

# Periodic Research

## A Study of Impact of Promotional Measures on Consumer Buying Behaviour towards Durable Goods---With Reference to Lucknow City



**Sunita Srivastava**  
Asst. Professor ,  
Deptt. in Commerce,  
University of Lucknow,  
Lucknow



**Aditi Tandon**  
Research Scholar,  
Deptt. in Commerce,  
University of Lucknow,  
Lucknow

### Abstract

The main purpose of business is to create customer and its needs are the foundation on which the whole business activity revolves. The needs, desires and aspirations of customer have changed significantly in the past few years. Today, the consumer has become a **KING** and he/she and his/her behaviour have acquired the major attention.

Knowing his customers is a marketer's most important responsibility and with rising income, multiple income households, the consumer durable goods industry is on fast track. Promotion Mix involves many activities namely--- advertising, personal selling, sales promotion, direct marketing and publicity.

Advertising media is transforming the tastes and aspirations of the people of the country and with the expansion in communication, infrastructural facilities and rising awareness of brands has led to the increase in the demand for durable goods.

Liberalisation of markets in late 1990s saw the entry of global players like Samsung and LG and a shift in focus towards product innovation. Whirlpool, Daewoo Airta also came into picture.

Today there is a paradigm shift and these players control the major share of the consumer durables market. This market is growing very fast because of rise in the living standards, easy access to consumer finance, and wide range of choice, as many players are entering in the market.

**Keywords:** Consumer, Durable Goods, Promotion.

### Introduction

The Indian Economy is in transition from Government Control to free market economy, from protection to competition, from isolation to globalization, from obsolescence to innovation.

The main purpose of business is to create customer and its needs are the foundation on which the whole business activity revolves.

The needs, desires and aspirations of customer have changed significantly in the past few years. Today, the consumer has become a **KING** and he/she and his/her behaviour have acquired the major attention.

Consumer Behaviour is an indispensable condition upon which all market planning and strategy must be predicted.

Knowing his customers is a marketer's most important responsibility and with rising income, multiple income households, the consumer durable goods industry is on fast track.

Advertising media is transforming the tastes and aspirations of the people of the country and with the expansion in communication, infrastructural facilities and rising awareness of brands has led to the increase in the demand for durable goods.

### Consumer Durable Goods

They are category of consumer products that do not have to be purchased frequently.

Consumer Goods are classified as durables and non-durables.

Durable Goods are further classified as---

# Periodic Research

## Segmentation of consumer durables industry

White Goods	Brown Goods	Consumer Electronics
Refrigerators	Microwave Ovens	Television
Washing Machines	Chimneys	DVD players
Air Conditions	Cooking Range	VCD Players
Audio Systems	Mixers	Mobile Phones
	Grinders	MP3 Players
	Electric Fans	
	Irons	

Sources : IBEF, GEPL Capital Research

Typically , publicity takes the form of a favourable news presentation-a plug- for a product, service or organization. The plug is made in print, on radio, or television or in some form of public address. Advertising is selling slant while publicity is news slant.

### What is Promotion?

Promotion is the major component of marketing mix. The purpose of promotion is to reach the desired consumers and persuade them to act. It includes marketing activities used to inform, persuade and remind the target market about an organization, its products, services and other activities.

Promotion Mix constitutes the specific group of marketing activities concerned with the communication aspect with existing or potential consumers, and relevant public. It involves many activities namely--- advertising, personal selling, sales promotion, direct marketing and publicity.

