



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: E
MARKETING

Volume 14 Issue 5 Version 1.0 Year 2014

Type: Double Blind Peer Reviewed International Research Journal

Publisher: Global Journals Inc. (USA)

Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Factors Influencing Consumer Buying Behaviour: A Case Study

By E. Thangasamy & Dr. Gautam Patikar

Nagaland University, India

Abstract- Globally, the term, 'marketing' is not a new phenomenon. It has become the focal point of any business. No commodities can move from a production point to a consumption point without putting the marketing machinery at work. The consumers aim at attaining optimum consumer surplus, be it durables or non-durables, while making such purchases to satisfy their wants. Conversely, the marketers do constantly strive for maximization of profit margin for their survival and growth in the long run. These twin paradoxical ends (producers and consumers) must reach a compromise at a point entailing a profitable and satisfactory exchange of goods. For this reason, the marketers do continually rely on research studies about the dynamic consumer behaviour to position their product planning and development strategies to meet the requirements efficiently. There are innumerable factors inducing their buying behavior of consumers even in brand preferences of durables. This complex consumer buying behaviour does, therefore, necessitate a critical investigation by the researchers in every nook and corner of the world. In India, many studies have been undertaken by various researchers on varied products in fits and starts.

Keywords: consumer buying behaviour, nagaland, durables, marketing mix, decision making process, brand preferences.

GJMBR-E Classification: JEL Code: E29, M30



Strictly as per the compliance and regulations of:



Factors Influencing Consumer Buying Behaviour: A Case Study

E. Thangasamy^α & Dr. Gautam Patikar^σ

Abstract Globally, the term, 'marketing' is not a new phenomenon. It has become the focal point of any business. No commodities can move from a production point to a consumption point without putting the marketing machinery at work. The consumers aim at attaining optimum consumer surplus, be it durables or non-durables, while making such purchases to satisfy their wants. Conversely, the marketers do constantly strive for maximization of profit margin for their survival and growth in the long run. These twin paradoxical ends (producers and consumers) must reach a compromise at a point entailing a profitable and satisfactory exchange of goods. For this reason, the marketers do continually rely on research studies about the dynamic consumer behaviour to position their product planning and development strategies to meet the requirements efficiently. There are innumerable factors inducing their buying behavior of consumers even in brand preferences of durables. This complex consumer buying behaviour does, therefore, necessitate a critical investigation by the researchers in every nook and corner of the world. In India, many studies have been undertaken by various researchers on varied products in fits and starts.

Focus of this paper is to analyze the consumer buying behaviour of the selected durable goods in Nagaland, to examine the factors inducing the buying behaviour of the consumers, and to suggest appropriate measures to the marketers for designing a right marketing mix to match the tastes and preferences of consumers in the State.

Keywords: consumer buying behaviour, nagaland, durables, marketing mix, decision making process, brand preferences.

I. INTRODUCTION

Economic Growth and Development of any prospering country highly depends on its enterprise development. Any enterprise can flourish only so long it is capable of retaining its current profits and creating avenues for additional future profits. Profit earning competence is sustainable only for a firm which is adopting an effective marketing strategy in providing appropriate marketing mix (product, price, promotion and physical distribution) to prospective customers for its products. Suitable marketing mix endeavour does originate from launching of products by a firm. Thus, the product, be it durable or non-durable, becomes the core component of any marketing programme. Meanwhile, it is challenging for any marketing manager to formulate and implement an apt

strategy for marketing his products in a highly competitive (domestic or foreign) market. It becomes more complex in the ultimate consumers' markets as compared with industrial markets owing to size of the potential target markets and number of prospective customers. Hence, a firm has to have a bird's eye view on its product life cycle right from the stage of launching to saturation for skimming the cream from its business venture. This demands the marketers to remain alert and active all the time for winning permanent customers in the consumer market.

