



Understanding Consumer Behavior In Electronics Industry: A Case Of West Bengal

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Abstract: Consumer behavior is very important for firm. It helps the firms to understand the purchasing behavior of the consumer. The objective of this paper is to find out the factors influencing the consumer for purchasing electronics goods. For this study purpose we have collected 62 respondents in Kolkata and used standard statistical techniques for the analysis.

Key words: *Consumer Behaviour, customer satisfaction, electronics industry, purchasing behavior*

Introduction

Consumer Buyer Behavior is the study of individuals who make purchasing decisions for themselves or others. Thus, buying behavior includes consumers' collective responses to selecting, assessing, and deciding, as well as post-purchase behavior. Buyer behavior is the study of human responses to products and services, as well as their marketing. Buyer behavior research continues to examine a wide spectrum of human reactions, including emotive, cognitive, and behavioral responses. Buying behavior and purchasing decisions must be carefully investigated in order to comprehend, forecast, and evaluate important market variations for a certain product or service.

The field of consumer behavior is the comprehensive study of people, groups, or organizations and the procedures they use to select, obtain, and dispose of products, services, experiences, or ideas to meet needs, as well as the effects these processes have on the consumer and society. Consumer behavior studies are focused on the purchasing habits of end users--individuals and families who purchase products and services for themselves. Consumer behavior throughout the purchase, usage, and disposal of products/services, as well as time and ideas, is influenced by decision-making units. It is the field of knowledge that investigates many aspects of individual product and service purchases and consumption, taking into account a variety of social and psychological factors.

Understanding consumer behavior is an essential component of a marketing plan. In fact, before adopting a plan, it is critical to thoroughly grasp the wants and expectations of the customers you wish to affect. To achieve this, you need to understand how the consumer will respond and be impacted by your marketing methods.

Every entrepreneur's objective is to address the needs of the public and market, which will increase the organization's sales and customer happiness.

To accomplish this aim, an entrepreneur does research and learns about the behavior of potential customers. Surveys and research studies make decision-making easier and help to improve customer interactions.

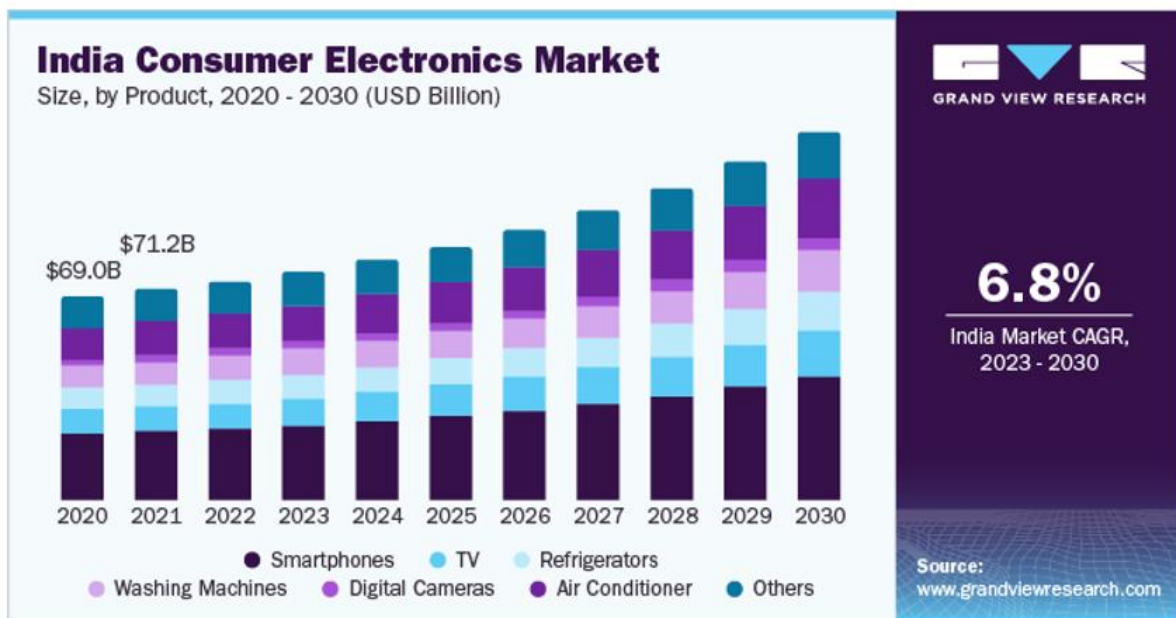
To make strategic judgments, marketers must identify the purchasers who make ultimate purchasing decisions. It is a significant responsibility for marketers to determine the target purchasers of a certain service.

