

IMPACT OF CONSUMER BEHAVIOUR ON CONSUMER GOODS-A PRIMARY ANALYSIS

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ABSTRACT

Online marketing tendency is a process of electronic commercial activity which allows the consumer to directly buy goods or services from the seller over internet and many other options. It helps in improving the economy and mobilising the economic progress of the economic unit. Consumer behaviour is a developing concept and basically aims for developing the consumer culture both in terms of psychological, social and behavioural framework. Understanding of the consumer behaviour helps in identifying the economic structure and also to create an effective marketing strategy. This paper tries to analyse the shifting focus of the consumer market and the factors contributing to it.

JEL Classification: B25, B27, B29

KEYWORDS: consumer durable, Consumer price index, wholesale price index, labour force participation rate

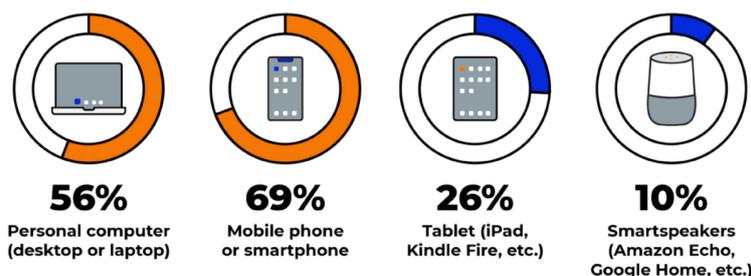
INTRODUCTION

In this framework of digitalised platform consumer sovereignty is a highly developing one. Technological development had gained massive levels of influence on the product quality and had paved way for rapid market innovations. In the modified consumer market, the consumer behavioural pattern has paved way for influence of consumer trends both in psychological, social and physical characteristics of the product which helps them to undertake decision regarding what to produce, how to produce and what strategy to be initiated. Engel, Blackwell and Mansard postulates that “consumer behaviour is the actions and the decision process of people who purchase goods and services for personal consumption”. Even though various studies postulate positive trend with these factors there are serious levels of restrictions in the area of identifying these innovations (PARASURAMAN,2000). Various management theories talk

about these innovation strategies and management techniques, however development and accessing these techniques to massive rests as an important area to be concerned with. Consumer behaviour studies how individuals and groups choose, buy, use, and dispose of ideas, goods, and services to satisfy their needs.

Buyer behaviour involves both visible and invisible mental and physical activities when a buyer wants to buy and consume goods or services. It is complex and dynamic, constantly changing and requiring adjustments from marketing management. Buyer behaviour is influenced by internal factors like needs, habits, and attitudes, as well as external factors like family, social groups, culture, status, positions, and economic conditions. In summary, consumer behaviour refers to the act of a consumer engaging in buying and consuming goods or services.

Top Devices Consumers Use to Shop Online



*Respondents could select multiple answers.

Figure 1: Graphical representation on changing consumer trends (World Wide)

Source: <https://www.junglescout.com/blog/social-commerce-trends/>



CONSUMER TREND-FREQUENCY

Year Base2020

	Frequency	Percent	Valid Percent	Cumulative Percent
.40	2	16.7	16.7	16.7
.90	1	8.3	8.3	25.0
1.10	1	8.3	8.3	33.3
1.20	1	8.3	8.3	41.7
2.10	1	8.3	8.3	50.0
Valid 3.30	2	16.7	16.7	66.7
7.70	1	8.3	8.3	75.0
12.30	1	8.3	8.3	83.3
22.80	1	8.3	8.3	91.7
44.50	1	8.3	8.3	100.0
Total	12	100.0	100.0	

Year Current 2024

	Frequency	Percent	Valid Percent	Cumulative Percent
.20	1	8.3	8.3	8.3
.40	1	8.3	8.3	16.7
.50	2	16.7	16.7	33.3
1.00	1	8.3	8.3	41.7
1.60	1	8.3	8.3	50.0
Valid 1.70	1	8.3	8.3	58.3
4.20	1	8.3	8.3	66.7
5.30	1	8.3	8.3	75.0
12.00	1	8.3	8.3	83.3
20.80	1	8.3	8.3	91.7
51.70	1	8.3	8.3	100.0
Total	12	100.0	100.0	

Table 1: Frequency distribution of consumer trend (2020-2024)

