

Buying Behavior of Electronic Products in Andhra Pradesh – A Study of Selected Electronic Consumer Product

M. Ravikanth¹, Prof. P.Venkat Rao²

¹Ph.D Research Scholar, Department of Commerce, Sri Venkateswara University P.G. Centre, Kavali, Nellore District, Andhra Pradesh State,

²Principal & HOD of Commerce, Vikrama Simhapuri University P.G. Centre, Nellore District, Andhra Pradesh State.

Abstract: Modern consumer in the 21st century is gifted with the technology like internet, mobile, media that allows him to know the changing trends in the market, styles, brands, products and services. With the increasing disposable income population, their per capita consumption of electronic goods and other products is increasing. The electronic market in India is visualized as a complex industry with mushrooming companies. The study of behavior gives an insight into the various factors, which influence the buying decision of the consumers product qualities, features, size, color, weight, design, promotion, availability, credit facility etc. Understanding of consumer behavior with regard to these aspects will enable the company to formulate the production policies suitable to the requirements of consumers. The consumers are particular about the appropriate system of distribution and hence there is a great need for change in the distribution system. Further, the study is important to understand whether there is a significant difference in the perception of the buyers with regard to urban and rural areas. The study further makes extensive analysis on the decision making criterions of the buyers with regard to electronic goods.

Key words: electronics, features, perception, technology.

I. INTRODUCTION

21st century has revolutionized the momentum of industries right from changing its existing practices to inculcating advanced processes to attract the consumers. The electronic industry which is ever growing in Indian market has witnessed as one of the lucrative industries due to ever increasing use of electronics. Due to the increase in disposable income in both rural and urban sector and also easy availability of finance in the recent past has significantly encouraged the consumers to prefer and habituate to the use and purchase of electronic products like Television, mobile phones etc.

Due to increasing competition and modern technology, the prices of the television market have reached to middle class segment. As India, is one of the big nations, hence it always attract with high market with heavy population. The competition, brand personality, features and modern technology is attracting the consumers at large.

The consumer electronics industry has witnessed a unique growth over the past few years. This growth can be attributed to the increasing effect of state of the art electronic devices on the market. The consumer electronics industry is ushering in the dawn of Convergence. It is the confluence and merging of hitherto separated markets of digital based audio, video and information technology, removing entry barriers across the market and industry boundaries. The revolution brought about by Digital technology has enabled the consumer electronics sector to profit from the growing interaction of digital applications. In today's competitive scenario, business organizations in India are most worried about the future uncertainty. An increasing number of market planners are

finding that growing complexity and uncertainty of the environment are difficult to cope up. Behavioral dimension added new complexity to marketing people. Still, there is no other alternative but to face this situation. Organizations are continuously facing new equations in their operating environment in every direction (Bettis & Hitt, 1995).

Complex competitive status, vulnerable demand forecast, varying consumer preference, existence of too many brands, changing attitude of channel intermediaries, shortening of the product lifecycle, (Hammer, 1997) are making marketing decisions extremely difficult and risky. And here comes the role of multidimensional analysis of a particular field. In television market, situation is no way better. Television, as a product, is getting the status of essential commodity inviting complications and uncertainties. TV market has also one unique problem. It is on a developing phase.

A shift from rural to urban sector is continuously going on. Residential areas in metros, mini metros, cities, towns and small towns are growing at faster rate. Industrialization, infrastructure development, and extension of areas under amusement and entertainment are creating huge scope for further market growth. Social developments of community and upcoming upper middle class with increasing purchasing power have marked this field as an area of additional complications and uncertainties.

As a result, the TV market has been an ideal selection for strategic analysis. In view of the growing importance and market (Porter, 1980) it is proposed to carry out a study covering factors affecting the consumer buying behavior for television. The present research study attempts to investigate the behaviour of the consumers on electronic industry with special emphasis on passenger television segment.

