlpool (15.5%). The food processor market is dominated by the Maharaja Whiteline (35.3%) Sumeet (23.4%) and Boss (20.1%).

6.2.2 Perception about necessities and luxuries

- It was found that products like colour television, refrigerator and food processor / juicer mixer are being perceived as necessities whereas home theaters, washing machines, vacuum cleaners and microwave ovens are being classified as luxury to the tune of 86.2%, 42.7%, 75.8% and 62.9% respectively. It seems that people are heterogeneously divided in their beliefs.
6.2.3 Spending on white goods (luxury vis-à-vis necessities)

- It was noted that household approximately spend 3.09% on white goods when compared to general expenses, and given price bands. This suggested that per capita spending of householders and a great insight provider for marketers willing to market intensively in the state of Gujarat.

6.2.4 Level of involvement (amount of time spent before purchasing such products)

- It was observed that before purchase of colour television, home theatres, and washing machines householders tend to consult three information search points to the tune of 37.20%, 35.75% and 37.43% respectively. However, for products like vacuum cleaner, microwave oven, refrigerator, and food processor/juicer mixer, householders’ referred to only two information search points with 44.77%, 40.03%, 45.81% and 44.76% responses for each product respectively. Percentage of respondents contacting minimum of three or more points were high for products like home theatres (50.97%), washing machines (44.77%) and colour televisions (44.70%). Probably suggesting operations of factors like first time purchase of products by the householders, sophistication of the product and new technological models (high-end products with higher price range), etc. respectively.

6.2.5 Perception of different brands operating in specific product category

- The study of consumer perception for colour television brands showed a very high mean score for brands like Sony, LG, Samsung, Philips, and BPL of 4.30, 4.11, 3.75, 3.74, and 3.71 respectively. The perception for home theatre brands showed similar trends as brands like Sony, LG, Philips, and Samsung were found to be having favorable perception with 4.28, 4.06, 3.83, and 3.77 respectively.

- In the washing machine category the honours for the first position was shared by brands IFB and LG with mean values of 4.15 and standard deviation of 0.798 and 0.766 respectively indicating high favorableness but with some deviations among respondents. The research found that Eureka Forbes brand under vacuum cleaner category scored highest mean value of 4.33.
• Brands like LG (4.25), IFB (4.01), Electrolux & Kenstar (3.65) under Microwave oven showed consumers' favourable perception with standard deviation 0.755, 0.810, 0.888, and 0.862 respectively. Analysis of the brands operating in the refrigerator industry indicated LG (4.21) as leader followed by Whirlpool (4.12).

6.2.6 Sources of information
• It can be construed from the analysis that family & friends and advertisement with mean score of 0.91 and 0.88 respectively are the two most important sources that consumers' look for awareness and knowledge. It seems that people differ in their perceptions but their sources of information remain common for white goods.

6.2.7 Factors influencing consumer purchase decisions (Factor Analysis)
• The analysis of 17 factors influencing consumer buying behaviour for white goods by use of factor analysis suggested three important variables. These three factors with eigenvalues greater than 1.00 accounted for 61.287 percent of the total variance which can be considered of moderate level.

In order to find out the appropriateness of the use of factor analysis the approximate result of Chi-Square value of 9.065 at 136 degree of freedom under the Bartlett's Test of Sphericity, was significant at the 0.05 level. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy was 0.916, which was also large enough to support the application of factor analysis techniques.

Three different methods were used to get the factor matrix and factor loadings. It was found that under 'direct oblimin' method four items (11, 12, 13, 16) were associated with factor '1', three items (1, 2, 4) with factor '2' and four items (9, 10, 14, 15) with factor '3'. However, under 'quartimax' method eleven items (6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17) were associated with the factor '2' and no items were associated with factor '3'. However, only Varimax method had maximum variance.

The three factors so extracted were named as under:
These factors to some extent supported the framed hypothesis suggesting the influence of Offers – Like Discount / Exchange Schemes, Price of the Product, Product Features and Householders’ (Your) Income / Budget under the name ‘Value for Money’ and Advertisement, After Sales Services and Availability of Information under the name ‘Promotional Communication’ on consumer purchase decision.

