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# To Analyze Consumer Buying Behaviour and Preferences in the Home Appliances Market of Haier

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***Abstract*- The Consumer Durables Industry consists of durable goods and appliances for domestic use such as televisions, refrigerators, air conditioners and washing machines. Instruments such as cell phones and kitchen appliances like microwave ovens were also included in this category. The sector has been witnessing significant growth in recent years, helped by several drivers such as the emerging retail boom, real estate and housing demand, greater disposable income and an overall increase in the level of affluence of a significant section of the population. The industry is represented by major international and local players such as Haier, Hitachi, LG, Samsung, Whirlpool, Godrej etc.**

**In this research, we have done the survey of the buying behavior and preferences of the consumers in the Home appliances market of Haier, which are used by people of all ages. After this research we shall came to know how people perceives these products on the variables like price, quality, advertisement, satisfaction, taste, packaging, brand loyalty etc. We also analyzed to know which particular brand is most preferred by people of different age groups. Trend of ongoing changes in their likings has also been shown in the report.**

***Index Terms*- Consumer Durable Industry, Consumer Buying Behavior, Haier, Samsung**

## I. INTRODUCTION

All marketing starts with the consumer. So consumer is very important to a marketer. Consumer decides what to purchase, for whom to purchase, why to purchase, from where to purchase, and how much to purchase. In order to become a successful marketer, he must know the liking or disliking of the customers. Marketer must also know the time and the quantity of goods and services, a consumer may purchase, so that he may store the goods or provide the services according to the likings of the consumers. Gone are the days when the concept of market was let the buyer's beware or when the market was mainly the seller's market. Now the whole concept of consumer's sovereignty prevails. The manufacturers produce and the sellers sell whatever the consumer likes. In this sense, "consumer is the supreme in the market".

Consumers play a very vital role in the health of the economy local, national or international. The decisions made by consumers concerning the consumption behavior affect the demand for the basic raw materials, for the transportation, for the banking and for the production; they effect the employment of workers and deployment of resources and success of some industries and failures of others. Thus marketer must understand this. Preference (or "taste") is a concept, used in the social sciences, particularly economics. It assumes a real or imagined "choice" between alternatives and the possibility of rank ordering of these alternatives, based on happiness, satisfaction, gratification, enjoyment, utility they provide. More generally, it can be seen as a source of motivation. In cognitive sciences, individual preferences enable choice of objectives/goals.

The study of the consumer preference not only focuses on how and why consumers make buying decision, but also focuses on how and why consumers make choice of the goods they buy and their evaluation of these goods after use. So for success of any company or product promotion it is very necessary to depart its concentration towards consumer preference

### *A. SCOPE OF THE STUDY*

As learning is a human activity and is as natural, as breathing. Despite of the fact that learning is all pervasive in our lives, psychologists do not agree on how learning takes place. How individuals learn is a matter of interest to marketers. They want to teach consumers in their roles as their roles as consumers. They want consumers to learn about their products, product attributes, potential consumers benefit, how to use, maintain or even dispose of the product and new ways of behaving that will satisfy not only the consumer's needs, but the marketer's objectives. The scope of my study restricts itself to the analysis of consumer preferences, perception and consumption of home appliances produced by Haier.

### *B. OBJECTIVES OF TH E STUDY*

This project is based on the comparative study of consumer behavior towards Home Appliances in the market of Haier.

Objectives of the study are:

- To find out consumer awareness of various brands in the home appliances market.
- To find the perception of consumers towards Haier as a brand.
- To find out how consumers associate with Haier products.
- To identify the important attributes impacting consumer buying behaviour in the purchase of home appliances market of Haier.

## II. RESEARCH METHODOLOGY

Research Methodology followed for the research is as below.

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### A. SURVEY DESIGN

A survey will be conducted to collect a primary data from a sample of around 150 people of which includes 75 male and 75 females of different age group in between 20-30,30-40 and 40-50 of different age income group monthly in between 20k-30k,30k-40k and greater than 40k respectively for various brands such as LG, whirlpool, Samsung, onida and Godrej to observe and understand the consumer behaviour across six product categories: refrigerators, color television, DVDs, washing machines, microwave ovens and dishwashers – i.e. the entire range of home appliances will be considered.

### B. SAMPLE SIZE AND DESIGN

A sample of 200 people was taken on the basis of convenience. The actual consumers were contacted on the basis of random sampling.

### C. RESEARCH PERIOD

Research work is only carried for 2 or 3 weeks.

### D. RESEARCH INSTRUMENT

This work is carried out through self-administered questionnaires. The questions included were open ended, dichotomous and offered multiple choices.

### E. DATA COLLECTION

The data, which is collected for the purpose of study, is divided into 2 bases:

*Primary Data* will be used to make our analysis and it will be collected through survey method.
*Secondary data* will be used to make various feature-wise analyses of various models of home appliances products vis-à-vis Haier brands and will be taken from various websites of the brands.

