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Impact of Family Life Cycle on Consumer Buying Behaviour in Air Conditioners – A Comparative Study of Orissa and Chhattisgarh

**Mr. Snigdha M. Das, Research Scholar
Institute of Management
Pt. Ravishankar Shankar University
Raipur (C.G)**

Consumer behaviour emerged in the 1940–1950s as a distinct sub-discipline of marketing, but has become an interdisciplinary social science that blends elements from psychology, sociology, social anthropology, anthropology. The study of consumer behaviour formally investigates individual qualities such as demographics, personality lifestyles. Understanding consumer behaviour is a key element of a marketing strategy. In fact, before implementing a strategy, it is essential to fully understand the needs and expectations of the consumers you want to influence. Consumer behaviour is the dynamic interaction of cognition, behaviour and environmental events by which human beings conduct the exchange aspect of different activities of their lives. American Marketing Association (AMA) defines consumer behaviour as the actions and decision processes of people who purchase goods and services for personal consumption. According to Peter D. Bennett, ed. (Dictionary of Marketing Terms, 2nd ed. 1995), consumer behaviour refers to “the mental and emotional processes and the observable behaviour of consumers during searching for, purchasing and post consumption of a product or service.

James F. Engel, Roger D. Blackwell and Paul W. Miniard (1990), consumer behaviour is a decision process and physical activity individuals engage in when evaluating, acquiring, using or disposing of goods and service. The behaviour of consumer is influenced by many factors. Family being one of the important determinants also strongly influence the behaviour of the consumers in their buying decision process. In fact each family passes through its different stages therefore, the concept of the family life cycle has gained popularity in the last few decades due to its relevance in the consumer decision-making process. Family Life Cycle (FLC) refers to the series of life stages through which individuals proceed over a period of time. In other words, FLC describes the process of family formation and dissolution. In a FLC, each life cycle stage differs from previous stages in terms of (a) Structure, (b) Financial Position (c) Consumption Pattern and (d) Product Need and Preferences.

It was in the 1960s when Wells and Gruber (1966) came up with the concept of family segmentation which they named a family life cycle. The family life cycle is used for targeting and positioning consumers since it is mainly concerned with the different phases and generations that a typical family passes through. For example, as a person grows older, his buying choices depend less on his own needs and more on his family's collectively. Therefore, marketers by understanding the stage of a person in the family life cycle which can anticipate their needs and can shape marketing strategies according to them and the model of family life cycle model helps them to profile the consumer. It also helps the businesses to determine which set of audiences they should appeal using which stages of family life cycle in order attract and retain the consumers. Thus, present study is a modest attempt to assess the impact of different stages of family life cycle in purchase of consumer durables like Air Conditioners

Methodology

Following methodology has been used for the purpose of the study.

Population

Population for the study constitutes the whole population of the state of Orissa and the state of Chhattisgarh.

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Sample

The data for the purpose of the study was collected from primary sources. In order to make the comparative study of the two states, the capital of two states i.e. Bhubaneswar of Orissa and Raipur of Chhattisgarh were purposively selected. Normally a capital town represents the people of all walk of life of the entire state, which will provide the representative population of any state. From each capital town, 200 families were randomly selected, which together will be 400 families and constitute sample for the study.

Ownership of Air Conditioners and Stages of family life cycle

Table -1 shows the ownership of air conditioners and the different stages of family life cycle in two capital cities. It is revealed from the Table -1 that in both the cities the extended stages offamily, consumers are buying air conditioners.

Ownership of Air Conditioner Among the Respondents Under Study

Stages of Family Life Cycle	Orissa			Chhattisgarh		
	Yes	No	Total	Yes	No	Total
Bachelorhood	05 (11.63%)	38 (88.37%)	43	09 (31.03%)	20 (68.96%)	29
Newly Married	16 (61.54%)	10 (38.46%)	26	14 (58.33%)	10 (41.67%)	24
Nuclear Family	35 (50.72%)	34 (49.27%)	69	42 (58.33%)	30 (41.67%)	72
Extended Family	50 (80.64%)	12 (19.35%)	62	58 (77.33%)	17 (22.67%)	75
Total	106 (53%)	94 (47%)	200	123 (61.5%)	77 (38.5%)	200

Most Frequent User of the Air Conditioners Among the Sampled Respondents

Table -2 reveals the most frequent users of Air Conditioner Among the sampled respondents under study. It could be seen that in extended family who have purchased air conditioners, I majority of the cases in both the states self use of air conditioner is maximum.