6.2.8 Brand preference for each category of products

- It was found that consumer / householders’ for colour televisions had Sony and LG as their most preferred brand under all the three rankings. Sony lead with cumulative preference of 742 overall responses and followed by LG with 697 out of which 43.1% and 41.2%, of respondents ranked it as first preference respectively. However, brand preferences were significantly found to be different among cities for all the brands of colour television.

- For the home theatres consumer’s overall choice is LG followed by Sony brand. However, in terms of percentage, more percent of people prefer Sony (48.4%) as their first choice and nearly the same percent of respondents (46.6%) have opted for LG as their first choice.

- Brand preference under washing machines category showed unique trends. Cities like Anand & Vidyanagar, Bhavnagar, and Jamnagar showed no preference for brands like Electrolux, Godrej, Hair; Godrej, Haier; and Haier respectively. None of the respondents showed preference for brand Godrej in the city of Surat. However, Brand IFB and LG lead the preference table with 55.5% and 38.8% of respondents preferring it as their first choice respectively.

- The consumers’ preferences under the cleaning category for white goods namely vacuum cleaners were found to be dominated by Electrolux with 81.1% of respondents preferring it to be their first choice. In terms of overall too preference, brand Electrolux leads the tally followed by Panasonic and LG.
• The consumers’ preference for microwave is dominated by LG (873) with 63.3% of respondents preferring it as their first choice and IFB (540). Most surprising brand Electrolux was not preferred by any of the respondents. Most surprising, the result showed no preference for the brand Electrolux at any level. Brand BPL had no takers in the city of Bhavnagar and brand Videocon for Anand & Vidyanagar, Bhavnagar and Bhuj.

• The study highlighted some interesting facts for refrigerators as the city of Anand & Vidyanagar showed no preferences for brands like BPL, Daewoo and Kenstar. However, LG (813 overall preference) lead the choice among brands in refrigerator category with 56.7% and 30.5% of consumers’ prefer it as their first and second choice respectively.

• The consumer’s preferences for brand in the food processors and juicer mixer product category were found to be dominated by Maharaja Whilteline, Boss, and Summet.

This figures highlighted one of the most interesting facts for the marketers. It makes sense to study the market further in order to focus organizational strategies in selected areas which needs attention and consolidation and probably would help the marketers to effectively segment and reframe its marketing plan of action.

6.2.9 Brand Loyalty
• The consumers’ responses in any one of the three categories namely wait for the brand; go to some other showroom or dealer; and postpone the idea of purchase stood at 1290 ticks. The consumers’ response in any one of the three categories stood at 50.1% indicating the brand loyalty.

• The figures for the brand switching scales found a cumulative total of 68.13% of people who more often than not change their brand preference which can be attributed to the factors like discounts, exchange schemes, etc.

This study suggested that tools like sales promotion may probably bring short-term advantage for the firm. However, the danger of continuously using such tools looms large over the product / organizations brand equity/image. This may be the reason as to why people have diluted perception about each brand.
6.2.10 Opinions about sales promotion / exchange offers

- The result showed a whopping 79.10% of respondents were found to agree on the statement that ‘products offered during discounts are generally beneficial’ and favourably rated it as 4 (30.7%) and 5 (48.4%) on the Likert Scale. Surprisingly, a total of 31.5%, 27% and 15.6% were found to be neutral suggesting their dilemma. This can be attributed on account of several bases of segmentation with regards, income, social background, life styles, etc.

6.2.11 Opinions about factors that motivates for brand change

- The study found that the consumers' contemplate brand switching mainly on account of poor quality of after sales service, dissatisfaction about the brand / product, wrong or misrepresentation of facts about the product or brand with mean score of 4.33, 4.29 and 4.26 respectively.