In India, from the customers' point of view, it is noticeable that a consumer belongs to a family in a society. The family constitutes members who largely involve in purchases of durables. During the process of decision making, their buying behaviours are highly influenced by cultural factors, social factors, personal factors and psychological factors. This paper is an attempt to analyze the consumer buying behaviour of durables, to examine the factors inducing the consumer buying behaviour and to suggest suitable measures to the marketers for designing a right marketing mix for the consumers in Nagaland.

II. RATIONALE FOR THE STUDY

In order to understand how consumers make actual buying decisions, the marketers must identify who makes the buying decisions. They should also constantly be watchful into what types of buying decisions are made and the steps involved in consumers' decision making process in a social unit (family). Consumers' decision making varies with the types of buying decision and the nature of products. The decisions to buy soap, a cricket bat, a television and a new car are all very different. Hence, complex and expensive purchases, especially of durables, are comparatively to involve more buyer deliberations and more participants. Even the degree of differences among brand preferences of the products do mostly rest on the degree of buyers' involvement and influence in decision making process within the family. Besides, it is also very essential to investigate why the consumers buy durables and what are the factors inducing them to make such purchases. On one hand, this analysis will lead the marketers to precisely comprehend the needs and tastes of the target market and signal the manufacturers to manufacture such products suitably. On the other hand, it is also equally important to study

Author α: Department of Commerce, Nagaland University, Lumami.
e-mails: nu.thangasamy@gmail.com, gautam_patikar@yahoo.co.in

the role of family members, especially the husband and wife, including the children. In Indian contemporary society, though the women population constitutes more than half of the total population, yet many research studies reveal that male members are more dominant in a family than females. This scenario, thus, necessitates the researches to sharpen their contemplations towards the role of women within a family in multifaceted decision making processes. Of such important household decisions, the role and influence of women in making purchases of durable goods in a family have, thus, become a focal point for a systematic and scientific enquiry.

In the North Eastern Region, the State of Nagaland does not conform to the general perception of women's status in India. Apart from traditional practices that have generally cared for women and the girl child, the State has successful achievements in the fields of literacy, increasing sex ratio, health and entrepreneurship development. This scenario also does stimulate the researchers to undertake investigations on this front. Hence, this present study will certainly ascertain the truth to prop up better understanding of the roles of women in diverse household decision making processes, especially in purchase of durables. Simultaneously, in turn, the marketers will be able to develop and distribute an appropriate marketing mix to suit the tastes and preferences of the consumers in the State.

III. LITERATURE REVIEW

Alice E., Courtney, & Sarah W., (1971) have surveyed different magazines to study the role of women in magazine advertisements and found that the print advertisements rarely showed women in working roles. They appear independently only for inexpensive purchases and for expensive purchases men are brought into advertisements.

Davis., (1971) has proposed a multi-trait-multi method approach for determining convergent and discriminant validity for the measurement of purchase influence. His findings show relatively high correlations between the Blood and Wolfe index and seven automobile decisions for both husbands and wives.

Harry Davis L., (1970) has selected automobile and furniture to study the dimensions of husband and wife roles in consumer purchase decision to analyze the extent of husband's and wife's agreements in their perception of roles. His study revealed that there is an inverse relationship between influence in automobile purchase decision and influence in the purchase of furniture.

James C., (2012) studied the feminine role and family purchase decisions in selected durables, Refrigerator, Two Wheeler, Washing Machine and Television. Her study revealed that women play a

dominant role in purchase of refrigerator and washing machine whereas husbands' domination in purchase of television and two wheeler does exist concurrently.

Jeffrey (1971) in his studies states that one of the key variables in studying the role of risk handling in the consumer decision process is self-confidence. When making problem solving purchase choice decisions, low self-confidence consumers would be defensive or indecisive.

Joseph N. Fry and Fredrick H. Siller (1970), in their study, compared elements of the purchase decision processes of working and middleclass housewives under the relatively controlled condition of a simulated shopping behaviour. Comparison of search, brand preference and deal sensitivity measures for the two social classes reveal a fairly high degree of similarity in observed behaviour during the shopping simulation.

