

## FACTORS AFFECTING PURCHASE DECISION OF CARPENTERS FOR LAMINATES

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### ABSTRACT

The main reason to conduct this study is to find out the factors which compel or attract a carpenter to choose a laminate or veneer for his clients. This project report is revealing the state of mind of the carpenters with the changing environment. How the carpenters reacted with the change in customer preference and with the introduction of a large number of companies dealing with laminates and veneers. To know this a survey conducted using a structured questionnaire containing the items which helped in obtaining the desired information from the carpenters. Carpenters were approached targeted the capital city Bhubaneswar of Odisha state in India The aim and motive of carrying this project is to know about the brand awareness and consumer preference for laminates. The objective of this research is to find out the foremost factors that compelled or attracted the carpenters before choosing /suggesting a laminate to his customers. Finding out how these factors are of utmost importance. In order to reach the research objective 300 carpenters represented the sample.

**KEYWORD:** Attitude, Carpenter, Customer, Furniture, Perception, Preference, Laminate.

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### Introduction

Laminate is one of the leading industries supporting infrastructural development. In India infrastructure is growing in leaps and bounds has created very rapid demand for different types of laminates. The study is based on survey conducted to gather the information about the factors affecting the consumer purchase decisions in laminates. The main reason to conduct this project was to find out the factors which compel or attract a carpenter to choose a laminate or veneer for his clients. Through this project the state of mind of the carpenters with the changing environment. How the carpenters reacted with the change in customer preference and with the introduction of a large number of companies dealing with laminates and veneers. To know through the project if the carpenters are brand name conscious or they just look for their profitability. The reason is to accomplish my task, aim, and motive of enhancing my knowledge and to know more about the brand awareness and consumer preference for laminates. This is one of the fastest growing industries with a significant growth rate every year. Invention and the launch of new technology is the most important tool of this industry. To maintain the quality of products provided to the customers the companies dealing in the consumer durable products has

to undergo extensive study and research work. This project work is a small attempt to understand the carpenter behavior with regards to laminates.

Efforts have been undertaken to strengthen the competitive position of North American manufacturers in domestic markets. Mass customization (Pine, 1993; Davis, 1987; Toffler, 1970), where customers expect products and services to be customized to their needs and expectations, has been identified as a viable strategy to increase domestic profitability for manufacturers with a high cost structure (Huyett and Viguerie, 2005; Grant Thornton LLP, 2006; Wan and Bullard, 2008). Indeed, numerous furniture manufacturers in North America have chosen to offer a higher degree of mass customization as part of their competitive strategy (Lihra et al., 2008). At present, manufacturing of mass customized products on an industrial scale is more expensive than the production of standardized items. The added complexity of a production system capable of mass customization is a major reason for the increased costs (Hart, 1995; Huffmann and Kahn, 1998; Krueger and Hergeth, 2006; Boucher and Barnett, 2008). Also, customizing furniture requires that the point of customer involvement (e.g., the “decoupling point”) occurs earlier in the production process (Lihra et al., 2008). The decoupling point is an indicator of the degree or type of customization provided (Lee et al., 2000; Tseng and Piller, 2003; Piller et al., 2004). Typically with an increasing level of customization, price and delivery lead-time increases (Kahn, 1998; Jiao et al., 2003; Millard, 2006; Moser, 2007). Also, increasing customization requires more customer involvement as the desired product and service attributes have to be specified. If this selection process is complex or time consuming, a customization strategy may not create a competitive advantage (Duray et al., 2000; Da Silveira et al., 2001; Rautenstrauch et al., 2002; Bernhardt et al., 2005; Hunt, 2006). However, customization creates differentiated

products and buying experiences, e.g., it presents a way to reduce price-based competition.

While research on mass customization implementation is relatively well covered in the scientific literature, little information is available on the actual benefits of customization from a customer preference viewpoint.

## **FRAMEWORK OF STUDY**

The study is centred towards measure the variables related to the purchase behaviour of carpenters. During the literature review it is found that the laminate industry is having opportunities due to increase in infrastructure. The questionnaire prepared to measure all the variables to quantify the responses to get the real picture of the market strength for laminates. It also helped to know the strategies of other Laminate competitor. In India the market structure is of different variety at different region that controls the supply of products like laminates .Consumers are depending upon the decisions made by carpenters so , they play the crucial role in selling of the product . So carpenter’s perception is the pivot point to balance the sales. This study directly gets the information regarding the perception of carpenters that how the Laminates are sold in the market. Moreover the study provides information about the different strategies different companies are using to understand the service, quality and brand for laminates. The study is revealing the factors of competition between known brand and unknown brand.