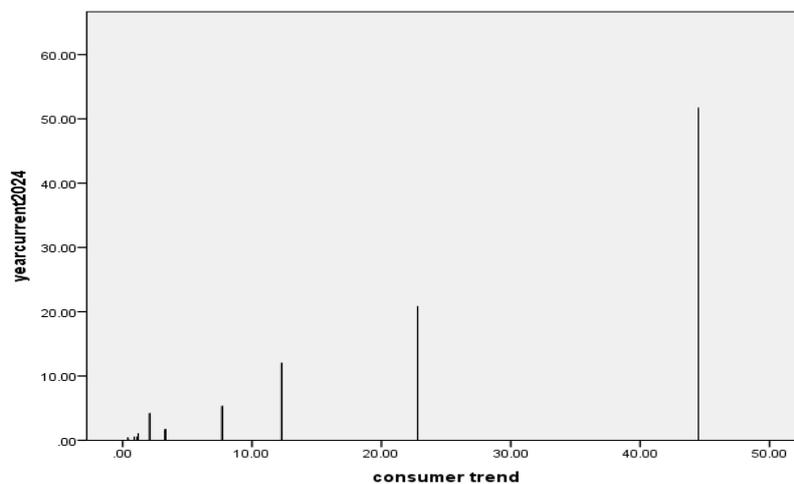


Figure 2: Growth rate of female labour force participation rate



FACTORS AFFECTING CONSUMER BEHAVIOR

1. Economic Factors

The economic situations of a country greatly influence the consumption pattern of an individual. When an economy is in a stage of progressive tendency normally it leads to high levels of money supply and leads to higher purchasing power of the consumers resulting in consumer sovereignty. When the economy is in low basis and does not have scope for development, the economy passes through massive struggles and faces immense problems to meet up with the existing consumer market situations.

2. Social Factor

The society in which human beings live is greatly influenced by the consumption pattern of an individual. Human beings always have a tendency to imitate the consumption pattern of others and thus follows a nurture to be accepted. In economics we call it as ratchet hypothesis. Social factors include family, reference groups, roles and status, cultural factors and personal factors. The personal factors in them includes age, income, occupation and life style.

3. Cultural Factors

Various micro level studies conducted by Bardhan 1977, Teernik 1995 postulates that there are many cultural factors which works behind the consumer trends and practices. People prefer commodities on the basis of their culture and always go for and prefer acculturation and rapid cultural development. People coming from certain communities have strong preference for a commodity and others diverge from a particular product. This shows their area of preference.

4. Psychological Factors

The consumer behaviour of an economy is greatly influenced by the psychological factors of an individual. The various psychological factors that drive the consumption tendency of an individual includes motivation, perception, learning, attitudes and beliefs. Each and every individual has their own psychological perspective and depending upon it the consumption tendency of individuals fluctuates.

The Indian consumer durables industry is driven by rising disposable income, newer product variants, price-sensitive product pricing, availability of financing schemes, rise in organized retail, innovative advertising and brand promotion, and festive season sales. The growing middle class and double income families attract companies, making newer variants and innovative product features more attractive. The availability of financing schemes also plays a crucial role in product affordability. The rise in organized retail is expected to drive the growth pace, with a 16% share in the total retail pie by 2011-2012. Innovative advertising and brand promotion measures will help companies differentiate themselves.

THEORETICAL REVIEW

There are different theories which explains the consumer preference and the trends in the market units. These theories include

a) Traditional theories of consumer behaviour

- b) Modern theories of consumer behaviour
- c) economic theories of consumer behaviour
- d) psychological theories of consumer behaviour
- e) social psychological theories of consumer behaviour
- f) sociological theories of consumer behaviour

Traditional and modern theories of consumer theory explains that in traditional perspective consumer behave in a mechanistic format where consumer preference increases with increase in their income. Traditional theorists believe consumers believe in the notion of rational behaviour, whereas on the other hand modern theories postulates that their consumer behaviour pattern is neither based on economic or social principle rather on the basis of an interdisciplinary concept. The consumer behavioural pattern is based on social, economic, psychological and political factors.

The economic theories of consumer behaviour even explained by Adam smith postulates that human beings are rational live beings and has perfect knowledge regarding market conditions. According to this theory consumers make decisions based on perfect knowledge about market conditions. Price remains as one of the most important factors under consumer behaviour and market tendency.

