

CONSUMER DURABLE LOANS IS TRENDING TO INCREASE CONSUMERS' SATISFACTION WITH SPECIAL REFERENCE TO ELECTRONIC PRODUCT

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Abstract:- The demand for loans and finance schemes has raised manifold nowadays. To attract the customers stores are providing finance facility under their roof itself on easy terms and conditions. This facility not only benefits consumers but also to the stores, lenders and even the manufacturers. Stores are giving this facility to make their customers more satisfied.

In the paper **Consumer Durable Loan is Trending to Increase Consumers' satisfaction with special reference to electronic product** an attempt is made to study the impact of CDL on customers' satisfaction. Further the paper discussed on advantages of CDL to store. For understanding CDL its various terms and conditions are also discussed in the paper.

Keywords:- Consumer Satisfaction, Consumer Durable Loan, Multi Brand Stores etc.

1. INTRODUCTION

Everyone today wants an upgraded lifestyle which enables them to make life easy and leisure more relaxing. But the problem which maximum consumers face today is lack of ready cash. They face the problem of extra funds. That's where consumer durable loan is the solution.

CDL allows the consumer to spread the cost of appliances across a period. In other words the amount is paid in installment according to convenience of consumer. Thus consumer durable loan helps a consumer to upgrade life style without much stress on the budget. Nowadays stores provide finance facility to the customer in the store itself so that consumer needs not to bother much for the finance. The reason behind this is that consumer is the essence of organization and thus to make the organization successful, satisfied consumers is the basic need.

Today consumer is the one around whom all the business activities revolves. An organization makes plans and policies to win the heart of their customers and make them their loyal customers. CDL is an easy finance facility where consumer gets finance at 0% interest rates. This gives customers another compelling reason to opt for finance scheme. This facility benefits not only the consumer but also the retailers, lenders and even the manufacturer.

Manufacturer will be benefited in the form of raised sales and also consumer will be in position to select high priced goods as he knows that he need not to pay instantly. Retailers are benefited as their customers need not to wonder here and there in search of finance. Even they are in position to sell them even more priced goods as the customer need not to pay instantly. Finance companies are benefited as they get interest along with the processing fees. Also they are indirectly benefited as they gets the data of the borrowers and thus they can even offer them home loan or other big loan.

2. MORE ABOUT CDL

2.1 Rate of Interest

Interest rates on CDL is generally lower than personal loan or on credit cards. It is different in different institution even some provides CDL at 0% interest rates.

2.2 Tenure

Most of CDL ranges from 3 months to 24 months. Consumer according to his convenience can adopt the tenure. A short tenure will make the EMI amount high whereas a long tenure will result in more interest amount.



2.3 Down Payment

To make the finance schemes more lucrative now a days finance companies offers 80% to 90% of finance and thus customer has to pay only rest of 20% -10% at the time of purchase.

2.4 Documentation

For the purpose of loan very few documents are needed .ID proof, address proof and Income Proof.

2.5 Objective of the Study

- To study the impact of consumer Durable Loan on consumers' satisfaction.
- To study the advantages of consumer durable loan to Stores.

2.6 Consumer Durable Loan and Consumers' Satisfaction

CDL helps a lot in increasing consumers' satisfaction. Those who want to upgrade their lifestyle can opt for finance schemes which will provide them option to buy the product now and pay back for the same in easy flexible tenure as per their convenience. Most of the big retail stores specially the electronic stores provides their customers the facility of finance at the store itself which makes their customers need not to bother for searching of finance institutes.

Also the scheme is very flexible in terms of tenure and amount of down payment. Consumer according to his convenience can opt for the scheme. Also number of documents needed is very less .All these makes the customer feel satisfied with the store .He find himself in the position of purchasing the product even in the situation when he doesn't have sufficient amount. Also it has been seen that the easy finance facility helps the consumer in selecting even a higher quality product with advance features and techniques.

