

A STUDY ON DEMOGRAPHIC PROFILE OF THE DURABLE GOODS BUYERS IN TIRUCHIRAPPALLI DISTRICT

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ABSTRACT

The consumer durable goods markets are operating in a highly competitive one in the World. In India, consumer market is riding the crest of the country's economic growth. Driven by a young population with access to disposable incomes and easy finance options, the consumer market has been throwing up staggering figures. In this research paper deals with the demographic profile (Age, Gender, Income, Family type, etc..) of the customer of durable goods. Because the consumer durable goods markets fully based on the socio-economic back-ground of the customers. This study is conducted in Tiruchirappalli district from Tamil Nadu. This district is fourth largest city as well as the fourth largest urban agglomeration in the state.

Keywords: Durable goods, Demographic Factors, Customer Needs

1. INTRODUCTION

Consumer durables goods refer to those consumer goods that do not quickly wear out and Consumer durables refer to those consumer goods that do not quickly wear out and yields utility over a long period of time. Some of the popular and common examples of these kinds of items are electronic goods, kitchen appliances, home furnishings and leisure equipment etc. Consumer durables can be broadly categorized into the following 3 heads: *White Goods*: White goods mainly include air conditioners, refrigerators, washing machines, audio equipment and speakers. *Brown Goods*: This kind of consumer durables mostly include kitchen appliances like chimneys, electric fans, grinders, iron, microwave ovens, mixers and varied other cooking ranges. *Consumer Electronics*: Some of the mostly used consumer electronic

goods are DVD players, MP3 players, mobile telephones, telephones, VCD players etc.

In India officially classifies its population in five groups, based on annual household income. The groups are: Lower Income; three subgroups of Middle Income; and Higher Income. Household income in the top 20 boom cities in India is projected to grow at 10 percent annually over the next eight years, which is likely to increase consumer spending on durables. With the emergence of concepts such as quick and easy loan, zero Equated Monthly Installment (EMI) charges, loan through credit card, loan over phone, it has become easy for Indian consumers to afford more expensive consumer goods.

Now, the Indian Appliance and Consumer Electronics (ACE) market reached Rs 76,400 crore in 2019. Appliances and consumer electronics industry is expected to double to reach Rs 1.48 lakh crore by 2025.

Electronics hardware production in the country increased from Rs 1.90 trillion in Financial Year 2014 to Rs 4.58 trillion in Financial Year 2019. Demand for electronics hardware in India is expected to reach US\$ 400 billion by Financial Year 2024. The National Policy (DNP) targets production of one billion mobile handsets by 2025.

Television industry in India reached an estimated Rs 787 billion (US\$ 11.26 billion) in 2019 and is projected to reach Rs 955 billion by 2021. Shipment of TVs in India increased 15 per cent annually to reach the highest-ever level of 15 million units in 2019. As of FY20, electronics, domestic appliances and air conditioner market in India were estimated to be around Rs 5,976 crore, Rs 17,873 crore and Rs 12,568 crore respectively.

There is a lot of scope for growth from the rural market with consumption expected to grow in these areas as penetration of brands increases. Demand for durables like refrigerators and consumer electronic goods are likely to witness an increased demand in the coming years, especially in the rural areas as the Government plans to invest significantly in rural electrification.

White goods industry in India is highly concentrated. In washing machines and refrigerators, the top five players have more than 75 per cent of the market share,

while in air conditioners and fans, it is around 55-60 per cent. On the other hand, kitchen appliances segment is fragmented with top five players having a 30-35 per cent market share. For the issuance of electronic Certificates of Origin (CoO), the Government launched Common Digital Platform, a single access point for all the exporters and all the Free Trade Agreements (FTAs) for all agencies concerned.

Growing awareness, easier access, and changing lifestyle have been the key growth drivers for the consumer market. The Government of India's policies and regulatory frameworks, such as relaxation of license rules and approval of 51 per cent Foreign Direct Investment (FDI) in multi-brand and 100 per cent in single-brand retail, are some of the major growth drivers for the consumer market. According to the Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000-March 2020, FDI inflow in the electronics sector stood at US\$ 2.79 billion. As per the revised FDI policy, the Government has introduced certain bars for E-commerce platforms from selling on their websites and has imposed a limit on how much one supplier can sell on their portal. Consumer durable loans in India increased 43 per cent y-o-y to Rs 6,495 crore in Financial Year 2020. In January 2020, the Bureau of Energy Efficiency (BEE) made it mandatory for all room air conditioners to have a default temperature of 24 degrees Celsius.

