



Purchase Pattern Of Consumers For Consumer Durables Along With Preference Towards Organized Unorganized Retail Formats From Supply Chain Management Perspective

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Abstract:

Before the liberalization of the Indian economy, only a few companies like Kelvinator, Godrej, Alwyn, and Voltas were the major players in the consumer durables market, accounting for no less than 90% of the market. Then, after the liberalization, foreign players like LG, Sony, Samsung, Whirlpool, Daewoo, and Aiwa came into the picture. Today, these players control the major share of the consumer durables market. Consumer durables market is expected to grow at 10-15% in 2007-2008. It is growing very fast because of rise in living standards, easy access to consumer finance, and wide range of choice, as many foreign players were entering in the market with the increase in income levels, easy availability of finance, increase in consumer awareness, and introduction of new models, the demand for consumer durables has increased significantly. However, there were still very few players in categories like vacuum cleaners, and dishwashers Consumer durables sector is characterized by the emergence of MNCs, exchange offers, discounts, and intense competition. The market share of MNCs in consumer durables sector is 65%. MNC's major target is the growing middle class of India. MNCs offer superior technology to the Consumers whereas the Indian companies compete on the basis of firm grasp of the local market, their well acknowledged brands, and hold over wide distribution network. However, the penetration Level of the consumer durables is still low in India. Indian Consumer durables market used to be dominated by few domestic players like Godrej, Voltas, Allwyn and Kelvinator. But post liberalization many foreign companies have entered into Indian market dethroning the Indian players and dominating Indian market the major categories being CTV, REFRIGRATOR, MICROWAVE OVEN and WASHING MACHINES. India being the second largest growing economy with huge consumer class has resulted in consumer durables as the fastest growing industries in India. LG, SAMSUNG the two Korean companies have been maintaining the lead in the market with LG being leader in almost all the categories. The rural market is growing faster than the urban market, although the penetration level is much lower. The CTV segment is expected to the largest contributing segment to the overall growth of the industry. The rising income levels double-income families and consumer awareness were the main growth drivers of the industries.

Consumer Durable Industry

Consumer goods like washing machines, motorcars, TV sets, audio-video systems etc, which yield services or utility over time rather than being completely used up at the moment of consumption can be termed as the consumer durables. Most consumer goods are durables to some degree, and the term is often used in a more restricted sense to denote relatively expensive, technologically sophisticated goods – consumer durables’ such as the examples given above which implies high involvement at the time of purchase.

The consumer durables segment can be segregated into consumer electronics (TVs, VCRs/VCPs and audio systems) and consumer appliances (also known as white goods) like refrigerators, washing machines, air conditioners (ACs), microwave ovens, vacuum cleaners and dishwashers.

Most of the segments in this sector are characterized by intense competition, emergence of new companies (especially MNCs), and introduction of state-of-the-art models, price discounts and exchange schemes. Despite of that MNCs are entering in to Indian market because growing Indian middle class of around 250 millions. Also it is widely accepted that consumer durable penetration increases rapidly after per capita income (PCI) crosses a threshold limit of \$2000. In India, the PCI is low at \$370, though it is equivalent to \$600 on PPP (Purchasing Power Parity) basis and expected to see a consistent growth of over 6% over the next years to come.

According to NCEAR survey estimates, the number of households in the higher and middle - income categories will rise rapidly. There will also absolute reduction in the number of households in the low incomes. This will lift large number of households to income levels at which they can become purchasers of consumer durable products. Continuous economic growth and higher income levels will drive growth in volumes, any reduction in the duties will leads to lower down of the values and this will bring more customers for the durable products.

The biggest attraction for MNCs is the growing Indian middle class (approx. 250 m). This market is characterized with low penetration levels. MNCs hold an edge over their Indian counterparts in terms of superior technology combined with a steady flow of capital, while domestic companies compete on the basis of their well-acknowledged brands, an extensive distribution network and an insight in local market conditions. The Indian middle class market of 250 million is the biggest attraction for the MNCs along

with the level of the penetration of consumer durables in the India has more attracted Multinationals to the India, in the case of consumer durables penetration levels of TV is believed to the highest, and after that the penetration of the refrigerator comes. In the future, earnings will be driven by rising demand for consumer durables in general. As per the National Sample Survey Organization report of "Use of durable goods by Indian households", the per capita total expenditure on durable goods increased from Rs112.89 in 1987-88 to Rs148.02 in 1993-94. Similarly, NCAER estimates point to the fact that the number of households with monthly incomes above Rs 10,000 in metros and Rs 5,000 in non-metros is expected to rise from 22.7 million in 1995-96 to a huge 57.2 million in 2005-06. This will mean that firstly, there will be a perceptible shift towards branded products and secondly, the level of aspiration buying will increase.

Size Of The Market

The total Rs. 15500 crore consumer durables industry consists of Colour Televisions, Black and White Televisions, Refrigerators, Washing Machines, Air-conditioners, Microwave Ovens, Vacuum Cleaners, Audio Systems, Electronic Appliances and Water Purifiers. The table below shows the 'Estimated industry size' and the competition in the various segments.

Estimated industry size:		
(Figures are in crore Rs.)		
Segment(E)	2000-01	2006-07
Color Television	6500	9100
B&W Television	1250	500
Refrigerators	3700	5460
Washing Machines	1500	3200
Air-Conditioners	1000	2100
Audio Systems	1000	2000
Microwave Ovens, Vacuum Cleaners, Electronic Appliances and Water Purifiers	550	1000

Table 1

(Source: BPL annual report 2000-01)

Now considering consumer durables industry in general, the drivers that will leads to the growth of the industry in general will be:

- The degree of distribution network in the market.
- The advertising and marketing strategy adopted by the players in the industry.
- The brand image of the product as perceived by the consumer.
- The technology used by the company viz. state-of-the art technology or and older version.
- The ability of the company to introduce newer products and newer product features.
- The capability of the company to service its products.
- The discount schemes and consumer finance facility available.
- The market positioning of the product.
- The cost competitiveness and pricing strategy of the company.
- The financial strength of the players.

As a result of the increased competitive activity, the advertising and marketing costs as a percentage of operating income have increased over the years. This ratio for the industry has increased from 4.4 percent in 1993 to 6.7 percentage in 2000.

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 BPL, Videocon, Voltas, Blue Star, MIRC Electronics, Titan, Whirlpool, etc. The consumer durables industry can be broadly classified into two segments: Consumer Electronics and Consumer Appliances. Consumer Appliances can be further categorized into Brown Goods and White Goods. The key product lines under each segment were as follows.

Industry Size, Growth, Trends

The consumer durables market in India was estimated to be around US\$ 5 billion in 2007-08. More than 7 million units of consumer durable appliances have been sold in the year

2006-07 with colour televisions (CTV) forming the bulk of the sales with 30 percent share of volumes. CTV, refrigerators and Air-conditioners together constitute more than 60 per cent of the sales in terms of the number of units sold. In the refrigerators market, the frost-free category has grown by 8.3 per cent while direct cool segment has grown by 9 per cent. Companies like LG, Whirlpool and Samsung have registered double-digit growth in the direct cool refrigerator market. In the case of washing machines, the semi-automatic category with a higher base and fully-automatic categories have grown by 4 per cent to 526,000 units and by 8 per cent to 229,000 units, respectively. In the air-conditioners segment, the sales of window ACs have grown by 32 per cent and that of split ACs by 97 per cent. Since the penetration in the urban areas for these products is already quite high, the markets for both C-TV and refrigerators were shifting to the semi-urban and rural areas. The growth across product categories in different segments is assessed in the following sections.

Consumer Electronics

The CTV production was 15.10 million units in 2007-08 and is expected to grow by at least 25 per cent. At the disaggregated level, conventional CTV volumes have been falling while flat TVs have grown strongly. Market sources indicate that most CTV majors have phased out conventional TVs and have been instead focusing more on flat TVs. The flat segment of CTVs now account for over 60 per cent of the total domestic TV production and is likely to be around 65 per cent in 2007-08. High-end products such as liquid crystal display (LCD) and plasma display CTV grew by 400 per cent and 150 percent respectively in 2009-10 following a sharp decline in prices of these products and this trend is expected to continue. The audio/video player market has seen significant growth rates in the domestic market as prices have dropped. This trend is expected to continue through 2009-2010, as competition is likely to intensify to scale and capture the mass market.

