

## **A Study of Factors Influencing Buying Behaviour in the Indian White Goods Industry for Indore City**

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**Abstract:** *Consumer behaviour is the process focuses on how individuals make decisions to spend their available resources like time, money, effort on consumption-related items. To that end, this paper addresses two fundamental research issues. Using a qualitative study, first identify the element of consumer buying behaviour process for White Goods Industry. Second, explore the factors affecting consumer buying behaviour. The close-ended questionnaire was developed from standard questions of relevant literature as a research instrument. The sample size taken for the research is of 300 respondents. Results of the experiment indicated that the overall set of independent variables was weakly associated with the dependent variable. However, the in-depth analysis found that product features, family and social status elements were strongly associated with the buying behaviours of Indore consumers.*

**Key Words:** *Consumer Buying Behaviour, Product Features, Social Status, Brand, Indian White Goods Industry*

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### **I. Introduction**

For companies to attain commercial success, it is important that managers understand consumer behaviour. The relationship between consumer behaviour and marketing strategy is emphasised because the success of companies' marketing strategies depends upon managers' understandings of consumer behaviour (understanding of consumer behaviour is especially important during a recession [1]. The study of customer behaviour is based on consumer buying behaviour, with the customer playing three distinct roles: user, payer and buyer. Research has shown that consumer behaviour is difficult to predict, even for experts in the field [2]. Consumer behaviour involves the psychological processes that consumers go through in recognising their needs, finding ways to solve these needs, making purchase decisions (e.g., whether to purchase a product and, if so, which brand and where), interpret information, make plans, and implement these plans (e.g., by engaging in comparison shopping or actually purchasing a product). Consumer behaviour research allows for improved understanding and forecasting concerning not only the subject of purchases but also purchasing motives and purchasing frequency [3].

The study of consumer behaviour focuses on how individuals make decisions to spend their available resources like time, money, effort on consumption-related items [4]. The buying process is a combination of mental and physical activities that ends with an actual purchase almost daily (reference). Thus it is interesting to study the connection within "what we buy" and "why we buy it". In this scenario, brands play a leading role in customer decision making. The purchase of a product is both mental and physical activity [5]. These activities are called behaviours, and their result is a combination of variety determinate by the relation within the type of customer and his/her role.

The definition of consumer behaviour given by Belch (1998) is 'the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires'. Behaviour occurs either for the individual, or in the context of a group, or an organization. Consumer behaviour involves the use and disposal of products as well as the study of how they are purchased. Product use is often of great interest to the marketer, because this may influence how a product is best positioned or how we can encourage increased consumption [6].

Howard and Sheth (1969) proposed one of the earliest models of consumer behaviour. The model integrates various social, psychological and marketing influences on consumer choice and used to analyse purchasing behaviour. Howard and Sheth suggested that consumer decision making differs according to the strength of the attitude toward the available brands; this being largely governed by the consumer's knowledge and familiarity with the product class [7].

Based on the above discussion researcher mainly focused on two major questions: how consumers go about making decisions, and how decisions should be made. It's really tough to know a customer just by taking a surface look or a surface descriptor such as male/female or age or ethnic group. To understand your customers' needs, you really have to understand their lifestyles, opinions and attitudes.

## II. Objective Of The Study

1. To identify elements of consumer buying behaviour process for white goods.
2. To explore factors influencing consumer buying behaviour for Indian white goods industry.

## III. Research Methodology

This research study is of descriptive nature and has used the quantitative research method. A convenience sample is employed for sampling method from Indore area and response is taken from the students, service class, business class and professionals. Size of the universe cannot be defined because every individual could be a respondent for this particular study. The sample size has been consisting of 300 respondents.

The close-ended questionnaire was developed from standard questions of relevant literature as a research instrument. However, secondary data has been collected with the help of print media like books, magazines, research articles on Google scholars and such other websites, related company literature. The succeeding part of the questionnaire restricted to five sections, and each section represented a variable. In this part responses were measured on a 5-point Likert scale, ranging from one (To a slight Extent) to five (To a very large Extent).

