

# CONSUMER BUYING BEHAVIOR OF DECORATIVE PAINTS INDUSTRY IN SRI LANKA

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## **Abstract**

*All paint companies today offer complete range of products for consumers as local ventures due to high import tax imposed by the government for importation of paints. On the ground of rapidly increasing demand for the decorative paints in consequence of increase in building, shelter and other governmental and private constructions, the decorative paints industry is competitively growing today. Besides, today this particular industry has become a more profitable one in Sri Lanka. On account of this preferable situation, the Sri Lankan decorative paints companies focus to offer user friendly and environmental friendly decorative products. This evidently shows commitment of the decorative paints companies towards better world. Though it is so, to the preliminary survey conducted it was noted that 95% of market share has been captured by seven companies out of the 60 local paints suppliers. Thus, the focal problem was why such a situation has come about. Of the four objectives included in the study, key purpose was to examine the relationship between purchase intention and purchase behavior of consumers in respect of paints. Consistent with the objectives the research questions were also set. Additionally, a research gap noted from literature review has also been filled up in this study. The research approach employed here is the deductive method and mix of both qualitative and quantitative perspectives were applied. The selected sample consists of Colombo, Kaluthara and Gampaha. Three hypotheses were formulated from respective literature review and better methodological choice was made to get the study systematic. More primary data were associated as this is an empirical in nature and from different documentary evidences secondary data were gathered. Descriptive statistics was used to present data and to analyse data, Correlation analysis was employed. Eventually findings were made and it was concluded that brand image, product quality and price have considerable impact on buying behavior of decorative paints. Accordingly, recommendations were produced. In addition some related researchable areas have also been pointed out at the end of the paper.*

**Keywords:** Emotional involvement, Brand image, Product quality, Buyer behavior

## **1. INTRODUCTION**

Paints industry is mainly categorized as decorative/ architectural paints and industrial paints sectors. Decorative paints are used mainly for painting interior and exterior of houses, office buildings, and factories. Industrial paints include automotive paints, marine paints, protective paints and special purpose coatings.

The Sri Lankan decorative paints industry has a long history. There was lot of houses in ancient era and still one can get at the decorative paintings in sacred places like Kandy, Sigiriya, Mathara, Anuradhapura and some other places in the country, It implies that the paint industry plays a vital role in the life of Sri Lanka people.

Sri Lankan paints market needs around 35 million liters and out of that decorative paints market needs around 17 million liters. This particular industry covers a 15 billion. Paint is seasonality driven price elastic product and it depends upon economic growth and industrial sector. The Sri Lankan paints industry covers 60 manufacturers and they are big players who have captured around 97% market share. The decorative and industrial paints segments contribute 85% and 15% respectively to the volume (Sri Lanka Censuses, 2009).

The industry is driven by imported raw materials nearly, 300 odd raw materials are imported as petroleum by products. Thus, the global oil prices and their fluctuations directly affect the bottom-line of the industry. Also, the industrial paints segment is dominated by the organized sector. It is also more profitable segment.

The decorative paints industry is booming with the booming of construction industry. The construction industry has stagnated due to the continuous war dragging occurred during three decades. During this war period, the development of this particular industry was limited to the most secured areas. But today the situation has revolutionarily changed. So, overall country has paved the path to start construction industries. This climate has facilitated to further develop the decorative paints industry.

### **Problem of the study**

The Sri Lankan paints industry is engaged in producing decorative paints, wood care and steel paints and automotive paints. It consists of 60 manufacturers of whom six manufacturers are big players. They have captured 97% of market share. (Sri Lanka censuses, 2009). The decorative and industrial paints segments contribute 85% and 15% respectively to the volume.

Although there are 60 manufacturers as indicated by the preliminary survey, the problem emerged here was that due to what reasons 54 manufacturers are unable to compete with the six big players. In the point of fact, this was the focal issue area came into the researchers' mind.

