CHAPTER 7

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Preview
This chapter presents the main findings of this study, and suggestions or future research. Knowledge created in this chapter combined the past and current level of the explicit knowledge.

As Polanyi (1966) said tactic knowledge differentiates master from a common man. Beyes (2005) confirmed that it is an observer who constructs a reality through his or her observations. These new observations which were not uncovered by previous researchers become new knowledge for application. However before articulating new lessons that could be obtained, conclusion of the study is put forward.

The thesis has examined the inter-relations between consumers’ tastes and preferences and salient product attributes decisions to purchase High Priced Consumer Durables (white Goods) individually as well as jointly as well as tastes and preferences, income, education and other socio-economic variables of NCR of Delhi. It has used Parametric, non-parametric and descriptive tools and techniques for data analysis. Findings are taken up sequentially in the same order in which empirical chapters, related to specific objectives, are arranged. This will provide proper linkage between the findings of one with those of other chapters; it will also facilitate the identification of the objectives that have been the guide post and have been realized.

7.1: Findings and Conclusion

The conclusion drawn from research has been summarized as under

7.1.1 Conclusion from Sampled data Profile

I. Over the last few years there is change in the aspiration and self-image of average households. The middle class consumers has shed the image of self-austerity/ postponing purchase and acquiring the expensive is longer considered a taboo. To climb to next rung of economic status and, consequently, social ladder acquiring goods are considered essential. So the
Indian consumers are spending far more money on than they ever did in the past.

II. There is a sea change in the mindset of Indian consumers towards purchase of goods. The rise in Income levels, the change in mental make-up to pre-pone future expenditure to the present fueled by the easy availability of finance on easy terms and conditions etc.

III. The rapid rise of ownership of goods having an economy wide implications which directly affecting the economy. Rise in ownership of is an index of economic well-being. Increased in private consumption by households has also unleashed multiplier on investment based accelerator process of growth;

IV. Socio-economic factors like Age, Occupation, Gender, Number of Earning members in a family, Hobby etc. Level of education, Type of Employment, Type of family. Occupation: self- employed or Salaried, Age: Youth, Middle aged and Old aged, Gender: Male or Female and the people carrying different hobbies influence the Purchase decisions of High Priced Consumer Durables (white Goods).

7.1.2 Conclusion from ANOVA Results

V. The differences of appearances of products jointly with the differentials of price, quality, durability, availability and technology of the products affect the tastes and preferences of the consumers, which prompt the consumers to buy such products, appearance which along with above mentioned attributes, are attractive. Thus, appearance does matter to the consumers provided that the attractive appearance is supported by other five attributes. This validates the choice of these five attributes as important traits of the products.

VI. The price differentials of different brands do sway consumers’ propensity to choose the preferred product for purchase provided that the differentials of quality, durability, advance technology, and easy availability of the product are associated with the price differentials.

VII. Technology has significant effect on purchase decisions if it is accompanied by availability. Impact of the differentials of the availability of products acquires significance with the backing of reputation of dealer, past experience
and friends advice. Dealer’s reputation will count for nothing if it is not backed up by experience and friends’ advice. Similarly, experience and friends’ advice emerge significant factors which affect purchase decisions via tastes and preferences.

7.1.3 Conclusion from Intra class Co-relation

VIII. Intra-class coefficient measures the extent the value within group are related to each other, value of positive Intra-class coefficient, indicates that values within group are of same magnitude, while in different group with different magnitude.

IX. The calculated Intra-class coefficient is Positive with moderate values, which indicates that different Income categories taken together, in paired combination are less divergent, compare to across categories, which reflects wider difference. This result lends credence to ANOVA results

7.1.4 Conclusion from Regression

X. Out of all given attributes appearances is the first most important attribute of products jointly with the price; quality, durability, availability and technology of the products affect the tastes and preferences of the consumers, the choice of these attributes are important traits of the products.

XI. The price differentials with quality, durability, advance technology, and easy availability of the product are the second most important attribute which affect the tastes and preferences of the consumers.

XII. The third most important attribute is the quality of the product in association with durability, technology, and availability of the product.

This conclusion lends credence to the ANOVA

7.1.4 Conclusion on Tastes and preferences salient product attributes

XIII. The overall empirical results yield the following inferences: that the differentials of appearance, price, product quality, technology, durability and ease of availability are the six most decisive determinants of consumers’ purchase decisions of durables.
XIV. Dealer’s reputation, friends’ advice and past experience play a subsidiary role in influencing purchase decisions. Incidentally, attractive appearance of the products may be a very important factor to sway instinctive purchases.

XV. But appearance is automatically associated with the precedence of availability, price and technology, especially technology of design. The choice of attributes as the influential factors of consumers’ choices based on tastes and preferences stand validated by the empirical results.

