A Study on Factors Affecting Consumers' Preference for Customised Products with special reference to Bangalore City

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Abstract

The buying behaviour of a consumer is very sensitive and complex to comprehend in the light of developments in the dynamic market. The consumer life style has changed significantly with increase in double income households and growth of middle-class families. Personalisation has taken the front seat in the manufacturing and marketing arena. Many companies around the world are embracing mass customisation to provide unique value to their customers. The present study is an effort to understand the factors affecting consumer preference for customised products. The study adopted survey method using structured questionnaire. The results of the study revealed that the preference for customised products was highly influenced by its price. Further, the study also found that social media plays a significant role in influencing the preference for customised products and services.

Keywords: Buying Behaviour, Customised Products, Personalization, Social-Media, Consumer Preference, Gender

Introduction

Consumer behaviour describes the process and the factors that impact a consumer's choice, consumption, and disposing of products and services. Understanding the customer needs and wants provides the basis for devising strategies that helps a company to sustain in this competitive world. The buying behaviour of a consumer is very sensitive and complex to comprehend in the light of developments in the dynamic market. The consumer life style has changed significantly with increase in double income households and growth of middle-class families. These days customers are empowered by social media and digital technologies. Internet penetration and growth of digital technologies fuelled the e-commerce business. E-commerce business have brought significant changes in the tastes and preferences of the customers and altered their buying behaviour (Ali AbdallahAlalwan, 2018). Customers have gained new perspectives on shopping and are expecting to get products and services that match their specific needs. In an effort to increase sales and customer satisfaction, today manufacturing and service-oriented companies ranging from start-ups to big brands along with their standard products, are offering customised products with the help of latest technologies. Personalisation has taken the front seat in the manufacturing and marketing arena. This trend has even been spread to service sector companies and they are also started adopting providing personalised service and care to its customers. Many companies around the world are embracing mass customisation to provide unique value to their customers (Issac `Cheah ,Ìan Phau and Johan Liang, 2015).

Customization helps businesses in captivating new customers and enticing the existing ones to stay. Offering customised products and services at a low cost has become a sustainable competitive advantage. Businesses that are offering personalised products and services can better serve their customers as it provides companies with customers' personal data. 20% of consumers are happy for business that use consumers data for offering personalised products. On an average one-third of the consumers want to buy personalised products and they are even willing to pay premium for obtaining customised products (Deloitte research, 2015). The intention to purchase customised products was more influenced by social and psychological factors. Consumer's attitude, self-confidence and subjective norms influence the choice of customised products (Zhongjun Tang, Jianghong Luo, Juan Xiao, 2011). Today most of our communication happens through social media. Social media as a platform helping companies to reach mass audience in no time with an impactful presentation of products and service at low cost and also helps in providing valuable data. Social media is playing a big role in making businesses successful that are dealing with customised products.

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Research shows that as the Gen Z consumer base is growing, customisation help businesses in geenrating an incremental revenue of 10-15%.

Retail segments such as gift business, printing business, sports accessories, entertainment business, tourism industry and textile business are adopting customisation in a very large scale. Today people in society are desired to express themselves in everything they own, including the clothes and accessories they wear and even in their home decor. Personalisation or customisation has become an essential aspect of brand marketing and in order to appeal to their target customers, many companies are looking to customise their products (S Venus Jin, Aziz Muqaddam and Ehri Ryu, 2019). Brands like Dell and Nike have been enabling its customers to customise products for building strong connection.

Keeping in view of the rising demand for customised products and services, the present study focused on factors affecting the demand for personalised products and services.

Review of Literature

The section deliberates the summary of previous studies that have performed on customised products, and role of various factors affecting the purchase behaviour towards customised products.

Arpita Khare, Amrut Sadachar and Swagata Chakraborty (2022) worked on the title "Influence of celebrities and online communities on Indian consumers' green clothing involvement and purchase behaviour" with the objective of studying the influence of favoured celebrities on the buying behaviour of the customer. They have conducted the survey on 403 people via online mode. The study found that assurance of the celebrities will have an impact on the decision-making process of the consumers.

