Competitive trends and Satisfaction levels of Customers of white goods in India

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Abstract

The primary purpose of this research paper is to bring together apparently proven and suitable international standards of research and find out the competitors trends and level of customer satisfaction and present the strategies to be devised by the companies. To gain market share any company need to improve its strategies in sales and marketing of their more customized products. This requires right marketing strategies is challenging due to various factors influencing customer purchasing decisions. Now-a-days customers are more intelligent, knowledgeable and know well about the quality, price, warranty or guaranty, distribution channels brand names or brand priorities.

Originality/value: This paper associates a significant body of literature within a customized research unifying practical framework and identifies the areas of competitors trends and levels of customer satisfaction in the given market under study.

Key words: White goods, Customer Preferences, Customer Satisfaction, Purchasing Behavior, Household products, Distribution Channels

Paper type: Research paper

Introduction

The researchers has analyzed the customer or consumer behavior in the selected area like Madurai, Tamil Nadu, India. The key findings are consumer behavior and factors influencing the behavior of the customers, various kinds of latest technologies used to attract the customer loyalty.

White goods is a major appliance, or domestic appliance, is usually defined as a large machine which accomplishes some routine housekeeping task, which includes purposes such as cooking, or food preservation, whether in a household, institutional, commercial or industrial setting. An appliance is differentiated from a plumbing fixture because it uses an energy input for its operation other than water, generally using electricity or natural gas. An object run by a watermill would also be considered an appliance. The term white goods or white ware is also used for these items, primarily where British English is spoken, although definitions for the term "white goods" can differ. In the United States, the term white goods more commonly refers to linens rather than appliances.

Objectives of this Research

- To identify the competitors trends of the companies those who are manufacturing and selling white goods such as refrigerators in a Madurai city in India.
- To know the consumer satisfaction level regarding the availability washing machine of the three companies in Madurai city in India.
To know the consumers satisfaction level regarding special offers/gifts provided by their companies with their washing machines.

To know the consumers satisfaction level regarding after sales services of their companies.

To know the consumers satisfaction level regarding Look and design of their companies washing machines.

To know the consumers satisfaction level regarding durability of their companies washing machines.

To know the consumers satisfaction level regarding prices charged by their company for washing machines with respect of its services of their washing machines.

To know the consumers overall satisfaction level regarding the washing machines of their company.

Competitor Trends

The researchers in the first phase of their research they have studied the competitors trends in the market under survey. To focus on competitors’ actions any researcher must know who are potential competitors for the products in question. Then, we need to found who are to achieve better business performance than those who pay less attention to their competitors. It is important that companies know where they stand or their position related to competitors. Hence, the competitor analysis can learn about the competitors’ strengths and weaknesses in order to be the better choice to match the consumer satisfaction and to be able to create greater value than the competition. In this research, we have drawn the analysis done by Jobber 2004, Identifying the Competitors followed by Audit competitor capabilities and competitors response patterns. The following factors would be helpful to analyze the competitors trends.

Identifying competitors

It is so important that when the company identifies the competitors, the company should select only companies that are producing technically similar products are considered. This ignores companies purchasing substitute products that perform a similar function (Jobber 2004: 682). Therefore, these current competitors the environment needs to be scanned for potential entrants into the industry, especially for a new entrant who should know the other new entrants information besides the existing competitors. This could be applicable to any product. However we in this present paper focusing on household white goods.

Audit competitor capabilities

Any prudent Marketing Manager in the company needs to know the background of competitors and the special technologies which they are using for their products and services. In relation to the marketing strategies such as the market share and the positioning in the target group is an important part in the competitor analysis or competitor trends.

There must be a precise understanding of competitor strengths and weaknesses is an important prerequisite of developing competitor strategy (Jobber 2004: 683). Strength and weakness analysis can be obtained from marketing research surveys, recruiting competitors’ employees by interviewing them or the secondary sources such as trade magazines, newspaper articles and distributors. This kind of data collection would be of great use while analyzing the Competitor trends so as to zeroing on the potential strategies, the Marketing manager could devise and implement.
Competitors’ response patterns

Finally we know that understanding competitor objectives and strategies is helpful in predicting competitor reactions or competitors trends. Competitors’ past behavior is also a guide to what they might do.

Customer satisfaction

In the second phase of their research, the researchers have analyzed the customer satisfaction through standards tools of research. Customer satisfaction is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals.

It is seen as a key performance indicator within business and is often part of a Balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Gitman, Lawrence J.; Carl D. McDaniel (2005). Within organizations, customer satisfaction ratings can have powerful effects. They focus employees on the importance of fulfilling customers’ expectations. Furthermore, when these ratings dip, they warn of problems that can affect sales and profitability. These metrics quantify an important dynamic. When a brand has loyal customers, it gains positive word-of-mouth marketing, which is both free and highly effective.

