

CONSUMER BEHAVIOUR ACROSS VARIOUS FAMILY LIFE CYCLE STAGES – A CASE STUDY OF HOME APPLIANCE MARKET

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ABSTRACT

As we know that it's very important for a marketer to understand the buying behavior of the consumers and their consumption patterns. The understanding of consumer behavior and consumption patterns enables a marketer to design and formulate better product, marketing strategies & marketing programs and thereby delivering superior customer value.

Now-a-days, it has become indispensable for the marketers to study and analyze consumer behavior from different angles. This is all due to the ever changing needs, wants, tastes and preferences of consumer; and also due to the numerous determinants of consumer behavior. Family Life Cycle stages are one of the most important determinants of consumer behavior and consumption patterns especially in case of home appliance consumers.

The present study focuses on understanding and analyzing the consumer behavior across the various stages of Family Life Cycle (FLC) viz. Bachelorhood, Honeymooners, Parenthood, Post-parenthood and Dissolution. Alternatively, we can say that the present study attempts to understand study and analyze the influence of various FLC stages on the consumption patterns and buying behavior of consumers. In order to carry out the present study, a survey of 200 consumers belonging to different FLC stages have been conducted and the influence of the above FLC stages on their buying behavior with regard to home appliances has been studied and analyzed.

Finally, the study reveals that the FLC stages influence the consumption patterns and consumer buying behavior in a significant manner. Moreover, the chi-square analysis of the collected data also verifies the above conclusion statistically.

Key Words: Consumer Behaviour, Consumption Patterns, Family Life Cycle, Home Appliances.

INTRODUCTION

Some well-known writers like Gail Sheehy and Roger Gould have identified certain psychological life cycle stages, that is, adults experience certain passages or transformation as they go through life. This means that changing consumption interests can also be associated with these adult passages.

Thus marketers very often try to identify their target markets in terms of family life cycle stages and develop appropriate products and marketing plans. Further, they also have to pay attention to the changing consumption interests that might be associated with these adult passages and develop marketing programs accordingly.

Even though it is the family unit, which purchases home appliances, it can not be implied that all the families are in the market at the same time or for that matter at any time. This means that along with family decision making, the family life cycle also plays a role in influencing consumer behaviour and also helps in gaining insight into the consumption related behaviour.

One can easily say that the buyer's decisions are also influenced by personal outward characteristics notably- buyer's age and family life cycle stage.

People's consumption pattern of the goods and services they buy and consume, changes over their lifetime. As babies they consume baby food in the early years, most food items in their growing and mature years and certain specific diets in the later years. Individual's taste and preference related to home appliances, clothes, automobiles, idea of recreation etc., is also

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related to the stage of the family life cycle and age.

People go through several phases in their lives. Family Life Cycle (FLC) refers to the series of life stages through which individuals proceed over a period of time. In other words, FLC describes the process of family formation and dissolution.

In a FLC, each life cycle stage differs from previous stages in terms of (a) Structure, (b) Financial Position (c) Consumption Pattern and (d) Product Need and Preferences.

Sociologists and consumer researchers have long been attracted to the concept of the family life cycle (FLC) as a means of depicting what was once a rather steady and predictable series of stages that most families progressed through. However, with the advent of many diverse family and lifestyle arrangements, what was the rule has been on the decline. This decline in the percentage of families that progress through a traditional FLC seems to be caused by a host of societal factors, including an increasing divorce rate, the explosive no. of out-of-wedlock births, and the 30 year (1950s to 1970s) decline in the no. of extended families that transpired as many young families moved to advance their job and career opportunities.

Despite the decline in its predictive precision, FLC analysis enables marketers to segment families in terms of a series of stages spanning the life course of a family unit. The FLC is a composite variable created by systematically combining such commonly used demographic variables as marital status, size of family, age of family members (focusing on the age of the oldest or youngest child), and employment status of the head of household. The ages of the parents and the relative amount of disposable income usually are inferred from the stage in the family life cycle.

Although different researchers have expressed various preferences in terms of the no. of FLC stages, the traditional FLC models proposed over the years can be synthesized into just five basic stages which

are as follows –

- Stage-I : **Bachelorhood** – Young single adult living away from parents.
- Stage-II: **Honeymooners** – Young married couple.
- Stage-III : **Parenthood** – Married couple with at least one child living at home.
- Stage-IV : **Post-parenthood** – An older married couple with no children living at home.
- Stage-V: **Dissolution** – One surviving spouse.

OBJECTIVES OF THE STUDY & HYPOTHESIS

The main objective of the present study is to study and analyze the consumer behavior across various family life cycle stages with special reference to the marketing of home appliances. Alternatively, we can say that the main objective of the present study is to understand, study and analyze the influence of various FLC stages on the consumption patterns and buying behavior of home appliance consumers.

Moreover, the Null Hypothesis for the present study is –

H₀: FLC Stage of Consumers and their Interest towards Buying a Home Appliance are independent of each other.

