



**IJMRBS**

ISSN 2319-345X  
Vol. 5, No. 1, January 2016

# International Journal of Management Research and Business Strategy

[www.ijmrbs.com](http://www.ijmrbs.com)



**MEGHANA PUBLICATIONS**

[www.meghanapublications.com](http://www.meghanapublications.com)

# PRICE AND CONSUMER'S BRAND CHOICE BEHAVIOR REGARDING WHITE GOODS

Amardeep B Bajpai<sup>1\*</sup>

\*Corresponding Author: **Amardeep B Bajpai** ✉ [amardeepbbajpai@gmail.com](mailto:amardeepbbajpai@gmail.com)

This paper describes a detailed study of consumer's behavior under influence of price to take a decision to purchase a white goods among the buyer's in Yavatmal (Maharashtra) city. The three products selected for the study are mobile, refrigerator, and air-conditioner. The data collected for this study through questionnaire survey with 100 customers. The preliminary result in this study, was found the brand choice is independent with the price. Most of the customers preferred their brands to price. The result may come after the study, suggestions, for pricing in the market with white goods are recommended accordingly.

**Keywords:** Brand, Behavior, Consumer, Preference

## INTRODUCTION

Pricing decisions have strategic importance in any enterprise. Price is a matter of vital importance to both the seller and the buyer in the market place. Price denotes the value of product or services expressed in money. Economist defines as the exchange value of a product or services always expressed in money. Pricing is equivalent to the total product offering. This offering includes a brand name, a package, product benefits, after, sale service, delivery credit and so on.

Price is the medium through which the consumer's interact with marketers. Pricing decisions interconnect marketing actions with the financial objectives of the enterprise. Pricing play an important role in the economy. Price influences consumer purchase decisions.

As the income of the consumer changes, his consumption pattern for different types of products also changed. Goods or products may be necessities or luxuries. A buyer makes purchase of a particular product or a Particular brand and this can be termed as "product buying motives". A necessity is something that is required and not given up readily. On the other hand the consumption of luxuries fluctuates more than changes in the income. Behavior regarding white goods is an important question under consideration in this research work.

### What is Buyer Behavior

Buyer behavior is defined as, "all psychological social and physical behavior of potential customers as they become aware of, evaluate, purchase, consume, and tell other about products and services.

<sup>1</sup> Research Scholar (Commerce)

Consumer behavior is the process whereby individuals decide what, when, how and from whom to purchase goods and services.

According to Leon *et al.*, "Consumer behavior is the behavior that the consumer displays in scanning for purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs".

When a educated person gets money in his pocket he sits down with his wife and prepare a family budget. It may happen that after visiting to a market they might have purchased some items which were not in their budget and thus there arises a deviation is due to the new needs due to arrival of new products, better display of the product, availability of credit facilities, dealing of the salesman, competition price, etc. All the behavior of human beings during the purchase may be termed as "Buyers Behavior"

Buyer behavior include the act of individuals directly involved in obtaining and using economic goods and services including sequences of decision processes that precede and determine these acts.

Buyer behavior may be viewed as an orderly process where by the individual interact with his environment for the purpose of making market decisions on products and services.

#### Theories of Consumer Behavior

##### A) Economic theories

- i) Economic utility theory
- ii) Income and saving theory

##### B) Psychological theories

- i) Stimulus response theories
- ii) Congnitive theories

##### C) Psycho analytic theories

##### D) Social culture theories

#### Price and Consumer Brand Choice Behavior

The decision to purchase a product depends on four broad determinants:

- i) Brand related criteria
- ii) The resources and psychology of decision maker
- iii) Other perceived offerings in the market place
- iv) Social constraints and facilitators

Price is of course a factor but only one of four connected to a particular brand. Price is the main factor or major determinants of buyer choice. This factor is in the poorer nations among poorer groups with commodity type of product. Buying process represents a problem solving approach and includes the following five steps:

- i) Perceived want, i.e., recognition of an unsatisfied need
- ii) Search for relevant information
- iii) Evaluation of alternatives
- iv) Purchase decision
- v) Post purchase experience and behavior, i.e., product use and evaluation.