Ramo Palalic, Veland Ramadani, Syedda Mariam Gilani, Shqipe Gërguri-Rashiti and Leo–Paul Dana (2021) aimed at exploring the customer's buying behaviour through social media approach. It was done through a self-administered online questionnaire. The research found that respondents below 40 age group was more influenced by the social media approach and there is less credibility of social media factor in Pakistan's population rather they would prefer word of mouth to rely on any product.

Hongfei Liu, Chanaka Jayawardhena, Victoria-Sophie Osburg and Mujahid Mohiuddin Babu (2020) analysed the impact of online reviews and its role post-purchase. The researchers conducted a comparison theory on the pre-test (180 responses) and the main study (347 responses) and found that there is an emotional connection in writing reviews of the product and purchase of a product review based.

Jessica Pallant, Sean Sands & Ingo Karpen (2020) proposed existence of heterogeneity among consumers preferring customised products. The researchers performed a latent cluster analysis and identified four distinct segments of consumers preferring customised products, non-customizers, new customizers, active customizers, and lapsing customizers.

Tingting Zhang, William Yu Chung Wang, Ling Cao and Yan Wang (2019) undertook research with the objective to know the effect of virtual try-ons on the purchase division of the consumer. The data were collected through web-based approach of the survey from different retailing websites. The study found that people are influenced by the trails of VTO and are also concerned about their privacy risk towards the same.

S Venus Jin, Aziz Muqaddam and Ehri Ryu (2019) undertook research on social media influencer and conducted a random survey on two groups of peoples preferring traditional celebrity, total responses were 104. They found that Instagram celebrities have more influence than the traditional celebrities.

Ali AbdallahAlalwan (2018) has researched the topic "Investigating the impact of social media advertising features on customer purchase intention" by the questionnaire process with the people who have already used/ are using social media on a daily basis. The author surveyed on 600 people out of which 437 responded and the valid responses were 59.3% only. The study found that there are six main factors that are to be considered while involving social media in promotion that are performance expectancy, hedonic motivation, habit and interactivity.

From the review of literature, it was found that there were more studies present on generalised buying behaviour of consumers but very few studies focused on studying the demand or purchasing behaviour towards customised products. The present is an effort to add to literature of consumer behaviour in Bangalore city towards customised products.

Objectives

1. To find out the purchasing behaviour of consumers in Bangalore city towards customised products.
2. To investigate the perception differences between male and female consumers with regard to customised products and factors affecting the purchase of customised products.
3. To examine the impact of general and social media factors on the purchase of customised factors

Hypotheses

H01: There exists no significant difference among respondents with respect to purchase of customised products

H02: There exists no significant difference between male and female respondents with respect to purchase of customised products.

H03: There exists no significant difference between male and female respondents with respect to factors affecting the purchase of customised products.

H04: General and Social media factors do not influence the purchase of customised products.

Research Methodology

Researchers adopted descriptive and analytical research design as the study intended to describe and analyse the causal relationship between general factors and social media factors on preference for customised products. The study is primary in nature. Researcher also took support of secondary data to review the literature on the subject area. Mail Survey method was used to collect the data. Survey was conducted in Bangalore city using structured questionnaire as survey instrument. Samples were chosen based on convenience. The study was confined to Bangalore city and received responses from 101 respondents. Mean analysis, one sample and independent sample t- test and regression analysis were performed on the collected data.

Data Analysis & Interpretation

Descriptive Statistics:

Table 1: Factors influencing Purchase of Customised Products

Items	Mean	Std. Deviation
General Factor - Price	4.2178	0.75636
General Factor -COD/EMI	3.6436	1.07317
General Factor -Discounts	4.1089	0.83548
General Factor -Family	3.5743	0.96277
General Factor -Brand	3.5842	1.12488
Social Media Factor -Reviews	3.8317	0.86104
Social Media Factor - Trending	2.8515	1.15227
Social Media Factor - Influencer	2.6931	0.99742
Social Media Factor - Platform	2.7723	0.94743
Social Media Factor -Social Media Feed	2.6436	1.00582

Source: Primary Data

The mean and deviation statistics shows that price followed by discounts were found as high influencers with mean score greater than 4 and low standard deviation. Social media feed with a mean score of 2.6 and standard deviation of 1 was found as low influencer among the study variables.

