Consumer behaviour and marketing trends of consumer durables in Aurangabad district

W.K. SARWADE

Key words: Capacity utilization, Value addition, Employment pattern, Chickpea.

In India there is mix structural economy, which includes the urban economy and rural economy. In the rural economy the rural market is having a prime importance and great significance because of its absolute sizeable geographical structure and area. The rural, semi-rural, urban market provides the major rational existence of consumer for the products of consumer goods and the same time consumer durables market. In fact there is more importance to consumer durable market in the modern life style of consumers in the market. There are predominantly rupee value sales transactions in urban market as compared with the rural market. But in the early era of the marketing, the rural market having more values to consumer because of the population of the country like India lived in rural economy. But the same time the standard of living and higher income potential of the consumers in rural area & urban area could meet their basic needs, there after they move to purchases the consumer durable product’s such as, TV, Tape recorders, Radio, DVD, VCD/VCR, Refrigerator, Washing Machine, Water purifying machine, Mixer and grinder, Food processor, Micro-oven, Air conditioner, Air cooler, Fans, Vacuum cleaners, Dish wash Machine, Emergency Lamps, Two-wheelers, Cars and Computers.

Problems in the study of consumer behaviour:

- The consumers are having complex personality.
- There is a conflict of motives.
- The resources are adequate.
- The consumers are obvious.
- The consumer proving wrong consulting or wrong answers.
- The buying motives are variables, and keep changing.

Objectives of the study:

The major objectives of the present study are as follows

- To examine the consumers attitude, interest, motivation, learning, perception, personality, culture, reference group, the family and social class for preferences of consumer durable buying decision policy.
- To know the uses and purchasing pattern of consumer durables.
- To know the impact of credit sales system and incentives offered by the wholesalers to consumers in purchase of the consumer durable products.

In India there is mix structural economy, which includes the urban economy and rural economy. In the rural economy the rural market is having a prime importance and great significance because of its absolute sizeable geographical structure and area. The rural, semi-rural, urban market provides the major rational existence of consumer for the products of consumer goods and the same time consumer durables market. In fact there is more importance to consumer durables market in the modern life style of consumers in the market. The consumer durable market is consists of durable product’s such as, TV, Tape recorders, Radio, DVD, VCD/VCR, Refrigerator, Washing Machine, Water purifying machine, Mixer and grinder, Food processor, Micro-oven, Air conditioner, Air cooler, Fans, Vacuum cleaners, Dish wash Machine, Emergency lamps, Two-wheelers, Cars and Computers.

Indian market of consumer durables are complex in nature and unique in the services. The Indian market is one of the largest potential domestic markets itself in the world. If this market is fully developed particularly in lakhs of villages in the country, it can stimulate perhaps the greatest industrial revolution overseas and make India one of the strongest and foremost producing and consuming area in the world. It is very essential to study the consumer durables market, characteristics, and the various types of brands of the product, quality and quantity approach. In case of consumer durables the market operating system is highly complex pertaining to distribution problem because of producers, whole-sellers, retailers and at least the customers. Both the distributors and customers have to encounter the problems of effective
marketing structure in India.

The Indian markets consists of 450 Million persons who yearly consume Rs. 60,000/- crores worth the products and services. It means every household in India spends more or less Rs. 8,000/- annually on an average on the purchases of products and services. At the same time out of it 25 to 40 per cent persons spend their income on consumer durable products for better and standard of living. Every year this market swells by 20 million persons. Hence this represents the most lucrative market in the world economy that helps to boost the Indian economy.

Indian marketing needs a different approach due to various reasons. The Indian market with its vast span and high potentiality extending about 102 crore people. Compression 3/4 of the total population, geographically it is scattered over 6.10 lakh villages, 87% of which are small villages having population below 2000 contributing about a half share in the N.P.P. It is still a neglected and unexplored area and offers great challenges and opportunities to the Indian marketers. Where as Indian market and marketers consists of about heterogeneous culture with ingetrusti, ringuistic, religious and economic diversities

Aurangabad market in 17th century:

Aurangabad had a regulated market system confirmed and supervised by Daroga and Muhatabib (Superintendent). There were in all 38 markets and bazars in the Aurangabad Town. Chowk market was in the centre of the town at that time, there were shops of Bohra community and on the other hand there were other businnessmens. Some popular markets of Aurangabad were Sahabazar, Rangmahal, Azamnagar, Dalalwadi, Taksal, Raniganj, Fakirwadi, Khadim Bazar, Shahgunj, Urdu Bazar, Rajarambazar, Gurganj bazar, Junabazar, Gulmandi, Dalmandi, Sarafa, Begumpura, Rangar Galli and Kutubpura Bazar. Shahagunj market of Aurangabad was one of the largest whole sale market of Deccan, had the privillage of receiving an imperial order for the purchase of one lakh monds of grain.