### **Research gap**

Under the literature review made especially the most closed studies related to considering topic were associated. Here, performance and quality are more important in customer's point of view. According to Achilles Chandra pander, performance and quality are the most influencing factors for the customers when they choose paints. Apart from this, Kohli and Thakor (1997) have pointed out brand name is highly considered by the customers in purchasing paints. Kathleen and Gage (2004) have stressed service is the most important factor considered by the consumers in choosing products. Jennifer Potter, (1990) was biased above idea. But they have forgotten other factors that affect the choice of paints. In point of fact, the researchers got at there is a research gap to be filled up. It was able to fill up that gap by this study.

### **Objectives of the study**

In support of getting solutions for the predetermined problem, two types of objectives namely key objective and specific objectives were taken into account.

### **Key objective**

- To examine the relationship between purchase intention and purchase behavior of consumers in respect of decorative paints.

### **Specific objectives**

- To find out relative influence made by price, quality, and brand image to purchase of decorative paints.
- To examine the degree of consumer buying behavior varying with the demographic factors.
- To provide recommendations for further actions to be taken to get the buyer behavior successful.

### **Research Questions**

Consistent with objectives, the following research questions were set.

- What is the relationship between purchase intention and buying behavior of consumers in respect of paints?
- What are the most important factors that contribute to purchase decorative paints?
- How far do the demographic factors intervene to the forces coming from the price, quality and brand image?

## **2. HYPOTHESES**

With the aid of the variables identified via factor analysis made based on the literature review the following hypotheses were formulated.

H1: There is a relationship between brand image and consumer buying behavior.

H2: Product quality makes impact on consumer buying behavior.

H3: Product price makes influences on consumer buying behavior.

## **3. METHODOLOGY**

In gathering data, larger attention was paid on primary data due to the fact that this is an empirical study in nature. In this context, questionnaire survey was made as a major method. Besides, when and where necessary interviews were held and observations were also made. Additionally, secondary sources were also associated for more information. In case of sampling, having considered the abundance of the consumers, Colombo, Kalutara and Gampaha areas were given place. The overall sample size was 300 respondents representing 100 respondents per each area. For selecting the respective sample, simple random sampling technique was employed. It was convenient to get the sample on comparable basis. For presenting data descriptive statistics was utilized. Also, for analyzing data correlation analysis was used.

## **4. LITERATURE REVIEW**

The concept of consumer buying behavior is very wide and it is unpredictable and unexpected within different types of each and every individual mindset. Consumer behavior means the study of individuals, groups or organizations about their process of selecting, securing, using and disposing the products, services, experiences or ideas to satisfy needs and wants and the impact of these processes on the consumer and the society.

Consumer behavior has been an important research topic in this era. A review of existing theoretical background indicates shift from rational to psychological and social decision factors. However, even the recent models have not managed to embrace all the knowledge in the field of consumer behavior: sub conscious processes, the role of needs, goals and emotions (Bargh, 2002). Apart from leaving out these important findings the existing literature also lacks studies of decision that consumers are most concerned about, termed "big" or " Strategic decisions" (Bazed - man , 2001 , Gronhaug, Kleppe and Aukedal, 1987)

Perner (2008) stated that "Consumer behavior involves the study of the processes which individuals, groups, or organizations perform to acquire products, services, experiences or ideas to satisfy their needs and wants and how these processes have impacted the consumer and society"

“The buying behavior is considered a very complex phenomenon because it consists of a wide set of prior and after purchase activities" (Hansen, 2004). The buying process consists of five stages. Starting from recognizing a problem or in other words, recognizing need and wants that must be satisfied, the consumer then being to search for information related to that problem or need. After evaluating alternatives, the consumer makes the decision to purchase the most suitable alternative and the final stage comes after purchasing, when the consumer evaluates the choice being made.