II. CONCEPTUAL OVERVIEW OF CONSUMER BUYING BEHAVIOUR

Buyer behavior is a study of how individuals make decision to spend their available resources (time, money and effort) on consumption related items (what they buy, why they buy, where they buy, how often they buy and use a product or service), especially the factors related to occupation. With the increasing disposable income population, their per capita consumption of electronic goods and other products is increasing. Consumers are desirous of improving their standard of living with the hygienic and reasonably high quality products and get rid of the spurious and sub-standard products being supplied to them. Further, they deserve quality products, correct information about a product and a door step delivery. It is remarked that the markets were developed not because of the initiatives of Indian marketers but the "PULL" from the consumers consuming system itself. Buyer behaviour is comparatively new field of study. It is the attempt to understand and predict human activities in the buying role. It has assumed giving importance under the marketing oriented or consumer oriented marketing, planning and management. Buying market for many products and the growth of consumerism and consumer legislation since 1960 has created special interest in buyer behaviour and formation of marketing mixes to respond favourably buyer behaviour in the marketing place. Buyer behaviour is defined as "all psychological, social and physical behaviour of potential consumers as they became aware of evaluate, purchase, consume and tell others about products and services.

Kardes, F.R.(2002) has defined Consumer behaviour as the study of human response to products or services and the marketing of products and services. Consumer behaviour is the behaviour that consumers display in searching for, purchasing, using, evaluating products or services and ideas that they expect will satisfy their needs (Schiffman, G.L and Kanuk, L.L.2002).

Philip Kotler et al.(1985) assumed Consumer behaviour as the buying behaviour of final consumers, individuals and households. Consumer is the behaviour of the ultimate consumers, those who purchase products for personal or household use, not for business purpose (Ferrell, O.C. and Pride, W.M., 1989). Consumer decision-making styles in the modern world has recognized with cognitive and affective or mental orientation characterizing a consumer's approach to the overall decision-making process (Sproles & Kendal 1986).

Sproles and Kendall's eight consumer decision-making styles which are integrated to the consumer behaviour and decision towards electronic segment are provided the characteristics of consumers which include perfectionism towards quality, brand and price conscious, recreational, fashion conscious, habituated to brands and often displays confused by over choice and impulsiveness and further, the authors have observed that, consumers are generally tend to be novelty fashion conscious.

Howard Sheth Model(1969), Nicosia(1966), EKB Model provided useful contributions for analyzing the various factors influence consumer behaviour. An extensive review of literature revealed that there is no simple framework that lends itself to a comprehensive study of consumer behaviour.

The theories of consumer behaviour have analyzed on access, buying behaviour, consumption, characteristics and disposals of good or service.

III. KEY FEATURES OF BUYING BEHAVIOUR OF INDIAN CONSUMERS

Shopping behaviour of consumers in India is quite different from their counterparts elsewhere in the world in more than one way. Treating them as a single homogeneous market can be fatal for big retailers and describing shopping behaviour of such a big and diverse market is a real challenge. An attempt has been made to identify the key features of an average Indian consumer to help students develop better understanding of the buying behaviour. These include:

- a. Indian consumers have a high degree of value orientation. They have been labeled as one of the most discerning consumers in the world. Even luxury and lifestyle brand retailers have to design a unique pricing strategy in order to penetrate the Indian consumer market.
- b. Indian consumers have a higher degree of family orientation. This orientation, in fact, is applicable to the members of extended family and friends as well. Stores, products and brands which support family values, communicate feelings and emotions in their messages have better chances of success in India.
- c. As per one survey, Indian consumers are not very loyal to any particular store. Almost 60% of consumers buy from multiple retailers in comparison to 10% in Brazil and 24% in China.
- d. Indian consumers attach lot of importance to freshness in food items. Only 35% of prospective buyers may actually be willing to purchase packed food items in India in comparison of 76% in china and 94% in USA. Many Indian consumers associate packed food with staleness.
- e. Indian shoppers give a lot of importance to convenience. Around 64% buyers do not mind paying extra money for conveniently located stores, compared with 31% in China.
- f. 64% of Indian buyers prefer spending less than 15 minutes time to travel. In Brazil it is 78% and 69% in China and Russia both.
- g. Role of traditions in shaping the consumer behaviour is quite unique in India. So, one can see traditional products being sold alongside modern products. For example, hair oils and tooth powder existing with shampoos and toothpaste. More than 75% women's clothing and 85% jewellery sold in India are traditional in style and design.
- h. Almost two fifth of shoppers in India buy clothes for special occasions, whereas only a small percentage of Chinese and Russians are driven by occasions for their apparel purchase.
- i. Indian shoppers are quite flexible in branding as long as food items are concerned. 57% of respondents said buying a well-known brand of shampoo was important, while as many as 49% may settle for lesser-known

brands. On the other hand, almost 85% shoppers prefer purchasing a reputed brand in case of electronic goods.