XVI. Price is one of the most important factors that affect tastes and preferences. Incidentally, greater the price, better is expected to be quality of the product. Therefore, such attributes as quality of product, durability, and affordability tend to emerge as non-significant factors affecting tastes and preferences in the presence of price. Multi-co linearity accounts for such results. This lends strong support to the postulation of price as the major influence on tastes and preferences;

XVII. Technology is found to be another decisive factor of influence on tastes and preferences. Such attributes as durability, quality, and reputation emerge as not significant determinants of tastes and preferences in the company of technology; Appearance singly and jointly with price also emerges as significant determinant of tastes and preferences; As has been highlighted in the introduction, availability of particular products in the market is the key factor of determination of tastes and preferences; Friends’ advice and experience of others play a catalytic role in the choice of brands and even sales outlet. Naturally, these are also found to be significant factors affecting tastes and preferences.

This research examined tastes and preferences salient product attributes mutually inter-related and influence purchases of individually as well as jointly of the attributes of products as Appearance, Price, Technology, Availability, and Reputation of the Dealer/brand, Experience and Advice of friends have a major role in purchase decisions of highly priced. These findings have important implications for the marketers for planning their marketing strategies; these may also be used for the forecasting of the probable future demand in the market.
7.1.5 Conclusion of Descriptive Statistics

Distribution of all the variables diverges from normal distribution. Since the distribution diverges from normality, high variance and skewed coefficient is accepted, characterized with the high degree of inequality. It is also moderately high values of Coefficient of variation (CV) also supports as this is statistical feature arising from the fact that with the increase in value of standard deviation the value of CV tends to decline. Positive difference between mean and median indicate positive skewness, but values are not highly skewed.

7.1.6 Conclusion of Chi Square and Coefficient of Contingency

From the Chi-square and Coefficient of Contingency results discussion it may be inferred that the significant socio-economic parameters, which determined purchase decision of High Priced Consumer Durables (High Priced Consumer Durables (white Goods)) has been identified Age, Occupation, Gender, Number of Earning members in a family, Hobby etc. Level of education, Type of Employment, Type of family whether it’s joint or nuclear or lifestyle weak impact on consumers for purchase decision of High Priced Consumer Durables (white Goods)

7.2 Comparison of Results with Other Studies


Johnson and Orme (1996) identified remarkable shifts in the weights of attributes; in the survey of revealed/stated preference in 'Shopping Experiment on Price-quality Relationships”. In our view, the finding is in tune with expectations, since surveys involve cross-sections with varied income-education-occupation and demographic profile.

(Frank 1997) has conducted a study to identify the correlates of purchase behavior of grocery products; and came out that there is no significant association between the socio-economic variables namely social class, sex, intelligence, marital status, family size and education of the buyers and their brand loyalty since our study
is for high priced consumer durables (white gods) so results also differing to this study.

Verma and Munjal (2003) have taken the attributes quality, price, availability, packaging and advertisement with socio-economic variables. The age and demographic variables gender and marital status were identified not associated significantly. But the result revealed from our study is contradicting to the findings.

Arvind bagati thesis (2010) also analyze the socioeconomic variable influence on Purchase decisions, their results suggest that income and family composition like family type, family size, earning members and dependents are significant parameters. Variables results are in consonance to Bagati Thesis Results and support to Number of Earning members and in addition results of variable as between Age, Occupation; is also significant in this study. Type of family and Type of Employment and lifestyle is not significant in our study. Level of education in both the study has low impact.

7.3 Managerial implications

- The results of this research have implications for marketers which can give them handful insights to play in the High Price Consumer Durables (white Goods) industry. In the present scenario market is having fierce competition for white Goods; compared to other sectors, the identified reasons revealed from this research is Appearance, Price, Quality and technology it implies that the aesthetic appeal of different appearance, competitive prices of a given brand, high technology used for updating the products, and model; Marketer to combat the competition are required to introduce the enhanced products with added benefits, at lower prices; developing and designing the right goods together with distinctiveness will create positive emotions. As the Model or Brand Positioning and segmentation have to be done keeping the global demands back of the mind, so it will be easier for marketer to place a right position in the market and by careful monitoring to focus on the changing specifications for specific Pricey goods dimensions.

- High Priced Consumer Durables High Priced Consumer Durables (white Goods) of National or International branded companies can understand people of different
socio economic occupation levels respond to the different decision variables and how the Pricey good offered can cater to the need of each group.

- For the chosen brand or model to know the reason of purchase or outcome of decision is a difficult task as it is a qualitative attribute and the consumer is not ready to give the correct reason for their purchase decision. Moreover tastes and preferences are cultivated in long run so difficult to measure the one way to know is through the outcome or choice of brand: so the revealed preference could be an important indicator for the managers which can give insights to the managers about the significant intangible parameter for making strategy and planning their promotion mix to combat the fierce competition. It merely does not provide for the current scenario but also for the upcoming future strategies.