NAME	CHARACTERISTICS
Advertising	According to American Marketing Association (AMA) <b>Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor.</b>
Personal Selling	It is face to face presentation of product, services or an idea to a potential customer. It is the most effective way of persuading the customers. It is often said <b>Getting customers and keeping customers</b> is the task of personal selling.
Sales Promotion	According to American Marketing Association (AMA) <b>Sales Promotion includes those promotional activities (other than advertising, personal selling and publicity ) that are intended to stimulate customer demand and to improve middlemen's marketing performance.</b> Sales Promotion offers incentive to buy.
Direct Marketing	According to the Dictionary of Marketing Terms, AMA,1995, <b>Direct Marketing makes use of mail, telephone, fax, e-mail and other non-personal contact, tools to communicate directly with or solicit a direct response from specific customers and prospects.</b>
Publicity	According to William Stanton—

### Indian Scenario

The Indian Consumer has started spending more on Consumer Durables, apparel, entertainment activities etc...In the initial years , the sector relied greatly on media and advertising for consumer penetration. Only a few companies like Kelvinator, Godrej, Allwyn and Voltas were the major players in the consumer durables market, accounting for no less than 90% of the market. . Liberalisation of markets in late 1990s saw the entry of global players like Samsung and LG and a shift in focus towards product innovation. Whirlpool, Daewoo Aiwa also came into picture.

Today there is a paradigm shift and these players control the major share of the consumer durables market. This market is growing very fast because of rise in the living standards, easy access to consumer finance, and wide range of choice, as many players are entering in the market.

The industry size of consumer durables stands at Rs. 350 billion as on March 2012. The sector rides and relies on the state of the country's economy.

With household incomes in top 20 cities across India expected to grow at 10% annually over the next 8 years and concepts of easy loans, easy monthly instalments charges, availability of credit etc...become common thing and the consumer is likely to spend more on both utility and luxury consumer goods.

This sector is marked by stiff competition between market players to launch newer models and versions of products , discounts and schemes. The key players in the consumer durables sector are MNCs like LG, Samsung, Bluestar, Daikin, Hitachi, Sony etc...

#### Need of the study

The consumption pattern of a country depends on many factors: liberalization of economic policies, buying habits of the youth, age at which financial independence is achieved etc....

It was necessary to study the effectiveness and impact of promotional measures upon consumer behavior in Lucknow city.

The study helped us to know who the consumers are, what they want, how they react to the product. The factors considered in this study includes age,income,education,gender, brand awareness, source of information etc...

The wants of consumers were carefully studied via questionnaires and three durables goods namely television, refrigerator and washing machines were considered for this study.

# Periodic Research

The study helped us to gain knowledge about the influence of consumer to prefer a particular brand.

## Objectives of the study

1. To study the impact of promotional measures on consumers choice and their preference.
2. To find out the various factors influencing consumer behavior towards durable goods.
3. To study the consumer awareness, ideas, opinions, satisfaction and preference for various promotional offers.

## Literature Review

### A McKinsey Report

"The rise in Indian Consumer Market", estimates that the Indian consumer market is likely to grow four times by 2025.

### International Monthly Referred Journal of Research in Management and Technology

depicted the purchase pattern of consumers for durables sector and states with the rising consumer demand and greater disposable income the Indian Retail sector is clocking an annual growth rate of approximately 30%.

According to Johnson the study points that some consumers compare dissimilar alternatives at the time of decision making, for example wide range of products and services like CTV, LCD.T.V., music system, travel abroad, owning a car etc.. are compared and evaluated. Evaluation is based either on degree of pleasure or degree of necessity.

Kapoor Sheetal (2002) analysed on "understanding Buyer Behaviour of Indian Families" while developing the marketing plan her study stated that it is the family which should be considered as a unit of consumption rather than an individual. Analysis of family buying behavior helps the marketing manager in product planning, product promotion and product pricing. She studied Indian families to examine different aspects of buying roles and how they shift for different product categories in the context of major demographic variables.

Yardel Dominique, Raju M.S. (2007) in his study stated that among the tools available to manager's today, an understanding of consumer behavior is the most powerful and useful one. He provides a comprehensive view on the science of consumer behavior and consumer environment, an insight into behavioral patterns.

Dr. Vyas Hitesh D (2009) focuses upon the issue related to the consumer psychology.

Here theoretical backgrounds with extensive supports of literature to enumerate the minds of Indian Consumers are given.

### 4 Ps Business & Marketing and The Council For Market Research (ICMR) Annual Compendium 2013

spans more than seven verticals ( including consumer durables, consumer electronics, automobiles, finance and online buying), to identify and understand consumer behavior across specific product and service segments.