CONSUMER DURABLES SECTOR	
Company Name (Top 10)	MarketCap (Rs.Crore) As on 3 Jan 2012
Titan Inds.	15,896.06
Videocon Ind	5,355.88
Opto Circuit	3,780.19
TTK Prestige	2,867.46
Whirlpool	1,864.35
Bajaj Elec.	1,571.69
Honeywell Au	1,534.40
Blue Star	1,503.06
Symphony	888.72
Hawkins Cook	740.41

Table 2

(Source: *Bijender_Se/VSeX: India's Top 10 Companies : Sectorwise*)

Global retail sales are estimated to cross US\$12 trillion in 2007.1 Almost reflecting the growth in the world economy, global retail sales grew strongly in the last five years (2001-06) at an average nominal growth of about 8 per cent per annum in dollar Terms. This is in contrast to near stagnant global retail sales during the Previous five years, 1996-01. Grocery dominates retail sales with a share of approximately 40 per cent which varies from about 30 per cent in rich Japan to an Average of 60 per cent in poor Africa. Retail sales through modern formats have been rising faster than total retail sales; the share of modern retail has risen from about 45 Per cent in 1996 to over 52 per cent in 2006.

	1996	2001	2002	2003	2004	2005	2006	CAGR ³ (1996-01)	CAGR ³ (2001-06)
1. Total Retail Sales ¹ (US\$ Billion)	7682	7833	7987	8827	9833	10657	11375	0.4	7.7
2. Total Grocery Sales ¹ (US\$ Billion)	3284	3161	3213	3571	3970	4308	4611	-0.8	7.8
3. Modern Retail Sales ² (US\$ Billion)	3478	3916	4149	4672	5246	5633	5969	2.4	8.8
4. Modern Grocery Sales ² (US\$ Billion)	2577	2816	2979	3378	3800	4074	4325	1.8	9.0
2 as % of 1	42.7	40.4	40.2	40.5	40.4	40.4	40.5	-1.1	0.1
3 as % of 1	45.3	50.0	51.9	52.9	53.4	52.9	52.5	2.0	1.0
4 as % of 3	74.1	71.9	71.8	72.3	72.4	72.3	72.5	-0.6	0.2
5. Nominal GDP (US\$ Billion)	30055	31889	32888	36904	41470	44713	48141	1.2	8.6

¹ Excluding VAT or sales tax; ² Including VAT or sales tax; ³ Compound annual growth rate.
Source: Planet Retail Database.

Table 3

Organized vs. Unorganized Retail

In the developed economies, organized retail is in the range of 75 -80 per cent of total retail, whereas in developing economies, the unorganized sector dominates the retail Business. The share of organized retail varies widely from just one per cent in Pakistan and 4 per cent in India to 36 per cent in Brazil and 55 per cent in Malaysia. Modern retail formats, such as hypermarkets, superstores, supermarkets, discount and convenience stores are widely present in the developed world, whereas such forms of retail outlets have only just begun to spread to developing countries in Recent years.

Factor	Organized Retail Sector	Unorganized Retail Sector
Definition	Modern form of retailing	Traditional form of retailing
Examples	Hypermarket, Retail chain etc.	Mom n Pop stores, hand cart, pavement
Market Share	3%	97%
Market Growth	35%	6%
Challenges	Poor supply chain management, aggressive expansion etc.	Use of labour intensive technology, lack of government support etc.

Table 4

Country	Total Retail Sales (US\$ bn)	Share of Organized Retail (%)
USA	2,983	85
Japan	1,182	66
China	785	20
United Kingdom	475	80
France	436	80
Germany	421	80
India	322	4
Brazil	284	36
Russia	276	33
Korea, South	201	15
Indonesia	150	30
Poland	120	20
Thailand	68	40
Pakistan	67	1
Argentina	53	40
Philippines	51	35
Malaysia	34	55
Czech Republic	34	30
Vietnam	26	22
Hungary	24	30

Table 5: Share of Organized Retail in Selected Countries, 2006

(Source: Planet Retail and Technopak Advisers Pvt. Ltd.)

Supply Chain Management (Scm)

With the liberalization of world trade, globalization, and emergence of new markets, many organizations have customers and competitors throughout the world, either directly or indirectly. Business communities are aware that international competitiveness is key to the success of a business. Effective procurement can reduce costs and add value to an organization by enhancing overall competitiveness. Procurement activities can be leveraged into a holistic approach to the supply chain management (SCM). SCM is an integrated philosophy to manage the total flow of a distribution channel from the supplier to the user. SCM requires an assessment of the current supply chain members to determine their level of performance along the material flow continuum. SCM is a strategic management process that begins with an assessment of the current strengths and weaknesses of the organization and identifies gaps where current performance fails to meet the organization's vision. SCM is an operational approach to procurement. It provides the necessary tools to bridge the gap

between policy and procedure to operational management. SCM is a continuous improvement strategy to understand and manage the supply chain through differentiation based on risk and value. For effective implementation of SCM, skilled workers, good processes, vision, and continuous improvement are required.

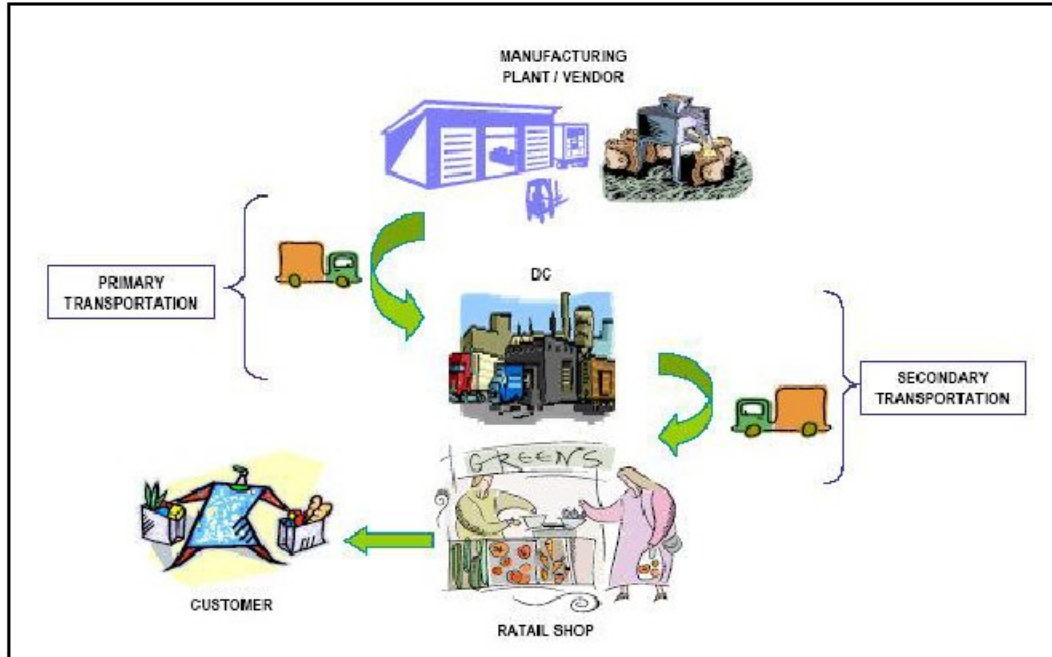


Figure 1: Retail Supply Chain: Consumer Durables
(Source: Deepak Jakate, Head Logistics Park Business, RLPL)

Globalization Of Retail

There has been a creeping internationalization of retailing over the recent period. As home markets have become crowded and with opportunities in emerging markets rising, modern retailers from developed countries have been turning to new markets. On an average each of the top 250 retailers in the world has operated on an average in 5.9 countries in 2005-06 (July-June) against five countries in 2000-01 (Deloitte-Stores Report, 2007). Foreign business accounted for 14.4 per cent of retail sales of these companies in 2005-06 up from 12.6 per cent in 2000-01. The retail sales growth of companies which have ventured into foreign markets has been faster than those that have confined themselves to home markets. As far as the international expansion is concerned, West European and South African retail companies are the most outward looking. The West European firms, among the top 250 retailers, expanded into an average of 9.9 countries in 2005-06 and generated 28.1 per cent of their sales from foreign operations, largely in Central and Eastern Europe. The five South African

retailers in the top 250 list conducted business in an average of 8.8 countries particularly in the African continent in 2005-06, generating on an average 13 per cent of these companies' sales. The US retailers are mostly home-market based operating just in an average of 3.7 countries outside US in 2005-06 up from three countries in 2000-01 and two countries in 1996-97. The US retailer Wal-Mart, the world's biggest retailer, is a notable exception operating in 14 countries in 2007. Most of the Japanese retailers are insular operating only domestically.