- The researcher through his personal observation (informal interaction) found some interesting facets regarding the scope of the statements which highlights the following:
  - Opportunity to avail better promotion scheme is viewed “any offers which results in monetary or non-monetary benefits.”
  - Wrong / misleading information provided to me includes “any wrong information from any of the source including dealers, retailers and / or sales persons and doesn’t exclude all types of word-of-mouth communications.”
  - The performance of the brand is not as expected is viewed as “any point of dissatisfaction related to brand performance like functional and hedonic attributes. Often, celebrity liking leads to brand acceptance or rejection.”

6.2.12 Hypothesis

- It is found that consumers' under the different age group do not spend more time for purchase of white goods except microwave oven. Householders' with different education background were found to be spending time in purchase of some of the white goods namely home theatres, and washing machines. It was found that householders' income level had a significant influence on number
of contact points considered before purchasing such white goods. That is, they do spend more / considerable time before purchasing products. However, for products like colour television and washing machine a total of 44.70% and 44.77% people search more than three contact points depicting consumer involvement for these products. The consumer involvement was found to be of high order for home theatres as 50.97% of householders’ search for more than three to a maximum of five information points. However, for all other products like vacuum cleaner, microwave oven, refrigerator and food processor as 61.15%, 61.31%, 72.15%, and 81.05% respondents consult only two information search points respectively.

- For hypothesis related to sales promotion schemes with variables like offers – like discount / exchange schemes, products offered during festival seasons are generally beneficial, reduction in price and opportunity to avail better promotion scheme it was found that the variables exerted definite influence on consumer purchase decision or buying behaviour as all the four variables had a mean values of 4.19, 4.24, 4.19, and 4.22 which was found to be much higher than the assumed value of $\mu = 3.5$.

- It was found that ‘advertisement influences brand awareness / purchase decisions’ since it showed a mean value of 3.92 which was again higher than the assumed mean value of 3.5

6.3 Limitations of the Study

Management is not pure science but an ‘inexact science’. It is not like physical or biological sciences. Research in social sciences including the present study on consumer buying behavior cannot be generalized for all. The study include ten cities of Gujarat state and therefore the customers’ perception, preferences and opinions would be of those customers only and that may not be same in some other part of country. Cluster sampling method was used in present study in which there might be chances of error because units under each cluster may tend to be rather homogenous. Further study is also suffering from some general limitations like constraints of time. However, attempts have been made to collect data that are more representative and bring meaningful conclusion considering the objectives of the study.
6.4 Conclusions and Suggestions

Conclusions
From the above findings and observations carried out across ten cities of Gujarat State for three different categories and seven specific products under white goods industry it can be concluded that consumers generally own colour televisions, refrigerators and food processors / juicer mixers. For products like home theatres, washing machines, vacuum cleaners and microwave ovens around 50-60% of penetration existed in the market with slight modifications if tabulated city-wise. It was found that customers / householders' generally treat these products as necessities, with certain exceptions observed under the influence of certain demographic variables.

The effect of income growth and high disposable income and consumer attitudes towards white goods in particular, it was assessed that during the last five years market has seen more penetration of products like home theatres, microwave ovens and washing machines which was earlier were being viewed as luxuries. With regards to the consumers or householders' level of involvement it can be concluded that on an average nearly forty percent of consumers consult at least three points of information for products like colour television, home theatres and washing machines. Householders were more found to be careful and choosy while selecting products like these. However, it was observed that for products like vacuum cleaners, microwave ovens, refrigerators, and food processors around 40-45% consumers were found comfortable with two points of information search.

The study found that consumer perceives Sony, LG, Samsung, Philips, and BPL for colour televisions. For the home theatres segment brands like Sony, LG, Philips, and Samsung were more favoured by consumers when compared to other brands. The consumers' perception was observed very high for IFB and LG brands under washing machines category. The vacuum cleaner segment was lead (by high margin) by brand Eureka Forbes. LG, IFB and Kenstar were found to be more favoured brands for microwave oven. LG dominated the consumer preference rating in refrigerator segment. Maharaja Whiteliner emerged as a clear winner under food processor and juicer mixer category.
The consumer buying behaviour was found to be influenced by family & friends, and advertisements as they opined as to be under their influence as they are there primary source of information providers. All groups of householders generally consider similar factors while purchasing the products. The factors include 'Value for Money', 'Retailers' Services' and 'Promotional Communication'.

