STUDY OF CUSTOMER BRAND LOYALTY TOWARDS COLOR TELEVISION

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Abstract

A Note on the Color Television in India examines the history of the color television industry in India since the early 1980s. It examines the demand-supply scenario in the color television industry and the competition in the industry. The note explores the nature of the competition between multinational and domestic players. It also discusses why the Korean companies are the leaders in the color television industry.

The note concludes with a brief description of the future of the color television industry in India. The history of the Indian television industry dates back to 1982, the year when India hosted the Asian Games. There was a huge demand for color televisions all through the 80s. In 1984-1985, the color television industry was growing at an astounding rate of 140.3%. However, in 1985-86, it fell to 68.6%, 15% in 1988-89 and finally in the year 1989-90 it touched a rock bottom level of 5%. In 1991-92, the Indian economy was going through a balance of payment crisis. As a result of this, for the first

time in the history of Indian color television, one saw a deceleration in the sales of color televisions at 14.5%.During this period, the prices of color televisions skyrocketed due to the high import duties imposed on color picture tubes. However, the period after the liberalisation of the Indian economy marked a new beginning for the color television industry.

The industry witnessed rapid growth during this period. The popularity of cable television, the price of 20 inch color television falling drastically, the entry of international brands, the increase in advertising expenditure and various sporting extravaganzas like the World Cup cricket in 1991 and football World cup in 1994 helped in increasing the sales of color televisions. The sales of color televisions increased from 16.8% in 1992-93 to about 21.6% in 1993-94 to 27.9% in 1996-97 due to the cricket World Cup in 1996. In 1999-2000, the growth rate escalated to 32.5%...

This project is about the "consumer preference regarding selected brands (SONY, SAMSUNG and LG) of 21" flat screen color television on the basis of price, brand name, location of show room in the region of Panipat".

Keywords: Customer Satisfaction, Market Share, Purchase, Segmentation.

INTRODUCTION TO STUDY

An overview of television industry in India

The Color TV industry in India has seen a gamut of changes in the past one decade as liberalization set in the Indian subcontinent making its market highly competitive and consumer driven. The Indian consumer is indifferent in choosing the brand, since a lot of close substitute available in the market. In the process the producers became price takers rather than price setters and Color T.V. became necessity good.

The Indian consumer has changed ever since the India liberalized its economy. The Indian consumer not only wants a variety in the products but also demands high quality and service in those products. The consumer durable sector comprises of a gamut of products each with a cheesed off past. However considering television to be a pioneer lifestyle product our research paper delves into those facts, reasons and trends that substantiate this phenomenal change. With the fast changing liberalization policies, changing and growing demands of the consumers made the industry competitive.

The constant desire of the companies (domestic or international) to have a major share in the market often leads them to die many deaths which has became a hackneyed phenomenon in this sector of Liberalized India if the companies are not in able to cope with changing reforms and the changing tastes and preferences of the consumers. Hence we made an attempt to analyze the factors that influence the buying decision of the consumer in choosing the brand by taking the variables other than the family roles and social influences The results revealed that the purchasing decision of the consumer depends on Quality, Goodwill Popularity, Affordability, Features, and Support Services of the product, this phenomenon observed in all income groups. The results also revealed that the brand preference is independent of age, income and education.

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T.V. Industry. Our intuition directed that in the countries like India the economic liberalization has influenced the consumer durable industry especially Color T.V. industry. The foreign player entered the Indian market since the Indian economy increasingly interdependent almost over the last one and half decades. Consumers in India with open markets on an average are enjoying lower prices, improved consumption, improved savings and rising standards of living. Before liberalization in India, the consumer was at the mercy of the producer and savings management were prevailing in the sense that individuals saved and then consumed. This might be because of no financing facilities, no credit card facilities and moreover demand side economic were prevailing. After liberalization the total scenario has changed- consumers in India moved from savings management to expenditure management. This is because

of the availability of goods and services at lower price, availability of credit cards, availability of finance at low interest and in some cases zero interest and moreover the death of power of monopoly in many sectors because of the entry of the foreign players. Producers have become price takers rather than price setters. The tastes and preferences, life style and consumption patterns of the consumers have also changed. Like other third world countries, people in India have started spending much more money on eating out; started buying a flat or a car because of the availability of credit cards and easy financing facilities; more number of people have been traveling abroad after liberalization and there has been a distinct shift from joint family system to that of nuclear families.