Therefore, it is essential for businesses to effectively manage customer satisfaction. To be able do this, firms need reliable and representative measures of satisfaction. In researching satisfaction, firms generally ask customers whether their product or service has met or exceeded expectations. Thus, expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they will be disappointed and will likely rate their experience as less than satisfying. For this reason, a luxury resort, for example, might receive a lower satisfaction rating than a budget motel even though its facilities and service would be deemed superior in ‘absolute’ terms.

Research methodology

The study signifies the survey on Analysis Of Customers’ Satisfaction regarding Washing Machines of ‘Videocon’ and its two major Competitors. The sample unit was the users of Washing Machines of three companies included in the survey Madurai, India. The sample size taken to conduct the survey was 150 in numbers and selection of study area as the survey has been carried out in Madurai, India. The collected data is primary in nature. i.e. the first hand data, as there is a better scope of getting required information and also it is in the form that we want. For the purpose of collecting data, questionnaire method was adopted. The sampling technique used by the researchers in non-probabilistic convenience sampling as the size of the universe is quite large, so relatively small group of individuals from the universe is selected which is also good enough to represent the entire universe. In this research we have followed the non-probabilistic convenience Sampling. For the purpose of measurement and scaling techniques we have used Summated Scales (or Likert-type scales) for knowing the satisfaction level of consumers. A Likert scale (Wuensch, Karl L. October 4, 2005) is a psychometric scale commonly involved in research that employs questionnaires. It is the most widely used approach to scaling responses in survey research, such that the term is often used interchangeably with rating scale, or more accurately the Likert-type scale, even though the two are not synonymous. The scale is named after its inventor, psychologist (Likert, Rensis (1932)). Likert distinguished between a scale proper, which emerges from collective responses to a set of items (usually eight or more), and the format in which responses are scored along a range. Technically speaking, a Likert scale refers only to the former. The difference between these two concepts has to do with the distinction Likert made between the underlying phenomenon being investigated and the means of capturing variation that points to the underlying phenomenon. (Carifio, James and Rocco J. Perla,
2007). When responding to a Likert questionnaire item, respondents specify their level of agreement or
disagreement on a symmetric agree-disagree scale for a series of statements.

Research Design: To know about the present condition and status regarding particular item or group of
items, descriptive research is conducted. The descriptive research is description of the state of affairs
as it exists at present. As the result we were required in analytical form. The survey was conducted
using questionnaire method. By using this method we found the present situation and the findings and
its analysis is described in the further parts.

Customer satisfaction data can also be collected on a 10-point scale."Regardless of the scale used, the
objective is to measure customers’ perceived satisfaction with their experience of a firm’s offerings. It
is essential for firms to effectively manage customer satisfaction. To be able do this, we need accurate
measurement of satisfaction. Good quality measures need to have high satisfaction loadings, good
reliability, and low error variances. In an empirical study comparing commonly used satisfaction
measures it was found that two multi-item semantic differential scales performed best across both
hedonic and utilitarian service consumption contexts. According to studies by Wirtz and Lee
(2003), they identified a six-item 7-point semantic differential scale (e.g., Oliver and Swan 1983),
which is a six-item 7-point bipolar scale, that consistently performed best across both hedonic and
utilitarian services. It loaded most highly on satisfaction, had the highest item reliability, and had by
far the lowest error variance across both studies. In the study, the six items asked respondents’
evaluation of their most recent experience with ATM services and ice cream restaurant, along seven
points within these six items: ‘pleased me to displeased me”, “contented with to disgusted with”, “very
satisfied with to very dissatisfied with”, “did a good job for me to did a poor job for me”, “wise
choice to poor choice” and “happy with to unhappy with”.

Scale of Rating: 1 = Strongly Dissatisfactory  2 = Dissatisfactory  3 = Poor
4 = Below Average  5 = Average  6 = Fair  7 = Good  8 = Very Good  9 = Excellent
10 = Outstanding

Analysis of the findings

- It was found that most of the customers of Madurai, India are using Semi Automatic washing
  machines.
- Many customers have purchased Videocon for its Product features and low prices, LG for its
  brand name and look and Sansui for its low prices.
- The customers have chosen Videocon first followed by LG and Sansui due to best user
  friendliness and regarding availability of company’s washing machines in Madurai, India LG
  stands first followed by Videocon and Sansui.
- The customers are satisfied with the special offers and gifts by LG stands first followed by
  Videocon and Sansui.
- The customers are not very much satisfied with the after sale services provided by these
  companies. However regarding satisfaction level Videocon stands first followed by LG and
  Sansui.
- LG customers are highly satisfied with the look and design of the washing machines followed
  by Videocon and Sansui.
- In case of customers’ satisfaction regarding durability of washing machines, Videocon stands
  first followed by LG and Sansui.
- Customers of Videocon are highly satisfied with the prices charged by their company with
  respect to its services, followed by LG and Sansui.
Most of the people will prefer Videocon followed by LG and Sansui, for purchasing a new washing machine in this city under study.

