

# *Chapter I*

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## CHAPTER I

### INTRODUCTION AND DESIGN OF THE STUDY

#### 1.1 INTRODUCTION

The consumer durable Industry in India is represent a steady growth over the long period, power-driven by constructive customer profile, complete development in industrial sectors, trade, business services and infrastructure development. The consumer buying choices and preferences are quickly changing and moving towards complex technology products with acculturation. The affordability of the consumers is increasing due to education, income, occupation, reference group, changes in buying patterns and influence of media. It is also assist by the easy accessibility of finance and nuclear family system. Growing in requirement for consumer durable in the marketplace and reduces in prices as Indian consumers are persist to connect a high degree of significance to worth for money. The market size, product penetration, technology development, strategy in selling the product has all experienced a vast change in the minds of manufactures and consumer as well. Enhanced product choices, preferences and turn down in actual prices, corresponding by improved consumer incomes have determined the market expansion rate to giddy heights.

The growing incidence of a variety of consumer durable goods has appealed a high competition between the different consumer durable brands. Nowadays brands are flattering the most precious resources that businesses can hold. Although a brand is further than just a logo or a name. Branding is a progression which pertains creating a precise name, logo, and an image of an exacting product, service or business. This is done to attract consumers. It is generally done through publicity with a constant theme. A brand is the arrangement of properties contained by and outside a product which gives uniqueness to the standard product. It cannot be estranged from the manufactured goods. A brand is a product, service, individual, corporation, or a conception which has individuality like a name, figure, etc. to be specialized from others in the market.

Understanding how consumers relate to brand names has been important for marketing. The value created by a brand lies in the monument associations consumers have

for products sold with that brand. Such associations are frequently recognized through brand - building efforts that look for to develop greater brand awareness and positive brand attitudes among consumers. A brand that is powerfully associated with a particular product category will repeatedly enjoy substantial achievement in that category because it can successfully separate itself from competing.

Customer Based Brand Equity (CBBE) deals with brand knowledge of the customers and the reaction to the brand's marketing strategies. A customer can have negative and positive insight of CBBE towards a brand. Companies can build the brand equity for their products and services by making them unforgettable, easily identifiable and better in quality and consistency. Consumers with a favourable CBBE will be ready to pay more for the brand than for the price of the standard product. Building CBBE is considered a part of brand building and supposed to bring several benefits to the firm. Marketers can attain competitive benefit through fruitful brands. The competitive advantage of firms that have brands with high equity includes the opportunity for successful extensions, resilience against competitor promotional pressures, and creation of barriers to competitive entry. Developing further insights into the dimension of customer -based brand equity is vital in the face of the prominence of branding. A better understanding of brand equity measurement is necessary for an enriched practice of brand management.

The Consumer products industry includes both durable and non-durable products. Non-durable goods include FMCG and other goods which satisfy the everyday needs of the households. Consumer Durable goods are those which do not wear out quickly, yielding utility over time rather than at once. They can be further classified as Consumer electronics (brown goods) and Consumer appliances (white goods) white goods, such as refrigerators, washing machines and air conditioners or brown goods such as television, Mobile and Laptop. Therefore, in the current study chosen consumer durable goods with selected brands are measured. Today many consumer durables brands are available in the market with varied product features, design and affordable price. Brand and price are two most significant variables which affect consumer's decision regarding purchase of consumer durables. People have a tendency to buy quality products or top brands when it comes to consumer durables. But price sometimes becomes an obstacle. So it is observed that people

prone to compare brands with price. Since there are consumers who are strong to buy several reliable brands of consumer durables then because of high price they cannot give to pay or purchase those. It is also observed that some consumers are extremely loyal to some brands when it comes to consumer durables. Hence, this study is intended to find brand preference, Customer based brand equity, pre-purchase factors and post purchase satisfaction of consumers has been analyzed for select consumer durable brands.

## **1.2 STATEMENT OF THE PROBLEM**

Consumers from emerging market like India have greater brand preference and the companies are interested not only in the product but also the behaviour of the consumers and brand equity since it gives them the perfect orientations for brand positioning. Building brand equity is the prime task of the companies to reduce the searching cost of the potential customers. The key to the success of a brand management is to understand what benefits consumers are looking for from a particular product or services. Brands enable consumers to distinguish between the competing products and services offered by the market. There are several factors which have strengthened the challenge for marketers to manage brands and also strengthen their importance for consumers (Keller, 2008).