As per the estimates of the confederation of Indian Industry (CII) the Indian consumer durable industry is Rs 20,000 crore business industry. The industry is highly dominated by the foreign players occupying the top slots in the market shares. From a recent data obtained from the Equitymaster.com the market share of all the MNCs in the color TV segment is about 65%. The biggest attraction for these players is the growing Indian middle class, which is approximately 250 million, and also low penetration levels characterize this market.

Because of the entry of the foreign players we felt that in the Indian Color T.V. Industry the following Changeshave taken place, according to the father of Economics Adam smith in his book wealth of Nations (1776)

a- Economic substitutability and technical substitutability: The color T.V industry is facing intense competition and in the process new innovations in the form of giving additional features are taking place,

b-Indifference in brand preference: The consumers are indifferent in choosing the brand because what ever the brand that the consumer is going to purchase gives the same satisfaction. This because the features of T.V in almost all the brands are same and there is a negligible difference in the prices. How ever in case of local made company products are cheaper. Hence we can define the indifference in brand preference as the locus of all brands in which the consumer gets the same level of satisfaction,

 c- Excludability: The producers are not excluding the customer before going to produce the product like how they well ventilated before liberalization. Without due care and attention, the relationship between producer and consumer becomes much more akin to a gibberish than a purchase and sale one.

d-Rivalry: in the information era economy the use or enjoyment will no longer necessarily involve rivalry. Especially with most tangible goods like TV, if X uses one brand of TV there is no guarantee that Y also uses the same brand. Free market price provides the producer with an ample award for its effort. It also leads to the appropriate level of production.

e- Transparency: The consumers know what they want and what they are buying so that they can effectively take the advantage of competition and comparison –shop and moreover the marginal cost of information is zero. Hence the producers should be transparent.

Keeping the cited intuition and the factors in this paper we made an attempt to determine the factors those influence the purchasing decision of the consumer and the degree of brand preference. The paper is organized as follows. We include a brief review of

literature on in the next section; Section III deals with research Methodology. Sections IV deal with Empirical investigation and Section V Offers conclusion and discussion.
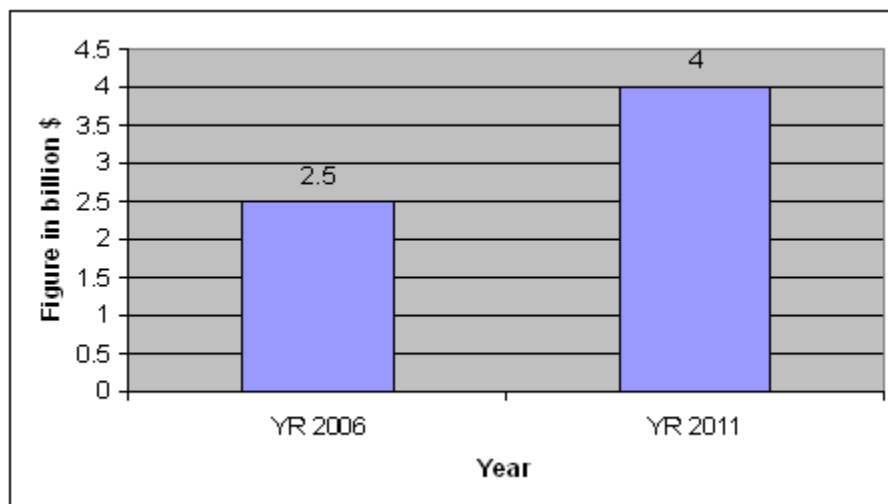
Projected market growth

Table 1

According to iSuppli corporation (Applied Market intelligence), color television sales will grow at a rate of 9.6%.
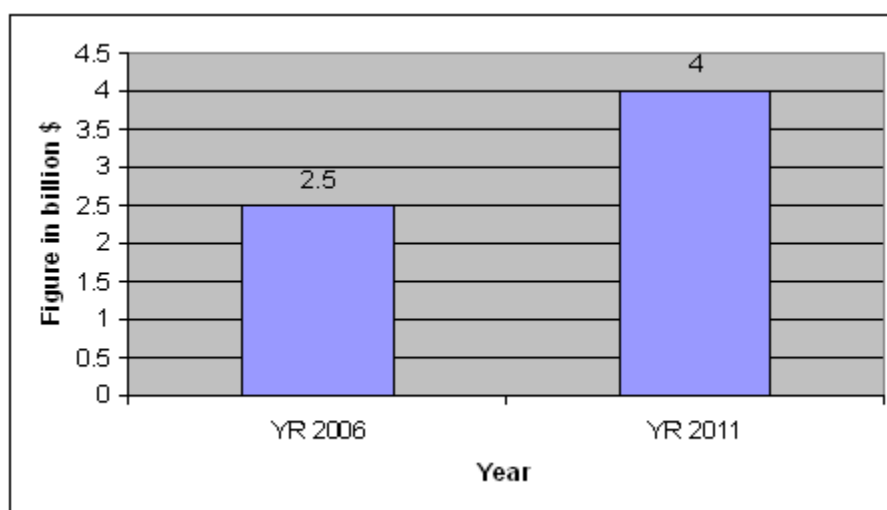
Projected Market Sales

