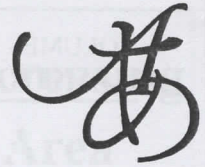
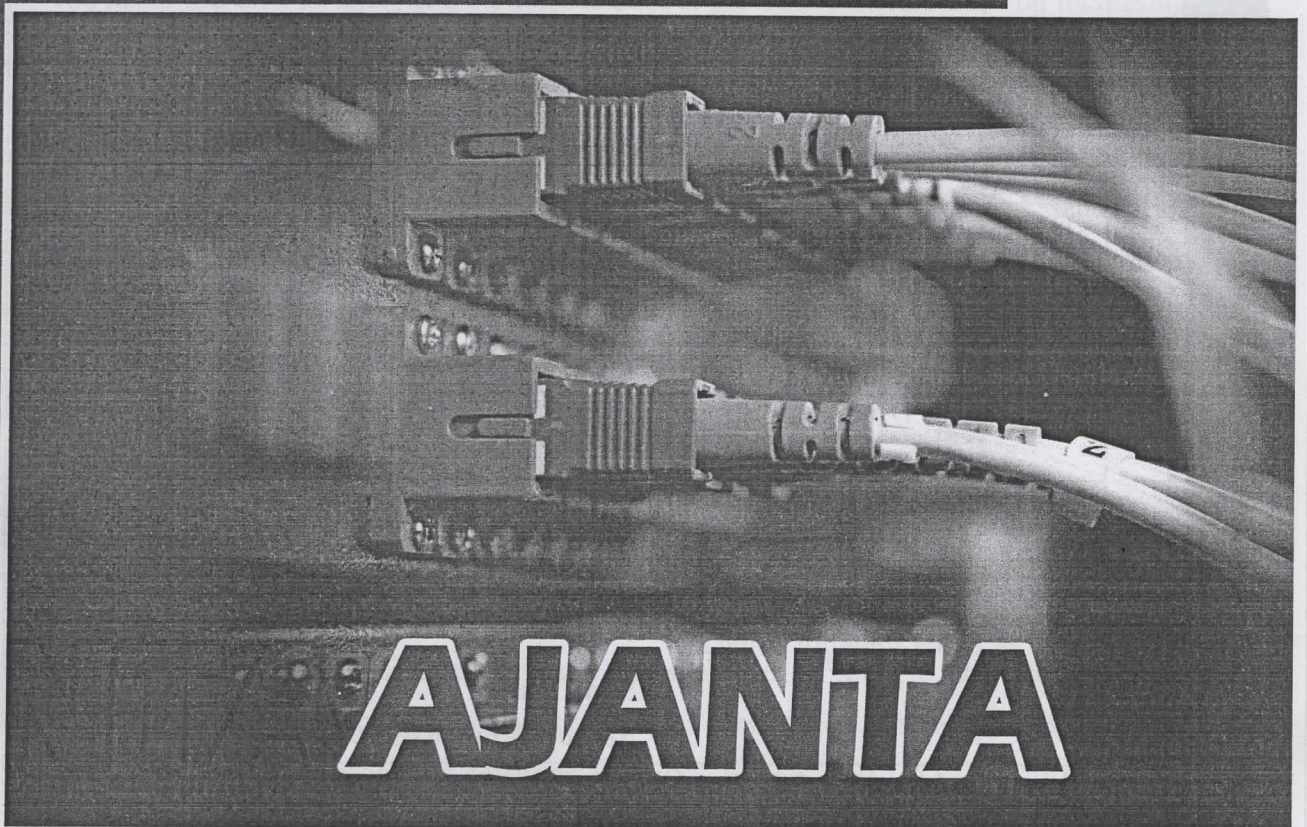




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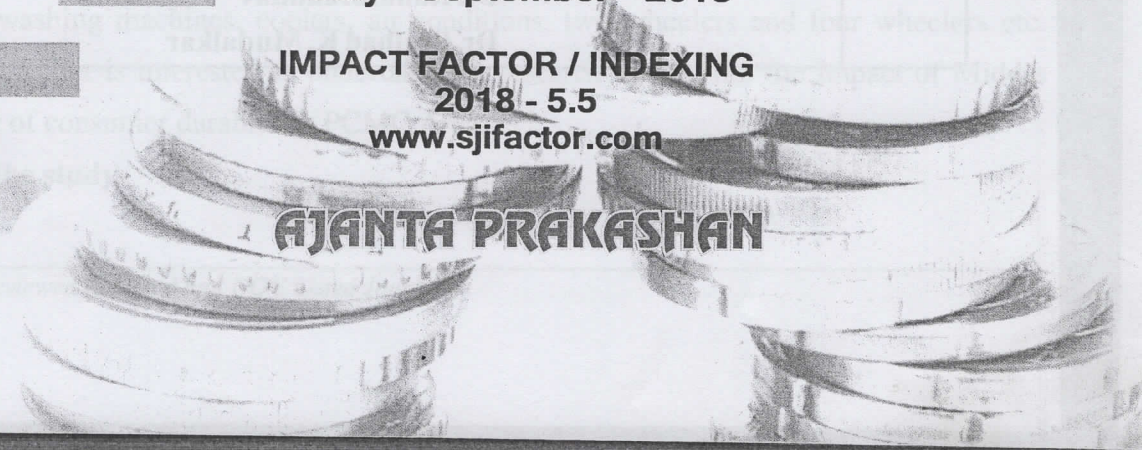
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13. Impact of Growth of Middle Class on Increasing Supply of Consumer Durables in PCMC Area

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Abstract

The paper presents an analytical study of impact of growth of middle class on increasing supply of consumer durables in PCMC area. Indian economy is progressing, GDP is increasing. Increasing consumers' income affects the demand and supply of consumer durables and other commodities which supports economic development. Growth in middle class is observed as well as the purchasing power of people also increasing which affects the life style and standard of living of public. Suppliers from PCMC area are using various marketing strategies/ techniques, providing different facilities, making availability of different brands of commodities to attract consumers. Due to increase trade of consumer durables, suppliers are benefited with profit maximisation.