Future Trends

The Deloitte-Stores (2007) study held that the retail business would slow down definitely over the next decade in developed countries, while it would grow strongly in developing countries. This is based on a projection of three significant changes that will occur. First, the population in the age-group 50-70 years and above in the developed world will explode, shifting the share of consumer spending further away from goods towards services, such as travel, healthcare and maintenance of the elderly. Second, the population growth in the age- group 20-35 years in these Countries will be relatively modest making the hiring of entry-level workers difficult, while the population in the age-group 35-50 years will decline leading to acute shortage of middle and upper management positions. Third, in developing countries, there will be plentiful supply of workforce and consumers in the younger age groups. Besides, this demographic shift will make the developing countries more dynamic and risk-taking enabling them to grow much faster than the developed world. Driven by these trends, it is expected that retailers in developed countries will increasingly move to the markets of developing countries for growth.

Indian Retail

The growth of the retail trade in India is associated with the growth in the Indian economy. Gross domestic product (GDP) grew by an annual rate of 6.6 per cent during 1994-00 but the growth slackened to 4.7 per cent per annum during the next three years before the growth remarkably rose to 8.7 per cent per annum in the last four years (Table 2.3). This meant a substantial rise in disposable income of Indian households since the mid-1990s. Based on the *Market Information Survey of Households (MISH)* of the National Council of Applied Economic Research (NCAER), the number of people in the income groups of –aspirers and the middle class with annual income ranging

from Rs. 90,000 to one million, more than doubled from 157 million to 327 million during the last decade 1995 -96 to 2005-06.3 The data from the Central Statistical Organization (CSO) indicate that the growth of real private final consumption expenditure, which dipped from an average of 5.7 per cent per annum during 1994-00 to 4 per cent per annum during 2000-03, shot up to 6.7 per cent per annum during 2003-07. Retail sales (in nominal terms) in the country also followed a similar pattern: a high annual growth of 13.6 per cent during 1994 -00, a low growth of 4.8 per cent during 2000-03 and a smart pick up in the last four years, 2003-07 at around 11 per cent.

Consumer Durables

IBEF: December 02, 2009

Several key factors are driving growth in the consumer durables sector: disposable income levels are rising, consumer financing has become easier and urban and rural markets are growing at the annual rates of 7 per cent to 10 per cent, and 25 per cent, respectively, with organized retail expected to garner about 15 per cent share by 2015 from the current 5 per cent. Consumer durables is one of the fastest growing industries in India. Industry sales were estimated to be about US\$ 5 billion in value in 2007-08, a growth of more than 25 percent over 2006-07, and are expected to grow at 20 percent in 2008-09. Some of the prominent global players in the consumer durables sector include Philips, Samsung, Sony and Nokia.

Televisions (CTVs) are no longer considered luxury items. However, there are still very few players in categories like vacuum cleaners, and dishwashers. Consumer durables sector is characterized by the emergence of MNCs, exchange offers, discounts, and intense competition. The market share of MNCs in consumer durables sector is 65%. MNC's major target is the growing middle class of India.

According to global real estate consultant, CB Richard Ellis, India has moved up to the 39th most preferred retail destination in the world in 2009, up from 44 last year. The turnover of the organized retail segment in India is pegged at around US\$ 8.1 billion. It is expected to reach US\$ 51 billion by 2010.

Retail opportunity is slated to rise by about US\$ 160 billion in India in five years. In urban India, modern retail is likely to grow from the current 9.6 per cent of total retail to 26 per cent in the next five years, as per Technopak Advisors

The Indian consumer durables market seems to be relatively untouched by the economic slowdown. The consumer durable goods output witnessed a 2.5 per cent rise in durables output in the first quarter of 2009, according to a report by the Development Bank of Singapore (DBS). Colour televisions have seen an increase in sales, growing 2 per cent to 2.8 million units in January-March 2009, according to the figures released by ORG-GFK.

Key Consumer Durables, & Growth Trends

The consumer durables market in India was estimated to be around US\$ 4.5 billion in 2006 - 07. More than 7millionunits of consumer durable appliances have been sold in the year 2006-07 with color televisions (CTV) forming the bulk of the sales with 30 per cent share of volumes. CTV, refrigerators and Air-conditioners together constitute more than 60 per cent of the sales in terms of the number of units sold.

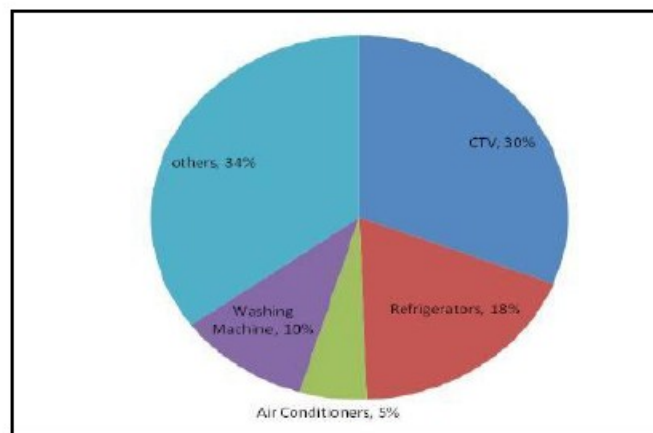


Figure 2: Key Consumer Durables - Share by Volume
(Source: Cygnus Quarterly Report, Aug, 2007)

Structure for Indian consumer market: Consumer classes	Annual income	1996	2001	2007	Change
The rich	215,000 & more	1.20	2.00	6.20	4.16
The consuming class	45 – 215,000	32.50	54.60	90.00	1.79
The climbers	22 – 45,000	54.10	71.60	74.10	0.37
The aspirants	16 – 22, 000	44.00	28.10	15.30	0.65
The destitute	Below Rs- 16,000	33.20	3.40	12.80	0.61
Total		164.80	180.70	199.20	0.21

Table 6: Structure for Indian consumer market: Consumer classes
Annual income

Source: NCAER

Industry Classification

The consumer durables industry can be broadly classified as consumer electronics and consumer appliances. The consumer appliances category can be further segmented as white goods and brown goods.

White Goods	Brown Goods/Kitchen Appliances	Consumer Electronics
Refrigerators	Mixers and Grinders	Mobile Phones
Washing Machines	Microwave Ovens, Cooking Range	Television
Air Conditioners	Iron	MP3 Players
Speakers and Audio Equipments	Electric Fans	DVD Players/VCD Players

Table 6: Classification of consumer goods under the three broad groups

Market analysis

1. Industry sales were US\$ 4.5 billion in value in 2006-07 and more than 7 million units in volume terms. Plasma display panels and liquid crystal display TVs have registered an average growth of more than 250% 2006-07 and the trend is expected to continue.
2. Split ACs have been growing at a much faster rate than window ACs- growth of 97% in the year 2006-07 and the trend is expected to continue.
3. Mobile phone production is expected to grow at a compound annual growth rate of 28.3% from 31 million units in 2006 to 107 million units in 2011
4. The sectors which have recorded excellent growth rates of more than 20 per cent in terms of quantity produced are Air Conditioners (25 per cent), Split Air Conditioners (42.6 per cent) Micro Wave Woven (27.3 per cent), DVDS (25 per cent) VCD/MP3 (20 per cent), Color Picture Tube (23 per cent),).
5. The sectors which have recorded high growth rates between 10 and 20 per cent in April-March 2004-05 over the corresponding previous period are Color Television (12%), Window Air Conditioners (18.8 per cent), Washing Machines (18.1 per cent Watch (10%), Frost Free Refrigerators (13.8%),
6. Some sectors which have recorded moderate growth of 0 to 10 per cent are refrigerators(5 per cent),), clock (8 per cent), Direct Cool Refrigerator (2.8 per cent)