2. REVIEW OF LITERATURE

This study is related to demographic profile of the durable goods customers in Tiruchirappalli District.

Dave (2000) found in her study that Indian market have transformed both in terms of sophistication and variety, resulting in a substantial change in the disposition of the customers towards quality, price, delivery, and service leading to new processes. These categories were influencing consumers purchasing pattern, particularly durable goods significantly.

Neelamegham (2000) found that modern in the environment consumers consider the more choices for their selection due to multiple brands both in foreign and Indian companies for their purchase. This was mainly due to our recent government policies on globalization and liberalization policies. He observed that

high level of technological advancement seen in both operational and manufacturing [36] areas. This has given a more selective approach to our Indian consumer's to sale and preference and increases their level of participation in purchase decisions.

Ashok & Subashree (2001) examined key challenges, confronted by Indian durable household industries. They also observed consumption pattern of household durable goods in 2001. They analysed different socio economic and psychological factors affecting families purchasing pattern particularly for durable goods and found that psychological factors have more significant impact.

Rao (2002) in this study Rao observed that decision making power in the hands of a woman is not only a symbol of her status but also an indicator of modern society. he found that it is very important that the process of family decision making is affected by different socio economic factors.

Kokatnur (2009) Consumer perception, brands. a Empirical examinations. In this study researcher observed that consumers on quality money, packaging, taste, price, and brand image of products. Therefore there is a need of making brand image image in front of customer.

Yaseen Khan & Tariq Zafar (2011) studied buying behaviour and brand perception of consumer in shopping malls. Consumer purchasing power is the main factor which determine their buying behaviour and brand perception in shopping malls age, factor is the most dominant factor in daily foot falls.

R.Rajeswari & P.Pirakatheeswari (2014), surveyed 50 respondents from Salem city and made an effort to Study their Consumer Behaviour and factors Influencing the Purchase Decision of Durable Goods. The learning objectives of the study were to study socioeconomic profile of the selected consumers, to identify the factors influencing the consumers in the selection and use of particular products. They Summarized findings indicated that Demand for consumer durable is more volatile, Consumers from Salem district preferred and highly valued established brands, consumer's from Salem district invested time in enquiry about different brands and technical information from the dealers, they were found to be price sensitive are relied for promotion offers relating to price.

Dr.A.Arumugam & M.Josephine Rebecca (2016), organised a study by undertaking primary study on 120 consumers in Thoothukudi, which was based to analyze factors influencing respondents in the choice of consumer durables and to study the level of awareness of the respondents. According to them factors such as durability, brand image, price, after sales, easy availability and so on influenced the choice of durable goods and secondly the level of consumer awareness while purchasing the durable goods plays a key role. Based on their findings they have suggested that Durable purchase decision is expensive, high involvement and less frequency of purchase on nature. Consumers tend to remain brand conscious, Advertisement is the powerful communication tool, purchase decision is influenced by Price-factor.

Karthika R, & Dr.ChandraKhanthan J. (2018), made an attempt to study Pre-Purchase Behaviour of Consumers towards White Goods in Namakkal District the sample taken for study were 200 respondents. The studied objectives were to study the demographic profile of the consumers in Namakkal District and to identify the pre purchase of the consumer towards White goods in Namakkal District.

3. STATEMENT OF THE PROBLEM

From the above literature survey the researcher studied about relation between the demographic factors and their buying behavior of customers' durable goods in Tiruchirappalli District. It is extremely essential for the marketers choosing their marketing strategy in the competitive environment. The demographic factors support the customers, they are eagerly participating the market at the same time the factors are not supporting its affect the lot. Because the customers has also to take the decisions in purchase based on their own socio-economic background. Hence, this study has been undertaken to consider the research work.

4. OBJECTIVES OF THE STUDY

- To study about age and marital status of the customers durable goods in Tiruchirappalli district, Tamil Nadu.

- To examine the monthly income and family size of the customers durable goods in Tiruchirappalli District, Tamil Nadu.
- To provide suitable suggestions for the study.