Table 2

Products covered

The products covered under the color television segment are:

- Flat-panel
- LCD plasma
- Regular 21-inch CRT (cathode ray tube) or a small set
- 29-inch flat-screen CRT TVs

Growth Drivers

Some of the growth drivers because of which CTV market is growing fast are:

- Increased awareness
- Increase in disposable income
- Emergence of nuclear families
- Rising availability
- Declining prices

Many MNC and domestic companies are now making India as a manufacturing centre because:

- Low cost skilled labor
- Tax free zones i.e. SEZs
- Qualified workforce
- Untapped domestic market
- Excellent supply base for glass and color picture tubes

Barriers to Entry

Some of the major barriers before the companies who want to make an entry into the market are:

- Poor government spending on rural and small town electrification program
- Poor distribution network

Major players

The major players in the color television segment are:

- Sony India
- Samsung India

- LG

SCOPE OF THE STUDY

This study entails to various dimensions as Consumer Behavior is applicable to marketing of the products .The first step to launch a product in the market is a market survey related to Consumer Preferences. So this project is helpful in the areas of:

 i)   To know the Consumer preferences.

ii)   To know about the awareness about 21" Flat color television.

iii) Consumer attitude towards different Brands of 21" Flat color television.

Iv) Sales pattern of 21" Flat color television.

The future scope of this report is:

1. Consumer's survey.

2. Demographic & Psychographic study of Consumers.

3. To know the impact of televisions on social changes.

4. To know the Brand Loyalty of the Brands of televisions available in the market among the consumers.

OBJECTIVES OF THE STUDY

The objective of the research means the purpose for which the research is being carried out. My objectives of the research are as follows

➢ **Fluctuation in demand:** To find out the fluctuation in the demand of the different brand of the 21" flat screen color televisions based upon the variation in the customer preferences and customer satisfaction level to the price, brand name, location of the show room of different brands of the 21" flat screen color televisions.

➢ **Market share:** It also includes the finding in regards to the market share occupied by selected brands of the 21" flat screen color televisions and the marketing strategies adopted by the companies.

➢ **Extent of brand loyalty:** To find the extent of brand loyalty that exists among different televisions.

➢ **Influence of various factors:** To study the influence of various factors on the purchase of televisions-

- Price.
- Availability.
- Brand name.

➢ To study the consumer preferences for different television products.

RESEARCH METHODOLOGY

RESEARCH DESIGN

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. It is also known as a master plan specifying methods and procedure for collecting and analyzing the needed information. The project is diagnostic in nature. The study of consumer preference and satisfaction of selected brands (SONY, SAMSUNG

and LG) of 21" flat screen color television on the basis of price, brand name, location of show room is done by collecting the data through questionnaire.

However the research is also depend upon the existing data, hence descriptive research design is also used.

The present Project work is based on a Descriptive study heavily depending upon Primary Data.

Descriptive Research is a Research method followed in this project, which includes surveys and fact-findings, Inquires of different kinds. The major purpose of Descriptive Research is description of the state of affairs, as it exists at present.

SAMPLING DESIGN

After collecting the data from various sources one's need is to design the sample. It includes size of sample & the technique that we used for selecting the different items from the sample. A sampling design is a definite plan for obtaining a sample from a given population. It refers to the technique that the researcher adopts in selecting items for the sample.

SAMPLE SIZE

By sample size we mean that the number of people to be selected from the population to make a sample which should be the representative of whole population. A sample size should be sufficient enough that can serve our purpose. Total sample size of the respondents is 100 in the region of Panipat city.

SAMPLING TECHNIQUE

This is the type of technique that one uses to select the items for the sample. The sampling method that used is **random sampling** which is a type of Non Probabilistic sampling.