7. The sector recording negative growth is B&W TV (- 16.7%)
8. The Refrigeration Industry has reached 3.9 million units in 2004-05 from 3.7 million units in the last year with a growth of 5 per cent.
9. The Air-Conditioners Industry has reached at 1.2 million units during 2004-05 with a growth of 25 per cent from 9.8 lakh units in 2003-04.
10. Washing Machines is estimated to have grown by 18.1 per cent from 1.35 million units in 2003-04 to 1.6 million units in 2004-05.
11. Microwave ovens has grown by 27.3 per cent growth with 3.5 lakh units compared to 2.75 lakh units in 2003-04.
12. The Indian Colour Television industry has grown by 12.1 per cent in 2004-05 by reaching 9.25 million units in 2004-05 from 8.25 million units in 2003-04.
13. The B&W TV has recorded a negative growth of 16.7 per cent from 3 million units in 2003-04 to 2.5 million units in 2004-05.
14. The VCD/MP3 industry has registered 20% growth and has achieved production of 8.4 million units. The unorganized sector has occupied a major share in manufacturing and supplying VCD/MP3.
15. DVD Players are estimated to have grown by 25 per cent in 2004-05 with the volume estimated to be 625000 units.
16. The first half of the year and the first quarter of the financial year, 2005 has seen a little setback for the domestic consumer electronics and durables industry with the two largest segments of the industry - color televisions (CTV) and refrigerators facing decline in production and sales during the period. But the Air conditioners and washing machines market have grown at the rate of 20%
17. The de-growth seen in the first quarter of the current fiscal has been mainly due to the value added tax (VAT) regime introduced in April, 2005, as held by the industry representative. Overall, the refrigerator segment had achieved a negative growth of 4.3 per cent in volume terms and two per cent in value terms during the period.

Production Of Consumer Durables

Production Item	unit	2003-2004	2004-2005	% growth
Consumer durables/white goods				
Refrigerator	Lakh units	37	38.85	5.0
Frost free	Lakh units	7.33	8.34	13.8
Direct cool	Lakh units	29.67	30.51	2.8
Air conditioners	Lakh units	9.8	12.25	25
Window	Lakh units	7.22	8.58	18.8
Split	Lakh units	2.58	3.68	42.6
Washing machines	Lakh units	13.55	16	18.1
Microwave ovens	Lakh units	2.75	3.5	27.3
Consumer electronics				
Value overall		14500	156600	8.0
Color television	Lakh units	82.5	92.5	12.1
Color television	Rs Crore	7000	7580	8.0
B&W TV	Lakh units	30	25	-16.7
B&W TV	Rs crore	482.55	361.5	-25.0
VCD	MN units	7.2	8.4	16.7
DVD	Nos	50,000	62500	25
Watch	Lakh units	206	226	9.7
Clock	Lakh units	263	284	8.0

Table 7

Key growth drivers for consumer durables

- Rise in disposable income
- Availability of newer variants of a product
- Product pricing
- Availability of financing schemes
- Rise in the share of organized retail
- Innovative advertising and brand promotion
- Festive season sales

Consumer Durables: Industry size, growth and trends

During FY07, volume share of the single largest consumer durable was color TVs at 30%, followed by refrigerators and air conditioners at 18% and 13% respectively. Washing machines and other assorted consumer durables captured a share in the total volume by 5% and 34% respectively.

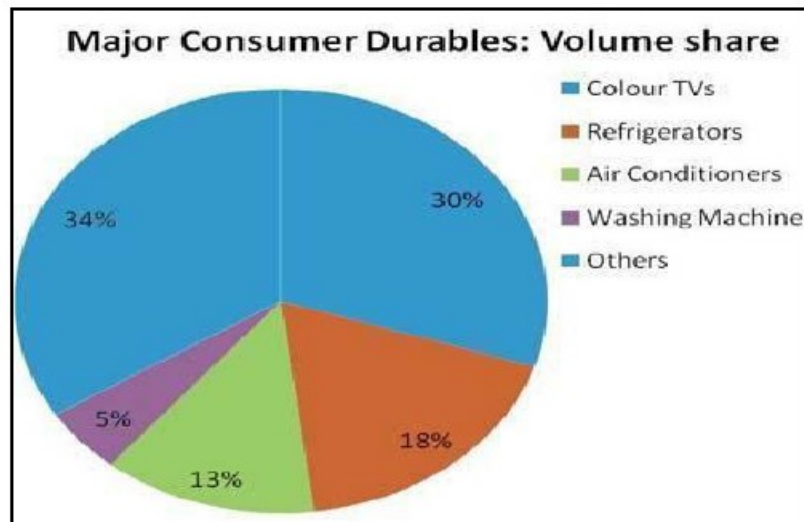


Figure 3

Television Sets: Growth in sales

FY07 witnessed the highest number of TV sets being sold when compared to the previous two corresponding years. As per CMIE, growth in sale of TV sets was slower at 14.3% during FY07 when compared to a 21% growth in the previous year. On the demand side, domestic consumption of refrigerators declined by almost 4% between FY05 and FY08, while imports climbed. The imposition of anti-dumping duties on import of colour picture tubes will hit the manufacturing costs of CTVs produced in India. Further, the reduction in the general rate of excise duty (CENVAT) from 16% to 14% as proposed in the Union Budget for FY09 will not have any effect on the selling price of colour TVs. This is because the combined effect of rising input costs and a higher interest burden will negate the effect of such reduction.



Figure 4

The consumer electronic goods industry underwent a slowdown during the last quarter of FY08. According to CMIE, the industry witnessed a slower 10.5% growth in the Mar 08 quarter compared to a substantial 17.4% growth in the previous corresponding quarter. Domestic consumer electronics companies together reported a subdued sales growth of almost 17% in FY07, on the back of a robust 40.5% growth in FY06

Consumer Durables	Growth
Air Conditioner	20-
25% Refrigerator	5-
10% Microwave Ovens	25%
Washing Machines	5-
20% Black & White Televisions	-
10% Color Televisions (CTVs)	15-
20% Clock	10%
Watch	10%
VCDs	30%
Consumer Electronics (Overall)	9%

Table 8: Growth in 2005-06

Some Facts

- Bargaining power of suppliers in consumer durables sector is limited due to threat of imports and intense competition.
- Some of the entry barriers in consumer durables sector are distribution network, capital, and ability to hire purchases.
- Demand is seasonal and cyclical.

- Competition among players is on the basis of difference in prices and well-acknowledged brands.

Sector Outlook

Consumer Durables Sector Can Be Classified As Follows

Consumer Electronics

Consumer Electronics includes VCD/DVD, home theatre, music players, color televisions (CTVs), cameras, camcorders, portable audio, Hi-Fi, etc.

White Goods

White Goods include dishwashers, air conditioners, water heaters, washing machines, refrigerators, vacuum cleaners, kitchen appliances, non-kitchen appliances, microwaves, built-in appliances, tumble dryer, personal care products, etc.

Molded Luggage

Molded Luggage includes plastics.

Clocks And Watches

Mobile Phones

(Source: Ac Nilsson Consumer Markets Last Updated: January 2010)

According to a study by the McKinsey Global Institute (MGI), 'Bird of Gold': The Rise of India's Consumer Market, Indian incomes are likely to grow three-fold over the next two decades and India will become the world's fifth largest consumer market by 2025, moving up from its 2007 position as the world's 12th largest consumer market. India ranks second in the Nielsen Global Consumer Confidence survey released on January 7, 2010—an indication that recovery from the economic downturn is faster in India with consumers more willing to spend. The survey showed that in addition to the emerging markets of Indonesia and India, eight of the top ten most confident markets in the fourth quarter of 2009 came from the Asia Pacific region.

Companies such as LG Electronics India Ltd (LGEIL), Samsung India and Whirlpool are reporting strong sales figures. Samsung has posted a growth of nearly 80 per cent in its refrigerator category. In 2009, overall industry sales of LCD televisions grew by 93-94 per cent over the earlier year. Multimedia mobile phones have grown from 800,000 units in 2008 to 1.8 million in 2009.

Japanese consumer durables company Panasonic expects to double its sales in India to US\$ 945.09 million in the 2010 fiscal and subsequently expects the contribution from the country to its global business to increase by 10 per cent by 2014.