5. RESEARCH METHODOLOGY

The researcher used both primary and secondary sources to collect the data. 50 respondents are randomly selected from the Tiruchirappalli District for this research work. Here, the researcher used percentage analysis for finding the accurate result. This study is based on both the descriptive and analytical method.

6. TOOLS USED FOR THE STUDY

- Percentage Analysis
- Chi-Square Test
- One-way ANOVA TEST

7. HYPOTHESIS OF THE STUDY

H1: There is no significant association between monthly income of the respondents and their mode of Purchase

H2: There is no difference between age of the respondents and their mode of purchases

8. ANALYSIS AND INTERPRETATION

8.1. AGE WISE CLASSIFICATION OF THE RESPONDENTS

SL.NO	AGE	NO.OF RESPONDENTS	PERCENTAGE
1	20-30	11	22
2	31-40	18	36
3	41-50	12	24
4	Above 50 years	09	18
Total		50	100

Source: Primary Data

The above table reveals that, age wise classification of the respondents in Tiruchirappalli district. One-third (36 percent) of the respondents are comes under the age group of 31-40 years. 41-50 years of category having 24 percent of the respondents. 22 percent of the respondents are comes under the age of 20-30 years and only 09 (18 percent) of the respondents are belongs to the age of above 50 years category.

8.2. MARITAL STATUS WISE CLASSIFICATION OF THE RESPONDENTS

SL.NO	MARITAL STATUS	NO.OF RESPONDENTS	PERCENTAGE
1	Married	26	52
2	Unmarried	24	48
Total		50	100

Source: Primary Data

The analysis shows that, 'Marital status wise classification of the respondents'. Above half (52 percent) of the respondents are comes under the marital status. Remaining 48 percent of the respondents are unmarried category.

8.3. MONTHLY INCOME WISE CLASSIFICATION OF THE RESPONDENTS

SL.NO	MONTHLY INCOME	NO.OF RESPONDENTS	PERCENTAGE
1	Below Rs.10,000	03	06
2	Rs.10,001-Rs.20,000	10	20
3	Rs.20,001-Rs.30,000	12	24
4	Rs.30,001 – Rs.40,000	11	22
5	Rs.40,001-Rs.50,000	10	20
6	Above Rs.50,000	04	08
Total		50	100

Source: Primary Data

The above table shows that 'Monthly income wise classification of the respondents'. The majority (24 percent) of the respondents are having monthly income between the Rs.20, 001 to Rs.30,000 category. The next highest category of income group is Rs.30,001 to Rs.40,000 this is earned by 22 percent (11 numbers). Only least (06 percent) of the respondents are having below Rs.10,000 as a monthly income.

8.4. FAMILY TYPE WISE CLASSIFICATION OF THE RESPONDENTS

SL.NO	FAMILY TYPE	NO.OF RESPONDENTS	PERCENTAGE
1	Nuclear	28	56
2	Joint	22	44
Total		50	100

Source: Primary Data

The above table reveals that, 'Family type wise classification of the respondents'. above half (56 percent) of the respondents are belongs to nuclear family. The remaining 44 percent of the respondents are live with joint family.

8.5. MODE OF PURCHASE WISE CLASSIFICATION OF THE RESPONDENTS

SL.NO	MODE OF PURCHASE	NO.OF RESPONDENTS	PERCENTAGE
1	Cash	19	38
2	Credit	31	62
Total		50	100

Source: Primary Data

The table shows that 'Mode of Purchase wise classification of the respondents'. The majority (62 percent) of the respondents are using the credit for their durable goods purchase. The balance 38 percent of the respondents are using cash purchase.

9. CHI-SQUARE TEST

THERE IS NO SIGNIFICANT ASSOCIATION BETWEEN MONTHLY INCOME OF THE RESPONDENTS AND THEIR MODE OF PURCHASE

Income	Mode of Purchase		Total
	Cash	Credit	
Below Rs.10,000	3	0	3
Rs.10,001-Rs.20,000	10	0	10
Rs.20,001-Rs.30,000	5	7	12
Rs.30,001 – Rs.40,000	0	11	11
Rs.40,001-Rs.50,000	0	10	10
Above Rs.50,000	0	4	4
Total	18	32	50
Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	37.341 ^a	5	.000
Likelihood Ratio	49.041	5	.000
Linear-by-Linear Association	29.800	1	.000
N of Valid Cases	50		
a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is 1.08.			