DESIGNING AN QUESTIONNAIRE

A questionnaire is prepared to study the consumer preference and satisfaction of selected brands (SONY, SAMSUNG and LG) of 21" flat screen color television on the basis of price, brand name, location of show room. The language of questionnaire is so simple & easy questions have been written so that every one can answer easily.

HYPOTHESIS TESTING

The chi-square test is one of the simplest and widely used non-parametric tests in statistical work. The symbol is Greek letter chi. It was first used by Karl Pearsons in the year 1990. The quantity chi-square describes the magnitude of the discrepancy between theory and observation

$$\text{Chi-square} = \frac{\Sigma(O-E)^2}{E}$$

Where O=observed frequency

And E=expected frequency

Degree of freedom**:**

While comparing the calculated value of chi square with the table value, we have to determine the degree of freedom. By degree of freedom we mean the number of classes to which the values can be assigned arbitrary or will without violating the restriction or limitations placed.

H_0 = let us take the hypothesis that brand image, Price and availability do not influence the customer in their buying decision.

H_1 = let us take the hypothesis that brand image, Price and availability influence the customer in their buying decision

Observed frequency table:

Factors	Price	Brand Image	Availability	Technology	Total
Price Influence on buying decision	34	42	24	0	100
Perception of customers while buying television	37	45	10	8	100
Total	71	87	34	8	200

Table 3

$$E_{11} = \frac{71 \times 100}{} = 35.5$$

$$E_{12} = \frac{87 \times 100}{200} = 43.5$$

$$E_{13} = \frac{34 \times 100}{200} = 17$$

$$E_{14} = \frac{8 \times 100}{200} = 4$$

$$E_{21} = \frac{71 \times 100}{200} = 35.5$$

$$E_{22} = \frac{87 \times 100}{200} = 43.5$$

$$E_{23} = \frac{34 \times 100}{200} = 17$$

$$8 \times 100$$

$$E_{24} = \frac{}{200} = 4$$

Expected Frequency table:

Factors	Price	Brand name	Availability	Technology	Total
Price Influence on buying decision	35.5	43.5	17	4	100
Perception of customers while buying refrigerator	35.5	43.5	17	4	100
Total	**71**	**87**	**34**	**8**	**200**

Table 4

Observed frequency(O)	Expected Frequency(E)	O-E	$(O-E)^2$	$(O-E)^2/E$
34	35.5	-1.5	2.25	.06
37	35.5	1.5	2.25	.06
42	43.5	-1.5	2.25	.05
45	43.5	1.5	2.25	.05
24	17	7	49	2.88
10	17	-7	49	2.88
0	4	-4	16	4
8	4	4	16	4
Total				**13.98**

Table 5

$$\chi^2 = \frac{\{(O-E)^2\}}{E} = 13.98$$

Degrees of freedom = V = (r-1) (C-1)

$\qquad\qquad$ = (2-1) (4-1)

$\qquad\qquad$ = (1) (3)

$\qquad\qquad$ = 3

At degrees of freedom **V** = 4, $\chi^2_{.05}$ = 8.75

Since the tabulated value of $\chi 2.05 = 8.75$ is less than the calculated value of χ^2 so, we reject the null hypotheses (H_0).

Hence it is proved that brand Image, Price, Brand name and availability influence the customer in their buying decision.

STATISTICAL TOOL

To analyse the present data mean & standard derivation are used which are as below

Mean

In statistics, the mean is the mathematical average of a set of numbers. The average is calculated by adding up two or more scores and dividing the total by the number of scores. Consider the following number set: 2, 4, 6, 9, and 12. The average is calculated in the following manner: 2 + 4 + 6 + 9 + 12 = 33 / 5 = 6.6. So the average of the number set is 6.6.

$$\bar{x} = \frac{\sum x_i}{n}$$

Standard Deviation (SD):

To determine the standard deviation of a dataset:

1. Calculate the mean of all the scores
2. Find the deviation of each score from the mean
3. Square each deviation
4. Calculate the average of the deviations

5. Take the square root of the average deviation

$$s = \sqrt{\frac{1}{n-1}\sum_{i=1}^{n}(x-\bar{x})^2}$$

Analysis & Interpretation-

By use of the pie, bar charts I have analysed & interpretated the data to reach at the conclusion which is useful for the project report easily. This data can also be used by the company to make the important future decision. To analyse the present data various statistical tools have been used these are as below

- Chi- square Test.
- Mean & Standard deviation.

