



# A STUDY ON CONSUMER PERCEPTION IN KAMADHENU HOME APPLIANCES HOSUR

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## ABSTRACT

**Consumer is the king in the market. In today's competitive environment attracting, satisfying and maintaining consumer is more difficult than producing goods. For a single product a lot of brands are available in the market. In the case of home appliances a lot of foreign and national brands are there for customers to choose from. The objective of this study was to identify the factors influencing preference for a brand of home appliances and determine their consumption pattern. It also reveals the attitude and perception of consumers towards different brands. The study identified the most preferred brand by consumers in each category of home appliances. Primary data was collected through personal and telephone interview with the help of a structured interview schedule. The study reveals that consumers in Hosur are using almost all the home appliances for their comfortable life. Refrigerator, Washing Machine and Air Conditioners were changed to necessities from luxurious status. People are considering brand and features of the product before making purchases. Some people were influenced by festival season offers. None of the customers are using online mode of purchase for acquiring home appliances. All the respondents are satisfied with their existing home appliances and they will recommend these products to their friends and relatives.**

## 1. INTRODUCTION

Consumer perception theory is any attempt to understand how a consumer's perception of a product or service influences their behavior. Those who study consumer

perception try to understand why consumers make the decisions they do, and how to influence these decisions. Usually, consumer perception theory is used by marketers when designing a campaign for a product or brand. A marketing concept that encompasses a customer's impression, awareness and/or consciousness about a company or its offerings. **Customer perception** is typically affected by advertising, reviews, public relations, social media, personal experiences and other channels Perception establishes the meaning about a product or brand when a consumer makes initial contact. In marketing, this is described as consumer information processing. At this stage all of the senses are engaged in receiving brand marketing communicate messages. In marketing literature, four distinct stages of perception occur during consumer information processing: sensation, attention, interpretation and retention

### SENSATION

Sensation describes what occurs when a person's senses are initially exposed to the external stimulus of a product or brand marketing. The sensory receptors of a consumer are engaged by product or brand cues through sight, sound, smell, taste and texture. For example, Starbucks engages all the senses in its sensory brand marketing. A customer who enters a Starbucks coffee shop may hear the sounds and smell the aroma of the grinding of fresh coffee in the store. Background music and a unique store design round out the experience of the taste of hot or cold coffee and food products that can be enjoyed in-store at quaint cafe tables.

### ATTENTION

In consumer information processing, attention occurs when a person lingers and gives mental processing capacity to the external stimulus from a product or brand. Selective

perception is when a consumer pays attention to messages that are consistent with her attitudes, beliefs and needs. When a product is inconsistent with these factors, the consumer will withdraw attention.

### **INTERPRETATION**

Interpretation occurs when a person assigns a meaning to the sensory stimulus from a product or brand marketing. Comprehension is aided by expectations and familiarity. A consumer scans his memory to retrieve previous experiences with the brand or a similar brand. Store-brand marketing frequently capitalizes on the interpretation stage when product packaging design contains logos, colors and other elements that are similar to national brands that consumers are generally more familiar with.

### **RETENTION**

The conclusion of the consumer perception process is the retention stage. This is marked by the storage of product or brand information in short-term and long-term memory. The marketer's goal is to provide positive stimuli in the proceeding stages that translate into consumers storing the information about the product or brand into long-term memory. Although a consumer's perception of a product or service is at least partially based on his actual experience with the good, a significant amount of market research suggests that a consumer's view of a product is also conditioned by a variety of other factors. From very concrete factors of price and quality to less tangible factors such a consumer's view of the manufacturer's reputation, experience with service and the quality of packaging and branding, a number of complex and interrelated psychological factors determine a consumer's perception of goods and services.

## **2. INDUSTRIAL PROFILE**

The home appliances industry in India is set for sustained growth. 2017 is the year when multi-tasking appliances will become the norm for new and on-the-shelf options. Volume and value sales of home appliances in India increased strongly in 2016 and the demand would continue to surge further. The industry has been undergoing metamorphosis with high growth trajectory. Manufacturers are constantly striving to enhance consumer experience, while innovating businesses and delivery models to increase the level of consumer service in all

aspects from sales to after-sales support. Competition in the market is highly intense. In addition to traditional competitors, there are foreign companies expanding their operations in the country. India's customer base is characterized by large and sophisticated customers who always have varied choices and demand competitive and innovative products at economical prices.

India has been registering strong single-digit GDP growth and it will be the fastest-growing economy over the coming years too. With a whopping population of over 1.3 billion, and growing middle-class population of over 267 million, the country presents vast opportunities for a multitude of products. India has already become the world's third-largest economy on PPP method, after United States and China. Surge in investments, decent monsoons, and expanding rural economy bolstered by upheaval in consumer spending, have sustained the economic momentum.