Overall customer perception towards these white goods products is favourable and sustainable. The householders’ brand preferences for products under study were found to be of the following order:

(i) Sony and LG for Colour Television and Home Theatres
(ii) IFB and LG for Washing Machines and LG for Vacuum Cleaners
(iii) LG and IFB for Microwave Ovens; LG for Refrigerators; and Maharaja Whitelines for Food Processor and Juicer Mixer.

For all the other brands mixed reactions were observed with respect to their ranking whereas some brands completely failed to enter the customer mind set and consequently in their homes.

On other hand householders’ brand equity / loyalty and switching intentions were found to be of moderate level as it nearly to fifty percent of total responses. The study suggests that consumers generally can be lured by certain promotional schemes and made to shift their loyalties across product categories. Some more factors that were found to be influencing consumer in brand change includes reduction in price, improvement in quality or new models of the other brand, wrong and misleading information, poor after sales services and consumers’ unfulfilled expectations.

Suggestions – Managerial Implications

Advertisers need to achieve a higher identification of advertisements with audience values. For example, it might be suggested that gender equality and power distance have to be carefully considered when designing advertisements. A thoughtful blend of appeals reflecting respect high social status can induce a positive reaction to advertisements. Similarly, attitudes toward advertising may be more positive if
advertisements promote generally accepted norms of the role of women and families in society.

Understanding consumer response to different levels of technology over time is critical to the successful introduction of different levels of technology. An analysis of these indices based on consumer acceptance levels or indices indicates whether it is worthwhile to speed up production and introduction of forthcoming technologies. For example, if the future technology is assessed to be the same as for an existing technology, speeding up the development process may not be worthwhile. In the case of HDTV, it can be illustrated that speeding up development is a worthwhile endeavor. Not only are consumers willing to pay more to have it earlier on, over time, they devalue it less than they do an intermediate technology that only has a wide screen feature. Since the increased preference for sophisticated products (more features) is maintained over time, if introduced early, it can command a premium price over a specified horizon.

A second application is that the results can be used in segmenting the market for technology-driven consumer durable products. Those consumers, who have high rates of time preference, form a segment that devalues the innovation at a faster pace than consumers with lower rates of time preference. These time preference based consumer segments can be linked to demographic or other explanatory variables to describe the profile of consumers with high vs. low rates of time preference. One can assess the size of these different segments and design appropriate communication and promotion strategies for each segment. If TV set manufacturers plan to introduce TV innovations which have some but not all of the benefits of sophisticated products, consumer may not be very tolerant of these interim technologies. This suggests that consumer expectations of future technologies must be managed in a firm’s communication and positioning strategies.

These insights into consumer behavior would be valuable in introducing forthcoming innovative products and services. They can provide guidelines for product positioning and communication, by indicating what should be the reference for consumers in communication messages. This can aid in formulating marketing strategies for successive generations.
Summary
Increasingly, emphasis is being placed on the addition of brand values as the basis for discrimination at all levels of consumer/business interaction. The brand represents for the consumer a specific articulation of product performance attributes and a suggested battery of other values and meanings inherent in it. Advertising represents a most potent source of brand identity. It has two major functions, namely to present and thereby position the brand attributes against consumer expectations and to imbibe the brand with values that are attractive to the target market.

The research brought out three interesting characteristics of the consumers. They are distinguished by their relative levels of education, substantial discretion in spending decisions, and experience with information technologies.