Consumer Durables

IBEF: December 02, 2009

Several key factors are driving growth in the consumer durables sector: disposable income levels are rising, consumer financing has become easier and urban and rural markets are growing at the annual rates of 7 per cent to 10 per cent, and 25 per cent, respectively, with organized retail expected to garner about 15 per cent share by 2015 from the current 5 per cent. Consumer durable is one of the fastest growing industries in India. Industry sales were estimated to be about US\$ 5 billion in value in 2007-08, a growth of more than 25 percent over 2006-07, and are expected to grow at 20 percent in 2008-09. Some of the prominent global players in the consumer durables sector include Philips, Samsung, Sony and Nokia.

Major Players

- TCL Corporation is also planning to establish a \$22 million manufacturing facility in India.
- LG Electronics India Ltd has announced its extension plan in 2006. The company is going to invest \$250 million in India by 2011 and is planning to establish a manufacturing facility in Pune.
- Samsung Electronics India Ltd - Details of product ranges from colour TVs, hi- fi music systems, video CDs, home theatre systems, DVDs, portable audio systems, digital cameras, RMEG products, T.V etc.
- L.G India - Details of product ranges from colour TVs, hi-fi music systems, video CDs, home theatre systems, DVDs, portable audio systems, digital cameras, RMEG products, T.V etc.

- Toshiba India Private Limited (TIPL) is the wholly owned subsidiary of Japanese Electronics giant Toshiba Corporation and was incorporated in India on September 2001. Toshiba had a presence in India since 1985 and was represented in India through their Liaison Office.
- Sony Corporation, Japan, established its India operations in November 1994. In India, Sony has its distribution network comprising of over 7000 channel partners, 215 Sony World and Sony Exclusive outlets and 21 direct branch locations.
- Hitachi India Ltd (HIL) was established in June 1998 and engaged in marketing and sells a wide range of products ranging from Power and Industrial Systems, Industrial Components & Equipment, Air Conditioning & Refrigeration Equipment to International Procurement of software, materials and components.
- Onida is a leading brand in Gulf market and also exports its models to Africa, Bangladesh, Sri Lanka and Nepal. It has technical tie-up with the Japan Victor Company, better known as JVC.
- Videocon has always been a price player and has an image of a low price brand. It has the widest distribution network in India with more than 5000 dealers in the major cities
- Panasonic Corporation based in Osaka, Japan is a worldwide leader in the development and Manufacture of electronic products for a wide range of consumer, business, and industrial needs. The company currently has five production units in the country, at Noida, Gurgaon, Vadodara, Chennai and Delhi. It also launched the worlds slimmest, 1-inch plasma TV called Vierra PDP Z1
- Anchor - Manufactures electrical switches, accessories, lighting luminaries, and PVC wires, domestic appliances like electrical irons, mixers, grinders, toasters and fans.
- Philips - Details for consumer electronics, lighting, domestic appliances, semi conductors, components, enabling technologies, multi media projectors etc.
- Sansui - India - Manufacturer of electronic products, audio systems, home theatres, projection TVs, video CDs and home appliances.

Literature Review

According to a study by the McKinsey Global Institute (MGI), Indian incomes are likely to grow three-fold over the next two decades and India will become the world's fifth-largest consumer market by 2025. In the given scenario, urban markets will continue to fuel the Indian economy for quite some time to come. Moreover, expenditure by the middle class accounts for the bulk of India's urban consumer expenditure. About 61 per cent of total urban income comes from households that can be classified as middle class—earning between US\$ 1,493 and US\$ 9,955 a year.

Further, India is likely to see rapid urbanization, with around 45 per cent of Indians living in urban areas by 2050, up from 30 per cent in 2007-08, according to a study co-authored by National Council of Applied Economic Research's (NCAER) Rajesh Shukla and Future Capital Research's Roopa Purushothaman.

According to Panasonic The market potential for plasma TV was much greater in India than China, The demand for such high-end sets was increasing at a rate of 4-10 per cent in the country. The company has priced its plasma TV between Rs 24,000 and Rs 30 lakh (for a 103-inch screen).

A McKinsey report, 'The rise of Indian Consumer Market', estimates that the Indian consumer market is likely to grow four times by 2025. Commercial real estate services company, CB Richard Ellis' findings state that India's retail market has moved up to the 39th most preferred retail destination in the world in 2009, up from 44 last year.

India continues to be among the most attractive countries for global retailers. Foreign direct investment (FDI) inflows as on September 2009, in single-brand retail trading, stood at approximately US\$ 47.43 million, according to the Department of Industrial Policy and Promotion (DIPP). India's overall retail sector is expected to rise to US\$ 833 billion by 2013 and to US\$ 1.3 trillion by 2018, at a compound annual growth rate (CAGR) of 10 per cent. As a democratic country with high growth rates, consumer spending has risen sharply as the youth population (more than 33 per cent of the country is below the age of 15) has seen a significant increase in its disposable income. Consumer spending rose an impressive 75 per cent in the past four years alone. Also, organized retail, which is pegged at around US\$ 8.14 billion, is expected to grow at a CAGR of 40 per cent to touch US\$ 107 billion by 2013.

The urban consumer durable market for products including TV is growing annually by

7 to 10 % whereas the rural market is zooming ahead at around 25 % annually. According to survey made by industry, the rural market is growing faster than the urban India now. The urban market is a replacement and up gradation market now.

The other factor for surging demand for consumer goods is the phenomenal growth of media in India. The flurry of television channels and the rising penetration of cinemas will continue to spread awareness of products in the remotest of markets.

Rural India that accounts for nearly 70% of the total number of households, has a 2% penetration in case of refrigerators and 0.5% for washing machines, offers plenty of scope and opportunities for the white goods industry.

Research Methodology

Objectives

- The research was aimed at studying the purchase pattern of consumers for consumer durable.
- To study the factors affecting purchase of consumer durables and Supply Chain Management
- To study brand preference of consumers for consumer durable goods
- To study brand preference of consumers towards organized & unorganized outlet for the consumer durable goods.

Scope Of The Study

The research is conducted in ahmedabad city to study purchase pattern of consumer durables which includes major factors affecting the decision, brand preference and preference towards organized and unorganized formats to purchase the same.

Research Design

Research design is descriptive in nature. Preference of people is analyzed and quantified to know the factors responsible for their preference. Further preference is quantified in terms of organized and unorganized retail formats.

Data Collection Sources*Secondary Data*

Information regarding the project, secondary data was also required. These data were collected from various past studies and other sources like magazines, newspapers, and websites which qualified as reliable.

Primary Data

These data was collected through survey of consumers with the help of questionnaire.

Research Instrument

Structured questionnaire

*Sampling plan***Target Population**

Households of Ahmedabad

Sampling Unit - Households & People purchasing consumer durables from stores at the time of research.

Sampling method - Convenience sampling

Sample size - 200

Analytical Tools

Graphical presentation

Hypothesis

Weighted average

Contribution Of The Study

The study reveals preferential criteria for the purchase of consumer durables. it also gives insights into the preference towards organized and unorganized store along

with Its supply chain and reasons which may become helpful to the marketers to redesign strategies for its distribution network.

Limitation Of The Study

As the time given to complete the project is lesser than actual time required completing similar studies, the quality of findings may get affected. The sample size s 200 (hundred), thus the findings from the same may not be representative of the actual population.

Data Analysis

While Purchasing Consumer Durables, Which Characteristics Of Following Do You Consider? (Rank Appropriate, As 1 For The Highest & 5 For The Lowest.)