## III. FINDINGS AND ANALYSIS

### A. Data Analysis:

The data is analyzed on the basis of suitable tables by using mathematical techniques. The technique that I have used is Bar/Pie technique.

| | |
|---|---|
| Percentage of Respondents | |
| Male | 75% |
| Female | 75% |

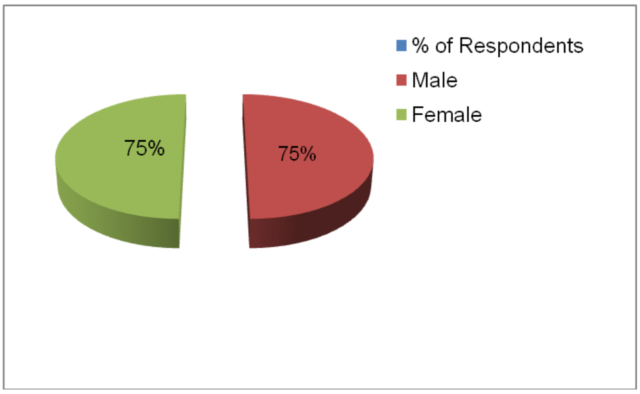


*Fig.1*

*Interpretation*
Here, in survey the 75% are male respondents & rest of the respondents are female. Male and Female both are more concerned about the consumer durables & also equally more attracted towards the electronics.

Q1. What age group do you belong to?
a) 20 – 30 Yrs
b) 30 – 40Yrs
c) 40 -50 Yrs

*Age Group of Respondents:*

| Age Group (in years) | No. of Respondents | % of respondents |
|---|---|---|
| 20-30 | 46 | 31% |
| 30-40 | 67 | 45% |
| 40-50 | 37 | 25% |
| | 150 | |

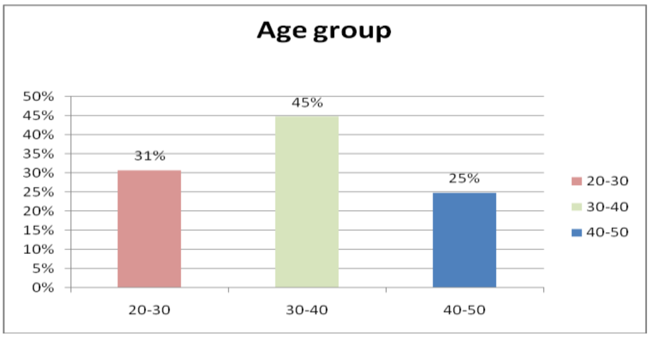


*Fig.2*

*Interpretation*
It can be seen that 45% of the respondents belong to the age group of 30-40 years while the only 25% of the respondent belong to the age group of 40-50 years Only 31% respondent were in the age group of 20-30 years

Q2. What is the family Size: (above 5 Yrs in age?)
a) 1 to 3
b) 4 to 7
C) 8 to 12
d) More Than 12

| Family Size (above 5 years in age) | No. of Respondents | % of Respondents |
|---|---|---|
| 1-3 | 48 | 32% |
| 4-7 | 78 | 52% |
| 8-12 | 19 | 11% |
| More than 12 | 5 | 3% |
| | 150 | |

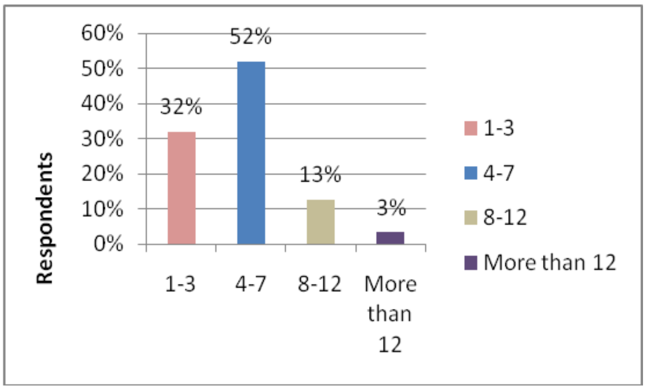


*Fig.3*

*Interpretation*

From the above analysis, it is observed that 52% of the total respondents have a family size of 4-7 members while 32% respondents have 1-3 family members. Only 3% respondents have family size of more than 12 members and 11% have family size of 8-12 members.