The Different Consumers!
Ownership of white goods for products like Color Televisions, Refrigerators, and Food Processors / Juicer Mixers account for hundred percent of the sampled respondents and almost 50-60% for products like home theaters, microwave ovens, washing machines, and vacuum cleaners. This group is transforming the marketplace as organizations strive to build relationships with households. The change is because present consumers have high expectations. The marketplace will see more changes as ownership of such white goods among consumers' / householders continue to grow. The consumer’s expectations can be identified by the following important aspects of consumers’ behavior in the marketplace:

Seeks More Variety (Choice)
Consumers are more likely to examine a wide range of choices when making purchasing decisions. For instance, they tend to seek out and value extensive information throughout their purchasing process. When consumers plan to buy major household items, they tend to search a wide variety of information sources by browsing stores, requesting literature from manufacturers, searching online, reading papers and magazines, and performing other information searches. Further, householders are skilled information seekers,
they also want choice in their information sources to avoid biased information and obtain answers to all of their questions.

**Needs for Customized Communications**
The sheer quantity of purchasing information available to consumers often means they must wade through scores of inapplicable data to get to pertinent information. To refine their search, consumers look for information quality over quantity, seeking better, more pertinent information instead of just more information. Advertising and online services are quickly responding to this demand by providing comparison-shopping services.

**Skeptical of Brands**
Since consumers are more likely to research products and services before buying them, it is not surprising that they also tend to be more skeptical of corporate promises and brands. In fact, the more affluent consumer is more likely than the rest of the population to purchase less expensive, private labels, rather than branded products. If the consumer perceives an equal or better value in a brand that also carries a lower price, the consumer is more likely to switch to that label.

**Willing to Experiment**
Along with their willingness to research products and services, present consumers are more likely than consumers of the past to experiment with their purchases. In particular, consumers are interested in test-driving services that offer convenience, choice, and control.

**Value Convenience**
Consumers value convenience and search for products and services that provide it. This penchant for convenience is due in large part to the consumers' struggle to balance work and family life. Consumers tend to live in dual income households that is, both spouses work. Offering quick and convenient service is therefore essential to winning the customers' loyalty.
*Expect Superior Service At All Levels*

Given their desire for tailored information, convenience, and choice, it is not surprising that consumers also expect superior service. Since their time is valuable to them, consumers will not do business with companies that do not also value their customers' time, or make their shopping experience as pleasant and hassle-free as possible. Organizations that want to build relationships with consumers will need to experiment with many models to reach and meet their customers' needs. The type of workers who will interact with consumers is of utmost importance, since this consumer group is service-driven and has high standards for the type of customized service it wants.

**Some Hints to Satisfy Consumer**

Consumers want one-stop answers to their purchasing needs. The following traits were listed as predictive of success:

- *The Role of Add-ins*
  
  Organizations must both recognize additional goods and services that will meet the customer's needs and convey the benefits in an effective way.

- *Communication Flexibility or Campaign*
  
  Organizations must be flexible enough to cater to a variety of customer needs through different communication channels: face-to-face, electronic, or telephone.

- *Ability to listen and understand consumers needs*
  
  People ascertaining customers' needs must be able to hear both spoken and implied desires.

- *Proactive / Innovative Approach*
  
  Organizations must be willing to devise answers to needs that can sometimes be, well, bizarre.

- *Good interpersonal team skills*
  
  Meeting customers' needs often requires collaboration among different departments. Employees catering to the consumer must have good interpersonal team skills to put together and implement effective solutions.

- *Good communication skills*
  
  Since consumers often have complex needs, organizations must be able to answer questions and explain benefits in a straightforward way.
As companies move to meet the needs of the consumer by delighting them instead of just products and services, still many new changes are anticipated.

6.5 Scope for Further Research

In addition to the variables discussed in the present study, several areas warrant further investigation.

The decision-making process for white goods has received little attention. Systematic differences may exist. Another area in need of attention is the role of affect in consumer decision making. Limited research that has been done shows the existence of independent dimensions of positive and negative affect. Both dimensions of affect are related to the favorability of consumer satisfaction judgments, extent of complaint behavior, and word-of-mouth transmission. Continued investigation into the influence of these variables on the decision-making process is suggested.