These tools are well used for providing the desired result.

Analysis & Discussions

Mean & S.D. of different factors of consumer buying behavior

S.no.	Factors	Mean value	Standard Deviation
1.	Price	33.33	20.61
2.	Brand name	25	15.68
3.	Availability	20	11.48
4.	Brand image	20	9.19
5.	Technology	20	8.12
6.	After sales service	33.33	21.18
7.	Various offers	20	17.46
8.	Reference groups	20	17.81
9.	Looks & style	20	9.18

Table 6

Discussions

The analysis is that 53% of the respondents have the Samsung tv,35% of the respondents have the LG tv and only the 12% of the respondents have the sony tv. The analysis is that for Samsung, 22% respondents are conscious about price, 11% for brand name & 14% for availability.In the case of LG,8% respondents are conscious about price,15% for brand name & 8% for availability.And in case of sony, 4%

respondents are conscious about price,16% for brand name & only 2% for availability. The analysis is that 39% of respondents are satisfied with the availability of the brand they are using.37% of the respondents are not clear that they are satisfied witth the availability of the brand they are using or not.24% of the respondents are dissatisfied with the availability of the brand they are using.

The result is that,33% of the respondents purchased the television by the decision of head of family.21% of the respondents purchased by the decision of children.41% of the respondents purchased by the decision of spouse and only 5% of the respondents purchased due to other factors.

45% of the respondents said that they are satisfied with the Brand they are using.32% of the respondents said that they they can't say anything about the Brand they are using. 23% of the respondents said that they are dissatisfied with the Brand they are using.So, the result shows that most of the respondents are more influenced by brand image.

The analysis is that,53% of the respondents like to purchase the television from the distributor,36% of the respondents like to purchase from the authorized dealer and only 11% of the respondents like to purchase from others. The analysis is that 27% of the respondents are influenced by the price,14% 0f the respondents are influenced by the technology, 27% of the respondents are influenced by the offers,23% of the respondents are influenced by the after sale service and only 9% respondents are influenced by the reference group.The analysis is that Near about 70% of the respondents will recommend the brand of television they own,19% of respondents are not sure that they will recommend the brand of TV they own or not and near about 8% of the respondents will not recommend the brand of TV they own.

So the result is that most of respondents are satisfied with the availability of the brands in Karnal.21% of respondents are those who don't have any idea about the availability

of the brands in the Panipat. And very less respondents are dissatisfied with the availability of the brands in the Panipat.

FINDINGS

From the research what I have done on the Consumer preference regarding 21" flat screen color television(Samsung, LG, and Sony) on the basis of (Price, Brand name & Availability) in the region of Panipat. I found that;

1. Most of the respondents prefer the brands of the 21" flat color television, what they own.
2. Most of the respondents are satisfied with the brands of television they are using.
3. Head of the family plays the major role in the buying of the television.
4. Most of the respondents are price conscious and their first preference is the price.
5. Some of the respondents are brand loyal; they purchase the brand of television what they like.
6. Availability has not the major role at the time of purchase of television.
7. Most of the respondents like to purchase the television from the distributors, because they think the services provided by the distributors are very good.
8. Most of the respondents further recommend the brand of the television what they own.

CONCLUSION

After doing all the research work, every invigilator get some results out of that research and here on the basis of above study we can conclude the following:

People are very much conscious about the price of the television what they own. People can switch over to some other brand of television if the price of the television falls at the time when they need the television. Some time offers and discounts play the role for the person to switch over.

Some people are brand loyal and they have no effect of availability of the brand of television. Brand loyal people like to purchase the television from the Distributor. People generally prefer the television what they own. They are ready to recommend the television brand what they own, to further someone.

Suggestions

1. Special offers and discounts should be provided by the companies, so that people can't switch over to other brand of television.
2. Dealers and showroom should provide the better after sale services as provided by the distributors.
3. Availability of different brands of television should increase by increasing the network of distributors & dealers.
4. Advertisement plays the role in purchase of the television.
5. Special festival offer and exchange offers should be used by the companies to improve the sales.
6. Companies should quickly settle the claims; this will increase the goodwill of the company.
7. Advertisement should be on local T.V channel.

8. The Sony T.V. should decrease its price to increase the sale.

So we can say that the people are more concerned about the brand of the television what they own, they like to recommend that further and they are up to some extent brand loyal also.

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