The statistical Package for the Social Sciences Program (SPSS) version 19.0 was used in this study for all the statistical assessments. The data set was screened and examined for incorrect data entry, missing values, normality and outliers. In this study, descriptive statistics are first employed and then factor analysis is carried out by the researcher.

## IV. Data Analysis And Interpretation

### 4.1 Elements Which Influence Purchase Decisions

The elements which influence purchase decision data were initially subjected to factor analysis separately to explore the structure of the data. A total of 10 scale items yielded 3 significant factors; based on loadings, the first was titled '*Product Features*'. As shown in Table I, it accounts for 37.26 percent of the variance in the data and loads highly on a set of variables which include 'Brand', 'Performance', 'Technology', 'Service Warranty', 'Environmental Friendly', and 'Prestige of the Product'. This factor includes most of the typically used descriptors of desired product features outcomes. A second distinct outcome factor emerged from the data. Based on its loadings, this factor was titled '*Family*'. As shown in Table I, it accounts for 19.714 percent of the variance in the data and loads highly on such variables as 'Family', and 'Friends'. These variables indicate a level of involvement of family & friends in influencing the purchase decision. A third distinct outcome factor emerged from the data. Based on its loadings, this factor was titled '*Social Group*'. As shown in Table I, it accounts for 12.24 percent of the variance in the data and loads highly on such variables as 'Peer Groups' and 'Social Status'. These variables indicate a level of involvement of society in influencing the purchase decision.

**Table I: Elements which influence Purchase Decision  
Total Variance Explained**

| Component | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              | Rotation Sums of Squared Loadings |               |              |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
|           | Total               | % of Variance | Cumulative % | Total                               | % of Variance | Cumulative % | Total                             | % of Variance | Cumulative % |
| 1         | 3.726               | 37.259        | 37.259       | 3.726                               | 37.259        | 37.259       | 3.611                             | 36.107        | 36.107       |
| 2         | 1.971               | 19.714        | 56.973       | 1.971                               | 19.714        | 56.973       | 1.662                             | 16.624        | 52.731       |
| 3         | 1.224               | 12.243        | 69.216       | 1.224                               | 12.243        | 69.216       | 1.649                             | 16.485        | 69.216       |
| 4         | .759                | 7.587         | 76.804       |                                     |               |              |                                   |               |              |
| 5         | .552                | 5.519         | 82.323       |                                     |               |              |                                   |               |              |
| 6         | .518                | 5.182         | 87.505       |                                     |               |              |                                   |               |              |
| 7         | .472                | 4.723         | 92.228       |                                     |               |              |                                   |               |              |
| 8         | .313                | 3.127         | 95.355       |                                     |               |              |                                   |               |              |
| 9         | .278                | 2.782         | 98.138       |                                     |               |              |                                   |               |              |
| 10        | .186                | 1.862         | 100.000      |                                     |               |              |                                   |               |              |

Extraction Method: Principal Component Analysis.

**Rotated Component Matrix<sup>a</sup>**

|       | Component |       |       |
|-------|-----------|-------|-------|
|       | 1         | 2     | 3     |
| EPD1  | .703      | -.058 | .414  |
| EPD2  | .126      | .843  | -.129 |
| EPD3  | -.068     | .717  | .381  |
| EPD4  | -.038     | .498  | .647  |
| EPD5  | .196      | .019  | .806  |
| EPD6  | .854      | .037  | .033  |
| EPD7  | .895      | -.150 | .057  |
| EPD8  | .770      | .008  | -.039 |
| EPD9  | .635      | .254  | -.435 |
| EPD10 | .728      | .312  | .227  |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