2.7 Why Stores give CDL facility under its roof

Consumer Durable loan facility helps the store in increasing its sale. The consumers who walk in the store without the intention of purchase may also purchase the product. Also the consumer who came to purchase a product with particular mindset is also in position of purchasing even an upgraded product because of the availability finance facility at the store.

Even customers do multi purchasing because of easy finance scheme. Today success of organization depends not only on the product but also the supplementary services provided by the store. Thus when the store gives the customers' finance facility under its roof, customers' needs not to wonder here and there in search of finance and thus their satisfaction increases.

3. RESEARCH METHODOLOGY

The research paper is an exploratory research based on secondary data collected from statistical data available on various websites of various stores, Financing Institutes, journals, articles, previous research papers, annual reports, newspaper reports and magazines based on Finance and articles on Consumer durables. Based on the analysis of above mentioned data collection sources, the objectives of the study are defined and research design is made which is highly descriptive in nature.

4. LITERATURE REVIEW

According to Philip K. Kotler, "Satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a products perceived performance in relation to his or her expectations."

$$\text{Customer Satisfaction} = \text{Result} - \text{Expectation}$$

OR

$$\text{Customer Satisfaction} = \text{Performance} - \text{Expectations}$$

Sohyun Joo (2008) in his book Personal finance wellness gave term financial wellness which means when the financial facilities of people continue to grow they are considered to be financial healthy. It is comprehensive, multidimensional concept which includes



financial satisfaction, financial attitudes and achievement of objective status of financial situation.

According to **Kamaladevi (2010)** in order to compete successfully in the business era, a retailer must focus on the customers' buying experience. To manage a customers' experience, retailers should understand what customer experience actually means. In Consumer Finances of Low-Income Families by **Steven Garasky, Robert Nielsen and Cynthia Needles Fletcher (2008)** researcher explored that families with low income have to face serious difficulties in balancing low income with high expenditure.

The research focused on identifying the ways by which these families can meet their needs. In **A STUDY ON FINANCIAL INCLUSION AND FINANCIAL LITERACY Divya Joseph (2019)** talked about financial Inclusion which stress on easy accessibility of finance facility at low cost. This says that customers will feel much satisfied if the finance facility is available at the store itself. In Pathways from Financial Knowledge to Relationship Satisfaction(2019) **Casey J. Totenhagen, Melissa J. Wilmarth, Joyce Serido, Melissa A. Curran and Soyeon Shim** examined how financial knowledge is associated with consumers' satisfaction. They found that knowledge of finance helps in increasing consumers' satisfaction.

5. FINDINGS

Study says that CDL has positive effect on the customers' satisfaction. When store gives its customers the facility of finance it enables them to purchase the product conveniently. Also they are in position of doing multi purchasing and even they can purchase an upgraded product as they have to pay the amount in easy and flexible installments. These are advantageous not only for the consumers but also for the store and even the financing companies.

6. CONCLUSION

The main aim of the study was to analyze the trend of consumer durable loan to increase consumers' satisfaction. According to the study it can be concluded that CDL has increased consumers' satisfaction. The increasing demand for consumer durable loans is the driving force of high competition in the market. The growing middle-class families play an important role in raising the demand for consumer durable loans.

The steady growth of income of consumers and the willingness to make life even more comfortable makes people purchase more and more durable goods especially electronic products which are updated frequently. Also, the fall in the prices of durable goods and easy import of components add fuel to the increasing demand for durable items as well as the durable loans. Availability of CDL at store itself gives financial inclusion to the customers. Also now it is trending because it is benefitting not only the consumers but also to the store owner.

When store gives the facility of CDL it attracts the customers and thus result in increased sales also they are able to sale even an upgraded product. Also it sometimes makes the customer to purchase multiple products. The study revealed that due to availability of finance facility customers are able to purchase the updated products conveniently without disturbing the budget. Thus store should give finance facility to the customers in order to increase its customers' satisfaction.

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