Q3. Which category does your monthly Income fall into?
a) Rs. 20,000 to 30,000
b) Rs. 30,000 to 40,000
c) Above 40,000

| Rupees | No. of Respondents | % of respondents |
|---|---|---|
| 20,000-30,000 | 35 | 23% |
| 30,000-40,000 | 45 | 30% |
| Above 40,000 | 70 | 47% |
| | 150 | |

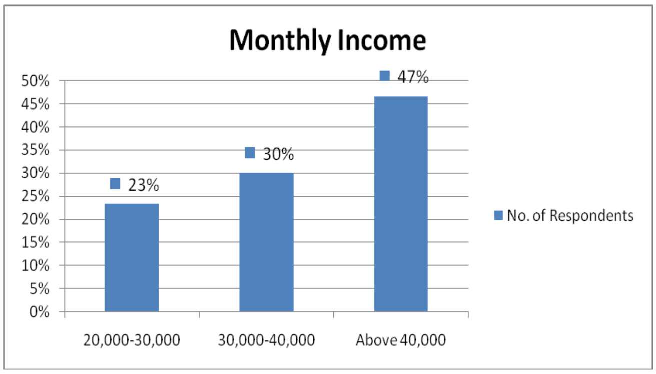


*Fig.4*

*Interpretation*

Out of the above analysis, it is noticed that most of the respondents have a monthly income of above Rupees 40,000 while 30% respondents have monthly income between Rupees 30,000 to Rupees 40,000. Only 23% respondents have a monthly income of less than Rupees 30,000.

Q4. Which are the Home Appliances you are aware of or you are using?
a) Refrigerators,
b) Color television,
c) DVDs,
d) Washing machines,
e) Microwave ovens
f) Dishwashers

| Types of Home Appliances | No. of Respondents | % of Respondents |
|---|---|---|
| Refrigerators | 40 | 27% |
| Color Television | 50 | 33% |
| DVDs | 20 | 13% |
| Washing Machines | 10 | 7% |
| Microwave Ovens | 25 | 17% |
| Dishwashers | 5 | 3% |
| | 150 | |

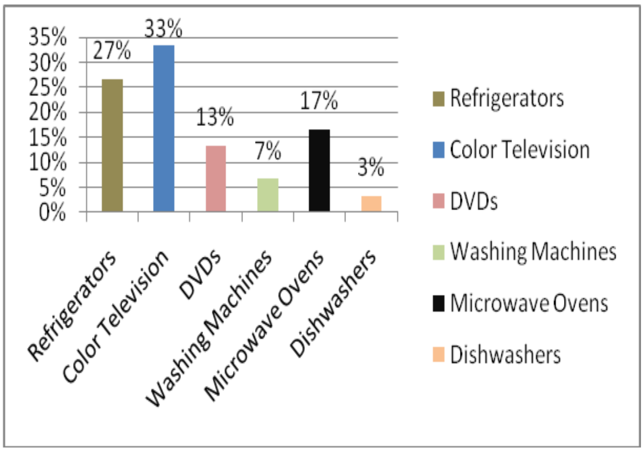


*Fig.5*

*Interpretation*

From the above findings, it is clear that 33% of the respondents are aware of using color Television while 27% know how to use the refrigerators. 13% and 17% of the respondents are aware of using DVDs and Microwave oven respectively while only 7% and 3% respondents are aware of using Washing Machine and Dish Washer respectively.

Q5. What are the Brands which come to your mind when you think of these home Appliances?
a) Haier
b) Hitachi
c) LG
d) Samsung
e) Whirlpool
f) Godrej

| Brands | No. of Respondents | % of Respondents |
|---|---|---|
| Haier | 25 | 17% |

| | | |
|---|---|---|
| Hitachi | 5 | 3% |
| LG | 33 | 22% |
| Samsung | 45 | 30% |
| Whirlpool | 22 | 15% |
| Godrej | 20 | 13% |
| | 150 | |

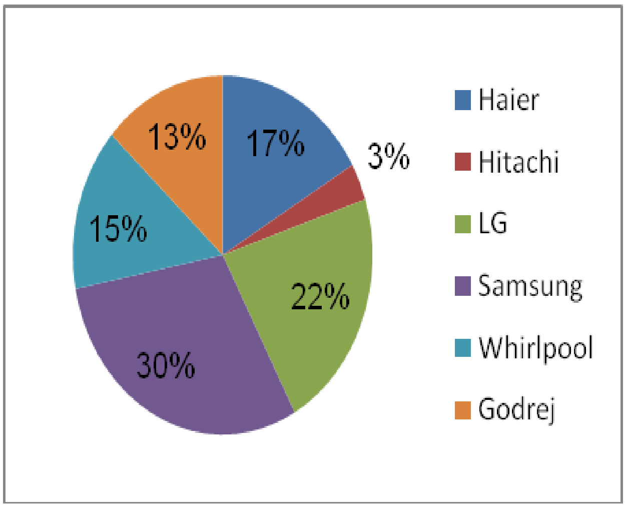


*Fig.6*

*Interpretation*

30% respondent said Samsung brand when they thought of any Home appliances while the percentage was least (only 3%) for Hitachi Brand. 17% respondent answered Haier brand while

Percentage for LG and Whirlpool brands were 22% and 15% respectively.

