Factors Affecting Customer Preference for Local Furniture Brands

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ABSTRACT

Branding in today's world is so important that hardly anything goes unbranded. Customers are exposed to a variety of brands in varied product categories. Talking about Furniture, it is considered to be one of the essential parts of our daily lives. Furniture is used for both household and commercial purposes. High Competition in furniture market has enabled the manufactures to identify different factors that encourage the customers to prefer particular brands. The present study is an attempt to identify important factors that influence the customer preference towards local furniture brands. Self-designed and closed ended questionnaire was used to collect data from the respondents of Indore City. Factor analysis was applied to generate different factors that generate customer preference for local furniture brands. The findings of the study may provide useful insights to the furniture manufactures to formulate strategies that can generate customer preference.

Keywords: Customer Preference, Local Brands, Furniture

INTRODUCTION

As the battle for market share intensifies day by day, branding emerges as a key differentiation that gives the product and product manufacturer a distinct identification. Nowadays customers are exposed to different types of brands like local brands, national and international brands. Furniture is a product category where there is intense competition as market is flooded by different furniture brands. Furniture companies try to woo customers by offering combination of different features like creative designs, quality, economy, durability, innovations, portability, lifestyle, sustain ability etc. E-tailing has also contributed to the extensive competition in furniture market. But the leader is one, who is able to generate maximum customer preference for their brands.

A brand that is sold and marketed in a comparatively small and limited geographical area is known as Local Brand. It is also known as a Regional brand if the area covered is more than one metropolitan market. As per Wolfe (1991), "Local brand can be defined as a brand that is available in one country or in a limited geographical area". The present study is based on finding out factors affecting the customer preference for local furniture brands. The present study defines local brand as a brand that is sold in a city or its adjoining regions.

REVIEW OF LITERATURE

Quality, affordability, availability, celebrity endorsement, self-satisfaction, image and social status are the prime factors identified by Sudhakar and Parise (2012) that motivate customers to prefer luxury brands. Schuling and kapferer (2004) concluded that usage and usage intension are dependent on different product category. While the usage intension for global brands were found higher than local brands. Local brands were found to have higher usage ratings as compared to global brands. This proved that custmer might be attracted towards global brands, but actually, they purchase local brands.

According to Troian, D. (2011), the prime feature of the good furniture is a high dependence on consumer aesthetic preference. Design, appearance and quality and price are the key competitive considerations for the producers. Dodiya, B.M. (2015) concluded that customers prefer purchase of branded furniture due to variables like variety of furniture, price, and quality. However, customers did not consider comfortability, durability of furniture and availability while taking a buying decision for branded furniture. The author showed that various demographic factors like, age, education, marital status and monthly income influence the satisfaction level of customers towards branded furniture. But change of gender did not influence customers' satisfaction level towards branded furniture.

OBJECTIVES

- To identify the factors affecting customer preference for local furniture brands.

- To propose a model fit for local furniture brands.

RESEARCH METHODOLOGY

Nature of the study: The present research is exploratory in nature where an honest attempt has been made to explore the factors affecting customer preference for local furniture brands.

The Sample and Scope of study: The data is collected from a sample of 348respondents of Indore City. Therefore, the sample size is 348. Convenience Non Probabilistic sampling method was used to select the sample. The scope of the study is Indore City. The product category selected for the study is furniture.

Tools for Data Collection: Data was collected with the help of Self designed and closed ended questionnaire that was distributed among the respondents of Indore city. The questionnaire consists of 28 items which were sourced from extensive literature review of data sources like articles and research papers published in different national and international journals, newspapers, web sites, text books of marketing, and also reports of authorized and reputed research agencies etc. Five points likertscale ranging from strongly agrees to strongly disagree was used to collect data from the respondents. The questionnaire was divided into two sections. Part one consists of demographic variables like age, gender, income, qualification and employment and other part comprises of 28 statements.

Tools of Data Analysis: The data collected was coded in the excel sheet. After coding, statistical tools were applied on the coded data for statistical analysis. SPSS 20 statistical package was used to apply Reliability test, KMO, Factor analysis, normality tests and QQ plots.

RESULTS AND DISCUSSIONS

In order to check the variance in variables, Kaiser-Mayer-Olkin (KMO) measure of sampling adequacy and Barlett's test of sphericity were performed. As shown in Table1.0, the value of KMO was found to be 0.899which is larger than the suggested value of 0.5. Barlett's test of sphericity was highly significant ($p<0.01$). Consequently sample size is suitable for applying factor analysis. While conducting factor analysis, variables that faced extreme multicollinearity or singularity, were dropped.