- **Influencer:** While several persons may be engaged in a specific buying decision, not all of them are customers. A person with power whose opinions or counsel are taken into account before making a final decision.
- **Gatekeepers:** Family members who have control over the flow of information about a product or service inside the family.
- **Initiator:** The individual who initially suggests or considers acquiring a product or service.
- **Decider:** The individual who makes the ultimate decisions about whether to purchase, what to buy, how to buy, and where to buy.
- **Buyer:** The individual who purchases the goods or service after making payments.
- **User:** This is the individual who really utilizes or consumes the goods or service.
- **About Electronics Industry In India**
- Consumer electronics is a competitive industry that is constantly changing. New devices, features, and trends are continuously emerging, and staying current with customer behavior is critical for success.

India is the world's fifth largest economy, with the second highest GDP among developing markets. Because of its enormous population, the potential for customer demands is practically endless, and under the correct conditions, robust development execution is feasible. To be honest, the economic recovery that began in 1991 has produced significant development. The electronic industry, in particular, is gaining prominence as one of the most vital areas of the Indian economy. The hardware business in India dates back to the mid-1960s. Electronics was initially restricted to the development and support of communication systems such as radio, telephone, and transmitted letters, as well as the extension of security capabilities. Until 1984, the electronic divide was essentially a government claim. The electronic sector had rapid growth in the late 1980s as a result of evident financial developments, resulting in economic advancement and globalization. Two convincing factors influenced the financial transformation. The guarantee to aid financial development and accelerate the improvement of fare introduction, particularly in industries such as the electronic

company. In recent years, the electronic business has expanded rapidly. By 1991, private speculations, both distant and residential, were encouraged. The facilitation of outside speculation standards, remittance of 100% distant worth, reduction in customs tax, and store censing of a few purchasers' electronic items drew in a significant amount of outside coordinated effort and venture. The local business reacted positively to the administration's political arrangements. The openness of the electronic sphere to the private sector enabled business visionaries to establish firms to meet hitherto suppressed demand. Changes in the devices industry have not been limited to a certain segment, but rather have affected all of its divisions. Progress has been achieved in the ranges of business devices.

In the present day, domestic electronics production is valued at \$101 billion in FY23 and is divided into the following categories (based on FY22 data): mobile phones (43%), IT hardware (5%), consumer electronics (12%), strategic electronics (5%), industrial electronics (12%), wearables and hearables (0.3%), PCBA (0.7%), auto electronics (8%), LED lighting (3%), and electronic components.



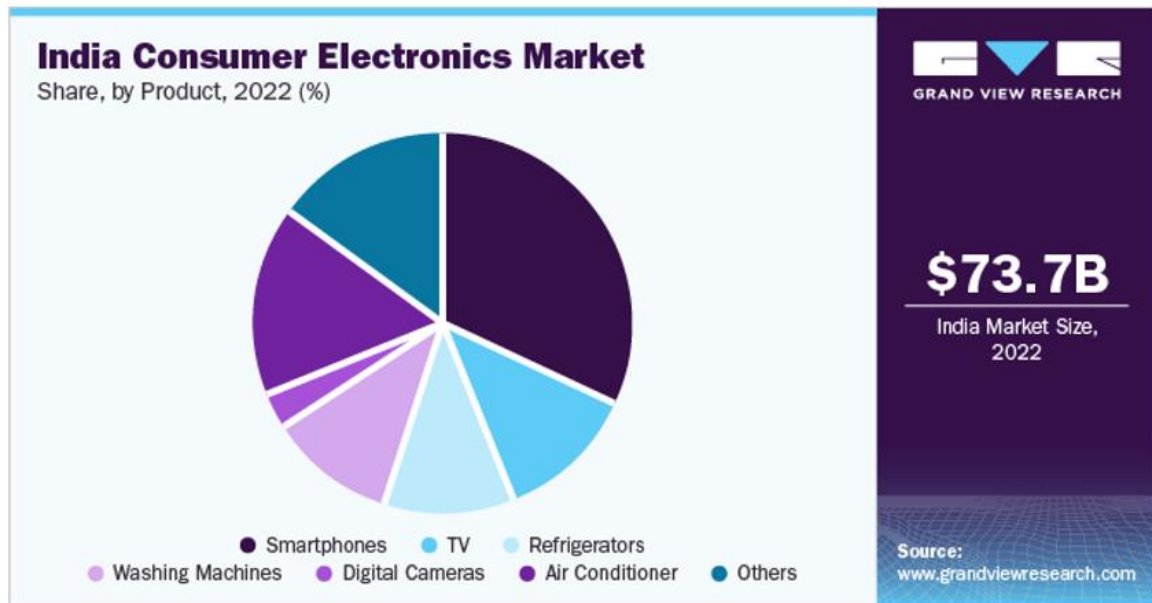
Challenges Faced By Indian Electronics Industry