Q6. Which is the most preferred brand of Home Appliances? Rank them according to your preference.

a) Haier
b) Hitachi
c) LG
d) Samsung
e) Whirlpool
f) Godrej

| Brands | No. of Respondents | % of Respondents |
|---|---|---|
| Haier | 13 | 9% |
| Hitachi | 12 | 8% |
| LG | 35 | 23% |
| Samsung | 45 | 30% |
| Whirlpool | 30 | 20% |
| Godrej | 15 | 10% |
| | 150 | |

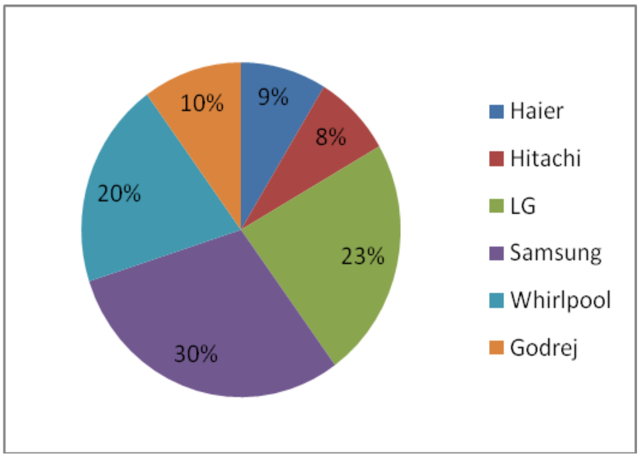


*Fig.7*

*Interpretation*

30% respondents have ranked Samsung as their first preference while 23% respondents have ranked LG as their first preference. The share of Haier brand is 9% as the first preference of the consumer in Home appliances.

Q7. What do you keep in mind before buying the Home Appliances?

Rank the attributes according to your preference:

a) Price / EMI Schemes
b) Features
c) Technology (power save)
d) Convenience
e) Brand Image
f) After Sales Services

| Buying Factors | No. of Respondents | % of Respondents |
|---|---|---|
| Price/EMI Schemes | 30 | 20% |
| Features | 12 | 8% |
| Technology (power saver) | 18 | 12% |
| Convenience | 10 | 7% |
| Brand Image | 45 | 30% |
| After Sale Services | 35 | 23% |
| | 150 | |

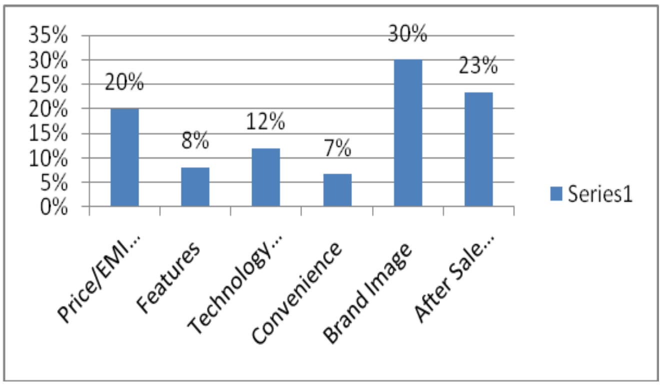


*Fig.8*

*Interpretation*

30% respondents have said that they would see the Brand Image while buying a Home Appliances while only 20% respondents said that they would see the price or EMI schemes.23% respondents preferred after sale service and would then decide the Home appliances.

Q8. How much time do you take in making a purchase decision?
a) 1st Visit
b) 2-3 Visit
C) 3-5 Visit
d) More Than 5 visits

| Time for Purchase decision | No. of Respondents | % of Respondents |
|---|---|---|
| 1st Visit | 23 | 15% |
| 2-3 Visit | 45 | 30% |
| 3-5 Visit | 67 | 45% |
| More than 5 Visit | 15 | 10% |
| | 150 | |

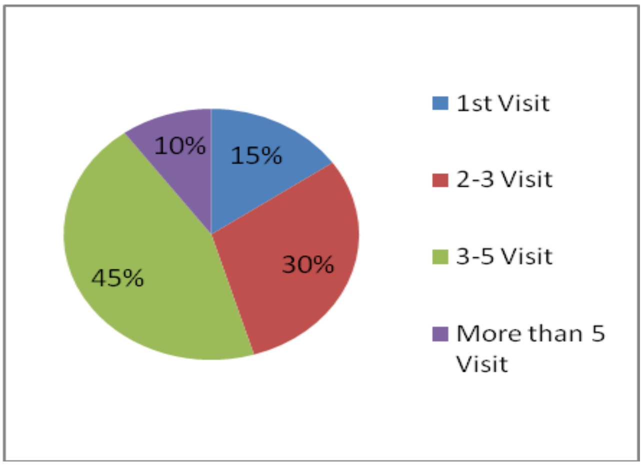

*Fig.9*

*Interpretation*
From the above findings, it is observed that 45% of the respondent likes to visit 3-5 times before buying any Home appliances while 15% respondent finalises their purchase decision in $1^{st}$ visit.
However, only 10% of the respondents visit more that 5 times to finalise their purchase for hole appliance