In the present scenario, establishing customer based brand equity by the establishment of strong brand is becoming more and more challenging. Amplified pressures to compete on price, product introductions and bigger competition through store brands and the disintegration of advertising and market segments are a few samples of the pressure faced by consumer goods companies in the present marketing environment. Basically, brand equity emerges from the greater enthusiasm that consumers place in a brand than they do in competitors. The subject of brand equity has appeared as one of the most significant areas for marketing management. Despite having interest in the subject, however, to date, little research has been conducted in order to distinguish brand equity from a customer perspective and to investigate which dimensions of brand equity have the strongest effects on consumer behaviour. Since the source of brand equity is customer perception (Aaker, 1991), it is important for managers to measure and track it at the customer level.

The durable goods market is flooded with several offers of different range of brands and products. The consumer's change their buying behaviour depends on the accessible branded products and also on their expectations. It is broadly accepted that, customer buying behaviour and customer based brand equity are most imperative factors that make businesses to attain success. In recent days, marketers are actually concerned to know about how customer based brand equity influence buying behaviour. This matter creates researchers and marketers to find how customer based brand equity influence on buying behaviour mainly with respect to consumer durable goods. Customer based brand equity play most important role in attracting the customers and also they have the capacity to impact on customer buying behaviour. Customer based brand equity has the ability to encourage confidence in the minds of consumers about the brand they buy. Most of the companies are thinking to develop their business market globally. Hence, before they can expand, it is very vital for them to spot the factors and marketing strategies that will direct them for success

Building customer based brand equity is the primary task of the companies to decrease the searching cost of the prospective consumers. Customer based brand equity generally grouped in to five dimensions namely, Brand Loyalty, brand awareness, brand association, perceived quality and other propriety assets from among these five brand equity dimensions, The researcher took four dimensions from five CBBE dimensions to customers' assessments and responses to the brand that can be willingly tacit by consumers. Strong brand equity builds high brand awareness, maintain a positive brand image and make the endless loyal to the brand. A number of studies with separate focus on, brand loyalty, brand awareness, perceived quality and brand association, purchase behaviour, customer retention, customer satisfaction, and attitude in areas such as restaurants, sport wear industry, fast moving consumer goods and automobile industry have been conducted both in India and abroad. All these studies have revealed the need for further research. Hence, in this study, the brand preference of the customers, factors affecting the consumer buying behaviour, dimensions of customer-based brand equity, pre-purchase brand dominance factors in the brand selection and post purchase satisfaction of the customers have been analyzed by the researcher.

### **1.3 OBJECTIVES**

The following objectives have been framed:

- To find the brand preference and the factors affecting the buying behaviour of the consumers.
- To analyze various dimensions of customer-based brand equity with respect to select durable goods.
- To study the pre-purchase brand dominance factors in the brand selection and the level of post purchase satisfaction of the consumers.
- To study the relationship between Consumers buying behaviour, various dimensions of customer based brand equity, pre-purchase brand dominance factors and Post-Purchase Satisfaction.

### **1.4 HYPOTHESES**

Based on the objectives the following hypotheses have been framed and tested.

- Demographic profiles of the respondents have no significant influence in brand preference.
- There is no significant difference in consumer buying behaviour based on the demographic profile of the respondents.
- Dimensions of customer based brand equity do not differ significantly based on their demographic profile.
- Pre-purchase brand dominance factors in brand selection and post purchase satisfaction of the customers have no significant variation based on their personal profile.
- There is a significant relationship between buying behaviour, pre purchase behaviour, post purchase satisfaction and various dimensions of customer based brand equity.

## **1.5 SCOPE OF THE STUDY**

Researcher has chosen consumer products of Home Appliances for the present research. The selected brands for the research are from the products available for home appliances. This study provides a background from where the attitudes, responses and perceptions of the consumers of the consumer products towards branding are identified and measured. The study is based on the statement that all the dimensions of customer-based brand equity will have influence on consumer behaviour of branded home appliances. The result of this study could serve as a decision making tool to help managers of consumer durable products to maximize the value of their brands in modern marketing. Researcher restricts its range to chosen consumer durable such as Television, Refrigerator, and Washing machine, Air Conditioner, Mobile and Laptop. For each product, the researcher has chosen 5 brands. The current study aims at investigate the customer based brand equity of selected branded home appliances, considering four dimensions, namely, brand loyalty, brand awareness, perceived quality and brand association from customer perspectives. The dimensions of proprietary brand assets such as trade mark, patent, logo, symbols are not considered in this study as it is a dimension from firm's perspective.