RESEARCH METHODOLOGY

The present study is an analytical kind of research study. It is related to the analysis of the influence of various Family Life Cycle Stages (i.e. Bachelorhood, Honeymooners, Parenthood, Post-parenthood and Dissolution) on consumer behavior and consumption patterns. In order to conduct this study we have surveyed 200 potential home appliance consumers of Agra region and the instrument used for data collection has been a questionnaire.

(i) Sources of Data :-

All the data required for this purpose have been obtained mainly from the primary sources but at the times of requirement we

have also referred to the secondary sources of data.

(ii) Data Collection Methods:-

The data collection method used to obtain the desired information from primary sources has been the direct interview and questionnaire has been used as an instrument.

(iii) Sampling Plan:-

Target population: Potential Consumers of Home Appliances

Sampling Unit: An individual Potential Home Appliance Consumer

Sampling Method: Judgement Sampling.

Sample Size: 200

Area of Survey: Various localities of Agra region

(iv) Statistical Tools and Techniques:-

For measuring various phenomena and analyzing the collected data effectively and efficiently so that sound conclusions may be drawn, we have used a no. of statistical tools & techniques including chi-square test.

RESULTS & DISCUSSION

a) Consumption Patterns & FLC Stages

The FLC stage is one of the variables which determine the consumption patterns of the consumers. Broadly speaking, there are five stages in FLC, namely, Bachelorhood, Honeymooners, Parenthood, Post-parenthood and Dissolution. Each of these stages plays a vital role in determining consumption patterns. The role of various stages is described below -

(i) Stage I : Bachelorhood

This FLC stage consists of young single men and women who have established households away from their parents. Although most members of this FLC stage are fully employed, many are college or university students who have left their parents' homes. Young single adults are apt to spend their incomes on rent, basic home furnishings, the purchase and maintenance

of automobiles, travel & tourism, entertainment, cloth in g and accessories. Members of bachelorhood stage have sufficient disposable income. Marketers target singles for a wide variety of products and services. In most large cities there are travel agents, health clubs, sports clubs and other service and product marketers that find this FLC stage a lucrative target niche. Moreover, this FLC stage is not that much lucrative for home appliance marketers.

(ii) Stage II : Honeymooners

The honeymoon stage starts immediately after the marriage vows are taken and generally continues until the arrival of the couple's first child. This FLC stage serves as a period of adjustment to married life. Because many young husbands and wives both work, these couples have available a combined income that often permits a lifestyle that provides them with the opportunities of more indulgent purchasing of possessions or allows them to save or invest their extra income. Honeymooners have considerable start-up expenses when establishing a new home (major and minor home appliances, bed room and living room furniture, carpeting, drapes, dishes and a host of utensils and accessory items). This stage is one of the lucrative FLC stages for home appliance marketers.

(iii) Stage III : Parenthood

When a couple has its first child the honeymoon is considered to be over. The parenthood stage (sometimes called the full-nest stage) usually extends over more than a 20-year period. Because of its long duration, this stage can be divided into shorter phases. During this stage the interrelationships of family members and the structure of the family gradually change. Furthermore, the financial resources of the family change significantly, as one (or both) parents progress in a career and as child rearing and educational responsibilities gradually increase and finally decrease as children become self-supporting. They also are an important market for many investment and

insurance services. It is again a lucrative FLC stage for home appliance marketers.

(iv) Stage IV : Post-parenthood

Because parenthood extends over many years, it is only natural to find that post-parenthood, when all the children have left home; it is traumatic for some parents and liberating for others. This so-called empty-nest stage signifies for many parents almost a “rebirth”, a time for doing all the things they could not do while the children were at home and they had to worry about soaring educational expenses. For the mother, it is a time to further here education, to enter or re-enter the job market, to seek new interests. For the father, it is a time to indulge in new hobbies. For both it is the time to travel to entertain, perhaps to refurbish their home or to sell it in favour of a new home. It is during this stage that married couples tend to be most comfortable financially. Today's empty nesters have more leisure time. They travel more frequently, take extended vacations, and are likely to purchase a second home in a different climate. They have higher disposable incomes because of savings and investments, and they have fewer expenses. For this reason families in the post-parenthood stage are an important market

(v) Stage V : Dissolution

Dissolution of the basic family unit occurs with the death of one spouse. When the surviving spouse is in good health, is working or has adequate savings, and has a supportive family and friends, the adjustment is easier. The surviving spouse (usually, the wife) often tends to follow a more economical lifestyle. Many surviving spouses see each other out for companionship; others enter into second (or third or even fourth) marriages. In this stage people generally, buy more medicinal products and other products like the retired people, seek more attention, affection and are more security conscious. This stage is not lucrative at all for home appliance marketers.