India's electronics sector has expanded dramatically in recent years, but it confronts intense competition from overseas companies who can obtain components at cheaper costs. The issues that India's electronics sector faces and the efforts taken by the government to boost domestic production are:

- **High Component Costs:** One of the primary issues confronting Indian electronics producers is the high cost of components. Foreign rivals frequently have access to these components at lower costs due to economies of scale and well-established supply networks. To level the playing field, the government could consider lowering tariffs on components to match the level of the finished product.
- **Limited Foreign Direct Investment (FDI):** India's electronics industry has struggled to attract foreign direct investment, accounting for less than 1% of overall FDI inflows. This is mostly owing to onerous labor rules, delays in property purchase, and an unclear tax system. Streamlining these elements is critical to making India a more appealing location for electronics production.

- Trade Barriers: India's performance in cross-border commerce, as measured by the Doing Business rankings, is detrimental to its producers' competitiveness. The country ranks 146th in terms of cross-border trade, owing mostly to the high compliance costs. The various paperwork, taxes, inspections, and time required prevent domestic producers from exporting and participating in the global supply chain.

Market Share And Key Players In Indian Electronics Industry



India's electronics industry is a powerhouse in the making, boasting a rapidly growing domestic market and a burgeoning manufacturing sector. Here's a breakdown of the market share and key players driving this growth:

- Literature Review

According to Janaki, P and Shanthi, P2 (2013) in their study entitled, "Marketing Stimuli in Purchase of Home Appliances From Customer Perspectives", marketing strategy is the game plan that companies must follow in order to outperform their competitors or achieve their goals. People purchase everyday items based on their requirements, preferences, and purchasing power. The study's aims are to investigate consumer purchase decision behavior in relation to home appliances and to examine customer responses to home appliance marketing stimulus. The study used a sample size of 200 respondents drawn from Coimbatore using proportional random sampling. The data were obtained using an interview schedule and evaluated using a percentage weighted average score analysis of variations. The study's findings revealed that respondents' education and income are the two socioeconomic variables that have a significant correlation in all phases of home appliance purchase.

In the study of Selvakumar, M and Jegatheesan, K (2012) in their paper on, "Brand Preference: A Study With Reference To Washing Machines", a washing machine is one of the most often utilized household appliances for washing clothes. India is one of the fastest growing countries in the world. At the moment, both members of the family must be working. As a result, consumers use washing machines to simplify their cleaning tasks. There are many different types of washing machines.

Today, Indian consumers have not only a large range of brands to pick from, but also the ability to select the machine that is most suited to their needs from among the several models available. Aside from these elements, customers should evaluate the numerous wash programs, wash mechanism, and convenience features that their machine should have in order to deliver the highest degree of comfort. With this backdrop, this essay attempts to analyze the brand preference of washing machines.

According to Dr. Archana and Dhiman Kuvad (2017), retail sector in India has been growing fast in last decade. Foreign investment, global economic condition, and new economic policies that reason modern retail have taken place. Shopping malls are rapid growth in tier I and tier II cities also. This study was conducted in the state of Gujarat, and talks about the consumer behavior in shopping mall. Major objectives of this study are understanding the purchasing behavior of who are visit the shopping mall and gender difference in buying behavior in shopping mall. This study is quantitative analysis and with the help of questionnaire primary data will collect sample size is 50 male and 50 female respondents.

Objectives Of The Study

The following are some of the issues to be addressed in this study:

- Better marketing and communications – To understand the target customer's requirements, goals, and media consumption patterns to personalize messages to them specifically
- Improve customer retention – To analyze purchase data and customer interactions to help figure out why people might quit buying from specific companies and to keep them and address their pain areas.
- Increase customer loyalty – To understand what is important to consumers (e.g., brand values, sustainability) to engage with them on a deeper level, increasing loyalty.
- Increase sales – To understand consumer behavior to indicate price sensitivity and help guide pricing strategies that optimize sales while maintaining profit margins.