**4.2 Buying Behaviour Decision**

The elements which influence buying behaviour decision data were initially subjected to factor analysis separately to explore the structure of the data. A total of 12 scale items yielded 2 significant factors; based on loadings, the first was titled ‘Brand Awareness’. As shown in Table II, it accounts for 42.28 percent of the variance in the data and loads highly on a set of variables which include ‘The only difference between the major brands of electronics products is price’, ‘Electronics products are electronics products; most brands are basically the same’, ‘The major brands of electronics products are the same’, ‘The reliability of the major brands of electronics products is the same’, ‘The major brands of electronics products are all equally family oriented’, and ‘The major brands of electronics products are all equally original’. This factor includes most of the typically used descriptors of brand awareness in consumer durables. A second distinct outcome factor emerged from the data. Based on its loadings, this factor was titled ‘Brand Comparison’. As shown in Table II, it accounts for 11.60 percent of variance in the data which include ‘The level of safety of the major brands of electronics products is the same’, ‘The level of success of the major brands of electronics products is the same’, ‘The level of confidence in the major brands of electronics products is the same’ and ‘The level of honesty of the major brands of electronics products is the same’. The third factor that emerges as shown in Table II, it accounts for 9.15 percent of the variance in the data and loads highly on such variables as ‘To me, there are big differences between the various brands of electronics products’. There is only one variable in this factor and loading among all the factors are very less so the variable is removed.

**Table II: Buying Behaviour Decision**  
Total Variance Explained

| Component | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              | Rotation Sums of Squared Loadings |               |              |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
|           | Total               | % of Variance | Cumulative % | Total                               | % of Variance | Cumulative % | Total                             | % of Variance | Cumulative % |
|           | 1                   | 5.074         | 42.282       | 42.282                              | 5.074         | 42.282       | 42.282                            | 3.262         | 27.182       |
| 2         | 1.392               | 11.600        | 53.882       | 1.392                               | 11.600        | 53.882       | 3.182                             | 26.514        | 53.696       |
| 3         | 1.097               | 9.146         | 63.028       | 1.097                               | 9.146         | 63.028       | 1.120                             | 9.332         | 63.028       |
| 4         | .948                | 7.903         | 70.931       |                                     |               |              |                                   |               |              |
| 5         | .807                | 6.726         | 77.657       |                                     |               |              |                                   |               |              |
| 6         | .709                | 5.911         | 83.569       |                                     |               |              |                                   |               |              |
| 7         | .525                | 4.372         | 87.941       |                                     |               |              |                                   |               |              |
| 8         | .439                | 3.658         | 91.599       |                                     |               |              |                                   |               |              |
| 9         | .310                | 2.584         | 94.183       |                                     |               |              |                                   |               |              |
| 10        | .289                | 2.405         | 96.588       |                                     |               |              |                                   |               |              |
| 11        | .219                | 1.823         | 98.411       |                                     |               |              |                                   |               |              |
| 12        | .191                | 1.589         | 100.000      |                                     |               |              |                                   |               |              |

Extraction Method: Principal Component Analysis.

**Rotated Component Matrix<sup>a</sup>**

|       | Component |       |       |
|-------|-----------|-------|-------|
|       | 1         | 2     | 3     |
| BBD1  | .653      | -.011 | -.217 |
| BBD2  | -.004     | -.069 | .927  |
| BBD3  | .743      | .265  | -.027 |
| BBD4  | .776      | .381  | .137  |
| BBD5  | .840      | .129  | .133  |
| BBD6  | .617      | .437  | .057  |
| BBD7  | .147      | .652  | -.109 |
| BBD8  | .289      | .620  | -.035 |
| BBD9  | .312      | .783  | -.115 |
| BBD10 | .329      | .598  | .344  |
| BBD11 | -.007     | .862  | .072  |
| BBD12 | .532      | .482  | .152  |

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 4 iterations.