b) Consumer Behaviour & FLC Stages

During the consumers' survey we found that out of 200 consumers 27 were in Bachelorhood stage, 71 belonged to Honeymooners stage, 75 belonged to Parenthood stage, 23 belonged to Post-parenthood stage and rest 4 consumers were in Dissolution stage. Again, out of 200 consumers surveyed, only 54 were planning to purchase a home appliance in near future. Of these 54, 2 were in Bachelorhood stage, 19 were in

Table 1: FLC Stages and Consumers’ Interest towards Buying a Home Appliance (Descriptive Statistics)

FLC Stage	No. of Consumers		Total
	Interested in Buying a Home Appliance	Not Interested in Buying a Home Appliance	
Bachelorhood	02 (7.41%)	25 (92.59%)	27 (100%)
Honeymooners	19 (26.76%)	52 (73.24%)	71 (100%)
Parenthood	23 (30.67%)	52 (69.33%)	75 (100%)
Post-parenthood	10 (43.48%)	13 (56.52%)	23 (100%)
Dissolution	00 (0%)	04 (100%)	04 (100%)
Total	54	146	200

Source - Self Compilation

for luxury goods, new automobiles, expensive furniture, and vacations to far-away places. This stage is also quite lucrative from the point of view of home appliance marketers.

Honeymooners stage, 23 were in Parenthood stage, 10 were in Post-parenthood stage and no one was in the dissolution stage.

Note: Figures in brackets are the percentages.

Again, it is quite evident from Table-1 that 10 out of 23 (i.e. 43.38 %) Post-parenthood stage consumers surveyed, showed their interest towards the purchase of a new home appliance. Similarly, 23 out of 75 (i.e. 30.67 %) Parenthood stage consumers and 19 out of 71 (i.e. 26.76 %) Honeymooner stage consumers showed their interest towards the purchase of a new home appliance. On the other hand, Table-1 also exhibits that only 2 out of 27 (i.e. 7.41 %) Bachelorhood stage consumers and no one out of 4 (i.e. 0 %) Dissolution stage consumers, showed interest towards the purchase of a new home appliance.

The above discussion implies that Post-parenthood, Parenthood and Honeymooners are the most lucrative FLC stages for the home appliance marketers.

Again, in the present case our null hypothesis is –

Null Hypothesis,

H₀: FLC Stage of Consumers and their Interest towards Buying a Home Appliance are independent of each other.

frequencies have also been calculated and presented in Table-2.

Now, as far as the independence between the FLC stage of consumers and their interest towards the buying of a new home appliance is concerned, the calculated value of chi-square = $\sum(O-E)^2/E = 10.42$

Now, at 5% level of significance for 4 degree of freedom the tabulated value of chi-square = 9.49.

Since, the calculated value of chi-square is greater than the tabulated value of chi-square at 5% level of significance, so we reject the null hypothesis and conclude that there is a significant association between the FLC stage of the consumers and their interest towards the buying of a home appliance i.e. FLC stage influences the buying behaviour of consumers significantly.

CONCLUSION

The present study is an honest endeavour to understand study and analyze the influence various Family Life Cycle stages (i.e. Bachelorhood, Honeymooners, Parenthood, Post-parenthood and Dissolution) on the consumption patterns and buying behavior of consumers in home appliance market.

Table 2: FLC Stages and Consumers' Interest towards Buying a Home Appliance (Independence/ Association)

FLC Stage	No. of Consumers		Total
	Interested in Buying a Home Appliance	Not Interested in Buying a Home Appliance	
Bachelorhood	02 (7.29)	25 (19.71)	27
Honeymooners	19 (19.17)	52 (51.83)	71
Parenthood	23 (20.25)	52 (54.75)	75
Post-parenthood	10 (6.21)	13 (16.79)	23
Dissolution	00 (1.08)	04 (2.92)	04
Total	54	146	200

Note: Figures in brackets are the expected frequencies.

Source - Self Compilation

The FLC stage-wise classification of home appliance consumers who showed interest towards the purchase of a new home appliance and who did not show any interest towards the purchase of the same has been presented in Table-2. Apart from the actual frequencies the corresponding expected

For the above purpose, 200 potential home appliance consumers belonging to different FLC stages were surveyed. The data collected through this survey establishes the fact that Post-parenthood, Parenthood and Honeymooners are the most lucrative FLC stages for the marketers of home appliances; and Dissolution and Bachelorhood are the

least lucrative FLC stages for the same (Table-1).

Moreover, the study also proves that the FLC stages have a significant influence on the consumption patterns and buying behavior of consumers. The results of chi-square analysis clearly reveal that there is a significant association between the FLC stages (i.e. Bachelorhood, Honeymooners, Parenthood, Post-parenthood and Dissolution) and the buying behavior of home appliance consumers; alternatively, consumer behavior is significantly influenced by the FLC stages (Table-2).

Finally, we can fairly claim that the present research study adds to our knowledge about consumer behavior in general and the influence of FLC stages on the buying behavior of home appliance consumers in particular.

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