Q9. How do you get information about the Home Appliances and Products?
a) Television
b) Radio / FMs
c) Newspaper
d) Books & Magazines
e) Friends & relatives
f) Internet

| Mode of Information | No. of Respondents | % of Respondents |
|---|---|---|
| Television | 45 | 30% |
| Radio/FMs | 13 | 9% |
| Newspaper | 35 | 23% |
| Books and Magazines | 30 | 20% |
| Friends and Relatives | 7 | 5% |
| Internet | 20 | 13% |
| | 150 | |

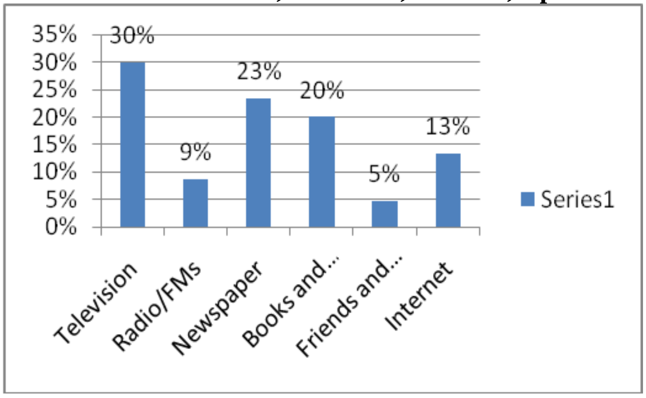

*Fig.10*

*Interpretation*
From the survey, it is concluded that 30% of the respondents gets the information about the Home Appliances through Television while 23% respondents gets the information through Newspaper. Only 5% respondents gets the information from their friends and relatives while 20% gets information from Books and Magazines.

Q10. Does advertisement influence your purchasing decisions?
a) Yes
b) No
c) May Be

| Options | No. of Respondents | % of Respondents |
|---|---|---|
| Yes | 100 | 67% |
| No | 43 | 29% |
| May Be | 7 | 5% |
| | 150 | |

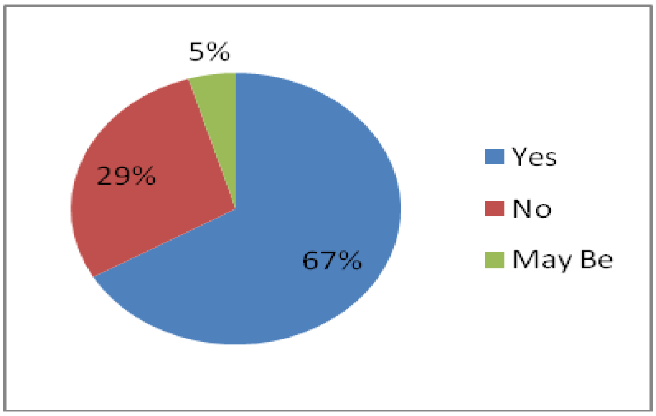

*Fig.11*

*Interpretation*
67% of the respondents said "YES" that advertisement influence their buying behaviour or their purchasing decision while 29% of the respondent said "NO". However, 5% of the respondent were not sure.

Q11. What home appliance/s was purchased by you in last 12 months?
a) ACs
b) CCTVs
c) Refrigerator
d) Washing Machine

| Brands | No. of Respondents | % of Respondents |
|---|---|---|
| Air Conditioner | 46 | 31% |
| Color Television | 58 | 39% |
| Refrigerator | 29 | 19% |
| Washing Machine | 17 | 11% |
| | 150 | |

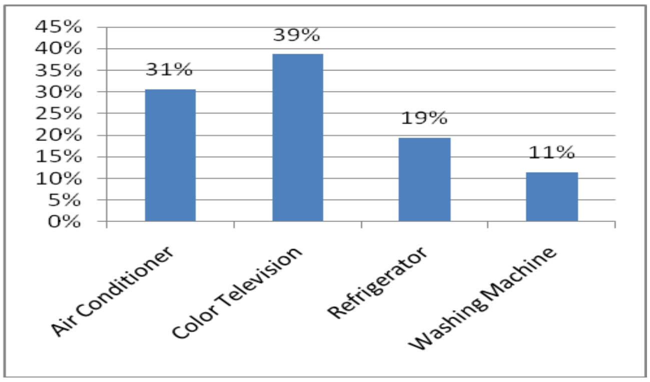


*Fig.12*

*Interpretation*

From the above study, it is observed that 39% of the respondent have purchased Color Television in last 12 months while 31% of the respondent have purchased Air conditioner. 19% and 11% respondents have purchased Refrigerator and Washing Machine respectively.