Stages of Family Life Cycle	Orissa					Chhattisgarh				
	Self	Spouse	Parents	Children	Total	Self	Spouse	Parents	Children	Total
Bachelor	05 (100%)	-	-	-	05	07 (77.78%)	-	02 (22.22%)	-	09
Newly Married	11 (68.75%)	03 (18.75%)	02 (12.75%)	-	16	08 (57.14%)	04 (28.57%)	02 (14.28%)	-	14
Nuclear Family	18 (51.42%)	08 (22.86%)	05 (14.28%)	04 (11.43%)	35	21 (50%)	09 (21.42%)	06 (14.28%)	06 (14.28%)	42
Extended Family	32 (64%)	10 (20%)	05 (10%)	03 (6%)	50	38 (65.51%)	09 (15.52%)	06 (10.34%)	05 (8.62%)	58
Total	66 (62.26%)	21 (19.81%)	12 (11.32%)	07 (6.6%)	106	74 (60.16%)	22 (17.88%)	16 (13%)	11 (8.94%)	123

However,there are some other more interesting findings of the study, which are as follows:

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Findings of the Study

Following are the major findings of the study with respect to impact of family life cycle on consumer behavior with respect to Air Conditioners:

- While majority of the respondents (68.2%) in Orissa have two children, 22.3% have only one child and 9.6% have more than two children in case of Chhattisgarh 64.6% of the have two children, 20.7% have more than two children and 14.6% have only one child.
- It was found from the study that while 38% of the respondents in Orissa owned a house, followed by 37% owned parental property and 25% did not own any house or were staying in a rental houses, for counterparts in Chhattisgarh, 47.5% did not own a house, 26.5% were have parental house and 26% owned a house of their own.
- It was found that while 53% of respondents were not staying in joint families and 47% were staying in joint families from among the respondents from Orissa; in case of their counterparts in Chhattisgarh, 58.5% of them were not staying in joint families and 41.5% were staying in joint families.
- There exist similarity between Orissa and Chhattisgarh in which people at bachelorhood do not own Air Conditioner but in remaining three stages of FLC have own Air Conditioner.
- There exist similarities in Orissa and Chhattisgarh with respect to owning the first air conditioner in houses.
- Both in Orissa and Chhattisgarh respondents at bachelorhood and newly married stage of family life cycle have their first air conditioner.
- There is difference between Orissa and Chhattisgarh among respondents in replacing the first air conditioner in extended stage of family life cycle in Orissa which is not the case in Chhattisgarh at that stage of family life cycle.
- Loan emerged to be the major mode of purchasing air conditioner in both the stages almost across all stages of family life cycle.
- Wives emerged to be the major influencers in both the states for purchasing air conditioner in both the states.
- Majority of the bachelors (88.37%) in Orissa in the early stage of their family life cycle do not have air conditioner. Interestingly, majority of newly married (61.54%), nuclear family (50.72%) and extended family (80.64%) in Orissa and newly married (58.33%), nuclear family (58.33%) and extended family (77.33%) do have air conditioner in their houses.
- Majority of the respondents (60%) in their bachelorhood stage of family life cycle purchased second hand air conditioner in Orissa and (55.56%) in Chhattisgarh. But in the latter three stages of family life cycle, (75%) newly married, (62.86%) nuclear family and (90%) extended family in Orissa and (64.28%) newly married, (71.43%) nuclear family and (91.38%) extended family in Chhattisgarh have first hand air conditioner.
- In the first two stage of family life cycle that is bachelor and newly married stages (100%) respondents have owned their first air conditioner in both the states. Whereas (91.43%) of the respondents of nuclear family and (64%) extended family in Orissa and (90.48%) in nuclear family and (75.86%) in extended family in Chhattisgarh have owned their first air conditioner. The majority (36%) respondents in extended family in Orissa owned second air conditioners in comparison to (24.14%) in Chhattisgarh.