Table 2: Gender and Factors Influencing Purchase of Customised Products

Factors	Gender	N	Mean	Std. Deviation	Std. Error Mean
Preference for Customised Products	Male	56	3.3214	0.99283	0.13267
	Female	45	3.0667	0.98627	0.14702
General Factors	Male	56	3.8321	0.54709	0.07311
	Female	45	3.8178	0.47448	0.07073
Social Media Factors	Male	56	3.0107	0.70677	0.09445
	Female	45	2.8933	0.76586	0.11417

Source: Primary Data

The comparative analysis between male and female revealed men were more frequent buyers of customised products and more influenced by general factors (price, cash on delivery / EMI option, discounts, family recommendations and brand) and social media factors (Reviews, Trending in social media, social media influencer,

social media platform and social media feed). Among the selected factors, it was found that compared to social media factors, general factors were found as significant determinants of purchase of customised factors in Bangalore city.

Table 3: Respondents' Perception Differences about Factors impacting Purchase of Customised Products and Buying Behaviour

	N	Mean	Std. Deviation	Std. Error Mean	One Sample t - Statistics	Sig.
Preference for Customised Products	101	3.2079	0.99314	0.09882	2.104	0.04
General Factors	101	3.8257	0.51355	0.05110	16.159	0.00
Social Media Factors	101	2.9584	0.73229	0.07287	-0.57	0.57

Test Value = 3 (Neutral)
Significance @ 5% level of significance
Source: Primary Data

The results of one sample t-test demonstrated the presence of significant difference in the preference for customised products among the study respondents which is evident in significance value of 0.04 (less than 0.05). Further, out of two independent variables, perception difference found significant among respondents with respect to consideration of general factors while purchasing customised products.

Table 4: Analysis of Gender Differences in Preference for and Factors impactingPurchase of Customised Products

	Levene's Test for Equality of Variances		t-test for Equality of Means				
	F	Sig.	t	df	Sig. (2 - tailed)	Mean Difference	Std. Error Difference
Preference for Customised Products	0.507	0.478	1.286	99	0.202	0.25476	0.19818
General Factors	2.235	0.138	0.139	99	0.890	0.01437	0.10332
Social Media Factors	0.719	0.399	0.799	99	0.426	0.11738	0.14687

Source: Primary Data

Levene's test analyses the homogeneity of variance. The results showed that the sample is homogeneous and the independent sample t test revealed no significant difference exist between male and female with respect to buying behaviour and factors affecting the purchase of customised products.

Table 5: Regression Model Summary

R	.249 [a]
R Square	0.062
Adjusted R Square	0.043
Std. Error of the Estimate	0.97165

a. Predictors: (Constant), SocialMediaFactors , GeneralFactors
b. Dependent Variable: Preference for Customised Products

The model summary showed the value of R-Square as 6.2%. The explanatory power of the model is very low.

Table 6: Anova (Model Significance)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	6.112	2	3.056	3.237	0.044
Residual	92.522	98	0.944		
Total	98.634	100			

a. Dependent Variable: Preference for Customised Products

b. Predictors: (Constant), Social Media Factor, General Factors

ANOVA table tells us the overall validity of the model. The model significance value is 0.04 (less than 0.05).

Table 7: Coefficient of Independent Variables

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	2.120	0.738		2.873	0.005
General Factors	0.031	0.207	0.016	0.148	0.883
Social Media Fac tor	0.328	0.145	0.242	2.257	0.026

a. Dependent Variable: Preference for customised products

Analysis of independent variables' coefficients showed, between general and social media factors, social media factor with 32.8% impact on buying of customised products was found significant (significance value less than 0.05).

Summary of Findings

1. The customer preference towards customised products was highly influenced by price whereas social media feed was found as insignificant influencer.
2. Compared to women, men prefer to purchase customised products more and also more influenced by social media factor. However, the study found no significant gender differences in the preference for customised products and even with respect to consideration of general and social media factors.
3. Between social media and general factor, social media factor was found having significant impact on the preference for customised products.

Conclusion

Demand for customised products and services has increased multi-fold with advancements in technology, increased awareness and sophistication. Understanding the purchasing behaviour of consumers towards customised products has become the primary focus for both academic and industry. The present study evaluated the role of general factors and social media influence on the purchase of customised products. The results revealed that social media factors significantly influence the purchase of customised products. The findings of the study suggest the companies to devise strategies keeping social media as a centre stage for promoting customised products.

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