The psychological theories of consumer behaviour postulates that the consumption pattern of an individual is influenced by attitude, learning style and many other psychological principles. Psychological theories are otherwise termed as learning theories. The basic hypothesis of the theory is that people learn a lot from their experience. The factors influencing these psychological aspects includes Repetition, motivation, conditioning, relationship and organisation.

The social psychological theories of consumer behaviour were put forward by Thornstein Veblen and Festinger and they postulate that man is a social being and the behaviour of an individual are highly governed by the society in which an individual live. Culture, ethnic group and subculture influences the consumption pattern of an individual. The sociological theory of consumer behaviour explains that the behaviour of an individual is highly influenced by the group which they represent. Each and every individual are influenced by the social and cultural atmosphere in which they live. The reference group incurs a strong influence on the character of an individual and their preference for certain commodities.

OBJECTIVES OF THE STUDY

1. To study about the behavioural pattern of consumers in case of selected consumer durables
2. To identify the factors which influences the consumption patterns of individual

HYPOTHESIS OF THE STUDY

- H1: There exists a positive influence of economic factors on the consumer preference for a commodity in an economy
- H2: Cultural factors greatly influence the consumption pattern of an individual



H3: Socio demographic factors greatly influences the consumer tendency to purchase a particular combination of good

H4: Technological changes had greatly influenced the consumption pattern and trend on an economy

METHODOLOGY

COLLECTION OF DATA

Data assembled for the study was undertaken both for the secondary as well as from the primary sources. The consumer trend 2023, CPI and WPI report was compiled as a basis for secondary purpose for studying the consumer trends and figures. The data for the study was collected from a period from 2019-2023. Primary data was collected from 200 respondents.

VARIABLES AND MODEL

A normalisation of data has been undertaken under the study since there exists disparity among the consumption pattern among individuals. In this model consumption of individuals in the case of durable goods are considered and analysed in detail. Cultural, social, personal, and psychological factors significantly impact consumer behaviour and purchase decisions; marketers must understand these factors to create effective marketing mixes. Cultural factors, such as culture, subculture, and social class, influence consumer values and

DESCRIPTIVE ANALYSIS

decision processes. Social factors include groups, family, roles, and status, while personal factors like age, lifecycle stage, occupation, and lifestyle influence preferences. Psychological factors like motivation, perception, learning, beliefs, and attitudes also impact purchase decisions.

The equation in the model is represented hence as follows:

MODEL SPECIFICATION

$$In\ CONSDU\ it = \beta_0 + \beta_1 In\ ECOit + \beta_2 In\ CULit + \beta_3 In\ SOCiit + \beta_4 In\ AME\ it + uit + In\ HEALT$$

AME it=Amenities and services that affect the dependent variable in time 't'

DIG it= Digitalisation factors that affect the dependent variable in time 't'

CONSDU=Consumer durables in time "t"

Uit=Stochastic error

DATA ANALYSIS AND RESULTS

The study basically analysis the descriptive statistics of the model. Correlation analysis and VIF test are performed to analyse the relation among the variables. Multicollinearity analysis and unit root test analyses are formulated to identify the whether there is stationarity among the variables. Ordinary Least Square method are formulated in order to identify the connection between dependent and independent variable.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
YEAR2	12	.20	51.70	8.3250	14.98709
Valid N (listwise)	12				

Table 1: Frequency Distribution Correlations

	YEAR2	YEAR1
Pearson Correlation	1	.992**
YEAR2 Sig. (2-tailed)		.000
N	12	12
Pearson Correlation	.992**	1
YEAR1 Sig. (2-tailed)	.000	
N	12	12

** . Correlation is significant at the 0.01 level (2-tailed).

Table 2: Correlation of Trends

	Cases					
	Included		Excluded		Total	
	N	Percent	N	Percent	N	Percent
ITEMS * YEAR1	12	100.0%	0	0.0%	12	100.0%
ITEMS * YEAR2	12	100.0%	0	0.0%	12	100.0%



**Table 3 : Mean
ITEMS * YEAR1**

ITEMS	
YEAR1	N
.40	2
.90	1
1.10	1
1.20	1
2.10	1
3.30	2
7.70	1
12.30	1
22.80	1
44.50	1
Total	12