IV. OBJECTIVES OF THE STUDY

The chief objectives of the study are;

- to analyze the consumer buying behaviour of the selected durable goods in Nagaland
- to examine the factors inducing the buying behaviour, especially in brand preferences, of the consumers, and
- to suggest appropriate measures to the marketers for designing the right marketing mix to match the tastes and preferences of the consumers in the State

V. RESEARCH METHODOLOGY

The present study is an empirical in nature. Hence, it is based purely on primary data. The primary data has been collected with the help of a structured interview schedule. Although, sizeable secondary data had also been used to meet the requirements of the study. The households of the three, out of eleven, major districts of Nagaland viz., Kohima, Dimapur and Mokokchung do constitute the population or universe from where primary data have been collected. In this study, the middle class households purchasing the durable goods are the sampling units for the survey. The study, being empirical, a sample size of 300 respondents have been considered by drawing purposively 100 units (respondents) from each district. The respondents were selected on the basis of simple random sampling without replacement from selected blocks/wards of the districts. The elements in the sampling unit include only married women, above the age of 15 and below the age of 60, who are living with their husbands with or without children. The researcher had interviewed the respondents directly to collect the data. Besides, due care had also been taken to include the women with various socio-economic backgrounds to make the sample representative. The selected durables for the study include Television, Refrigerator, Washing

Machine, Four Wheeler and Furniture. The cost of the four wheeler ranging from Rs.1 lakh to Rs.3 lakh only had been taken for the purpose of the study as it is affordable for middle class families. The data so collected had been classified, coded and tabulated as per the requirements of the study. Then, the data had been analyzed with the help of appropriate statistical tools such as percentage, mean, average, etc.

VI. LIMITATIONS OF THE STUDY

This study has been undertaken only in three districts of Nagaland. The remaining eight districts of the State are, therefore, kept outside the purview of the study. Under this investigation, more focus has been given on marketing aspects rather than sociological dimensions. Hence, all the members in a family, including women, are considered as consumers. All other cultural, inter and intra tribal influences do not fall under this enquiry. The influence of women in purchase decisions of the selected durables, television, refrigerator, washing machine, four wheeler and furniture is considered. Similar studies on the influence of other members of a family, taking any other durables, can be carried out for promoting the understanding of their roles in making such decisions. Divorced and separated

women and widows are excluded from the purview of the study. This study does, thus, pave a way for future directions of the research to add more literature to the growing body of knowledge in the field of marketing management.

VII. ANALYSIS AND INTERPRETATION

The primary data so collected on consumer behaviour of the selected durables, especially while making brand preferences, reasons for their buying durables, sources of purchase etc., had been tabulated, analyzed and interpreted for drawing meaningful inferences there-from.

VIII. CONSUMER BUYING BEHAVIOUR OF DURABLES

Consumer behaviour is the study of how individuals, groups and organizations select, buy, use and dispose of goods, services, ideas or experiences to satisfy their needs and wants. The consumers purchase various durables for varied reasons and purposes. The chief reasons for the consumers' buying durables in Nagaland are tabulated in Table 1;

Table 1 : Reasons For Buying Durables N=300

Reasons for purchase of Durables							
Necessity	Social Status	Comfort & Convenience	To Gain Knowledge	To avoid Unnecessary expenditure	To Save Time	To Increase Assets	To Maintain Autonomy
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
226 *(75.33)	2	38	6	12	16	0	0
42	2	128*(42.66)	6	24	60	14	26
14	14	62	26	30	96 *(32.0)	12	42
2	30	24	50	62	36	22	84*(28.0)
2	20	24	40	76*(25.33)	50	38	48
4	42	14	44	66	28	76	28
2	90	6	52	28	6	80*(26.66)	34
8	100 *(33.33)	4	76*(25.33)	2	8	58	38
Rank I	Rank III	Rank II	Rank VII	Rank VII	Rank IV	Rank VI	Rank V

Source: Field Survey * Figures in parentheses indicate the percentage

The analysis from Table 1 exhibits that necessity tops the list of reasons, as responded by 75.33% of the sample respondents, for purchase of the selected durables. Thereafter, comfort and convenience becomes the second most important cause for making such purchases, revealing 42.66%, followed by social status (33.33%), time saving (32%), maintenance of autonomy (28%), increasing assets(26.66%), gaining knowledge (25.33%) and avoiding unnecessary expenditure (25.33%).