Non price factors have become more important in recent decades, price still remain as important element determining market share and profitability. Consumers put pressure on retailers to lower their price, retailers put pressure on the wholesaler who in turn pressurize the manufacturers to lower the prices. This results in discount.

## OBJECTIVES OF THE STUDY

The objective of present study is to predict the

consumer expected behavior regarding white goods. White goods sold by retailers to customer in the market such as mobile, refrigerator and air-conditioners. To achieve this purpose the object of this study is

- To analyze consumer's behavior towards white goods.
- To what extent price is the indicator of quality.

## ABOUT THE STUDY

This is a deep study of consumer behavior for consumer's choice brand to purchase a white goods through consumer survey. The research is exploratory in nature and is hence descriptive.

The aim of study consists of consumers owning the durable or white goods under study (mobile, refrigerator and air-conditioners) living in Yavatmal city only. The total sample of consumers is 100 planned. Total 100 consumers are taken as a sample for study.

To study the specific products mobile, refrigerator and air-conditioners are selected. Selection of above products due to widely used in consumers who belongs to the middle class family. The middle class families can afford to purchase the above products in easy way and many of middle class families can purchase at same price range.

The other reason for choosing these three products in particular are:

- i) The product is widely used in all categories of family
- ii) Consumer are alert to purchase a branded product to maintain their lifestyle
- iii) An indication of advertisement appeals that develop brand preferences base on

psychological concept of the consumer must be present.

For data collection, questionnaire, is a primary and used as a tool for investigation which was divided into two parts. The part of questionnaire was aimed at getting basic information of the consumers such as age, education, marital status, occupation, monthly income, etc., and in the second part of the study the detailed information for the product, i.e., mobile, refrigerator, and air-conditioners under the study has been included.

The collected data has to be analyzed in accordance with the outlet laid down for the purpose at the time of developing the research plan.

While studying this present topic (1) the simple table were prepared for learning about the consumer's feedback. The collected data was cross tabulated to find various effects of socioeconomic through the attitudes of consumers. (2) The collected data must be framed as per hypothesis which was taken and tested systematically for their significance. (3) A contingency coefficient was found. There is relation between two consumers response. The responses to the various statements on specific attitude of consumer response was measured by Z-test after ignoring "neither nor the other" answers. (4) the collected data, when applied the other tests and analyse the collected data shows relations and differences if any.

## FINDINGS

After circulating the questionnaire and asked to consumers to express their opinion from consumer following statements are made

- There is difference in quality of available brands
- Likings and purchasing power is different
- More of consumers pay more attention towards advertisement
- Some consumer purchase a product to maintain lifestyle though that product is necessary or not for him.
- More of the consumers purchasing the product to exchange with their old products means to purchase a new product due to their habits.

More of the consumed agreed with the above statements. After analyzing the collected data it was found that the consumers perceived me quality variations in brands of mobile, refrigerator, air-conditioners. A consumer decided to purchase a particular product of particular brand after reference group especially their spouse and friends some consumers decided to purchase a product of particular brand under influence of advertisement. Consumers are very cautious while purchasing such products.

It is true that price factor is major factor for purchasing a white good for consumers before purchasing any product b consumer judges the quality of product on the basis of price. If branded product is not available in the market consumer will not purchase that product, he will wait for some days for that product. Means choice of brand is independent for consumer majority of respondents preferred their brand to price. The consumer is influenced by brand name, price, design and features. Some consumers also find the after sale service, heather service station of that company is easily reachable.

It was tested weather the difference in purchasing behavior of consumers was because of the socioeconomic variables like age,

education, occupation, income, and martial status.

Majority of the consumers were found to be influenced towards foreign brands. Attraction towards foreign brands are for consumers who belongs to higher income group.

For ensuring price control the marketer cannot ignore the pricing policy of the competitors. The consumers protection organization can indirectly influence the price control.