The above table reveals that, there is no significant association between monthly income of the respondents and their mode of purchase for the durable goods. Hence, the calculated value is less than the table value ($0.001 < 0.05$).

Research Hypothesis: There is a significant association between monthly income of the respondents and their mode of purchase for the durable goods.

Null Hypothesis: There is no significant association between monthly income of the respondents and their mode of purchase for the durable goods

Statistical Tools: Chi-Square test used for this study

Findings: Here, the research hypothesis is accepted and the null hypothesis is rejected. So the calculated value is greater than the table value ($0.001 < 0.05$). So, there

is a significant association between monthly income of the respondents and their mode of purchase for the durable goods

10. ONEWAY ANOVA TEST

THERE IS NO DIFFERENCE BETWEEN AGE OF THE RESPONDENTS AND THEIR MODE OF PURCHASES

ANOVA						
Age						
		Sum of Squares	df	Mean Square	F	Sig.
Between Groups	(Combined)	27.627	1	27.627	54.905	.000
	Linear	27.627	1	27.627	54.905	.000
	Term	27.627	1	27.627	54.905	.000
Within Groups		24.153	48	.503		
Total		51.780	49			

The above table reveals that, there is no significant difference between age of the respondents and mode of purchase the durable goods. Hence, the calculated value is less than the table value ($0.000 < 0.05$).

Research Hypothesis: There is a significant difference between age of the respondents and mode of purchase of the durable goods.

Null Hypothesis: There is no significant difference between age of the respondents and mode of purchase of the durable goods.

Statistical Tools: One way ANOVA test used for this study

Findings: Here, the research hypothesis is accepted and the null hypothesis is rejected. So the calculated value is greater than the table value ($0.000 < 0.05$). So, there is a significant difference between age of the respondents and mode of purchase of the durable goods.

11. FINDINGS AND SUGGESTIONS

- ❖ The titled 'Age wise classification of the respondents ', here, 36 percent respondents are belongs to 31-40 years of age group. The young(20 years to 30 years) aged people are mostly like to bought mobile phones, desk top and laptop only. The family commitment respondents are likes to bought kitchen appliances, home appliances etc., the elders does not interest to purchase the durable goods in the showroom because of travel. So, the showrooms and the other retail seller attract the elders in the way of personal selling, free home delivery etc...
- ❖ Under the head 'Marital Status of the respondents', here, 52 percent (26 numbers out of 50 numbers) are married. Unmarried people are more concentrate in the mobile phones, musical items, etc... here, the researcher suggest more offer given for new models of phones and electronic items. This is easily attracting the married and unmarried people also.
- ❖ In monthly income category, the majority (24 percent) of the respondents are enclose the Rs.20, 000 to Rs.30,000 as a monthly income. Customers are more concerned about the quality than the cost of the product. They primarily seek for the quality in the product. They ready to accept even unbranded product if it is of good quality. Therefore the manufacturers should produce only quality goods that in turn help them to be successful in the market.
- ❖ In the head 'Family type wise classification of the respondents' most of the respondents (56 percent) are living in the nuclear type of family and remaining respondents are living with joint family. Mostly nuclear type customers are having double income and interested to purchase various types of durable goods. They ready to spend more money for this type of goods.
- ❖ Under the head 'Mode of Purchase wise classification of the respondents'. The majority of the respondents are using credit facility for their durable goods purchase. Like Bajaj finance, HDFC finance, HDC finance, TVS finance, etc... the customers are maximum depend on the credit. This is creating inflation in the economy. Here, the researcher suggest maximize the cash purchase in the way of more discounts and offers for the cash purchase. This is tried to increase the cash dealings.

12. FINDINGS FROM HYPOTHESES

H1: There is a significant association between monthly income of the respondents and their mode of purchase for the durable goods.

H2: There is a significant difference between age of the respondents and mode of purchase of the durable goods.

13. CONCLUSION

The growth of LPG (Liberalization, Privatization and Globalization) the market of the durable goods developed lot. At the same time number of brands and companies are tried to competitively attract the customers in the durable market. In this juncture, the researcher studied the relation between customers' demographic profile and durable goods purchase. Overall, the researcher concludes by stating that there is a tremendous scope for consumer durables sector in the consumer market, which can properly use by Indian companies. The customers age, marital status, income level and mode of purchase are maximum participate in the customers buying motive towards consumer durable goods.

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