IX. SOURCES FOR PURCHASE OF DURABLES

Purchase of any commodity (durable or non-durable) is not feasible for an individual without source of income or purchasing power. As compared with non-durable items, the purchase durables are more expensive as it involves larger outlay. The sources for consumers' buying the durables in Nagaland are depicted in Table 2;

Table 2 : Sources For Purchase Of Durables N=300

Source	Television	Refrigerator	Washing Machine	Four Wheeler	Furniture
Personal Savings	288*(96%)	264*(88%)	264*(88%)	226*(75.33%)	266*(88.66%)
Borrowed Money	0	4*(1.33%)	10*(3.33%)	18*(6%)	0
Instalments	6*(2%)	12(4%)	12*(4%)	48*(16%)	14*(4.66%)
Gift	6*(2%)	20*(6.66%)	14*(4.66%)	8*(2.66%)	20*(6.66%)

Source: Field Survey* Figures in parentheses indicate the percentage

The analysis from Table 2 depicts that personal savings are the prime sources for purchase of all the selected durables. It is evident that the highest percentage of respondents responded positively against the source, 'personal savings' for their purchases of the durables i.e. 96% for buying Television, 88.66% for buying Furniture, 88% for buying both the Refrigerator and Washing Machine and 75.33% for buying Four-Wheeler. Notably, about 48% respondents have consented that they have purchased Four-wheelers on

installment basis whereas the source of 'borrowed money' appears to be mute in making such purchases.

X. FACTORS INDUCING THE BUYING BEHAVIOUR

Normally, a Consumers' buying behaviour is influenced by cultural, social, personal and psychological factors. Multifarious factors stimulating the buying behaviour of consumers in Nagaland are presented in Table 3;

Table 3 : Factors Inducing The Buying Behaviour

N=300

Inducement Factor	Television	Rank	Refrigerator	Rank	Washing Machine	Rank	Four Wheeler	Rank	Furniture	Rank
Advertisement	66	II	76	II	94	I	58	I	58	II
Previous experience	110	I	90	I	78	II	40	III	86	I
Friends	24	V	24	V	24	V	36	V	20	V
Relatives	26	III	30	III	46	III	42	II	28	IV
Goodwill of the Manufacturer	24	V	18	VI	28	IV	38	IV	52	III
Reputation of the Retailer	12	VI	26	IV	8	VI	10	VII	10	VI
Retailers' Recommendation	2	VII	0	VII	0	VII	14	VI	0	VII

Source: Field Survey

The analysis from Table 3 reveals that, based on ranking the influences, previous experience is the most inducing factor, especially while making brand preferences for purchase of television, refrigerator and furniture which ranks first comparatively. In purchase of Washing machine and Four-wheeler, advertisement factor has the greatest influence among the buyers. Similarly, the retailers' recommendation in purchase of television, refrigerator, washing machine, and furniture is the least stimulating factor; rather it does not induce the buyers at all while making brand preferences in such purchases.

XI. FINDINGS OF THE STUDY

The key findings emerged out of the present study are;

- Necessity tops the list of reasons, as responded by 75.33% of the sample respondents, for purchase of the selected durables.

- Comfort and convenience becomes the second most important cause for making such purchases, revealing 42.66%, followed by social status (33.33%), time saving (32%), maintenance of autonomy (28%), increasing assets(26.66%), gaining knowledge (25.33%) and avoiding unnecessary expenditure (25.33%).
- Personal savings are the prime sources for purchase of all the selected durables.
- Highest percentage of respondents responded positively against the source, 'personal savings' for their purchases of the durables i.e. 96% for buying Television, 88.66% for buying Furniture, 88% for buying both the Refrigerator and Washing Machine and 75.33% for buying Four-Wheeler.
- About 48% respondents have consented that they have purchased Four-wheelers on installment basis whereas the source of 'borrowed money' appears to be mute in making such purchases.