The above study reveals that the Aurangabad was important trade linking town which were linked the trades of South and North India.

Trade and commerce:

Mohammad Tughlaq shifted his capital to Daulatabad in the year 1327 A.D. Shaikh Abu Bakar had taken the note of trade and commercial development of this period which was very lasting. He noted that Sultan had imperial Karkhana of embroidery work. There were 4000 silk-workers. Every year the king used to distribute 10,00,000 pairs of garments, during winter and summer seasons, to the army personnel and administrative officers. There were 4,000 embroiders who prepared brocades for him. Daulatabad was flourished place in all dimension in that contemporary period. The trade relations with the South India were immediately established and the local persons got opportunities to participate in trading activities. Afterwards, some new towns along with their trading activities were emerged on the scene of Deccan, Bijapur, Gulbarga, Golkonda, Bidar, Ahmednagar, Hydrabad and Aurangabad were the notable trading towns in the history. Industrial development of this area is very fast, near about 2000 industrial units are making appearance on the scene of ever growing industrial big complex of Aurangabad district.

As per the census 2001, the total population of Aurangabad district is near about 29,20,548. Rural male and female population is 9,51,497 and 8,82,837, respectively and the same time urban male population is about 5,70,135 and female population is 5,16,079 which is supporting to the consumer durable goods market but urban population is more assistive and promoting the market.

Significance of the study:

The present study is conducted to know the individual purchase behavior of consumer durables in Aurangabad District. The various ingredients of consumer behavior like motivation, learning, perception, personality, social and psychological factors has analyzed in depth. Changing pattern of demand and supply is also the reason for stagnation of consumer durable product market. The present study is a detailed analysis of consumer behavior, marketing trends and buying motives of the individual consumers for a selected consumer durable products, this is, because of the consumer behavior and wants of consumer never came across within the available source of income. The marketing trends and buyers behavior always analyzed and interpret the values of business. It also affects on purchasing power of consumers as well as consumption pattern of the particular brands of a product.

Objectives of the study:

The major objectives of the present study are as follows.

– To examine the consumers attitude, interest, motivation, learning, perception, personality, culture, reference group, the family and social class for preferences of consumer durable buying decision policy.

– To know the uses and purchasing pattern of
consumer durables.

- To know the impact of credit sales system and incentives offered by the wholesalers to consumers in purchase of the consumer durable products.

**Research methodology:**

The research methodology used for this study is both exploratory and descriptive in nature. The related data has been analyzed on the basis of income, education, profession, occupation, age and all demographic and geographic indicators. Therefore, an equal number of respondents have been selected from 3 different Taluka places of Aurangabad district.

**Collection of data:**

For this study purpose both the types of data is used *i.e.* primary and secondary data.

**Primary data:**

The study is based on primary as well as secondary data. The primary data is collected through the well structured questionnaires. For this purpose two different questionnaires were prepared, one for customers and another for wholesalers. To collect the primary data, 300 households from each taluka *i.e.* Aurangabad, Khultabad, and Paithan taluka were selected for the study purpose by the help of simple random sampling method. The data is collected from the customers regarding the awareness of the durables, brand preferences, using patterns, market share for different products, brand loyalty, motivators, advertising effectiveness, economy and price of the consumer durables.

**Secondary data:**

The secondary data is collected by the help of available literature on the concerned topic *i.e.* published thesis, unpublished dealers data, national and international well reputed journals, magazines, news’s papers, Govt. Bulletins Websites and different books from libraries.

**Scope and limitation’s of the study:**

As this study involves the task of close and careful examination of modes operandi of various activities involved in consumer durable product market and the results are mostly based on primary data. This study is limited to Aurangabad district only. The data is collected for last two years *i.e.* 2007-08 and 2008-09. The analytical scope is also covered to meet all the objectives and testing of the hypothesis.

**Factors influencing on purchasing of consumer durable products in selected sample villages in Aurangabad district:**

It is very interesting to find out that, which factor is strongly influences while makes decision of purchasing the consumer durable products in the selected sample villages the respondents or customers make their purchases in the variety of products, it means that the factors influencing on the purchasing pattern of consumer durables, such as prices, quality, durability, availability, open economy system, reliability of the sellers, mode of payments as hire purchase and installment system, E-money facility, credit and debit card facility, exchange offer facility, nature of discount. It is found from the Table 1 is that 54% of the customers said that the price of the product is very high as compare to urban customers. 55.33% of the urban customer’s ae preferred high priced products as compare to rural area customers.

**Quality and durability:** *(Table 2 and 3):*

The concept of durability can be stated as lasting or prevalent nature of holding the consumer durable products.