Q12. What home appliance/s do you plan to purchase in next one month?

a) ACs
b) CCTVs
c) Refrigerator
d) Washing Machine

| Brands | No. of Respondents | % of Respondents |
|---|---|---|
| Air Conditioner | 38 | 25% |
| Color Television | 29 | 19% |
| Refrigerator | 35 | 23% |
| Washing Machine | 48 | 32% |
| | 150 | |

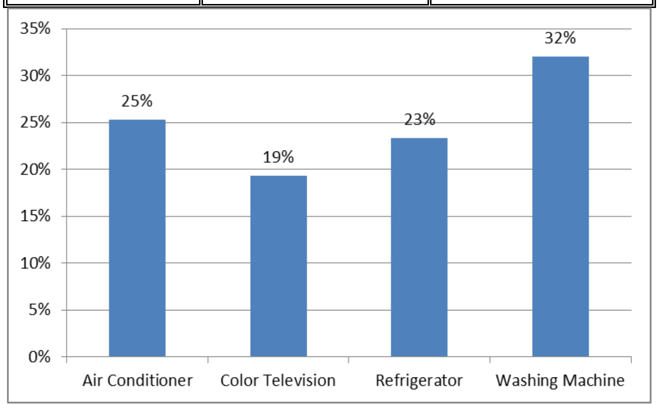


*Fig.13*

*Interpretation*

From the above study, it is observed that 32% of the respondent will purchase Wasing Machine in the next 12 months while 19% of the respondent will purchase color Television. 23% of the respondent will buy Refrigerator and 25% of the respondent will purchase Air conditioner.

Q13. Have you ever used any HAIER product at Home or friends & relatives place?

a) Yes
b) No

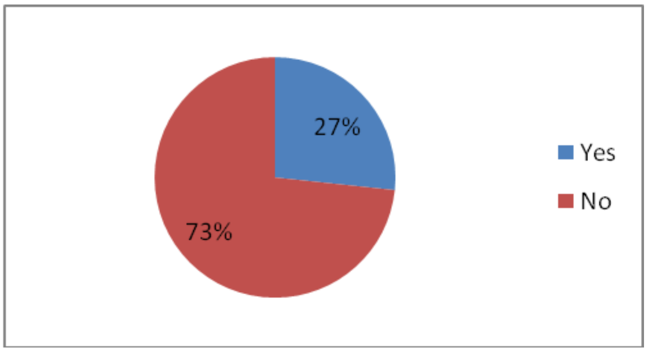


*Fig.14*

*Interpretation*

27% of the respondents said "YES" that they have used Haier Products before while 73% of the respondents said "NO".

Q14. How is your experience from the HAIER Appliance/s used, back at your home or at friend's & relative's place? (Answer only if you have answered YES in Question 13)

a) Excellent
b) V. Good
c) Average
d) Dissatisfactory

| Options | No. of Respondents | % of Respondents |
|---|---|---|
| Excellent | 45 | 30% |
| Very Good | 67 | 45% |
| Average | 34 | 23% |
| Dissatisfactory | 4 | 3% |
| | 150 | |

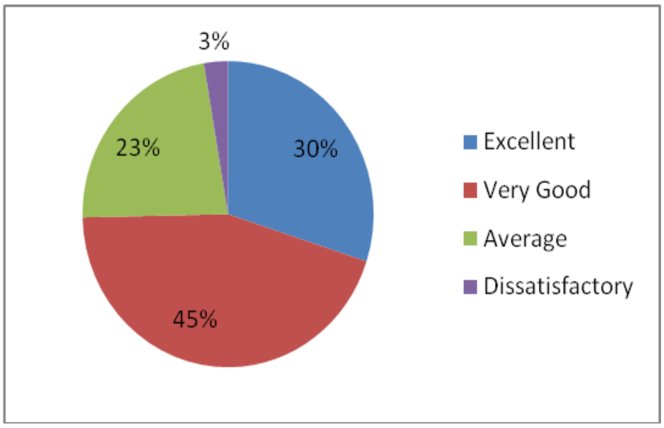


*Fig.15*

*Interpretation*

45% of the respondents have said that the Haier products are “Very Good” while 30% respondents have given an excellent rating to Haier products. 3% respondents are dissatisfied while 23% respondents said that the Haier products are only average.