ITEMS * YEAR2

ITEMS	
YEAR2	N
.20	1
.40	1
.50	2
1.00	1
1.60	1
1.70	1
4.20	1
5.30	1
12.00	1
20.80	1
51.70	1
Total	12

Descriptive Statistics

	N	Range	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
PERCENTAGE	5	29	6	35	20.00	5.070	11.336	128.500
Valid N (listwise)	5							

Table 1 : Consumer E Payment Methods



India, the fifth largest consumer durable market, is experiencing significant growth post-pandemic, with the industry expected to double its size by four years to reach \$21.2 billion. The demand for appliances and home entertainment products is driven by rising incomes, urbanization, disposable incomes, changing lifestyles, and easy availability of consumer finance. The BEE star labelling for fans, BLDC Motors Fans, and water heaters are key factors in the market, with fans becoming the most penetrated segment. The refrigerator, washing machines, and air-conditioners markets in India are estimated to be around

\$3.82 billion and \$384 billion, respectively. The market for air-conditioners is expected to grow to 16.5 million units by 2025, while the refrigerator market is expected to grow to 27.5 million units by 2025. The Indian government has promoted the manufacturing of appliances with PLI schemes and announced 100% FDI for electronics hardware manufacturing to cater to increased production demand. However, the industry faces challenges and needs to be addressed carefully to ensure sustainable growth.

COUNTRY

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid CHINA	1	25.0	25.0	25.0
EU	1	25.0	25.0	50.0
INDIA	1	25.0	25.0	75.0
USA	1	25.0	25.0	100.0
Total	4	100.0	100.0	

YEAR BASE 2018

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 2.50	1	25.0	25.0	25.0
2.90	1	25.0	25.0	50.0
6.50	1	25.0	25.0	75.0
7.30	1	25.0	25.0	100.0
Total	4	100.0	100.0	

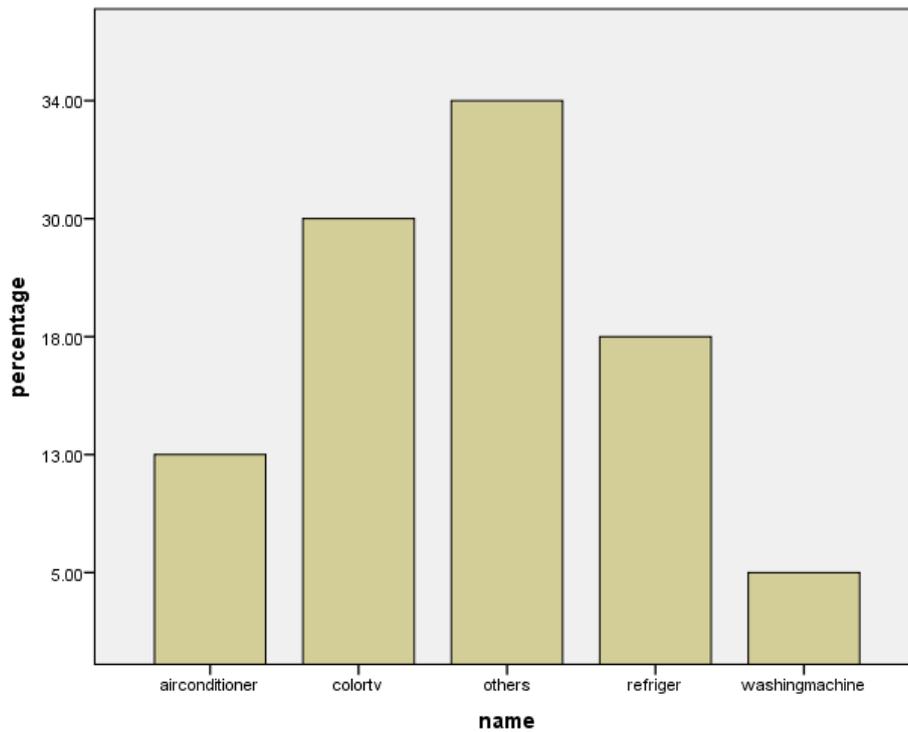
YEAR CURRENT 2023

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.30	1	25.0	25.0	25.0
1.70	1	25.0	25.0	50.0
5.50	1	25.0	25.0	75.0
8.20	1	25.0	25.0	100.0
Total	4	100.0	100.0	