- j. Though India is considered to be a traditional society and most of the decisions are taken collectively by the family members or by a group of friends, "Individualism" as a value has made inroads among Indian youth.
- k. Purchasing on loan is still a taboo for many Indians, but now a considerable percentage of customers are ready to purchase goods on credit in India as availability is not easy to come by. Among this category of customers which are open to credit purchases, the highest percentage is from the group less than 25 years of age.

IV. REVIEW OF LITERATURE

An attempt is made to thoroughly investigate the studies made earlier on the present research topic. Some of the references are specified below.

Schiffman and Kanuk (2004) have defined consumer behaviour as "the decision process and physical activity engaged in when evaluating, acquiring, using or disposing of goods and services." Loudon and Bitta (2002).

The study of consumers as they exchange something of value for a product or service that satisfies their needs" - Wells and Prentsky (1996). "Those actions directly involved in obtaining, consuming and disposing of products and services including the decision processes that precede and follow these actions" (Engel, James F & Blackwell, Roger D).

Chidambaram and Alfred (2007) that there are certain factors which influence brand preferences of consumers. The study revealed that consumers give more importance to fuel efficiency than any other factor and believe brand name informs them about product quality, utility, technology. They prefer to purchase Television which offers high fuel efficiency, good quality, technology, durability and reasonable price. Bhagaban Das et al. (2008) in his study on Categorizing Consumers' buying behaviour has focused on the consumers buying behaviour on Television brands. The author has viewed that, consumers and households make decisions about the goods and the services they purchase. The factors that influence this buying decision are commonly price, quality, advertisement, recommendation from near and dear etc.

Krishna Kumar(2011) in his study on 'consumer behaviour towards electronic goods with reference to occupational factors - a study in Cuddalore town' has opined that, behaviour With the increasing disposable income population, their perception, a consumption of electronic goods and other products is increasing. They are desirous of improving their standard of living with the hygienic and reasonably high quality products and get rid of the spurious and sub-standard products being supplied to them. Rajeselvi(2013) in the article titled "Buyer behaviour towards electronic goods" has critically examined the behaviour of buyer towards electronic goods. The author has opined that, despite the basic characteristics of consumers the behavior pattern of consumers are more or less similar to each other, particularly in the aspects like quality, preference and decision making. Dr.J.A.Sethi and Anand Nagrecha(2013) made analysis on consumer behaviour of MBA students while buying

television. The study revealed that, the behaviour of consumers are influenced by the external factors including family which has major influencing factor in determining the style, features and price of the tv to be purchased.

Vijayalakshmi S et al.(2013) in the paper titled " An impact of consumer buying behaviour in decision making process in purchase of electronic home appliances in Chennai(India): an empirical study" investigated the impact of internal and external factors on the buying behaviour of the consumers. Further, the authors have concluded that, marketers need to concentrate on the influence of these factors in order to effectively satisfy the consumers who are differentiated in terms of their decisions.

Siva Kumar J et al.(2014) have opined that, the decision making behaviour of customer with regard to electronic goods may be influenced by the gender. The study presented consumer's decision-making styles towards purchase of electronic goods namely, Mobile phones, Laptops etc. in Chennai city. The Consumer Style Inventory (CSI), developed by Sproles and Kendall (1986) for investigating different consumer decision-making styles, was adopted and especially presented the difference between male and female consumers' decision-making styles. The result has shown that there is no significant difference between male and female consumers. Shiv Prasad et al.(2014) in the joint contribution on Changing face of buyers behaviour towards online shopping of financial products in India(A case study of Rajasthan State) have critically analyzed the buyer behaviour with regard to select goods through online shopping. The authors have viewed that, the nature of consumers have been changed especially towards premium products like TVs, refrigerator, mobile and other goods where the consumers are now more disposed to change their buying behaviour when purchasing these through online shopping. Further, the authors have concluded that, Buying is fast emerging as an important media choice for certain products/ services. The result also implies that the Internet is medium better suited for high involvement products/ services especially in the Informative category.