There are four distinctive classes of consumer buying behavior identified by literature. These classes can be observed through the frequency of occurrence, emotional involvement, decision making complexity and risk. These types are known to be: programmed behavior, limited decision making buying behaviors, extensive decision- making buying behavior and impulsive buying (Arnould, 2002)

Limited -decision making buying behavior involves reasonable level decision — making and relatively low amount of information search in order to generate a purchase. An example of this type can be the purchase of clothes. When someone can easily get information on the product and its quality and spend short time in selecting the desired product. (East, 1997)

The extensive decision - making buying behavior is identified as being the opposing type to the limit decision - making buying behavior (Fornel, 1996). In this process the consumer would spend a relatively longer share of time in information search and would take longer period to make a decision regarding this purchase because this process is usually adopted when purchasing infrequent expensive product that takes a large share of the consumer's income and involves higher psychological risk (Peter and Olson, 2007)

The last type of buying behavior identified by literature is the impulsive buying. It is a decision made unconsciously and induced by an external stimulus that would make a specific product to appear attractive and irresistible to the consumer (Wells and Prensky, 1997).

It can be seen in the four listed behavior above, that the fundamental driving force behind these behavior is the consumers' emotion. It is the primary determinant of buying behavior that is highly influenced by some external and internal factors (Chaudhuri, 2006).

Although emotion is a subjective issue that differs according to individual attributes and situational contexts, it is still regarded as the most elemental determinant of planned and unplanned buying behavior (Havlena and Holbrook, 1986). The unplanned behavior matches greatly the impulsive buying which is driven by emotional forces. (Laras and Steenkamo, 2005).

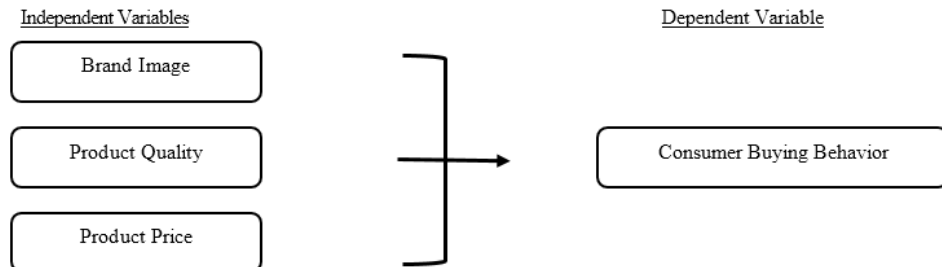
Howard and Sheth's theory of buyer behavior (1996) was the first to introduce the notion of brand consideration into marketing. Brand loyalty is defined as keeping preferable to a specific product or service (BNET Business Dictionary). Aaker and Keller (1991) believe that loyalty is closely associated with various factors, one of the main one being the experience of use. Customers may be loyal owing to switching barriers related to technical, economical or psychological factors, which make it costly or difficult for the customer to change. In another point of view, customers may also be loyal because they are satisfied with the brand, and thus want to continue the relationship. (Fornell, 1992)

A previous study has indicated that brand attributes are viewed as important elements in a consumer's decision - making. For example, Lau (2006) in his article has mentioned that there are seven factors that influence consumers' brand loyalty on certain brands. The factors are brand name, product quality, design, price, store environment, promotion and service quality. As a whole these factors are taken into the basket of brand image, product quality and product price.

An important element of a brand is the name and it has a potential to contribute to the brand equity. In many research, it is accepted as a vital indicator of quality and it affects consumers' quality perception, brand -name is an important cue that provides identification and continuity in the market place" (Pecotich and Ward, 2007).

## 5. RESEARCH MODEL

Based on the literature and the factor analysis made the following research model was constructed.



## 6. RESULTS

### Sample Profile

A total of 300 questionnaires was distributed among the respondents in three areas namely Colombo, Kalutara and Gampaha. Eight questionnaires were discarded due to improper fillings. Thus 292 questionnaires were accepted.

The respective sample profile is revealed below.

Area	Number of firms	Number of Respondents	Total
Colombo	10	10	100
Kalutara	10	10	100
Gampaha	10	10	100
Grand Total	30		300

The degree of brand image , Product quality and price factors were examined by summing and classifying each respondent's scores as into " Low", " Moderate" and "High" in terms of Willingness to purchase by employing the criteria given in the table below.