Table 2 : Expected GDP growth rate

2020 marked a significant shift in the consumer durables industry, with companies adapting to changing consumer sentiments and offering innovative solutions. The sector has grown steadily over the past decade, offering sustainable markets and opportunities for growth in urban and rural markets. Brands are adopting a customer-centric approach, identifying emotional needs and understanding their reasons, to build successful brands in the 'new normal'. Consumers are prioritizing health and eco-friendly products due to increased health awareness and environmental concerns. Water purifiers and heaters are crucial, while energy-efficient and eco-friendly products are becoming more important. Digital integration is crucial for social distancing and personalized experiences, with e-commerce channels providing convenience and quick delivery. Consumers seek advanced, user-friendly tech

products that simplify life. AI and IoT-driven technologies enhance communication between devices and humans, paving the way for innovation and potential life-changing changes. This year, robotics, AI, IoT, and AR-VR will be at the forefront, paving the way for future advancements. Agility is crucial for success in today's constantly changing business landscape. The pandemic has highlighted the need for companies to adapt to change across functions like production, supply chain, marketing, and sales. A combination of strategy and agility is essential to weather strong currents. Consumers are increasingly seeking products that support hygiene and health, and global technologies and lifestyles have transformed consumer durables. The pandemic has encouraged companies to reinvent and evolve, ensuring that products offer comfort and convenience, even at higher costs.



Profile of the Respondent

SL.No	Variables		Total Respondents	Percentage
1	Age	Up to 20	9	18
		21-30	24	48
		31-40	8	16
		Above 40	9	18
2	Sex	Female	24	48
		male	26	52
3	Edu. qualifications	Plus, two	4	8
		Degree	9	18
		Pg	19	38
		above	18	36
4	Occupations	No job	6	12
		Professional	10	20
		Non professional	20	40
			14	28
5	Monthly income	Below 10,000	22	44
		10,000-30,000	15	30
		30,000-50,000	7	14
		Above 50,000	6	12
6	Marital status	Married	23	46
		unmarried	27	54
7	Family size	Small	15	30
		Medium	23	46
		large	12	24
8	Residential areas	Rural	14	28
		Semi urban	11	22
		urban	25	50



List of commodities hold by the respondents at home

Products	No	Percentage	Yes	Percentage
Mixie	37	74	13	26
Grinder	39	78	11	22
Washing machine	26	52	24	48
Refrigerator	1	2	49	98
Tv	10	20	40	80
Pc	1	2	49	98
Mobile	13	26	37	74
Water purifier	15	30	35	70
Microwave oven	5	10	45	90
Air conditioner	1	2	49	98

Advertisements watched in different medias

Media	N	%	N	%	N	%	N	%	N	%	N	%
Print	2	4	11	22	13	26	11	22	11	22	50	100
Radio	4	8	15	30	10	20	9	18	11	22	50	100
Tv	35	70	16	32	4	8	3	6	2	4	50	100
Hoardings And Banners	5	10	12	24	10	20	12	24	12	24	50	100
Displays	4	8	8	16	12	24	17	34	11	22	50	100

Responses Percentage

S No	Influenced By	Respondents	Percentage
1	Yes	46	92
2	no	4	8
	total	50	100

Factors influencing purchasing decision of human beings

Marketing organizations can help consumers act on their purchase intentions by integrating internal psychological processes. This allows them to influence purchase decisions more easily. Registered brand owners offer personal guarantee for quality and standards. Consumer durable goods are valued, high-priced, and not frequently purchased.

SUGGESTIONS

- Consumer durable demand is volatile and influenced by business conditions. Marketers focus on replacing old products and expanding stock. Consumers prefer high-value, established brands' durables. Marketers must convert brand consciousness into loyalty to maximize sales.
- Buyers of consumer durables prefer extensive inquiries from various brands to avoid post-purchase dissatisfaction. They should consider price concessions, price reductions, discounts, and gifts when available, but should not be lured by consciousness without considering the quality and performance of these higher value products.

CONCLUSION

The competitive market for consumer durables requires producers to understand consumer interests and communicate effectively to increase sales. Marketers should tailor their strategies to meet the needs and aspirations of their target market, as this will give them an advantage over competitors.

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