Q15. What attributes you want to see in the products?
a) Cost
b) Style
c) Color
d) Technology
e) Uniqueness

| Attributes | No. of Respondents | % of Respondents |
|---|---|---|
| Cost | 56 | 37% |
| Style | 25 | 17% |
| Color | 23 | 15% |
| Technology | 40 | 27% |
| Uniqueness | 6 | 4% |
| | 150 | |

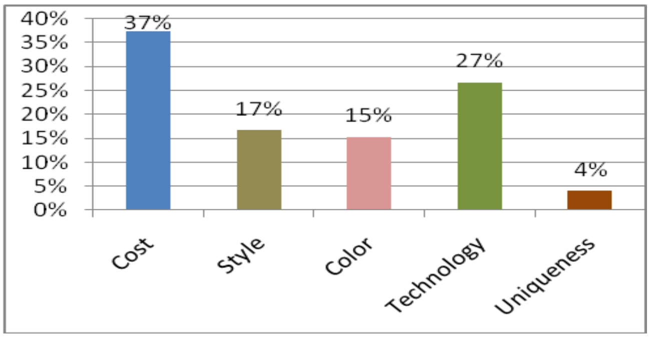


Fig.*16*

*Interpretation* :
From the above findings, it is noticed that 37% of the respondent would see the cost of the product while purchasing a Home appliances while 27% of the respondent would see the Technology. Only 4% respondent would see the uniqueness of the product. 15% and 17% respondents would see the color and the style of the product respectively.

Q16. Product replacement of your old home appliances is based on:
a) Time Factor
b) Technology
c) Offers
d) Immediate Need
e) Others

| Options | No. of Respondents | % of Respondents |
|---|---|---|
| Time Factor | 28 | 19% |
| Technology | 56 | 37% |
| Offers | 35 | 23% |
| Immediate Need | 25 | 17% |
| Others | 6 | 4% |
| | 150 | |

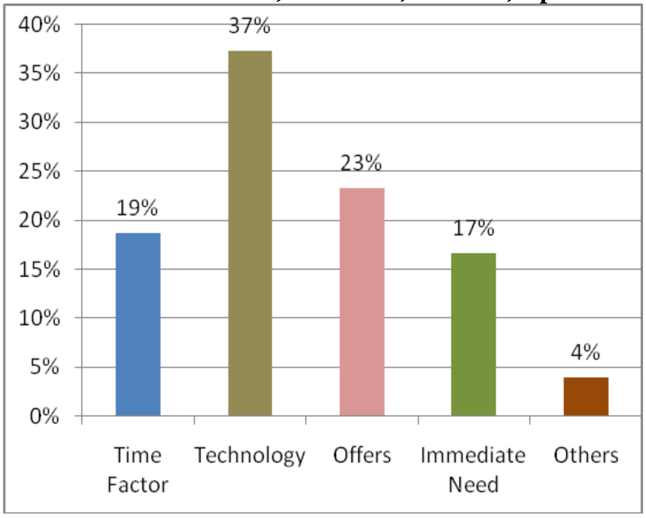


*Fig.17*

*Interpretation*

From the above findings, it is noticed that 37% of the respondent replaced their Home Appliances on the basis of technology while 19% respondents replace the product with the Time Factor. 23% respondents go with the offers while 17% respondents replace the old product on immediate need. 4% respondents have other reasons to replace the product.

Q17. Would you like to buy a Haier Product in future?
a) Yes
b) No
c) May Be

| Options | No. of Respondents | % of Respondents |
|---|---|---|
| Yes | 110 | 73% |
| No | 34 | 23% |
| May Be | 6 | 4% |
| | 150 | |

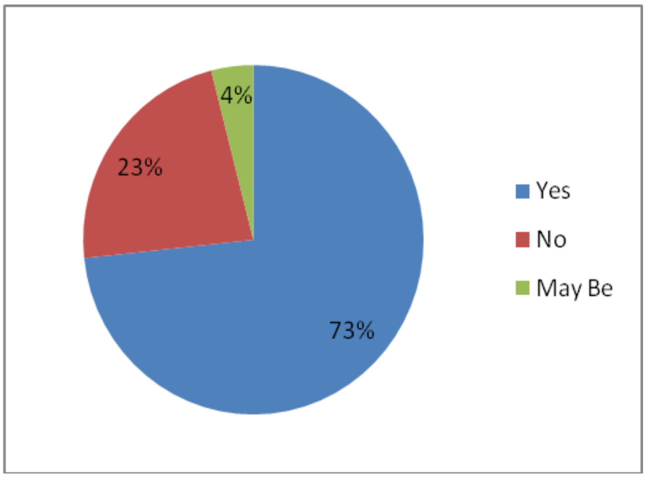


Fig.18

*Interpretation* :

From the above findings, it is noticed that 73% of the respondents would like the use Haier products in future while 23% respondents say "NO". 4% of the respondents are not sure and may buy Haier Products in future.