## Methodology

To determine the objectives of the study ,primary data has been collected with the help of structured questionnaire.

Firstly primary data was collected through a pre-tested questionnaire.

In this study the universe comprised of people living in urban areas of Lucknow and sources of information were---

Primary source--- through group interviews, questionnaire and personal discussion.

Secondary source--- magazines, reports, internet, journals etc..

Chi-square test was the main tool used in this study.

The hypothesis taken for this study –

Promotional Measures for different durable goods are similar in nature.

## Analysis and Findings

The present study was carried out to evaluate the impact of promotional measures upon consumer behaviour for selected consumer durables in Lucknow city. For this purpose, a total of 30 respondents, having made a consumer durable purchase within 24 months from the time of data collection were enrolled. Table 1 shows the demographic profile of the respondents:

**Table 1: Demographic Profile of Respondents**

S No.	Characteristics	Statistics
1.	Gender	
	Male	17 (56.7%)
	Female	13 (43.3%)
2.	Agegroup	
	16-25	9 (30%)
	26-35	4 (13.3%)
	36-45	8 (26.7%)
	>45	9 (30%)
3.	Education	
	Higher secondary	4 (13.3%)
	Graduate	11 (36.7%)
	Postgraduate/Professionally qualified	15 (50.0%)
4.	Marital Status	
	Married	22 (73.3%)
	Unmarried	8 (26.7%)
5.	Occupation	
	Service	13 (43.3%)
	Housewife	3 (10%)
	Professional	4 (13.3%)
	Business	3 (10%)
	Others	7 (23.3%)
6.	Monthly household income (Rs in thousands)	
	10-20	11 (36.7%)
	>20-50	13 (43.3%)
	>50-200	3 (10%)
	>200-500	-
	>500	3 (10%)

Majority of respondents were males (56.7%), aged >35 years (56.7%), educated upto graduate or above (86.7%), married (73.3%), were doing service or involved in other occupations (66.7%) and had monthly income upto Rs 50,000/- (80%).

# Periodic Research

**Table 2**  
**Ownership of Consumer Durable Products and First three most popular brands of these products**

Refrigerator	Washing Machine	Television
30 (100%)	25 (83.3%)	30 (100%)
First three most popular brands of Refrigerator	First three most popular brands of Washing Machine	First three most popular brands of Television
1. LG (n=8; 26.3%)	1. LG (n=10; 40%)	1. Samsung (n=11; 36.7%)
2. Kelvinator (n=7; 23.3%)	2. Whirlpool (n=3; 12%)	2. LG (n=10; 33.3%)
3. Godrej (n=5; 16.7%)	3. Onida (n=3; 12%)	3. Sony (n=3; 10%)

All the respondents had refrigerator and television. There were 25 (83.3%) respondents who owned washing machine too.

LG was the most preferred brand for Refrigerator and Washing machine with a share of 26.3% and 40% respectively. Among televisions, Samsung (n=11; 36.7%) was the most preferred brand. Among refrigerators – LG (26.3%), Kelvinator (23.3%) and Godrej (16.7%) had two-third of the total market share. Among washing machines, LG (40%), Whirlpool (12%) and Onida (12%) were the top market players with almost two-third (64%) of total market share. Among televisions, Samsung (36.7%), LG (33.3%) and Sony (10%) dominated the scene with four-fifth (80%) of total market share.

**Table 3: Source of knowledge about consumer durable products**

Print media	TV Ads	Radio	Word of mouth	Website	E-matter	Sales-person	Store display	Catalogue	Friends/ Relatives
11 (36.7%)	20 (66.7%)	-	3 (10%)	-	-	1 (3.3%)	4 (13.3%)	2 (6.7%)	6 (20%)

Respondents were allowed to opt more than one answers.

Among different source of knowledge about consumer durable products, television advertisements were the most common (66.7%) followed by print media (36.7%). Friends/relatives were source of information for 6 (20%), store display for 4 (13.3%), word of

mouth for 3 (10%) and catalogue for 2 (6.7%) respondents. There was 1 (3.3%) respondent who got the information about these products from the salesperson.