Methodology

- For this study purpose we have collected both primary and secondary data, with a sample size of 62 respondents selected through convenience sampling

For this project, a questionnaire has been framed consisting of close ended questions, like:

- **How Often Do You Buy Electronics?**
 - Very Frequently
 - Sometimes
 - Only When Necessary

- **From Where Do You Buy Products More Often?**

- Retail Stores
- Online Stores
- Mix Of Both

Tabulation and analysis:

Table no.1: Age distribution of the respondents

Age	No. Of respondents	Percentage
18 And Below	3	4.8%
19 - 25	27	43.5%
26 - 35	8	12.9%
36 - 45	3	4.8%
46 And Above	21	33.9%

Through the collected data, we can see that the majority of the respondents are aged 19 to 25 (43.5%), followed closely by the age group 46 and above (33.9%).

Table no.2: Gender distribution of the respondents

What Is Your Gender?	No. Of respondents	Percentage
Male	49	79%
Female	13	21%

Through the collected data, we can see that the gender ratio of the respondents is 79 to 21, with the majority of the respondents being male and the minority being female.

Table no.3: Educational distribution of the respondents

What Is Your Highest Level Of Education?	No. Of respondents	Percentage
Under-Graduate	33	53.2%
Graduate	24	38.7%
Post-Graduate	5	8.1%

Through the collected data, we can see that more than half of the respondents are under-graduates (53.2%) while only 8.1% of the respondents are post-graduates.

Table no.4: Occupation of the respondents

What Is Your Occupation?	No. Of respondents	Percentage
Student	27	43.5%
Employed	11	17.7%
Businessman	10	16.1%
Other	14	22.6%

Through the collected data, we can see that the majority of the respondents are students (43.5%), followed by other unspecified occupation statuses (22.6%), employed in some form of occupation (17.7%) and businessmen (16.1%).

Table no.05: Income distribution of the respondents

What Is Your Family Income?	No. Of respondents	Percentage
Less Than 40,000	11	17.7%
40,001 - 60,000	11	17.7%
60,001 - 80,000	9	14.5%
80,001 - 1,00,000	7	11.3%
More Than 1,00,000	24	38.7%

Through the collected data, we can see that the majority of the respondents are well to do with more than Rs. 1,00,000 family income (38.7%), followed by family incomes in the range of 40,001 to 60,000 and less than 40,000 (both at 17.7%), 60,001 to 80,000 (11.3%) and 80,001 to 1,00,000 (11.3%).

Table no.06: Frequency of the buying behaviour of the respondents

How Often Do You Buy Electronics?	No. Of respondents	Percentage
Very Frequently	7	11.3%
Sometimes	20	32.3%
Only When Necessary	35	56.5%

Through the collected data, we can see that the majority of the respondents only buy electronics when necessary (56.5%), followed by respondents who buy electronics sometimes (32.3%) and lastly very few respondents buy electronics very frequently (11.3%).

This suggests that the frequency of purchase among respondents is low overall.

Tableno.07: Purpose of Buying behaviour of the respondents

Where Do You Research What Product To Buy?	No. Of respondents	Percentage
Friends	12	19.4%
Family	6	9.7%
Online Forums	33	53.2%
Social Media	10	16.1%
TV And Magazines	1	1.6%

Through the collected data, we can see that the majority of respondents get their information on products from browsing online forums (53.2%), followed by their friend group (19.4%), social media (16.1%), family (9.7%) and lastly tv and magazines with a measly 1.6%.

This suggests that the internet is now the current primary source of information for the majority of consumers, with social circles being a secondary alternative.

Tableno.08: Buying behaviour of the respondents

From Where Do You Buy Products More Often?	No. Of respondents	Percentage
Retail Stores	10	16.1%
Online Stores	12	19.4%
Mix Of Both	40	64.5%

Through the collected data, we can see that the majority of respondents prefer a mix of both retail and online stores when purchasing electronics (64.5%) depending on the situation, while respondents who only use online stores (19.4%) or only go to retail stores (16.1%) are quite minimal in comparison.

This suggests that while online stores have gained an immense amount of favorability among consumers in recent years, retail stores are still very much in business and still favored by some.

Tableno.09: Priority of the respondents regarding buying a product

What Do You Prioritize In A Product When You Buy It?	No. Of respondents	Percentage
Brand Name And Reputation	5	8.1%
Quality Of Product	12	19.4%
Price Of Product	0	0%
Appearance Of The Product	0	0%
All Of The Above	45	72.6%

Through the collected data, we can see that the majority of the respondents prioritize all 4 aspects of the product (72.6%), followed by respondents who mostly prioritize quality (19.4%), and then brand name and

reputation (8.1%), while aspects such as price or appearance are not exclusively prioritized by any of the respondents.