From the extensive investigation of literature review, it is observed that, there are very few studies which have concentrated on the buyer behaviour towards Electronic goods with special regard to select electronic good like Television. The study found to be relatively new area where there is a scope of extensive research in understanding as well as determining the consumer buying behaviour towards Television.

V. OBJECTIVES AND METHODOLOGY OF THE STUDY

The study is based on the doctoral research work carried to study the buying behaviour of electronic products in the state of Andhra Pradesh in general, and in particular to 3 select television brands(LG, Samsung and Videocon companies television brands). The study conceptualizes and makes critical analysis on consumer perception and opinions towards buying behaviour towards Television product in both urban and rural areas from the selected districts of Andhra Pradesh state.(i.e. Nellore, Vishakhapatnam and Kurnool.) and also to suggest the suitable measures that can contribute

the company's efforts to satisfy the buyers towards the select electronic good.

The primary data is collected with the help of a detailed questionnaire which is used to analyze the perceptions of consumers with reference to various determinants and its impact on buying behaviour. The secondary data is collected from the sources which include the Annual reports select electronic companies, distributors' reports, research reports, magazines, various marketing & management books and the

latest updates will also be collected from the news papers and internet sources. 150 urban and 150 rural consumers are selected from these 3 districts of Andhra Pradesh State. The analysis of survey results are presented below.

VI. ANALYSIS OF SURVEY RESULTS

The survey results obtained from the questionnaire data is tabulated and the summarized results are presented below.

Table 1
Survey results on consumer perception and opinions

Sl.No.	Perceptions/Opinions	Frequency/Results	Test applied	Results
1	Consumers' willingness to visit Television Store for the purchase	98% of both urban and rural consumers are willing to purchase	Chi-square	Null hypothesis is accepted.
2	Consumers perception on type of electronic store visited	30% of the urban consumers purchase through online and 43% of the rural consumers purchased from Multi brand electronic store	Chi-square test	Null hypothesis is accepted
3	Consumers' response on willing to purchase good in the very first visit	66% from urban and rural consumers opined to purchase in the very first visit	Chi-square	Null hypothesis is accepted.
4	Consumers response on distance covered for visiting the store	37 percent of the urban and rural consumers have raveled more than 3 km for purchase of Television	Chi-square test	Null hypothesis is accepted
5	Consumers response on type of feature they prefer in Television	30% of urban consumers preferred picture clarity where 30 percent of the rural consumers preferred sound quality	Chi-square	Null hypothesis is accepted.
6	Consumers perception on destination for buying good	Majority of urban and rural consumers perceived to purchase from Nearest Electronic store	Chi-square test	Rejected
7	Consumers' response on average duration they spend for buying Television	Majority of the urban and rural consumers perceived to spend more than one hour for the purchase of Television	Chi-square	Null hypothesis is accepted.
8	Consumer perception towards decision maker in the family for the purchase of Television	Majority of the urban and rural consumers, i.e., 35 % of them have opined that 'husband' in the family is the decision maker	Chi-square test	Null hypothesis is accepted
9	Consumers' perception on the source of awareness about Television	32% of the urban consumers opined the TV ads and Hoarding boards and 30% of the rural consumers opined television ads and news paper as the source of awareness	Chi-square	Rejected
10	Consumers perception on influence of promotional campaign	Majority of the urban and rural consumers opined promotional campaign has not influenced	Chi-square test	Null hypothesis is accepted.
12	Consumers Perception on type of brand preferred	61% of the urban and 78% of the rural consumers preferred to purchase International brand	Chi-square	Null hypothesis is accepted
13	Perception of consumers on price of the products	48% of the consumers from urban have opined 'affordable' and 42% of the consumers from rural opined 'slightly higher'	Chi-square test	Null hypothesis is accepted.
14	Perception of consumers on innovative featured expected	48% of the urban consumers expected wi-fi and net where as 41% of the rural consumers expected USB and sound system	Chi-square	Rejected