Q18. What factors do you think play an important role to motivate customers?
a) Monetary benefits
b) Communication
c) Unique features
d) Social needs

| Factors | No. of Respondents | % of Respondents |
|---|---|---|
| Monetary Benefits | 56 | 37% |
| Comminication | 12 | 8% |
| Unique Features | 46 | 31% |
| Social Needs | 36 | 24% |
| | 150 | |

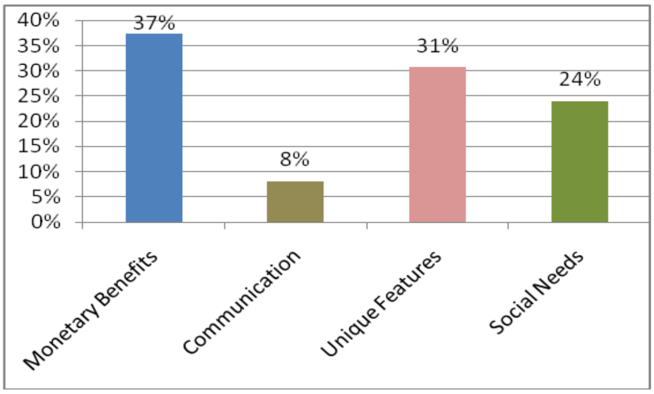


*Fig.19*

*Interpretation*

From the above findings, it is noticed that 31% of the respondents go with Monetary Benefits while 31% respondents prefer Unique Features. 24% respondents go with Social needs while 8% of the respondents prefer communication.

Q19. In your view, what is the motive of people behind while purchasing the products?
a) Price
b) Quality
c) Service
d) Brand name
e) New technology

| Options | No. of Respondents | % of Respondents |
|---|---|---|
| Price | 40 | 27% |
| Quality | 27 | 18% |
| Service | 22 | 15% |
| Brand Name | 15 | 10% |
| New Technology | 46 | 31% |
| | 150 | |

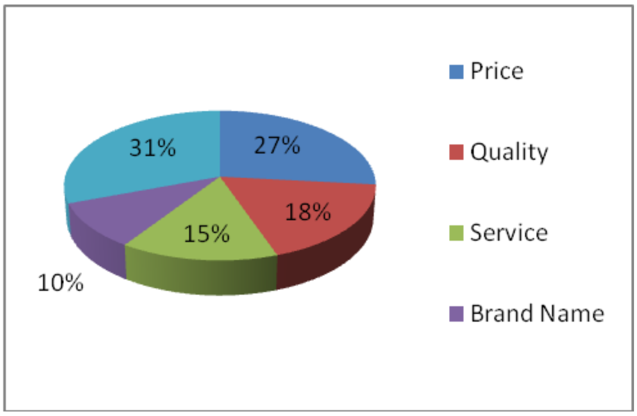


*Fig.20*

*Interpretation*

31% of the respondent wants to buy new home appliances due to its technology while 27% respondents think that price is important factor for them to buy a product. 18% of the respondent will see the quality of the product while 15% will choose the after sale service. Only 10% of the respondent will check the Brand name.

## IV. KEY FINDINGS

Availability of all brands at a time should be there in unorganized retail outlet. More than 60% of the respondents are preferred financial schemes to purchase the consumer durables.

Approximately 80% of the respondents purchases consumer durables while discounts are available during festivals & promotional schemes.

Approximately 35% are respondents which are not the brand specific if they get the promotional schemes.

Most of the Respondents are generally not preferred the exclusive showrooms.

Sales India & Croma are the most relevant & preferred brand stores according to the consumers.

Sales India & croma is also the retail outlet which is very famous & brand recall is there in the mind of the consumers.

Consumers who are brand conscious, they are generally do not switch over the brand for the any type of financial or the promotional scheme.

Advertisement plays a major role for selecting home appliances. Television emerges as a major mode of media for advertisement.

## V. CONCLUSION

A survey of the people has been conducted to know the liking pattern of the products of the company Haier. It is observed that overall people like to purchase Samsung brand rather than Haier. It is concluded that mostly people

preferred Samsung due to its price, quality, technology and image and also due to the after sales service provided by the company.
It is thus concluded from the facts collected that mostly people prefer to buy due to the attractive schemes and discounts given by the companies.

## VI. SUGGESTIONS AND RECOMMENDATIONS

Company should concentrate more on television for advertisement, as mostly people get attracted through television only.
Company should offer attractive price discounts during Festivals and Off seasons to attract customer in order to increase its sale.
For promotional offers, company should go for free gifts rather than going for other ways.
Haier Company should concentrate on its technology and durability as people are least satisfied with it.
Company should make sure that there products are available with almost all the dealers so that customer will not face any difficulty in finding them.
Company should also focus on after sale service and if possible try to provide extra months warranty than offer by its competitors.
People are unsatisfied with the price and quality of products so company should concentrate in this regard also.

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