### Table 1: Factor's influencing on purchase of consumer durable products as price in Aurangabad district (2009)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Respondents</th>
<th>Very High</th>
<th>High</th>
<th>Moderate</th>
<th>Low</th>
<th>Very Low</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rural area</td>
<td>324 (54%)</td>
<td>72 (12%)</td>
<td>84 (14%)</td>
<td>48 (8%)</td>
<td>72 (12%)</td>
<td>600 (100%)</td>
</tr>
<tr>
<td>2.</td>
<td>Urban area</td>
<td>174 (58%)</td>
<td>45 (15%)</td>
<td>36 (12%)</td>
<td>15 (5%)</td>
<td>30 (10%)</td>
<td>300 (100%)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>490 (55.33%)</td>
<td>117 (13.00%)</td>
<td>120 (13.33%)</td>
<td>6 (7%)</td>
<td>102 (11.33%)</td>
<td>900 (100%)</td>
</tr>
</tbody>
</table>

Source: Field survey (2009)

### Table 2: Factor influencing on purchase of consumer durable products as quality in Aurangabad district (2009)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Respondents</th>
<th>Very High</th>
<th>High</th>
<th>Moderate</th>
<th>Low</th>
<th>Very Low</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rural areas</td>
<td>138 (23%)</td>
<td>192 (32%)</td>
<td>120 (20%)</td>
<td>54 (9%)</td>
<td>96 (16%)</td>
<td>600 (100%)</td>
</tr>
<tr>
<td>2.</td>
<td>Urban areas</td>
<td>102 (34%)</td>
<td>66 (22%)</td>
<td>54 (18%)</td>
<td>45 (15%)</td>
<td>33 (11%)</td>
<td>300 (100%)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>240 (26.68%)</td>
<td>258 (28.66%)</td>
<td>174 (19.33%)</td>
<td>99 (11%)</td>
<td>129 (14.33%)</td>
<td>900 (100%)</td>
</tr>
</tbody>
</table>

Source: Field Survey (2009)

Figures in brackets indicate percentage
Generally, the consumers can expect continuing service from durable products for their money values. The greater the service, the higher the satisfaction that a consumer devices. The Table 3 shows that only 5% of the consumers from rural area showed their preference for very high class durability of the product as compared to urban area (26.68%) it is very low.

Reliability:

The Table 4 highlights on the purchase of consumer durable products as reliability of consumer durable products as reliability of the sellers. 40% of the rural customers are mostly depending on sellers which is few lower (44%) than urban area customers.

Consumer protection : (refer Table 5):

Consumer protection means the protection of the consumers from their exploitation by the unfair practices of seller, distributors, marketers or producers. They exploit the consumers in several ways such as:-

- False information regarding the quality of goods.
- Adulteration.
- Supply of inferior quality of goods.
- Non-compliance of tens of guarantee.
- Not supplying goods on time even after taking the advances.
- Not providing services to the customer after sales services.

The marketers or traders never bother to keep their assurances and promises. Instead they always try to escape from the obligation, which they are supposed to fulfill towards the consumers.

Table 5 and 6 highlights on the open economy and globalization policy adopted by the Govt. of India in the country which is influencing greater extent that in rural area is 360 (60%) and urban areas is 196 (65%) and very little extent in the rural areas is 72 (12%) and in urban area is 60 (20%). It means that the policy playing important role while purchasing the consumer durable products from market, because of these respondents have a confidence, that they not cheated by the seller, they welcome the policy because of it helps to them while purchasing the products in the rural and urban areas of Aurangabad district.

The common brand perception is that the rural-urban Indian consumers, utilized or used only a certain traditional and essential products and that the share of the rural-urban India in other products is merge, as compared to the share of the urban market. Now a day’s rural Indians are able to purchase and have a share of the total consumption of a variety of consumer durable product for their standard life style.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Respondents</th>
<th>Very high</th>
<th>High</th>
<th>Moderate</th>
<th>Low</th>
<th>Very low</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rural area</td>
<td>30 (5%)</td>
<td>120 (20%)</td>
<td>234 (39%)</td>
<td>96 (16%)</td>
<td>120 (20%)</td>
<td>600 (100%)</td>
</tr>
<tr>
<td>2.</td>
<td>Urban area</td>
<td>54 (18%)</td>
<td>120 (40%)</td>
<td>66 (22%)</td>
<td>45 (15%)</td>
<td>15 (5%)</td>
<td>300 (100%)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>84 (9.33%)</td>
<td>240 (26.66%)</td>
<td>300 (33.33%)</td>
<td>141 (15%)</td>
<td>135 (15%)</td>
<td>900 (100%)</td>
</tr>
</tbody>
</table>

Source: - Field Survey (2009)

The figures in bracket indicates percentage
**Major conclusion’s:**

**Retail and wholesale distribution:**

– Interesting finding of the study is that selling durables products in market, the company image and price is more important than the name of the product. Consumers preferred costly and quality products in urban area but the same time in rural area they are preferred low cost durables. It means the low budgeted goods preferred by the rural customers.