Source: Compiled from Questionnaire data

Urban and rural consumer behaviour is cross examined in the perceptions and opinions of the consumers with reference order to analyze whether there is a significant difference in to various aspects in buying behaviour. From the results

presented in table-1, it is observed that for the purchase of Television, for most of the cases, the null hypothesis is accepted, which proves that there is no significant difference in the perception of the consumers of urban and rural areas on various aspects related to buying behaviour.

Further, the field survey results obtained from questionnaire and from compilation, the following observations based suggestions are recommended.

1. Since Electronic industry is one of the most vibrating industries, there is still lot of gap in between the international brand and national brand performance. The television industry is still dominated by the international companies as there is a clear technology gap for the Indian companies and this is a major concern for the Indian companies for focus.
2. From the study on factors influencing Indian Electronics industry, it is observed that the growing demand and technology advancements are clearly encouraging the consumers to replace the existing television and expect for more features in the television. Hence, the television manufacturers need to concentrate on opportunity analysis and this will help them to tap the market.
3. From the study on marketing strategy of Videocon, it is observed that the low cost marketing strategy has worked for the company to tap middle class segment. But the Videocon company has not concentrated on upper class segment where the low cost marketing strategy has given negative results for the company in the long run.
4. The study on customer satisfaction index has shown that Videocon company is less dominated in comparison with the global giant companies like Samsung and LG. Further, it is also to observe that the consumer satisfaction is one of the important criterions which will provide long term benefit for the companies. Hence, the companies need to concentrate on ensuring the consumer satisfaction.
5. Concern on value, promise, benefits has helped the LG Company to sustain in Indian market. But the lack of focus shift according to trends is the major problem for LG Company, hence the company need to tackle this by studying the existing strategies applied by other dominating companies like Sony and Samsung.
6. From the study on primary data sources, it is observed that majority of the sample respondents for the present study is in the middle income range. This also shows that the consumer buying behavior of middle class is often characterized by the price and durability. Hence, the companies need to execute this double hurdle by new innovation that will decrease the manufacturing cost and increases the durability of the product.
7. From the study, it is clear that, majority of the consumers visit the electronic store for directly purchasing the television, as consumers have clear intention to purchase Television, marketing intermediaries need to deal with the buyers carefully, lack of effective receiving will lead to buyer migration to other electronic stores.
8. As majority of the consumers have opined that they would like to visit nearest electronic store for the purchase of Television, marketing intermediaries and

companies need to ensure that the products are available and the product line is also visible for the buyers. Further, majority of the consumers have opined that the 'elder in the family, i.e, father' as the decision maker in deciding the selection of Television product, the companies need to ensure that they provide more accurate information to the buyers during purchase encounter.

9. The study on media revealed that Television channels are the major sources for the information gaining for the buyers, the companies need to provide authenticated information about the product features, leaving the plagiarism and hype in the product. Effective promotion will make the buyer to get more clarity about the products.
10. Consumers' opinion on additional features revealed that consumers expect diversified features in the Television product. Hence, the companies need to implement the technology that enables them to make available of all the features expected by the consumers, further, the companies need to develop add on features to the existing users of television for migrating to new technology.

VII. CONCLUSIONS

From the study, it is to conclude that buying behaviour and post purchase satisfaction vary among the consumers for select brands and factors influencing them is also found differ in the urban and rural areas. Since electronic industry in India is more vibrant, and also the present marketing mix practices of the companies are well directed to satisfy the consumers, finally, it is recommended to the companies of 3 select brands is that there is a tremendous scope of development in rural India. From the observation, it is clearly understood that companies have not formulated differentiated strategies for urban and rural areas in India. Differentiating and matching the expectations of the urban and rural people will help the companies to gain wider reach and helps to increase the productivity.

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