Regarding overall satisfaction of customers, Videocon stands first followed by LG and Sansui.

**Conclusion**

This research has given us the necessary academic insights to assess and analyze competitive trends and levels of customer satisfaction pertaining to the three major brands of white goods such as household appliances like refrigerators. Interestingly most of the people of Madurai, India are using Semi Automatic washing machines and customers have purchased Videocon for its such as low prices and product features. On the other hand customers preferred the LG refrigerators for its brand name and look. But few of the customers have been attracted to Sansui brand for its low prices. Regarding user friendliness, Videocon stands first followed by LG and Sansui. Customers of Videocon are highly satisfied with the prices charged by their company with respect to its services, followed by LG and Sansui. Finally the researchers has concluded that most of the customers are preferring Videocon followed by LG and Sansui. There are certain limitations in this research out of which, the sampling unit is small which may not represent the true level of customer satisfaction as the universe is big. However, we recommend the future researchers to extend the area of research in order to gain complete knowledge in this field of research.

**References**

9. www.videocon.com
10. www.sansuiindia.com
11. www.lgindia.com
Annexure

Figure-1: A side-by-side refrigerator (White good)

- **Identifying competitors**: Product form, product substitutes, new entrants
- **Audit competitor capabilities**: Financial, technical, managerial, marketing assets, strengths and
- **Infer competitor objectives and strategic trust**: Build, hold, growth directions
- **Deduce competitor strategies**: Target segments, differential advantages, competitive scope
- **Estimate competitor response patterns**: Retaliater, complacent, Selective.

(Figure 2: Competitor analysis-Jobber 2004: 682)

(Figure 3: Customer satisfaction rating scale by Karenmharvey, 11 February 2011)
Analysis:

1) Which company’s washing machine you are using?

<table>
<thead>
<tr>
<th></th>
<th>Videocon</th>
<th>LG</th>
<th>Sansui</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>50</td>
<td>50</td>
<td>50</td>
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</tbody>
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Interpretation: The 50 samples of each company are taken.

2) You are using which type of washing machine?

- Semi Automatic
- Automatic

Interpretation: The above graph shows that most of the people of Madurai, India are using Semi Automatic washing machines.

3) Why you have purchase your company’s washing machine?

- Company’s Brand Image/Product Features/Look/Design/Low Price/Any Other

Interpretation: The above graph shows that most of the people have purchased Videocon for its Product features and low prices, LG for its brand name and look and sansui for its low prices.
4) How do you rate the operational functionality (user friendliness) of your company’s washing machines?

- Very Simple  
- simple  
- Fair  
- Complex  
- Highly Complex

Interpretation: The above graph shows that regarding user friendliness, Videocon stands first followed by LG and Sansui.

5) How much you are satisfied with availability of your company’s washing machine in Madurai, India? (Scale 10)

Interpretation: The above graph shows that regarding availability of company’s washing machines in Madurai, India LG stands first followed by Videocon and Sansui.

6) How do you rate the special offers/Gifts given by your company with its washing machine? (Scale 10)

Interpretation: The above graph shows that regarding special offers and gifts LG stands first followed by Videocon and Sansui.

7) How do you rate after sales services provided by your company? (Scale 10)

a) if you have faced any problem, please mention

Interpretation: The above graph shows that people are not very much satisfied with the after sale services provided by these companies, however regarding satisfaction level videocon stands first followed by LG and Sansui.
8) How much you are satisfied with the Look, Colour and Design of Your Company’s washing machine? (Scale 10)

![Satisfaction Level Graph](image)

**Interpretation:** The above graph shows that LG customers are highly satisfied with the look and design of the washing machines followed by Videocon and Sansui.

9) How do you rate the durability (life) of your company’s washing machine? (Scale 10)

   a) if you have faced any problem, please mention

![Satisfaction Level Graph](image)

**Interpretation:** The above graph shows that in case of customers’ satisfaction regarding durability of washing machines, Videocon stands first followed by LG and Sansui.

10) How do you rate the services provides by your company’s washing machine with respect to its charges? (Scale 10)

![Satisfaction Level Graph](image)

**Interpretation:** The above graph shows that customers of Videocon are highly satisfied with the prices charged by their company with respect to its services, followed by LG and Sansui.

11) If you want to have another washing machine, which company will you prefer?

![Choice of Company Graph](image)

**Interpretation:** The above graph shows that most of the people will prefer Videocon followed by LG and Sansui, for purchasing a new washing machine.
12) What is your overall satisfaction rating regarding your company’s washing machine? (Scale 10)

Interpretation: The above graph shows that regarding overall satisfaction of customers, Videocon stands first followed by LG and Sansui.

References:


9. www.videocon.com
10. www.sansuiindia.com
11. www.lgindia.com