### Measuring Criteria

Mean Value	Level
1 - 2.33	Low
2.34 - 3.67	Moderate
3.68 - 5	High

### Uni – dimensionality

As the study is at the dimensions at a priory, the confirmatory factor analysis is necessary to provide a strong test for the theoretical specified dimensionality. However, since facility for running confirmatory factor analysis is not available to the researchers, exploratory factor analysis was performed by conversing the items of each dimension on the respective dimension. The items related to the each of five dimensions were highly loaded to the respective dimension arrived at a priory ensuring its uni- dimensionality. The Kaiser-Meyer — Olikn (KMO) and Bartlett's test for sampling adequacy was performed to examine whether the sample is adequate for performing factor analysis or not.

## KMO and Bartlett's Test

Dimensions of willingness to purchase.

Dimension		Brand Images	Quality	Price
Kaiser - Mayer – Measure of Sampling Adequacy.		.609	.670	.556
Bartlett's Test of Sphericity	Approx. Chi-square	266	758	1005
	Df.	6	6	6
	Sig	.000	.000	.000

## Reliability

Since the data for this study were generated by using scaled responses, it was necessary to test for reliability. Cronbach's Alpha was calculated for each variable as indicated in the following table.

### Cronbach's Alpha values for Willingness to Purchase.

Variables	Cronbach's Alpha	Number of Items
Brand Image	.870	4
Quality	.766	4
Price	.780	4

Source: Survey data

The results of this table indicate Cronbach's alpha for each variable is at acceptable level. First, the variable, brand image is taken into account. The following statistical computations are relevant to brand image.

### Brand image

N	Valid	292
	Missing	0
	Mean	3.73
	Std. deviation	.689

The above table shows that the mean value indicator is 3.73 and it exists between 3.68 and 5.00. It says the degree of this indicator is at high level. The descriptive statistics for product quality standards are given below.

This table shows that the mean value is 3.73 and it exists between 3.68 and 5.00. It indicates the degree of this indicator is a high level.

## 7. HYPOTHESIS TESTING

H1: There is a relationship between brand image and consumer buying behavior. In this case, the following computations were made.

		Willingness to purchase	Brand image factors.
Willingness To purchase	Pearson correlation	1	.744**
	Sig (1-tailed)		.000
	N	292	292

\*\*Correlation is significant at the 0.01 level (1-tailed)

As indicated by the above table, there is a positive correlation between the brand image and willingness to purchase. The respective correlation value is .774 and it is significant at 0.05 level. Thus, the considering hypothesis can be accepted

H2: Product quality makes impact on consumer buying behavior  
The following computations supported to prove this hypothesis.

		Willingness to Purchase	Quality factors
Willingness to purchase	Pearson correlation	1	.702**
	Sig. (1-tailed )		.000
	N	292	292

\*\* Correlation is significant at the 0.01 level as the correlation value is .702 and it takes a

Positive value. So, the respective hypothesis is accepted.

H3: Product price makes influences on consumer buying behavior.  
The following computations indicate the information regarding this hypothesis.



		Willingness to purchase	Price
Willingness to purchase	Pearson correlation	1	.543**
Sig. (1-tailed)			.000
N		.292	292

Correlation is significant at the 0.01 level. In this case, it seems that the correlation value is .543. It is a positive value. Thus, the corresponding hypothesis can be accepted can be accepted.

## 8. CONCLUSION

As per the test results, It was proven that there is a relationship between the price factors and buying behavior for selection of decorative paints. But compared to brand image and product quality the influence made by the prices is somewhat low. It is understood that consumers concern the quality of the paints. Though it is so, salient noticeable thing is that other than quality, a greater place is given to brand image that there is a positive relationship between the brand image and the buying behavior. More specifically say, as per the results the house owners mostly concern the brand image other than price and quality factors.

Accordingly it can be concluded that whatever the price mainly consumers consider brand image and quality of the paints. Thus, paints companies should concentrate on improving first mainly the brand image and thereafter quality of the paints.

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