LCD	Rank					
	1	2	3	4	5	
Characteristics						
Durability	21	20	26	68	65	200
Price	41	86	59	11	3	200
Scheme	77	48	35	35	5	200
Technology	42	31	39	39	49	200
Service	19	15	41	47	78	200
	200	200	200	200	200	

Table 9

Characteristics	Weighted Mean	Rank
Durability	2.32	4
Price	3.755	2
Scheme	3.785	1
Technology	2.89	3
Service	2.25	5

Table 10

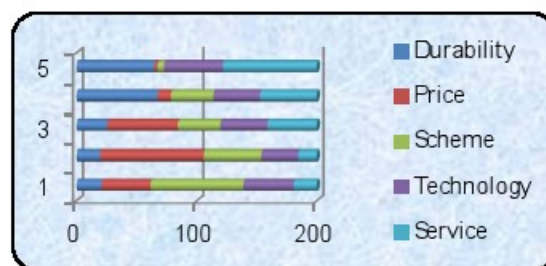


Figure 5

Characteristics	Rank					
	1	2	3	4	5	
Durability	97	56	26	19	2	200
Price	47	38	47	39	29	200
Scheme	31	64	67	27	11	200
Technology	21	28	33	59	59	200
Service	4	14	27	56	99	200
	200	200	200	200	200	

Table 11

Characteristics	Weighted mean	Rank
Durability	4.135	1
Price	3.175	3
Scheme	3.385	2
Technology	2.465	4
Service	1.84	5

Table 12

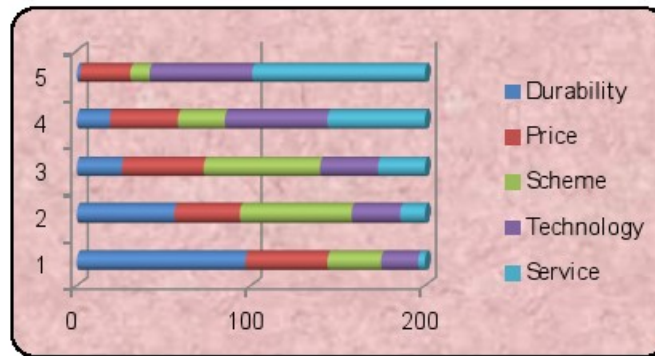


Figure 6

Washing Machine Characteristics	Rank					
	1	2	3	4	5	
Durability	27	18	22	54	79	200
Price	41	39	67	27	26	200
Scheme	72	77	21	19	11	200
Technology	23	45	53	67	12	200
Service	37	21	37	33	72	200
	200	200	200	200	200	

Table 12

Characteristics	Weighted mean	Rank
Durability	2.3	5
Price	3.21	2
Scheme	3.9	1
Technology	3	3
Service	2.59	4

Table 13

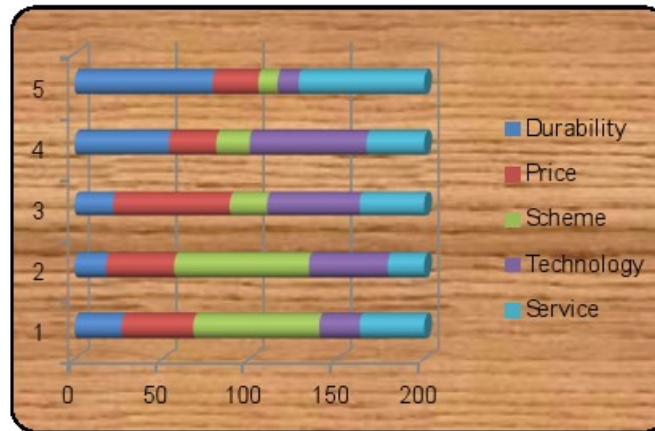


Figure 7

Microwave Oven Characteristics	Rank					
	1	2	3	4	5	
Durability	27	5	43	60	65	200
Price	73	57	27	17	26	200
Scheme	43	62	19	37	39	200
Technology	45	67	61	23	4	200
Service	12	9	50	63	66	200
	200	200	200	200	200	

Table 14

Characteristics	Weighted mean	Rank
Durability	2.345	4
Price	3.67	1
Scheme	3.165	3
Technology	3.63	2
Service	2.19	5

Table 15



Figure 8

Laptops/ Desktop	Rank					
Characteristics	1	2	3	4	5	
Durability	21	12	63	67	37	200
Price	32	51	67	29	21	200
Scheme	17	37	49	26	71	200
Technology	94	62	13	17	14	200
Service	36	38	8	61	57	200
	200	200	200	200	200	

Table 16

Characteristics	Weighted mean	
	Weighted mean	Rank
Durability	2.565	4
Price	3.22	2
Scheme	2.515	5
Technology	4.025	1
Service	2.675	3

Table 17

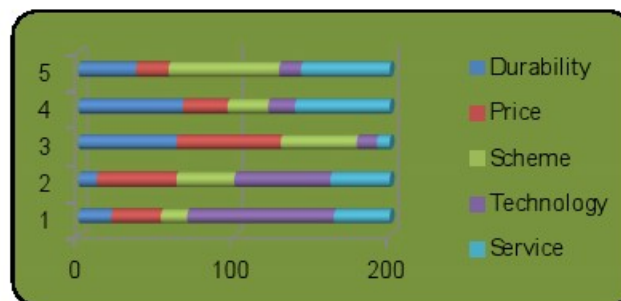


Figure 9

Mobiles	Rank					
Characteristics	1	2	3	4	5	
Durability	19	11	37	61	72	200
Price	45	91	42	18	4	200
Scheme	42	39	62	24	33	200
Technology	67	33	17	19	64	200
Service	27	26	42	78	27	200
	200	200	200	200	200	

Table 18

Characteristics	Weighted mean	Rank
Durability	2.22	5
Price	3.775	1
Scheme	3.165	2
Technology	3.1	3
Service	2.74	4

Table 19

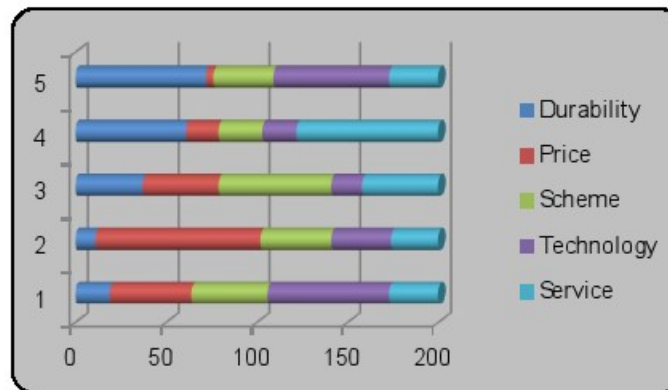


Figure 10

Misic System	Rank					
Characteristics	1	2	3	4	5	
Durability	36	16	29	50	69	200
Price	72	47	41	23	17	200
Scheme	21	32	37	47	63	200
Technology	59	88	26	14	13	200
Service	12	17	67	66	38	200
	200	200	200	200	200	

Table 20

Characteristics	Weighted mean	Rank
Durability	2.5	4
Price	3.67	2
Scheme	2.505	3
Technology	3.83	1
Service	2.495	5

Table 21

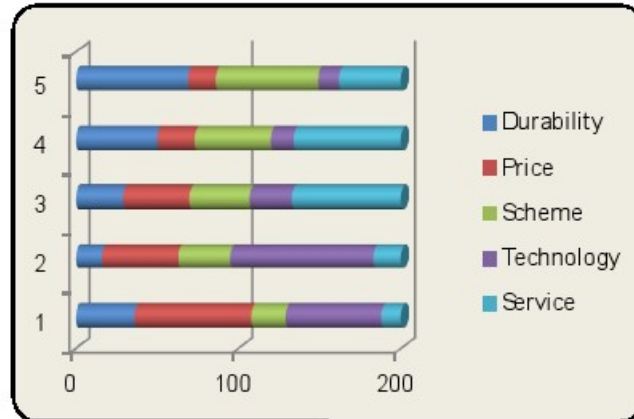


Figure 11

Air conditioners	Rank					
	1	2	3	4	5	
Characteristics						
Durability	23	22	24	53	78	200
Price	36	23	58	64	19	200
Scheme	28	19	22	74	57	200
Technology	44	79	44	3	30	200
Service	69	57	52	6	16	200
	200	200	200	20	200	

Table 22

Characteristics	Weighted Mean	Rank
Durability	2.295	5
Price	2.965	3
Scheme	2.435	4
Technology	3.52	2
Service	3.785	1

Table 23

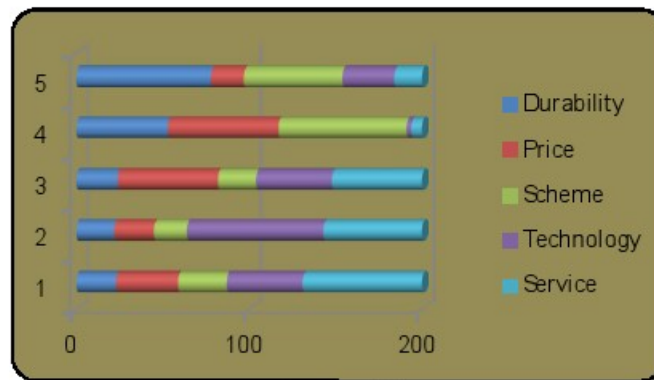


Figure 12

Camcorder/Digital Camera	Rank					
	1	2	3	4	5	
Characteristics						
Durability	18	17	29	67	69	200
Price	41	29	53	34	43	200
Scheme	33	52	37	40	38	200
Technology	82	66	32	11	9	200
Service	26	36	49	48	41	200