**Table 4**  
**Self-reported influences on purchase decisions**

S No.	Characteristics	Statistics
1.	Advertisements	
	Sometimes	10 (33.3%)
	Always	20 (66.7%)
2.	Person convincing the final purchase decision	
	Self	22 (73.3%)
	Relatives	4 (13.3%)
	Friends	2 (6.7%)
	Peer group	1 (3.3%)
	Dealer	1 (3.3%)
3.	Purchase only when there are attractive sales promotion schemes	5 (16.7%)
4.	Prefer foreign brands	5 (16.7%)
5.	Person taking final purchase decision	
	Self	8 (26.7%)
	Head of family	14 (46.7%)
	Spouse	8 (26.7%)
	Daughter/Son	-
	Neighbours	-
	Relatives	-
Friends	-	
6.	Advertisements reinforce brand loyalty	25 (83.3%)
7.	Making referrals to acquaintances	19 (63.3%)

Enquiry about influences on purchase decisions revealed that all the respondents were influenced by advertisements – although 10 (33.3%) were of the view that they were influenced by advertisements only

sometimes yet the remaining 20 (66.7%) were always influenced by advertisements. Most of the respondents were of the view that they themselves convinced the final purchase decision (73.3%). Only 5 (16.7%)

# Periodic Research

respondents looked up for attractive sales promotion schemes to take their purchase decision. With respect to preferring foreign brands over Indian brands too, only 5 (16.7%) respondents preferred so. Almost half (46.7%) respondents reported that final purchase was taken by the head of the family while 8 (26.7%) reported taking decision by themselves or by their

spouses. None of the respondents reported of any outside family final purchase decision. Most of the respondents (83.3%) were of the view that advertisements reinforced their brand loyalty. Majority of respondents reported of making referrals to acquaintances.

**Table 5: Product wise reasons for purchasing a particular brand**

S.No.	Reason	Television (n=30)		Refrigerator (n=30)		Washing Machine (n=30)		Significance of difference	
		No.	%	No.	%	No.	%	$\chi^2$	P
a.	Brand name	27	90	22	73.3	20	66.7	4.845	0.089
b.	Features/Technology	18	60	15	50.0	10	33.3	4.364	0.113
c.	Quality	18	60	19	63.3	15	50.0	1.184	0.553
d.	Price	14	46.7	13	43.3	10	33.3	1.193	0.551
e.	Durability	11	36.7	14	46.7	14	46.7	0.814	0.665
f.	User-friendly	11	36.7	10	33.3	11	36.7	0.097	0.953
g.	Long-term benefits	12	40.0	11	36.7	9	30.0	0.679	0.712
h.	Special offers	3	13.3	5	16.7	4	13.3	0.577	0.749
i.	Warranty terms	12	40.0	12	40.0	13	43.3	0.092	0.955
j.	After sales	11	36.7	11	36.7	10	33.3	0.097	0.953
k.	Appearance	15	50.0	13	43.3	10	33.3	1.731	0.421
l.	Social image	9	30.0	4	13.3	5	16.7	2.917	0.233
m.	Others	0	0.0	0	0	0	0	-	-

For all types of consumer durables – brand name was the most common reason driving the purchase decision. Although this reason was most common for driving purchase decision of television (90%) as compared to refrigerator (73.3%) and washing machine (66.7%) yet the difference among different types of consumer durables was not significant statistically (p=0.089).

For television brand name, features/technology, quality, price, long-term benefits, warranty terms, durability, user-friendliness, after sales and social image in that order formed the most common reasons driving the purchase decision. Special offers being the reason for purchase was cited only by 3 (13.3%) respondents.

For refrigerator, brand name, quality, features/technology, durability, appearance, price,

warranty terms, long-term benefits, after sales, user-friendliness were the top reasons in that order driving the purchase decision. Special offer and social image was cited as the reason for driving purchase decision only by 5 (16.7%) and 4 (13.3%) respondents.