– It is observed that, the higher income group customers from city and rural areas are always keep changing their attitude towards the purchasing pattern of consumer durable goods, the span of 2 years period for they to do so. They purchases moderate and technological brand upgraded products from the market.

– The retail traders who are selling their goods in rural areas in the district. They generally followed the methods of credit sales, because the demand characteristics for durable products is closely related to agriculture seasonal income as credit sales facilities but same time in urban area, the high salaried peoples always buy their consumer durable goods on hire purchase system as well as installment system with little more interest on equal monthly installment payment.

– In the urban market, the marketers always followed group purchasing

  System, credit sales, exhibition on Dashara, Diwali Festivals. Sale with cash discount facility to their old consumer is providing the exchange offer system for new products.

– It is also observed that the young generations customers are always pay the more money on luxurious consumer durables, goods and services.

– The interesting finding of the research study is that female customers are more keen interested to purchase the consumer durable goods in the market. They are dominating the male customers.

– It is also observed that in rural market, consumer durable sales

Promotion methods are not more concentrated.

**Characteristics of consumer durable stores in the Aurangabad district:**

– In Aurangabad district market, there are 1480 retailers and wholesaler registered and doing their business activities and always keeping 15% to 25% profit margin.

– The price is the main sales appeal for consumer durable goods for middle income group customers, bargain over the purchases are commonly shown but some time higher income group customers does not worry about the pricing of the consumer durable goods.

– In Aaurangabad district 90% of the distributors and retailers having ownership as sole proprietorship in all respects. Another 4% shops were joint family shops and only 6% shops were runes by the partnership concerns.

– Majority of the retailers purchase their goods from Gujarat, Surat, Mumbai, Delhi and other well reputed markets but some retailers purchase the consumer durable goods from the Aurangabad town only.

– There is no merchandise and accounting records at taluka place market but the same time Aurangabad town market keep the records and pay the VAT to the Municipal Authority of Aurangabad town.

**Consumer durable buying process:**

– The purchases of consumer durable goods were mostly done once in a year or more than the year, but they are paying attention to their daily needs and purchases in rural urban area.

– It has been noted that “Income” is the variable which determine the purchasing decision, brand preferences and company image for the purchases.

– As another finding of the study is that, marketing and trading of consumer durable products such as washing machine, water purifier, air conditioner, car, sofa set, etc. have not yet strategically established in rural market.

– An interesting finding of the study is that overall purchasing pattern of rural customer’s has changed, they had purchased tape recorders, DVD/VCP and Colored T.V., and some families have purchased washing machines in the rural area.

– Television remains most widely used as consumer

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**Table 6: Factor influencing purchases of consumer durable products as open economy, globalisation in Aurangabad district (2009)**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Respondents</th>
<th>Greater extent</th>
<th>Some extent</th>
<th>Very little extent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rural areas</td>
<td>360 (60%)</td>
<td>168 (28%)</td>
<td>72 (12%)</td>
<td>600 (100%)</td>
</tr>
<tr>
<td>2.</td>
<td>Urban areas</td>
<td>196 (65%)</td>
<td>45 (15%)</td>
<td>60 (20%)</td>
<td>300 (100%)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>556 (61.77%)</td>
<td>213 (23.66%)</td>
<td>132 (14.66%)</td>
<td>900 (100%)</td>
</tr>
</tbody>
</table>

Source: - Field Survey (2009)

Figures in brackets indicates percentage
durables in the rural household followed by mixer grinders and refrigerators as salaried persons as Teachers, Gramsevak, Talathi and Rich Farmers.

**Important suggestions:**

- An important suggestion is that new emerges are that the marketer’s of consumer durable products while segmenting the market should be as more by income categories and salaried customers are more interested in purchasing.

- In rural area infrastructure facilities should be developed by the Govt. for the development and storage facilities.

- Promotion of sales break up in the market requires proper media mix, apart from formal media like newspapers, television and radio, etc.

- Now the customers are rapidly becoming brand conscious and brand images therefore, brand image and brand names must be simple, catchy and interesting to understand, utilization for product activity.

- The customers from urban - rural areas purchased their respectively brands for price as well as quality products, company image, brand image and reliability, therefore, the retailers and distributors should concentrate on it. The quality and price are parallel to comes on the top in the analysis of purchase decision factors.

- The marketer needs to examine and improve after sales services as installation, transporting, etc.

- The marketeer need to provides E-Money facility, credit sales facility and exchange offer system in rural areas customers also.

**REFERENCES**


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