Table 24

Characteristics	Weighted mean	Rank
Durability	2.24	5
Price	2.955	3
Scheme	3.01	2
Technology	4.005	1
Service	2.79	4

Table 25

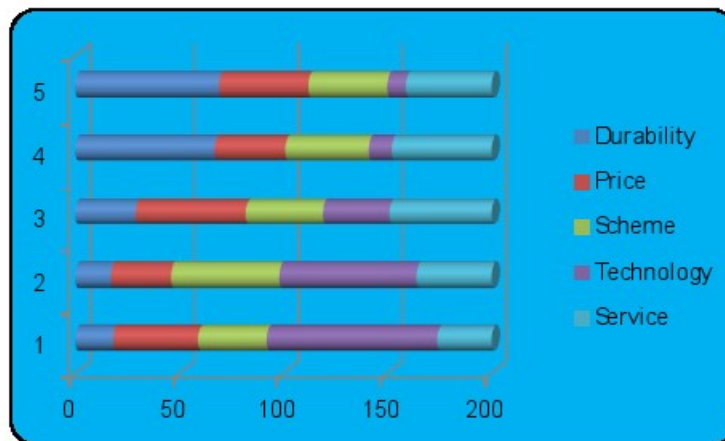


Figure 13

How Frequently You Change Your Consumer Durables?

	Time Duration					
	Less than a year	1-3 years	3-5 years	5-10 years	More than 10 years	
CTV/LCD/PLASMA	9	94	72	14	11	200
Refrigerator	3	23	36	96	42	200
Washing Machine	12	59	37	72	20	200
Microwave Oven	17	38	1	33	0	200
Laptop/Desktop computer	9	49	1	28	7	200
Mobiles	16	112	53	19	0	200
Music system	29	82	59	27	3	200
Air conditioner	32	41	1	23	1	200
Camcorder/Digital camera	10	32	91	67	0	200

Table 26

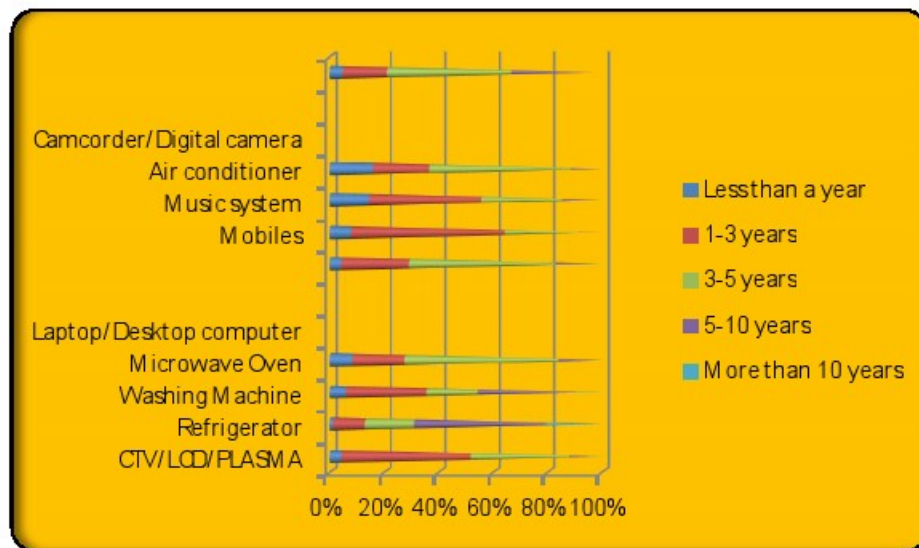


Figure 14

Rank The Given Reason Behind Purchasing From The Organized Retail? (From 1 To 10, As 1 To Be Highest & 10 To Be Lowest)

Reasons	Rank										Weighted Total	Preference
	1	2	3	4	5	6	7	8	9	10		
Availability of all brands	390	306	208	133	100	135	36	63	8	1	1380	1
After sales	310	216	248	224	85	80	72	36	26	6	1303	2
Promotional Schemes	270	297	272	105	125	110	36	51	18	9	1293	3
Display	260	225	176	119	210	145	68	57	4	1	1265	4
Financial Schemes	210	225	144	266	105	60	92	60	6	19	1187	5
Status	100	171	184	245	120	170	68	84	6	7	1155	6
Sales person's Interaction	190	99	128	91	140	65	136	24	64	26	963	7
Replacement	130	117	56	119	40	45	48	78	74	58	765	8
Proximity	60	27	72	56	40	105	180	105	98	16	759	9
Home delivery	80	117	112	42	35	85	64	42	96	57	730	10
	10	9	8	7	6	5	4	3	2	1		
	Weight											

Table 27 : Preference of people for purchasing in organized retail

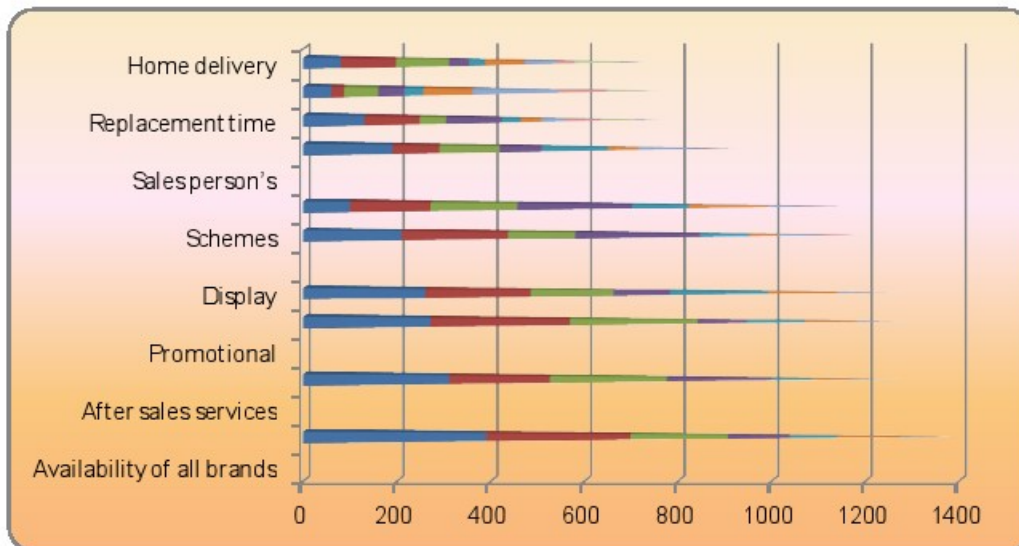


Figure 15

	Rank							Weighted Total	Weighted mean	Preference	
	1	2	3	4	5	6	7				
Home delivery of all products	371	258	110	104	48	48	16	955	4.775	1	
Availability of financial services	154	306	160	192	54	24	17	907	4.535	2	
After sales services	266	138	75	76	123	78	25	781	3.905	3	
Convenience	217	102	170	108	81	42	43	763	3.815	4	
Promotions	147	156	165	124	87	42	39	760	3.8	5	
Trusted brands (by providers)	168	102	145	88	126	76	28	733	3.665	6	
Trustworthiness in owner	77	138	175	108	81	90	32	701	3.505	7	
	7	6	5	4	3	2	1				
	Weight										

Table 28: Preference of people for purchasing in Unorganized retail

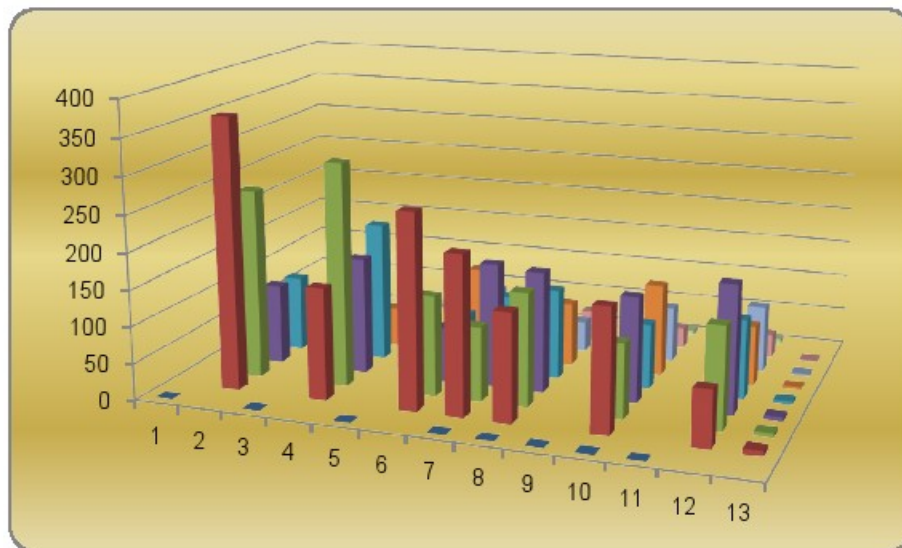


Figure 16

Hypothesis

H₀: There is no significant relation between occupation and preference towards financial scheme.