## **1.6 RESEARCH METHODOLOGY**

### **Period of the Study**

The study has been conducted from the year 2017-2019.

### **Area of the Study**

The area of the study restricted to Coimbatore city.

### **Sampling Design**

For the convenience of administration, Coimbatore city is divided into five zones ie. North, South, East, West and Central. From each zone 1 ward have been selected by random sampling. From each ward 5 streets have been selected at random and further 20 respondents have been chosen at random from each street using systematic random sampling. Hence, the number of respondents selected for the study are 500 respondents (5 wards x 5 streets x 20 Households). The Data has been collected from the respondents

by using questionnaire. First hand documents collected from the field over questionnaire. This kind of facts often helps to provide proper answers to investigate questions.

### **Instrumentation**

- Self administered questionnaire has been used to assess the consumer behaviour and dimensions of customer based brand equity with five point Likert scaling (Strongly Agree-1 to strongly Disagree -5)
- To evaluate pre purchase behaviour ten factors have been considered with five point Likert scaling (Very important-1 to least important-5). For finding post purchase satisfaction, fourteen factors have considered with five point Likert scaling (Highly satisfied -5 to Highly dissatisfied-1)

### **Pilot study**

Researcher conducted pilot study to finalize the durable goods that which are using in the study area. Fifty questionnaires were issued in the study area, and collected back the entire questionnaire. There were more number of branded included in the questionnaire, based on the pilot study the number of durable products under refrigerator, washing machine, air conditioner, mobile phone, television and lap top were reduced. Based on reliability and validity tests needed changes had been made in the final questionnaire.

### **Source of Data**

Primary data and secondary data have been used for this study. The primary data have been collected by administering a structured questionnaire from the selected respondents. The secondary data have been collected from various books, magazines, journals, articles and websites.

### **Frame Work of Analysis**

The collected information have been reviewed and consolidated into master table. For the purpose of analysis, the data have further processed by using statistical tools namely, Percentage Analysis, Mean, Standard Deviation, Chi-Square Test, t-Test, Analysis of Variance (ANOVA), Correlation, Regression and Path Analysis..

## **1.7 SIGNIFICANCE OF THE STUDY**

Due to the entry of Global competitors into the Indian market with products having homogenous features, brands, quality and benefits; it is vital for marketing managers to understand that their brands are the most important assets. It is anticipated that the findings from this research will contribute significantly to the body of knowledge on the topic. The study is important from both the academic point view as well as from the marketers' viewpoint of durable producing companies. For academicians, the research will give more insight about the influence of customer based brand equity on buying behaviour. This research will help the marketers to realize the significance of customer based brand equity of durable goods. The information gained from this research might be helpful for

the marketers to execute their marketing plans both in short and long term perspective for better performance.

### **1.8 LIMITATIONS OF THE STUDY**

- This study is limited to Coimbatore city only and result may differ if conducted in other region and it measures the Customer based brand equity of selected consumer durable product only.
- Analysis is based on the primary data collected through questionnaire and the accuracy of the findings entirely depends on the correctness of such data.
- The present study is mainly focused on durable products generally and home appliance specifically. Therefore, the current study can't be appropriate to other durable products.

### **1.9 CHAPTER SCHEME**

- ✓ **CHAPTER I** deals with Introduction, Statement of the Problem, Objectives, Hypothesis, Scope, Research Methodology, Significance and Limitations of the Study.
- ✓ **CHAPTER II** presents the review of literature from various studies.
- ✓ **CHAPTER III** represents the conceptual frame work on consumer buying behaviour and Customer Based Brand Equity (CBBE) and its dimensions.
- ✓ **CHAPTER IV** explains the brand preference and factors affecting the consumer buying behaviour
- ✓ **CHAPTER V** analyze various dimensions of customer-based brand equity with respect to select durable goods
- ✓ **CHAPTER VI** studies the Influence of Pre-purchase factors in the brand selection and to analyse the level of post purchase satisfaction of the customers.
- ✓ **CHAPTER VII** the relationship between Consumers buying behaviour, Customer based brand equity dimensions, Pre-purchase factors and Post-Purchase Satisfaction.
- ✓ **CHAPTER VIII** summarizes the Findings, Suggestions and Conclusion of the study.