This suggests that in today's market quality and brand name and reputation are the aspects of a product potential consumers look out for while price and appearance take a back seat, but overall, all 4 aspects are looked at when making the purchasing decision.

Table no.10: Association Between Purchasing Frequency And Family Income

Income Frequency	Less Than 40,000	40,001 – 60,000	60,001 – 80,000	80,001 – 1,00,000	More Than 1,00,000	Total
Only When Necessary	6	6	3	5	15	35
Sometimes	4	5	6	2	3	20
Very Frequently	1	0	0	0	6	7
Total	11	11	9	7	24	62

Degree of freedom = (columns-1)(rows-1) = (5-1)(3-1) = 4*2 = 8

Significance level = 0.05

X^2 tabular = 15.51

X^2 calculated = 15.286

X^2 calculated < X^2 tabular

Therefore, we accept Null Hypothesis, and reject Alternate Hypothesis. And it shows that there is no association between Purchasing Frequency and Family Income.

Table no.11: Association Between Purchasing Location And Occupation

Income Frequency	Less Than 40,000	40,001 – 60,000	60,001 – 80,000	80,001 – 1,00,000	More Than 1,00,000	Total
Only When Necessary	6	6	3	5	15	35
Sometimes	4	5	6	2	3	20
Very Frequently	1	0	0	0	6	7
Total	11	11	9	7	24	62

Degree of freedom = (columns-1)(rows-1) = (4-1)(3-1) = 3*2 = 6

Significance level = 0.01

X^2 tabular = 16.81

X^2 calculated = 16.87

X^2 calculated > X^2 tabular

Therefore, we reject Null Hypothesis, and accept Alternate Hypothesis. And it shows that there is an association between Purchasing Location and Occupation.

Table no.12: Correlation Between Gender Distribution and Customer Support Experience

Customer Support Gender	Never (-2)	Almost Never (-1)	Sometimes (0)	Almost Always (1)	Always (2)	Total
Male (1)	0	4	17	20	8	49
Female (0)	1	0	5	5	2	13
Total	1	4	22	25	10	62

The calculated correlation coefficient is 0.05. This indicates a very weak positive correlation between customer support ratings for males and females. This means that there is practically no relationship between the two variables.

In other words, a customer's gender does not seem to have a significant impact on their ratings of customer support.

Conclusion

The important findings of the paper are:

- Most consumers only purchase electronics when necessary and would not spend money on electronics otherwise. Only a very few amount of consumers purchase electronics quite frequently. Overall, this suggests a low frequency of purchase among consumers.
- The internet has become the primary source of information about electronics for consumers as most often go to online forums and social media sites to gain knowledge and opinion on electronic products. Their family and friend groups has become a secondary source of information for consumers, while hardly any get their information from advertisements on TV and Magazines. This shows the growing importance of the Internet in the electronics industry.
- Both retail and online stores are still very much in use as most consumers prefer a mix of both when purchasing electronics depending on the situation, while very few stick exclusively to only one type of store. This shows that although online stores have grown and become very popular among consumers, they have failed to replace retail stores as the primary purchase location for electronics.
- The majority of consumers prioritize all four aspects of an electronic product – brand name, quality, appearance and price – although when it comes down to prioritizing just one aspect, most consumers prioritize quality or brand name over appearance and price. This shows that in today's market, quality and brand name are the qualities of a product that potential consumers search for, while price and appearance take a back seat; but, all four aspects are considered when making a purchasing decision.
- Most consumers leave at least some sort of feedback after purchasing a product, while very few never do. This suggests that manufacturers can expect feedback on their products quite regularly, whether positive or negative.
- Most consumers have their issues with a product resolved by their customer support service, while very few consumers leave unsatisfied after failing to get their issues resolved. The satisfied consumers are more likely to leave positive feedback on the company, while the unsatisfied consumers are more likely to leave negative feedback.
- In the conclusion we found that there is no relationship between purchasing frequency and family income. So, consumers with low income are just as likely to frequently purchase electronics as consumers with high income, while consumers with high income are also just as likely to only buy electronics, when necessary, as consumers with low income.
- From the conclusion we demonstrated that there is an association between purchasing location and occupation. This means that consumers of specific occupations tend to purchase electronics from specific purchasing locations and also found out that there is a very weak positive link between male and female customer support evaluations. This indicates that there is almost no link between the two

variables. In other words, a consumer's gender does not appear to have a substantial influence on how they rate customer service.

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