The research clearly defines the target population. The technique followed here is based on logic and judgment. The population is defined in with keeping in mind the objectives of the study. Since the population is too large to attempt the survey. A small, but carefully chosen sample has been used to represent the population. The sample reflects the characteristics of the population from which it is drawn. Random sampling is the purest form of probability sampling used in this

research. Each member of the population has an equal and known chance of being selected. It has chosen hundred samples from the population. This section is explaining about the method of data collection. Here in this survey two sources of data has been used are primary sources and secondary sources. The survey questionnaire is prepared targeting consumers to collect the broader base of information to get the real data. Though the analysis is based basically on primary data then also secondary sources got used to generate the assumption to prepare the questionnaire and to have the supporting interpretation. The collection of data from primary source involved several steps and is done in phrases. Different sources used are personal interviews, approaching people personally, Questionnaires, Internet, articles, books, newspapers, magazines, companies news letter and companies report.

Marketing was once defined by Alderson (1957) as an exchange process between company and consumer (Cited from Brassington and pettitt). This definition gives no references to the aspects of marketing that occur before product or services are even produced or the post exchanged behaviour of both company and consumer or even an elementary aspect of commercial life :competition, jobber(2000). In Kotler's model there is a clear exchange between company and consumer. The model describes the exchange being goods and services one way and money in return (Kotler, 2000). Exchange of communication and information from buyer to seller is also an integral part of successful marketing. Communication of the product or brand from company to consumer will be the result of successful advertising campaign whereas information from consumer back to the company will provide the seller with an insight into the success of the product of services. McCarthy (1960) introduced the 4P's into the marketing mix as an easy to remember acronym. Mc McCarthy penned the thought that the influences that will determine the demand for the product can be placed within four groups. The marketing mix consists of four elements: Product, Price, Place and Promotion. This area covers everything to do with the creation, development and management of products. This also covers non-physical aspects of the product such as after sale services and guarantees etc. The pricing of a product or service is an important part of the marketing mix. Price represent on a unit base what the company receives for the product or service which is being marketed. The price of a product or services may portrait it being a quality item or a desirable one. It may also be used to give company an edge in a competitive market. Place is concerned with distribution channels and consumer service levels. The objective of companies when dealing with this aspect of the marketing mix is to make sure that products are available in the right quantities, in the right place to the people who want it. Promotion is concerned with how the product of service is made available to its target audience.

Customer preferences are formed on the basis of a customer's perceptions of the value of a product and are the result of an evaluation of benefits and sacrifices related to its acquisition and use (Zeithaml, 1988). These benefits and sacrifices can consist of functional, emotional, social, financial, or non-monetary attributes (Sheth et al., 1991). Examples of such attributes that influence a customer's purchasing decisions include, for example, product functionality, design, quality, brand, preference after sales service, credit availability, and numerous other factors. In the absence of information about customers' perceptions of customization attributes available (e.g., individual customers' valuation of the benefits and sacrifices associated with the mass customization attributes of a product offered), informed product and customer service decisions are impossible to make for manufacturers. Also, difficulties arise for manufacturers when required to select and provide the most beneficial customization attributes to customers to differentiate products from competing ones (Hart, 1995). In theory, the additional real or

perceived value of mass customized products is supposed to justify a higher product price. However, the price premium accepted by customers is limited and depends on the value of the customization as perceived by the customer (Huffmann and Kahn, 1998; Hart, 1995). Thus, the price of customized products has to be in a meaningful relationship to the expected value added by customization to customers. Similarly, delivery time for mass customized products cannot be much different from other, mass-produced products as customers may assign considerable importance on this issue when deciding about the purchase (Du et al., 2006; Duray et al., 2000; Da Silveira et al., 2001; Rautenstrauch et al., 2002; Hunt, 2006). Manufacturers, however, should not only evaluate the pricing power that mass customized products might entail. Moser (2007) points out that mass customization can also be a vehicle for learning for customers, thereby enabling new market entries. Similarly, customization can also symbolize advanced status, or improve brand perception for manufacturers (Moser, 2007). The time and effort that customers are willing to spend for the customization of a product is limited (Jiao et al., 2003; Kahn, 1998). Also, the complexity of customization can lead to mental fatigue and confusion of customers, preventing the closing of an order (Hunt, 2006; Rautenstrauch et al., 2002). The time and effort considered acceptable for customization can vary considerably depending on customers' profiles and their valuation of the customizable attributes. In fact, spending 60 min to customize a car can be considered reasonable, while the same time devoted to customizing a pair of shoes can be seen as exaggerated. In any case, the mass customization system must be simple and allow customers to customize a given product quickly.