## SUGGESTIONS

- 1) Consumer behavior is influenced by four factor.  
Culture, social, personal, and psychological.  
Research into all these factors can provide clues to reach and server consumers more effectively.
- 2) Companies have to change their price policy as per market situations like geographic areas, demands, consumers habits etc. So companies should not follow a single pricing policy.
- 3) The marketer should try to understand how consumer will get ready to purchase a product. To create the need of product to consumers and which factors make buying decision.
- 4) Marketer must examine buyer's level of involvement and the number of brands available to determine whether consumers are engaging in complex buying behavior.
- 5) Now a days consumers decide to purchase a brand name as a quality so marketers must have to maintain the branded product in market and create a new customer to purchase a branded product.

- 6) The marketers must be careful while selecting brand name. The brand name selected should suggest something about the products benefits, suggest product quality.
- 7) Marketers also consider various buying motives, emotional and rational motives, patronage motives. He also considers buying habit for convenience goods, shopping goods and special goods for special occasions.
- 8) Consumer behavior analysis is useful in estimating the potential size of a market, in market segmentation.
- 9) There are many buyer behavior models, the economic model, the learning model, the psychological model, the sociological model, the systems model from marketers view points.
- 10) The human mind eludes our understanding. Each of us has almost unlimited wants, like and dislikes which are also changing. Human behavior is even changing and unpredictable, hence it is called the dark continent of marketing.
- 11) To attract the consumers, the marketer is advised to adopt a combination of media depending upon their effectiveness.

## CONCLUSION

The present study has been aimed at identifying the differences in the feelings and attitudes of the consumer towards purchasing white goods.

As yet we do not passes an integrated, precisely defined, tested and generally acceptable theory of consumer behavior. Buyer is still a riddle. He is highly complex person. Buyer behavior is a complex subject.

Important factors influencing buyer behavior are

- 1) Flow of information from rival marketers in the form of salesman's suggestions, advertising and publicity, sales promotion, sample and trial, display in the shop, etc.
- 2) Socio cultural environment interacts in the society in various roles..
- 3) Group influence, e.g., family, friends, opinion leaders, peers, etc.
- 4) Religion and language.
- 5) Status influencing buyer behavior.
- 6) Environmental factors, e.g., fashion, lifestyle, competition, inflation, deflation, technological advances, etc.

Marketer also considers various buying motives emotional and rational motives, patronage motives, he also consider buying habits for convenience goods, shopping goods and speciality goods while offering the marketing mix to a target market consumer-buyer is viewed as an important variable in the marketing sequence, a variable that cannot be readily controlled and that will interpret the product or service not only in terms of physical characteristics but also in the context of its image according to social, psychological and culture make up of that individual consumer (or group of consumer) human being is the most complex and dynamic variable.

The consumers are influenced by brand name, price and design and features while purchasing the product in the market. Refrigerator and air conditioners are being durable products in nature, consumers adopted a very cautions approach for buying them.

Consumer behavior analysis useful in estimating the potential size of a market, in market segmentation in locating preferred trends in product development in finding out attributes of alternative communication methods and in formulating the most favoured marketing mix to secure favourable buyer's response in purchase and repurchase of product.

Consumer behavior is a complex phenomenon as it is affected by a host of economic and non economic factors. The primary purpose for studying consumer behavior is to understand why and how consumers make their purchase decisions. These insights enable marketers to design more effective marketing strategies. It includes the study of what they buy it, why they buy it, where they buy it, where there buy it, how often they buy it and how often they use it.

## REFERENCES

- 1) Philip Kotler (2004), Marketing Management, 11<sup>th</sup> Edition, Pearson Education Inc.
- 2) Leo G Schiffman, Lesile Lazer Kanuk (2001), *Consumer Behavior*, 6<sup>th</sup> edition, Prentice Hall of India.
- 3) Richard P Bagozzi (1986), *Principle of Marketing Management*, Science research associates Inc.
- 4) Donald R Cooper, Pamela S.Schindler (2004), *Business research method*, 8<sup>th</sup> edition, Tata McGraw-hill publishing company ltd.
- 5) Sherlekar S A (2014), *Marketing Management*, 14<sup>th</sup> edition, Himalaya Publishing House, Mumbai.



**International Journal of Management Research and Business Strategy**

**Hyderabad, INDIA. Ph: +91-09441351700, 09059645577**

**E-mail: editorijmrbs@gmail.com or editor@ijmrbs.com**

**Website: www.ijmrbs.com**