### **FACTORS DRIVING THE GROWTH**

A robust Indian middle class with growing disposable incomes has been instrumental in driving the demand for various home appliances, followed by other factors such as rise in double-income nuclear families, changing lifestyles, introduction of new models by the vendors, and increasing consumer awareness. The vendors' initiative of easy financing, low EMIs, and discounts have also contributed toward increased demand.

Innovative retail marketing initiatives such as exchange programs, bundled offers, attractive discounts, freebies, and extended warranty services are fuelling consumer spending. The rapid proliferation of e-commerce and e-tail has contributed to a higher penetration in urban and semi-urban areas. India is a predominantly agrarian economy, yet urban migration of rural populace has been a rapidly evolving trend. The higher rate of urbanization has a ripple effect on the consumption or purchase of consumer goods. Urbanization trends are also a key influence on product designs. In parallel to the economic growth of the country, India's demographic profile has undergone characteristic evolution. Gen Y, the working-age population, working women, and the Indian middle class have evolved to be the most influential segments triggering new social, technological, and economic trends. India's

middle class has been expanding to such an extent that it has emerged as the fulcrum of all economic development. Expansion of modern, retail, and exclusive company outlets across regions is increasing the penetration of home appliances, thus posting a strong growth even in non-metro cities. Despite temporary sluggishness in consumer spending due to demonetization, consumer confidence in India largely remains optimistic, which is indicative of continuing spending. Factors such as the pay commission hike, favorable lending rates, and good monsoon have enabled surplus disposable income with consumers, thus benefitting the industry. The government's policies and regulatory frameworks, such as relaxation of license rules and approval of 51 percent foreign direct investment (FDI) in multi-brand and 100 percent in single-brand retail, have also affected the market. The Make in India campaign has encouraged many manufacturers to increase local production capacity, and set up new production facilities in the country.

India is undergoing massive transformation demographically, across industries and the way business is conducted, with technology playing an unprecedented role in this transformation. Also new business models are helping create new value and forcing traditional models to innovate for survival. Demographically, the middle class and the working-age population are emerging as a dominant force and influencer to many evolving economic and social trends.

### 3. REVIEW OF LITERATURE

**Dr. Ramesh Sardar (2012)** on his article "Brand Preference of Passenger Cars in Aurangabad District" detailed that the analysis of marketing, a consumer behavior and brand preference of passenger car is carried out in Aurangabad district of Maharashtra state. As a result, focusing on an industry where brands, marketing knowledge and distribution networks have been important determinants in the growth and survival of firms. It reaches distinct conclusions. The article illustrates the analysis and interpretation of data. Finally it concludes with findings and recommendations of the study which may be useful for general public as even the manufacturers and dealers can understand the dimensions reflecting brand preference of

passenger cars and impact of all these factors on customer satisfaction.

**Dr. Shendge (2012)** on his study "A Comparative Study of Consumer Preference towards Cadbury and Nestle Chocolates with Special Reference to Navi Peth Area in Solapur City" viewed that Chocolate is liked and eaten by all age group of people

**Attiya Kanwal (2011)** on his study "Consumer preference of International brands over local brands" aimed at determining consumer preference of international brands instead if national or local brands. Consumer evaluates products based on information cues, which are intrinsic and extrinsic. If a consumer is satisfied with a product, he will buy it again, become loyal and over time develop a relationship with the brand. There are various factors which influence consumer purchase decision. The price of a brand plays a fundamental role in the consumer's choice of brand. If a brand is priced too high then a consumer will avoid it. The price of a brand is an indication of the quality of the brand as well. The country of origin of products is another cue used as a sign of quality of a product. Products from developed countries are perceived to be of better quality. Other factors include fashion, family and friends, brand name, availability, advertising campaigns etc. The sample for this research is taken from Islamabad and Rawalpindi. Simple random sampling was the technique used and the sample size was 100. Data collected for research was through a questionnaire, which was distributed among both males and females of various age groups and income levels. Calculations were then analyzed and interpreted using percentage of respondents and frequency distribution. Consumers are seen to give preference to international brands if asked to choose between an international brand and a national brand. Consumers regard international brands to be of better quality, more durable and reliable. Furthermore, they are more price and quality conscious and not very brand loyal. Local companies need to emphasize on the quality of their products in advertisements and their advertisements need to be more targeted and up-beat to attract the younger market segment

**Bart J. Bronnenberg, (2011)** in their study "The Evolution of Brand Preferences Evidence from Consumer Migration" evaluated that the brand preferences, using new data on

consumers' life histories and purchases of consumer packaged goods. Variation in where consumers have lived in the past allows us to isolate the causal effect of past experiences on current purchases, holding constant contemporaneous supply-side factors. We show that brand preferences form endogenously, are highly persistent, and explain 40 percent of geographic variation in market shares. Counterfactuals suggest that brand preferences create large entry barriers and durable advantages for incumbent firms, and can explain the persistence of early-mover advantage over long periods.