For washing machine, brand name, quality, durability, warranty terms, user-friendliness, price, features/technology, after sales, appearance and long-term benefits in that order comprised the most common reasons driving the purchase decision. Special offers and social image were cited to be the reasons by 4 (13.3%) and 5 (16.7%) respondents only.

Overall, there was no significant difference (p>0.05) among different consumer durables with respect to different reasons driving the purchase decision.

**Table 6: Product wise processes driving a purchase decision for a particular brand of different consumer durables**

S.No.	Processes	Television (n=30)		Refrigerator (n=30)		Washing Machine (n=30)		Significance of difference	
		No.	%	No.	%	No.	%	$\chi^2$	P
a.	Compare prices at offered by different dealers	17	56.7	17	56.7	17	56.7	0	1
b.	Collecting information before going for purchase	20	66.7	20	66.7	14	46.7	3.333	0.189
c.	Collecting competitor's information	10	33.3	8	26.7	8	26.7	0.433	0.805
d.	Changing purchase decision at point of sale (salesperson/dealer)	9	30.0	8	26.7	8	26.7	0.111	0.946
e.	Don't rely on heavy advertising	3	10.0	5	16.7	3	10.0	0.829	0.661
f.	Do not find anything misleading in ads	4	13.3	3	10.0	3	10.0	0.225	0.894
g.	Affected by promotional measures	16	53.3	16	53.3	16	53.3	0	1

With respect to processes involved while making a purchase decision for a consumer durable, these were found to be similar for all types of consumer durable products showing statistically no significant difference for different steps ( $p > 0.05$ ). For television and refrigerator, the most important process was collecting information before going for purchase (66.7%) whereas comparison of prices offered by different dealers was the most important step (56.7%). Thus collection of information before going for purchase and comparison of prices offered by different dealers were two major steps in purchase process. Collecting competitor's information was the next most common information. However, a considerable number of purchases (26.7% each for refrigerator and washing machine and 30% for television) changed purchase decision in favour of a particular brand at the point of sale itself. Only a handful of respondents were of the view that they don't rely on heavy advertising and did not find anything misleading in the advertisements. Majority of respondents (53.3% each for all the three products) observed that their purchase decisions were affected by promotional measures

### Findings and Suggestions

These durable goods (television, washing machine, refrigerators) do not require product differentiation. As for all types of products no difference in decision making and purchase profit has been observed in this pilot study.

In other words we can say that one type of promotional policy adopted by a particular brands leads to sale of all the products of that brand name. Majority of consumers feel that brand name is important to them.

Television advertisements are still the main source of information for consumers.

Around 25% purchaser change their purchase decision at point of sale so inclusion of dealer and sales personnel in promotional measures is a suggested root for boosting sales.

### References

1. Johnson M.D.: "consumer choice strategies for comparing on comparable alternatives" journal of consumer research
2. Consumer Behaviour published by ICFAI Publications
3. Consumer Behavior , Text and Cases.by Satish Batra and S.H.H.Kazmi
4. Kotler Philip, Marketing Management, New Delhi, Pearson Education Inc. 2006
5. Kapoor Sheetal, "Understanding Buyer Behaviour of Indian Families", New Century Publications (2002)
6. Kumar S. Ramesh, Conceptual Issues in Consumer Behaviour The Indian Context, Pearson Education(2004)
7. Saxena , Rajan. Marketing Management-the Indian experience, New Delhi; Tata McGraw Hill, 2000
8. [www.cci.in/pdf/surveys\\_reports/consumer-durables-sector.pdf](http://www.cci.in/pdf/surveys_reports/consumer-durables-sector.pdf)
9. [www.scribd.com/doc/Project-Report-Fmcd-Final](http://www.scribd.com/doc/Project-Report-Fmcd-Final)

10. [www.geplcapital.com/reports/consumer-durables](http://www.geplcapital.com/reports/consumer-durables)
11. International Monthly Referred Journal of Research in Management and Technology.