Consumer decisions are influenced further by four psychological factors:

**Motivation** – One of the most popular theories about motivation was devised by Abraham Maslow. His theory bases human motivation upon a hierarchy of needs a person faces. Ranging from basic needs such as Hunger, thirst and sex all the way through to self- actualization. Maslow sought to explain why people are driven by particular needs at particular times.

**Perception** – We define perception as the selection, organization, and interpretation of marketing and environmental stimuli into a coherent picture. In marketing, perceptions are more important than reality, as it is perceptions that will affect the consumer's actual behaviour.

**Learning** – Assael (1998) describes consumer learning as a change in behaviour occurring as a result of past experiences. In other words, should a person have good experience with a certain brand / product then he or she will be more likely to purchase the same product in the future.

**Attitude** – Attitude as stated by Fill (2002) are predispositions, shaped through experience, to respond in an anticipated way to an object or situation. Attitudes are the result of the learning stated previously. They are shaped by experiences and form part of why and how we act as a result of these experiences (Fill, 2002).

## DATA ANALYSIS AND INTERPRETATION

In order to accomplish the research objective it approached about 300 carpenters engaged in wood work and collected the required information from them. For this, the Survey was conducted with a set of questionnaire containing the items which helped in obtaining the desired information from the carpenters. Carpenters were approached especially in Bhubaneswar. The Information was obtained through questionnaire as well as by the interview method. The method of personnel interview was also adopted for those who were unwilling to give any information in

writing. At present around 300 of such interviews have been conducted keeping in mind the requirements of the survey being conducted.

### Response Frequency Charts

**Table1**

Preference for product					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Laminate due to price	300	100.0	100.0	100.0

**Table2**

Brand suggested					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Greenlam	80	26.7	26.7	26.7
	Century	60	20.0	20.0	46.7
	Marino	58	19.3	19.3	66.0
	Others	102	34.0	34.0	100.0
	Total	300	100.0	100.0	

**Table3**

Reason for suggestion					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Price	32	10.7	10.7	10.7
	Quality	212	70.7	70.7	81.3
	Architect Reference	4	1.3	1.3	82.7
	Design	20	6.7	6.7	89.3
	Availability	32	10.7	10.7	100.0
	Total	300	100.0	100.0	

**Table4**

Preference for Laminate					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Price	196	65.3	65.3	65.3
	Quality	6	2.0	2.0	67.3
	Availability	50	16.7	16.7	84.0
	Distribution	48	16.0	16.0	100.0
	Total	300	100.0	100.0	

**Table5**

<b>Awareness for Brand</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	116	38.7	38.7	38.7
	No	184	61.3	61.3	100.0
	Total	300	100.0	100.0	

**Table6**

<b>Quality of Product</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Best	100	33.3	33.3	33.3
	Good	144	48.0	48.0	81.3
	Average	56	18.7	18.7	100.0
	Total	300	100.0	100.0	

**Table7**

<b>Price of Product</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Best	48	16.0	16.0	16.0
	Good	170	56.7	56.7	72.7
	Average	82	27.3	27.3	100.0
	Total	300	100.0	100.0	

**Table8**

<b>Service of Product</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Best	28	9.3	9.3	9.3
	Good	184	61.3	61.3	70.7
	Average	88	29.3	29.3	100.0
	Total	300	100.0	100.0	

**Table9**

<b>Style of Product</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Best	95	31.7	31.7	31.7
	Good	143	47.7	47.7	79.3
	Average	62	20.7	20.7	100.0
	Total	300	100.0	100.0	

**Table10**

<b>Availability of Product</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Best	122	40.7	40.7	40.7
	Good	134	44.7	44.7	85.3
	Average	44	14.7	14.7	100.0
	Total	300	100.0	100.0	

**Table11**

<b>Business Turnover</b>		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Lakh to 10 Lakh Per Anum	104	34.7	34.7	34.7
	10 Lakh to 50 Lakh Per Anum	101	33.7	33.7	68.3
	50 Lakh to 100 Lakh Per Anum	65	21.7	21.7	90.0
	100 Lakh to 500 Lakh Per Anum	14	4.7	4.7	94.7
	500 Lakh and More Per Anum	16	5.3	5.3	100.0
	Total	300	100.0	100.0	

All the tables from Table1 to Table11 above highlights the response statistics got from the primary survey. This table depicts the frequency and percentage of different levels of responses with respect to different parameters of export potential felt by carpenters.