- On other hand the Consumers trying to reap the benefits of rapid technological development in the industry, consumer is optimistic for upcoming new models and waiting till their preferred brand availability at their expected price and postponing their purchase decision for future when the price and the quality level reach an acceptable level. “This aspect of decision is in consistent with Mishkin's illiquidity hypothesis that feeling worse off today, relative to tomorrow, leads to delaying expenditures on durable goods” (See Mishkin 1977, 1978). So managers had to envisage these, forward-looking consumers to and trade-off between different dimensions of their utilities; ensuring to meet their expectations with the Pricey good, their perceived prices required quality levels, and timely availability. The consumer heterogeneity and forward-looking behavior have implications for marketing managers. This reflects time to time in renewed profile and composition of the consumer pool over time.

- Now it becomes inevitable to the managers to understand how consumers perceive his brand over to the competitors; requires the different kind of interrelated information. Marketer’s interest lies in analyzing the underlying product dimensions; of their own as well as of the competitors; objective is either could differentiate; or at least provide the same; to fulfill the customer expectation. It becomes urgent to marketer to keep the degree of competitive intensity and find out the gaps where no brand exists; envisages the effect of choice of brand; identification of taste and preference dimensions, and accordingly brand
positioning which in turn can guide them for future Product planning and designing a promotional strategy aimed at more effectively targeting different market segments.

7.4 Government Implications

With Budget 2015-16, the Government expresses its intent on making India a manufacturing hub through various initiatives; demonetization is one of the steps taken.

Hence now, the Government needs to reduce interest rates and taxes to increase disposable income in the hands of consumers, which is likely to lead to an uptake of discretionary, spend on high priced consumer durables (white goods). RBI should allow companies to offer such schemes can not only drive the sales of high priced consumer durables (white goods) even in a weak economy, but also empower consumers looking to buy consumer goods on easy monthly installments without paying any interest on the loan amount. Almost 30% of overall sales; and Ministry of Finance should expand the scope of include AC, refrigerators and semi-automatic washing machines by expanding the scope of preferential market access (PMA) scheme which should include white goods.

7.5 Scope for future Research

- The researcher has only focused on the relevant literature contributing to the research topic. Nevertheless, the researcher has successfully reviewed and mentioned all the relevant information available up to date. Furthermore, other related and interesting concepts are suggested for future research. Future research can be conducted on a broader scale on the basis disposable income and large product categories.

- This study is with reference to high priced consumer durables (white goods), only eleven white goods and nine attributes have been considered. In future different combinations of white goods can be further probed in context of tastes and preferences.

- The different social, economic and geographic contexts along with different attributes can be considered for future research.
Further the study can be conducted in the Capital region means that though the population could be considered to be representative in nature, still huge differences in terms of behavioral patterns remains a possibility if the study is replicated in smaller cities and towns. This could be seen as an opportunity for further research as well. Thus, future endeavors could try replicating the model on consumers from smaller cities, or can also use the online context.

The choices/decisions of consumers, belonging to different income groups, manifest regular long run changes in their preference orderings due to changes in income, emergence of new goods, product designs and other socio-economic changes. Such changes through time cannot be captured through cross section data, though cross section data capture differences of tastes, preferences, habits and hobbies of households belonging to different income groups at a given time.

Time series, irrespective of the length of period it covers, embodies short run trend, whereas long run trend is enveloped in cross section data. So I future analysis of time series data can be considered for evaluation of the changes in consumers’ responses to change in income (and other variables such as prices, number of goods available) in different phases of the trade cycles. Division of time series according to different phases of the cycles will be required for such analysis in order to detect change in trend.

Data is cross-sectional; therefore there is an implicit assumption that model parameters are stable across different respondents an overtime. However it is possible that parameters of relationships investigated empirically vary not only across the different respondent dealing but also overtime. This study does not cover temporal relationship, as variables assessed at the same point in time. Therefore there is scope of study the relationship based on Panel Data. Use of distributed lag models or Autoregressive models would furnish more rigorous analysis.
7.6 Limitations

- While filling up the questionnaire, at times respondents feel bored up and were likely to answer without intense thinking or consideration. This could logically have an adverse effect on the overall findings as well. Although the data was personally collected by researcher, efforts were made to reduce such possible errors, still the methodological weakness associated with measurement instruments always leaves scope of adverse effect and could thus be considered an important limitation.

- It is confined to only few selected goods. If we consider other goods and different set of variables and there interrelations, the results would have additional features.

- There is very chance of the answers of the respondents being influenced by their moods and cognitive limitations.

- The sample survey has been restricted to a sample size of 900. The decision on the sample size was rather arbitrary, although the sample size is deemed sufficient considering the nature of the issues analyzed and the requirement of analysis. Considering the limited scope and specified objectives of the study, these limitations, however, do not seriously affect the reliability or validity of the findings of the study.