- Previous experience is the most inducing factor, especially while making brand preferences for purchase of television, refrigerator and furniture which ranks first comparatively.
- In purchase of Washing machine and Four-wheeler, advertisement factor has the greatest influence among the buyers.
- The retailers' recommendation in purchase of television, refrigerator, washing machine, and furniture is the least stimulating factor; rather it does not induce the buyers at all while making brand preferences in such purchases.

XII. SUGGESTIONS AND RECOMMENDATIONS

As a result of analysis, the current scientific enquiry puts-forth the following suggestions and recommendations;

- Establishing new outlets, especially for essential durables, in the selected districts may be ensured to lubricate the wheels of the giant distribution channel. Extending after-sale services, whenever and wherever necessary, will certainly add new feathers to this marketing phenomenon and make it colourful.
- Ensuring Comfort and Convenience by making the right durables available at the right time at the right place for the consumers will boost their sales volume. In turn, the profit margin of the firm is anticipated to magnify with augmentation of satisfaction of the consumers.
- Hire purchase and Installment system may be encouraged to facilitate the aspirant buyers of the selected durables. This will entail credit purchases of those durables.
- Retailers may assist the consumers honestly by providing/disseminating the reliable information about the durables on sale. This will enhance loyalty and trustworthiness among the consumers towards the retailers' recommendation of the products.

XIII. CONCLUSION

Consumer decision making varies with the type of buying decision. Comparatively, complex and expensive purchases, like durable procurements, are likely to involve more buyer deliberations and more participants. The degree of differences and preferences among brands is highly determined by the degree of buyers' involvement in decision making. Varied factors induce the consumers invariably to make brand preferences among the durables such as advertisement, previous experience, retailers' recommendation etc. Hence, a study on the consumer buying behaviour, especially of durables, becomes very essential. Such attempts do throw more light on how the consumers select, buy, use and dispose of goods, services, ideas,

or experiences to satisfy their needs and desires. In turn, the investigations will provide clues for the firms to develop new products, product features, prices, channels, messages and other marketing mix elements. As inferred from the current study, launching of more reliable outlets for the durables in the State of Nagaland will ensure comfort and convenience for making such purchases by ensuring brand preferences. Identification of the most and least inducement factors has, thus, become worthy for consideration by the marketers for designing an appropriate marketing mix to entail optimal consumer satisfaction in the State. These dynamic marketing endeavours will certainly lead a firm to comprehend the consumer buying behaviour of durables better. Identifying the reasons for purchase of durables, inducement factors for brand preferences, sources of their purchase etc., do provide clues constantly to the marketers for formulating apt strategies to augment their profit margin by satisfying the consumers with the best marketing mix concurrently and recurrently.

XIV. ACKNOWLEDGEMENTS

- Nagaland University Authorities and Faculty Members for their constant inspiration and support.
- All the respondents of the Kohima, Dimapur and Mokokchung districts of Nagaland for providing the information during the field survey for the present study.

REFERENCES RÉFÉRENCES REFERENCIAS

1. Alice E., Courtney, & Sarah W., (1971), "A woman's place: An Analysis of the Roles portrayed by women in Magazine Advertisements", *Journal of Marketing Research*, Vol.8, No.1, Feb.1971, pp.92-95.
2. Harry Davis L., (1970). "Dimensions of Marital Roles in Consumer Decision Making", *Journal of Marketing Research*, Vol.VII, No.2, May 1970, pp.168-177.
3. James C., (2012). "Feminine Role and Family Purchasing Decisions", *International Journal of Management and Social Sciences Research*, Vol.1, No.3, December, 2012, pp.76-85.
4. Joseph N. Fry & Fredrick H. Siller., (1970) "A comparison of Housewife Decision making in Two Social Classes", Vol.VII, No.3, Aug.1970, pp.333-337.
5. Jeffrey, A. Barach., "Consumer Decision making and Self-confidence", *Indian Journal of Marketing*, Vol.2, No.3, Sept.1971, p.18.

This page is intentionally left blank