An attempt has also been made to identify if there exist a difference in the opinions of respondents about the factors of supply chain in steel industry on the basis of different types of companies comprising of different volume of business. One Way ANOVA has been carried out to compare the mean responses among different respondents. From the analysis below it has been observed that Preference for product, Brand suggested, Reason for suggestion, Preference for Laminate, Awareness for Brand, Quality of Product, Price of Product, Service of Product, Style of Product, Availability of Product are the different factors for analysis of purchase decision of carpenters for laminates as shown in Table12. This may be explained by the fact that in general that all the variables are highly important for purchase decision of carpenter for laminates.

**Table12**

<b>One Way ANOVA</b>						
<b>Showing the significant impact of turnover of firms on factors of purchase decision</b>						
		Sum of Squares	df	Mean Square	F	Sig.
Preference for product	Between Groups	.000	4	.000	.	.
	Within Groups	.000	295	.000		
	Total	.000	299			
Brand suggested	Between Groups	169.351	4	42.338	46.912	.000
	Within Groups	266.235	295	.902		
	Total	435.587	299			
Reason for suggestion	Between Groups	68.363	4	17.091	16.990	.000
	Within Groups	296.757	295	1.006		
	Total	365.120	299			
Preference for Laminate	Between Groups	69.213	4	17.303	14.161	.000
	Within Groups	360.453	295	1.222		
	Total	429.667	299			
Awareness for Brand	Between Groups	29.517	4	7.379	52.291	.000
	Within Groups	41.630	295	.141		
	Total	71.147	299			
Quality of Product	Between Groups	30.697	4	7.674	19.048	.000
	Within Groups	118.850	295	.403		
	Total	149.547	299			
Price of Product	Between Groups	33.088	4	8.272	26.223	.000
	Within Groups	93.058	295	.315		
	Total	126.147	299			
Service of Product	Between Groups	27.271	4	6.818	26.213	.000
	Within Groups	76.729	295	.260		
	Total	104.000	299			
Style of Product	Between Groups	37.472	4	9.368	23.845	.000
	Within Groups	115.898	295	.393		
	Total	153.370	299			
Availability of Product	Between Groups	14.717	4	3.679	8.285	.000
	Within Groups	131.003	295	.444		
	Total	145.720	299			

**MANAGERIAL IMPLICATION**

As the whole analysis and according to the frequencies and one way- Anova on data collected from carpenters the laminates should get advertised in the market. They should give an extra beneficial thing which is useable in the work of carpenters. It is advisable to maintain and efficient market intelligence system and advice management of the changing needs of the market. Some others suggestions are: - Stay in frequent contact with the carpenters, Improve service of the company to satisfy the customers, Give some offers to attract more customers, Organise an exhibition for the carpenters where the laminates can get promoted, Laminates should get delivered on time, so industry should take care for production.



## CONCLUSION

After the completion of the project work a crystal clear conclusion has derived based upon the result obtained. Looking at the result a clear idea was obtained for each item, the conclusion that can be drawn for the first item was that the carpenters were highly motivated in using the laminates due to cost effectiveness; hence more attention should be given by the industry for promoting the laminates for the customers. Secondly it is very clear about the brand that is getting preferred by carpenters. It is clear on the reason of preference of the brand and the quality was the reason of it, hence the company should focus on maintaining the quality of the product. The table showed that price was the main reason for preference of the product, so they should be careful about the pricing policy of its competitors in future. The table provided a very clear idea that the carpenters are not aware much of the brand which is a major concern for the industry as the carpenters act as a link between the industry and the customers, so they should be made aware of the brand by educating them through good marketing persons. The table made it clear that the carpenters accept that the quality of the product is good which is a positive sign for the company; hence they should only focus on maintaining it. Again it showed that the price of the product is good as compared to its close competitors, hence it is concluded that the pricing of the product is good. Lastly indicated about the quality of service provided by the company to be good, hence it can be said that on an overall view the laminate industry has a bright future and high demand.

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