**4.3 Factors Influence Purchase Decisions**

The factors which influence purchase decision data were initially subjected to factor analysis separately to explore the structure of the data. A total of 10 scale items yielded 3 significant factors; based on loadings, the first was titled ‘*Product Promotion*’. As shown in Table III, it accounts for 32.27 percent of the variance in the data and loads highly on a set of variables which include ‘I shop a lot for specials (products on sale/discounts/offers) when purchasing’, ‘I consider design of the product as an important factor’ and ‘Advertised brands are better than non advertised brands’. This factor includes most of the typically used descriptors of offers and promotion activities attached with the product. A second distinct outcome factor emerged from the data. Based on its loadings, this factor was titled ‘*Brand Loyalty*’. As shown in Table III, it accounts for 15.31 percent of the variance in the data and loads highly on such variables as ‘I tend to buy the same brand (for the chosen product category) again and again’, ‘I prefer a particular brand only (for the chosen product category)’, ‘I consider quality stability as an important factor’ and ‘Ease to handle a product is an important factor while purchasing’. These variables indicate a loyalty towards a single brand which influencing the purchase decision. A third distinct outcome factor emerged from the data. Based on its loadings, this factor was titled ‘*Product Information*’. As shown in Table III, it accounts for 11.1 percent of the variance in the data and loads highly on such variables as ‘I spend considerable time in information gathering before product purchase’ and ‘I prefer brands with after sales service while purchasing’. These variables indicate a level of information gathering in influencing the purchase decision.

**Table III: Factor influence Purchase Decision**  
**Total Variance Explained**

| Component | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              | Rotation Sums of Squared Loadings |               |              |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
|           | Total               | % of Variance | Cumulative % | Total                               | % of Variance | Cumulative % | Total                             | % of Variance | Cumulative % |
| 1         | 3.227               | 32.273        | 32.273       | 3.227                               | 32.273        | 32.273       | 2.190                             | 21.900        | 21.900       |
| 2         | 1.531               | 15.314        | 47.588       | 1.531                               | 15.314        | 47.588       | 2.117                             | 21.171        | 43.071       |
| 3         | 1.109               | 11.095        | 58.683       | 1.109                               | 11.095        | 58.683       | 1.561                             | 15.612        | 58.683       |
| 4         | .971                | 9.714         | 68.397       |                                     |               |              |                                   |               |              |
| 5         | .793                | 7.933         | 76.330       |                                     |               |              |                                   |               |              |
| 6         | .688                | 6.875         | 83.205       |                                     |               |              |                                   |               |              |
| 7         | .599                | 5.991         | 89.196       |                                     |               |              |                                   |               |              |
| 8         | .562                | 5.620         | 94.816       |                                     |               |              |                                   |               |              |
| 9         | .288                | 2.881         | 97.696       |                                     |               |              |                                   |               |              |
| 10        | .230                | 2.304         | 100.000      |                                     |               |              |                                   |               |              |

Extraction Method: Principal Component Analysis.

**Rotated Component Matrix<sup>a</sup>**

|       | Component |       |       |
|-------|-----------|-------|-------|
|       | 1         | 2     | 3     |
| FPD1  | .396      | .266  | .136  |
| FPD2  | .298      | .644  | .163  |
| FPD3  | .433      | .591  | -.267 |
| FPD4  | -.076     | .709  | .269  |
| FPD5  | .821      | .015  | .180  |
| FPD6  | .613      | .452  | -.006 |
| FPD7  | .226      | .103  | .829  |
| FPD8  | .805      | -.028 | .011  |
| FPD9  | .032      | .700  | .203  |
| FPD10 | .004      | .273  | .782  |

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 a. Rotation converged in 6 iterations.

## V. Conclusion

This research contributes to the understanding of consumer buying behaviour in the consumer durables market. The major findings of the study indicated that the overall set of independent variables was weakly associated with the dependent variable. However, the in-depth analysis found that product features, family and social status elements were strongly associated with the buying behaviours of Indore consumers. The buying behaviour is also influenced by brand awareness among consumers and alternatives of brands available in the market. The analyses discover in consumer decision-making is that product promotion, brand loyalty and product information plays an important role while purchasing consumer durables.

## References

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