#### 4. EXECUTION

##### 4.1. STATISTICAL TOOLS

This part of study is mainly focused on verifying main objectives of study. Researcher used **CHI SQUARE, SIMPLE PERCENTAGE, and GRAPHS** as statistical tool for analysis of data

##### 4.2. SIMPLE PERCENTAGE ANALYSIS

Data collected are edited and coded by using the tally bars. This helps in converting the gathered data into a tabulated grouped data. **Percentage Analysis** is applied to create a contingency table from the frequency distribution and represent the collected data for better understanding.

##### 4.3. CHI SQUARE

A **chi square** statistic is a measurement of how expectations compare to results. The data used in calculating a **chi square** statistic must be random, raw, mutually exclusive, drawn from independent variables and drawn from a large enough sample. For example, the results of tossing a coin 100 times meets these criteria

##### 4.4. GRAPHS

Graph is a diagram showing the relation between variable quantities, typically of two variables, each measured along one of a pair of axes at right angles.

##### 4.5. RESEARCH INSTRUMENT

A **questionnaire** is a research instrument consisting of a series of questions (or other types of prompts) for the purpose of gathering information from respondents. The questionnaire was invented by the Statistical Society of London in 1838.

Although questionnaires are often designed for statistical analysis of the responses, this is not always the case.

Questionnaires have advantages over some other types of surveys in that they are cheap, do not require as much effort from the questioner as verbal or telephone surveys, and often have standardized answers that make it simple to compile data. However, such standardized answers may frustrate users. Questionnaires are also sharply limited by the fact that respondents must be able to read the questions and respond to them. Thus, for some demographic groups conducting a survey by questionnaire may not be concrete.

#### 4.6. HYPOTHESIS

**Keeping in view of objectives of the study, the researcher is frame suitable null hypothesis and tested appropriated.**

"It is a tentative prediction about the nature of the relationship between two or more variables. It implies that there is a systematic relationship between an independent and dependent variable"

"A hypothesis can be defined as a tentative explanation of the research problem, a possible outcome of the research, or an educated guess about the research outcome."

#### THE FOLLOWING ARE THE NULL HYPOTHESIS OF THE STUDY

- ❖ There is no significance relationship between Age and Factors that Induce to Buy a Specific Brand
- ❖ There is no significance relationship between Gender and The variety of brands offered
- ❖ There is no significance relationship between Education and What attributes you want to see in the products

**H0:** There is no significance relationship between Age and Factors that Induce to Buy a Specific Brand

**H1:** There is a significance relationship between Age and Factors that Induce to Buy a Specific Brand

**H0:** There is no significance relationship between Gender and The variety of brands offered

**H1:** There is no significance relationship between Gender and The variety of brands offered

**H0:** There is no significance relationship between Education and What attributes you want to see in the products

**H1:** There is a significance relationship between Education and What attributes you want to see in the products

**5. DATA ANALYSIS**

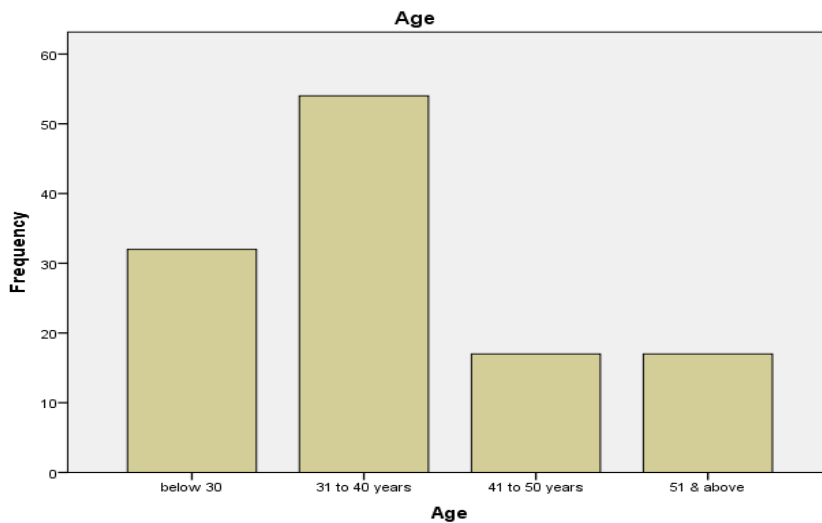
**TABLE 5.1**

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below 30	32	26.7	26.7	26.7
31 to 40 years	54	45.0	45.0	71.7
41 to 50 years	17	14.2	14.2	85.8
51 & above	17	14.2	14.2	100.0
Total	120	100.0	100.0	