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- In both the states, Orissa and Chhattisgarh at newly married and nuclear family stage of family life cycle, majority of respondents have purchased air conditioner by mode of loan such as (87.5%) newly married and (51.43%) nuclear family in Orissa and (71.43%) newly married and (52.38%) nuclear family in Chhattisgarh purchased air conditioner through loan. Interestingly, in case of extended family majority of respondents in Orissa (76%) and (60.34%) in Chhattisgarh have purchased their air conditioner out of savings.
- Majority of bachelors (80%) in Orissa and (55.56%) in Chhattisgarh purchase air conditioner on their own decision. Majority of respondents under study in Orissa (50%) newly married, (45.7%) nuclear family and (96%) extended family purchase air conditioner by the influence of their wives. The same is seen in case of the respondents in Chhattisgarh, that (50%) respondents in newly married and (72.14%) respondents in extended family purchase is influenced by wives while purchasing air conditioner.
- Majority of bachelors (80%) in Orissa and (55.56%) in Chhattisgarh purchase air conditioner on their own decision. Majority of respondents under study in Orissa (50%) newly married, (45.7%) nuclear family and (96%) extended family purchase air conditioner by the influence of their wives. The same is seen in case of the respondents in Chhattisgarh that (50%) respondents in newly married and (72.14%) respondents in extended family purchase is influenced by wives while purchasing air conditioner, but majority respondents in nuclear family (71.43%) in Chhattisgarh are influenced by their own purchase decisions.
- Majority bachelors both in Orissa and Chhattisgarh are the frequent users of air conditioner, where as in both the states frequent users of air conditioner are self, the person who has purchased the air conditioner for the house.
- Only a few (20%) bachelors, (25%) newly married, (20%) nucleus family and (12%) extended family in Orissa and (22.2%) bachelors, (21.43%) newly married, (4.76%) nucleus family and (8.62%) extended family in Chhattisgarh considered air conditioner as a status symbol.
- While purchasing air conditioner in Orissa, majority of bachelors (60%) are accompanying their friends but it is the reverse in case of Chhattisgarh where all of the (100%) are going all alone to buy the air conditioner. In case of newly married couples there are similarity in Orissa and Chhattisgarh where majority of respondents (50%) in Orissa and (35.7%) in Chhattisgarh are accompanied by their spouses. Where as in case of nuclear family, majority (40%) of the respondents accompanying friends, their counterparts in Orissa majority (40.48%) accompanying their spouses to purchase air conditioner. In case of extended family while majority of respondents (30%) in Orissa are going alone followed by friends (28%), their counterparts in Chhattisgarh either go alone (22.41%) or friends (18.96%).

Implications and Conclusions

Practically, the study will be of great importance for the consumers of Air Conditioners in two capital towns namely Bhubaneswar and Raipur in particular and other states in general to improve the buying behavior of the consumers in the light of the implications of the study enabling them to purchase the durable goods which in turn will lead to evolving effective marketing strategy by the marketers of consumer durable goods to attract and motivate the consumers to buy their products. Specifically, this study is of practical importance to the marketers : (a) to design

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effective marketing strategy to promote their products, (b) to formulate appropriate policy on marketing mix so that, their product will improve the performance in comparison to their competitors' products in the market, (c) the study will provide practical insight into the marketers of durable products to understand how family life cycle in general and different stages of family life cycle in particular has impact upon the buying behavior of consumers, (d) the study may assist the marketers to design appropriate promotional strategy to attract and motivate the influencers of purchase decisions of different product in order to make their promotional strategy efficient and effective, (e) the results of the study may provide dipper insight into the demographic characteristics of consumers and its relevance to various durable goods which are studied in this piece of work, (f) the findings of the study will strengthen the promotional campaign by the marketers to focus upon different stages of family life cycle of the consumers so that they can be attracted and motivated to take appropriate purchase decisions in their life, (g) last but not the least, the findings of the study will facilitate the organization involved in producing these products to give adequate attention in designing the product keeping in mind the various features and characteristics aspired by the consumers from their products.

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