H₁: There is significant relation between occupation and preference towards financial scheme.

Occupation	Preference of financial scheme		Total
	YES	NO	
1	23	34	57
2	15	31	46
3	7	16	23
4	8	20	28
5	23	23	46
6	0	0	0
	76	124	200

Table 29

$$f_e = \frac{RT \times CT}{n}$$

f_e = expected frequency in a given cell,

RT = row total for the row containing that cell,

CT = column total for the row containing that cell,

n = total number of observations

$$X^2 = \sum [(f_o - f_e)^2 / f_e]$$

Degrees of freedom in a chi-square test of independence

$$= (r - 1) (c - 1)$$

$$= (\text{no. of rows} - 1) (\text{no. of columns} - 1)$$

$$= (6 - 1) (2 - 1)$$

$$= 5$$

f_o	f_e	$(f_o - f_e)^2 / f_e$
23	21.66	0.083
34	35.34	0.051
15	17.48	0.0352
31	28.52	0.0216
7	8.74	0.346
20	17.36	0.401
23	17.48	1.743
23	28.52	1.068
0	0	0
0	0	0
		5.127

$$X^2_{cal} = 12.1656$$

Degree of freedom = 5 @ 95% confidence level

$$\text{Answer: } X^2_{tab} = 11.071$$

Here, $X^2_{cal} < X^2_{tab}$
So, H_0 is accepted.

Result

There is no significant dependence between occupation and preference towards financial scheme.

S W O T Analysis for Consumer Durables Industry

Strengths

- Recognition as an industry.
- India tops the annual list of most attractive countries for international retail expansion
- Growing disposable income of the urban Indian consumer.
- Availability of manpower.
- Technology-intensive industry.
- Least saturated of all global markets studied.

Weakness

- Fast changing needs of consumer and Restricted working hour Hiring part-time workers difficult
- FDI norms
- LAND & PROPERTY Gap between supply and demand Only Indians can own property in India High stamp duty on property Lease alone costs 6%-10% of sales LABOUR LAWS and TAXES like High corporation tax

Opportunities

- India is amongst the least saturated of all major global markets in terms of penetration of modern retailing formats
- Players emerging across formats and product categories
- Rapid Expansion for all players
- The Shopping Mall formats are fast evolving
- Partnering among Brands, retailers, franchisees, investors and malls

Threats

- Barriers to FDI which limits entry of global players and limits exposure to best international practices

- Poor Infrastructure which restricts retail growth, creates supply chain bottlenecks and increases wastage of farm produce
- 2008's economic crisis create some bad effect on sector.

Findings

1. Organized consumer durable outlet means the large investment, availability of all brands at one place, their presence in major cities of India, professionalism etc.
2. Unorganized consumer durable outlet is defined by the respondents by the unavailability of the all brands or the specific brands only available, special schemes are there, financial schemes are generally preferred way.
3. While purchasing LCD & washing machine, generally most of the respondents are preferred the promotional schemes to purchase it.
4. Refrigerator is preferred by durability characteristic.
5. Price is most important while purchasing the music system & the microwave oven.
- 6 Technology is more important & preferred while purchasing the mobile, laptop/desktop & Digital camera. While purchasing the air conditioners the services are the most important criteria.
- 8 Generally the consumers change their microwave oven, laptop/desktop, air conditioners,& camera in 3-5 years. Consumers are generally changes their mobiles within one year.
- 10 LCD are generally changed in every 1-3 years of time span. Refrigerators are Generally changed in 5-10 years because of their durability.
- 12 Consumers are generally preferred the both organized & unorganized stores. In ahmedabad city, the organized stores like sales India & croma are the most preferred to purchase their consumer durables.
- 14 While purchasing from organized outlet, consumers prefer availability of all brands, after sales service, & display.
- 15 While purchasing from unorganized outlet, consumers prefer trustworthiness of owners & availability of financial services.
- 16 After sales services & employees interaction should be improved here. & the lack of knowledge of the employees should not be there in organized retail outlet.
- 17 Availability of all brands at a time should be there in unorganized retail outlet.

- 18 More than 60% of the respondents are preferred financial schemes to purchase the consumer durables.
- 19 Approximately 80% of the respondents purchases consumer durables while discounts are available during festivals & promotional schemes.
- 20 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.
- 22 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.
- 24 Generally consumers are not preferred much of the retail outlets for the mobile & all little accessories purchase. Consumers who are brand conscious, they are generally not switch over the brand for the any type of financial or the promotional schemes.
- 26 Next retail outlet is generally not preferred by the consumers or it is less preferred also the x-cite is less preferred brand outlet for consumers.
- 27 The reasons behind the les preferred brand outlets are only the marketing & the advertisements are not done by planning.
- 28 E-zone which is sub brand of big bazaar is the attractive one due to the less prices & discounts are there.
- 29 Unorganized outlets like the Vijay sales & all that are generally not preferred here In Ahmedabad due to the lack of awareness & trustworthiness.
- 30 All the types of products in which all of the brands can available, this type of store is of croma.
- 31 No one is providing all types of facilities like the organized outlet is generally Giving
except the sales India.

Suggestion

1. Organized outlet should improve it's after sales service because its hits badly to the company's market share.
2. More detailed customized services should be provided through proper supply Chain Network.

3. The training to in shop demonstration should be given at frequent time interval and feed back should be considered positively.
4. The companies have to look into the matter of person hiring for in shop demonstration. A big showroom should have at least 2 such kind of person.
5. Organized retail outlet should try new dealer who have the potential. So they can target more market and focus on Distribution Network.
6. As there is a bottle neck competition between Organized & Unorganized, it is necessary to take measure steps to overcome the area of downfall in Unorganized with respect to Organized.
7. Customer considers quality as their first preference, so the Outlet should give more stress on Quality and Availability through Effective Supply Chain.
8. The switching of customer from one brand to other brand is due to the bad after sell service in shop.
9. The product is well aware and it is on top of mind of customer. So organized as well as unorganized retail should always improve services and update their technology.
10. The new Green Supply Chain Management Concepts also help Consumer Durables for build Brand Positioning and Gaining Competitive Advantages

Conclusion

In this study, we found that the Organized & Unorganized retail outlet from Supply Chain both are preferable. But generally consumers see the preference of the product & as per the product & the schemes, it differs. Purchase pattern of the consumers are differ from the product to product & store to store. Generally sales India & croma is the most preferable organized outlet. The study for the how frequently the consumers buy the products, which are generally less than a year, or more than that. So generally, by product wise it differs. The availability of all the products is the main criteria behind purchasing from the organized outlet. While the last reason for purchasing from the organized outlet is only the display of all the products.

Home delivery of all the products is the main & important criteria behind purchasing the unorganized outlet. Convenience is the last reason behind purchasing the unorganized outlet. Financial schemes are generally preferred for the purchasing consumer durables. Promotional schemes are also preferred for the consumer durables by consumers.

Normally, the discount schemes are also preferred by the consumers. Some consumers are also brand specific for the some of the products. Like the laptop is preferred only of sony vaio by the most of the consumers. While some of the consumers have dream for that sony vaio laptop. Generally exclusive showrooms are not so much preferred for the consumer durable electronics.

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