**INTERPRETATION**

In the above table 27% respondents are below 30 years of age, 45% respondents are 31 to 40 years of age, 17% respondents are 41 to 50 years of age, and 17% respondents are 51 and above age. According to the study majority of the respondents are 31 to 40 years of age.



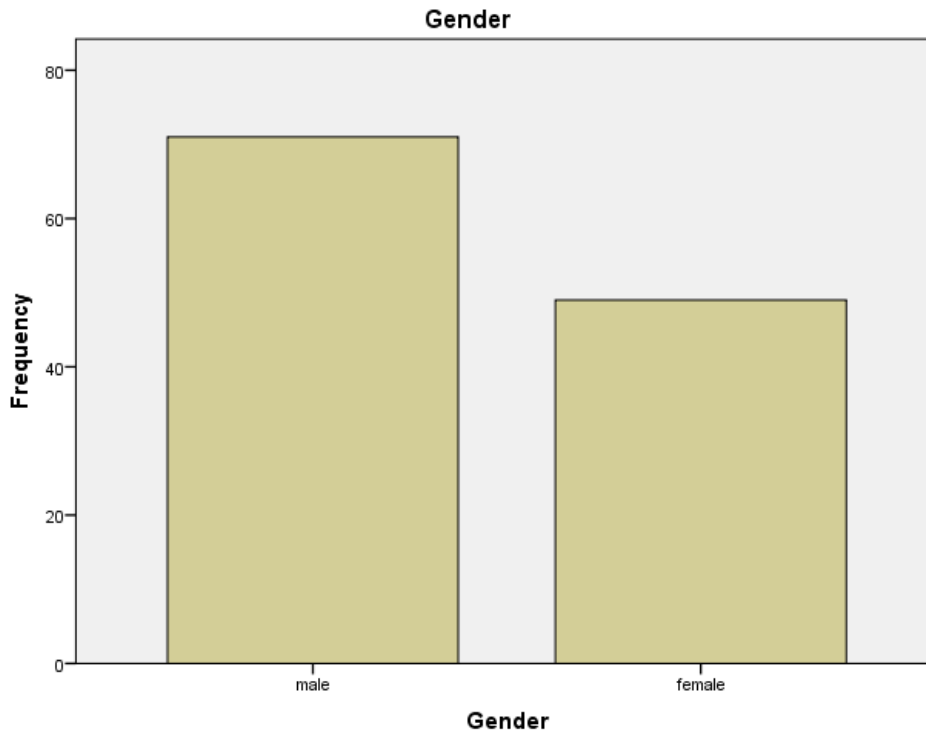
**TABLE 5.2**

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	71	59.2	59.2	59.2
female	49	40.8	40.8	100.0
Total	120	100.0	100.0	

**INTERPRETATION**

In the above mentioned table 59% of the respondents are male and 41% respondents are female. Based on the study most of the respondents are male.



## 6. CONCLUSION

Before going for purchase, the customer generally have oral consultation with their friends and relatives but decide about buying the required products with the help of experts. The manufacturers have to produce home appliances to suit the both low and high income groups of customers. The manufacturers should have technological tie-up and venture for improving qualitative appliances that will attract multi-range consumers to serve their purpose. Also the manufacturers should advice the retailers/dealers to give correct and relevant information about the genuineness of the dealership and brand to buyers before they make purchase. Exhibitions and exchange may be conducted more often and at a regular intervals to satisfy the old customers and to attract new customers. To ensure that the product finds a place in the minds of the consumers, the manufacturers should promote their product through sales promotional activities such as advertisement, free gifts and other schemes. If they do so, sales level will improve and the products will find a better place in the market. A company might adopt some price reduction strategy to maintain its position in the market and to satisfy the customers. Special offers for home appliances may also be provided to attract customers to buy them. Popularization for

advocating the purchase of refrigerator, microwave oven, washing machine, etc., may be done to minimize the laborious work of women. This facilitates them to concentrate on other important activities. Consumer education is the most important thing and all concerned should give enough thought and action on it. This will also help the marketing of home appliances to a larger part of customers

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