Table 1.0KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.899
	Approx. Chi-Square	4631.478
Bartlett's Test of Sphericity	Df	378
	Sig.	.000

The factor analysis (table 1.1) created five factors for local furniture brands explaining 58.300 percent of variance (Table 1.2, annex) in the original data. As per table 7.4, (Commonalities), extraction values are greater than 0.4. Field (2005) suggested that commonalities after extraction should be above 0.5 to check the right sample size for factor analysis. While applying factor analysis, few items were chosen to be dropped, whose component value was less than 0.5 in rotated component matrix. Few responses were also deleted after applying normality test. According to table 1.3, five factors identified were Affordability with total factor load (6.004), Knowledge ability (3.292), Branding (2.913), Associative Value (3.595) and Influential forces(1.97).

Table 1.1 Total Variance Explained(Local furniture Brands)

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.323	33.298	33.298	9.323	33.298	33.298	5.047	18.024	18.024
2	2.901	10.362	43.660	2.901	10.362	43.660	3.107	11.098	29.122
3	1.710	6.105	49.765	1.710	6.105	49.765	3.034	10.837	39.959
4	1.221	4.361	54.126	1.221	4.361	54.126	2.968	10.600	50.559
5	1.169	4.174	58.300	1.169	4.174	58.300	2.168	7.741	58.300
6	.998	3.566	61.866						
7	.907	3.238	65.104						
8	.844	3.014	68.118						
9	.786	2.808	70.926						
10	.750	2.680	73.605						
11	.676	2.415	76.020						
12	.626	2.235	78.256						
13	.608	2.173	80.429						
14	.555	1.980	82.409						
15	.523	1.867	84.276						
16	.491	1.754	86.030						
17	.474	1.693	87.722						
18	.450	1.605	89.328						
19	.428	1.528	90.856						
20	.374	1.335	92.191						
21	.345	1.232	93.423						
22	.342	1.221	94.643						
23	.315	1.126	95.769						
24	.286	1.021	96.790						
25	.259	.924	97.714						
26	.227	.812	98.526						
27	.221	.788	99.314						
28	.192	.686	100.000						

Extraction Method: Principal Component Analysis.

Table 7.4 Communalities (Local Furniture Brands)		
	Initial	**Extraction**
Available	1.000	.609
Accessible	1.000	.669
Guarantee	1.000	.633
Awareness	1.000	.752
Knowledge	1.000	.720
origin of brand	1.000	.413
Quality	1.000	.599
Status	1.000	.645
Customization	1.000	.604
Economy	1.000	.732
Worth	1.000	.580
Value	1.000	.519
word of mouth	1.000	.501
celebrity endorsement	1.000	.571
Family	1.000	.568
Identity	1.000	.512
brand image	1.000	.522
brand experience	1.000	.554
promotional offers	1.000	.400
temporal forces	1.000	.628
Location	1.000	.672
perceived risk	1.000	.616
brand personality	1.000	.498
feel good	1.000	.529
Loyalty	1.000	.475
Performance	1.000	.582
Innovation	1.000	.608
Satisfaction	1.000	.613

Extraction Method: Principal Component Analysis.

Table 1.3 : Factors Identified For Local Food Brands

FACTORS IDENTIFIED	ITEMS	FACTOR LOAD	TOTAL FACTOR LOAD
Affordability	Accessible	.794	6.004
	Economy	.787	
	Available	.735	
	Worth	.721	
	Customization	.666	
	word of mouth	.593	
	Guarantee	.582	
	Value	.577	
	Satisfaction	.549	
Knowledgeability	Knowledge	.812	3.292
	Awareness	.803	
	Status	.601	
	origin of brand	.539	
	Quality	.537	
Branding	Innovation	.624	2.913
	brand experience	.611	
	Performance	.596	
	brand image	.579	
	Identity	.503	
Associative value	Location	.801	3.595
	perceived risk	.741	
	feel good	.588	
	brand personality	.498	
	promotional offers	.487	
	Loyalty	.480	
Influential Forces	Family	.695	1.97
	celebrity endorsement	.672	
	temporal forces	.603	

Accessibility, economy, availability, worthy, customization, word of mouth, guarantee, value and satisfaction are the nine items that constituted an important factor Affordability. Knowledge ability is the second factor that consists of brand knowledge, brand awareness, status, origin of brand and quality. The third factor, Branding comprises of innovation, brand experience, brand performance, brand image and brand identity. Fourth factor is Associative Value that consists of location, perceived risk, feel good, brand performance, promotional offers and loyalty. Final factor identified is Influential forces that comprises of family, celebrity endorsement and temporal forces.

CONCLUSION

Understanding consumer behaviour is not easy. Customer preferences keep on changing with changing environmental factors. Hence it is imperative to understand the reasons that shape the customer preference towards specific brands. The present paper attempted to find factors that influence the customer preference for local furniture brands. The manufacturers must focus on affordability, knowledge ability, branding, associative value and influential forces while designing marketing strategies. Focusing on above stated factors will help manufacturers lead the market, win the market share and rule the customers' heart.

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