Key words : Consumer, Supplier, Consumer durables, middle class etc.

Introduction

Since 1991 we have accepted the free economy model i.e. LPG which has given boost to our economy and there is an increase in GDP and NNP compared to pre 1991 period. Our economy is progressing, GDP is increasing and income level of people has become most important determinant for supply of consumer durables and other commodities which are positive change in case of our economic development.

PCMC area is growing fast. Middle class population is increasing. So to motivate them for the purchase of consumer durables suppliers in PCMC area are using various marketing strategies/ techniques, providing different facilities, making availability of different brands of commodities. Due to increase trade of consumer durables, they are benefited with maximum profit. Existence of huge middle class supports to increase supply of consumer durables like refrigerators', washing machines, coolers, air conditions, two wheelers and four wheelers etc. Therefore, Researcher is interested to undertake this research to find out the Impact of Middle class on supply of consumer durables in PCMC Area.

Objectives of the study

1. To study the impact of growth of middle class on increasing supply of consumer durables.
2. To take review of increasing purchase power and changed life style of middle class people.
3. To take review of changed profit level of supplier in PCMC area.

Research Methodology

Survey method is used for conducting the present research study.

Hypothesis

Hypothesis I

Liberalisation, Privatisation and Globalisation policy has supported to increase supply of consumer durables.

Hypothesis II

Growth of consumers' income is supportable to increase profit level of suppliers.

Scope

1. This research study is applicable for PCMC area.
2. This research study is related to suppliers only.

Primary Data

Primary data is collected by Self prepared Questionnaire from 24 suppliers of consumer durables in PCMC area.

Total population of PCMC area is divided into four directions. Then 6 consumers are selected randomly from each sub-area. Stratified & random sampling method is used for sampling to collect Primary data.

Sampling

Sr.No.	Direction	Name of Sub-Area	Sample selected
1	East	Ajmera, Nehrunagar, Morwadi, MIDC, Gawali matha, Landewadi.	6
2	West	Chinchwadgaon, Akurdi Railway station, Rawet, Pradhikaran, Akurdigaon.	6
3	North	Chikhali, Talwade, Moshi, Charholi, Nighoje, Dehu.	6
4	South	Pimprigaon, Kalewadi, Navi sangvi, Rahatni, Thergaon, Wakad.	6

Secondary Data – This is collected from libraries through magazines, articles, published literature and Research centers and internet.

Hypothesis testing

Hypothesis I - Liberalisation, Privatisation and Globalisation policy has supported to increase supply of consumer durables.

It is proved by data analysis of following Tables No. 2, 3, 4, 5, 6.

Table No. 2

Classification of consumer durables

Sr.No.	Particulars	Respondents	Percentage
1	T.V.	24	100%
2	Refrigerator	24	100%
3	Washing machine	24	100%
4	Mixer	24	100%
5	Food processor	24	100%
6	Microwave	24	100%
7	Air conditioner	24	100%
8	Any other	20	83.33%
Total Respondents – 24			

Source – Primary Survey

From table No. 2 it will be seen that out of 24 respondents, 100 % supplier respondents are selling consumer durables like T.V., Refrigerator, Washing machine, Mixer, Food processor, Microwave, Air conditioner. But 83.33% suppliers are selling other consumer durables also like Computer, laptop, camera etc. There is very high demand for such consumer durables.

Table No. 3

Satisfaction about Indian made Quality of goods

Sr.No.	Particulars	Respondents	Percentage
1	Satisfaction about Indian made Quality of goods	19	79.16%
2	Not satisfied	5	20.84%
	Total	24	100%

Source – Primary Survey

From table No. 3 it is seen that out of 24 respondents, 79.16% Supplier respondents are satisfied with the selling of Indian made Quality of goods. Indian made products are suffering from substandard products having high cost as a result of which our products are not getting international market.

Table No. 4

Satisfaction about Prices of Indian made goods

Sr.No.	Particulars	Respondents	Percentage
1	Yes	13	54.17%
2	No	11	45.83%
	Total	24	100%

Source – Primary Survey

From table No. 4 it is observed that out of respondents, 54.17% Supplier respondents are satisfied about Prices of Indian made goods. Also price of the commodity make impact on the demand of the commodity.

Hundred percent respondents agree that the consumer durables of foreign products are available in last ten years. It is the result of free economy and liberalisation & privatisation policies introduced since 1991.

Table No. 5

Availability of foreign products and consumer durables since 10 years

Sr.No.	Particulars	Respondents	Percentage
1	Yes	24	100%
2	No	0	0%
	Total	24	100%

Source – Primary Survey

From table No. 5 it is concluded that out of 24 respondents, 100% supplier respondents are agreed with increase of availability of foreign products and consumer durables in the market.

Table No. 6

Effect of liberalisation on market

Sr.No.	Particulars	Respondents	Percentage
1	Yes	24	100%
2	No	0	0%
	Total	24	100%

Source – Primary Survey

From table No. 6 it is seen that out of 24 respondents, 100% supplier respondents accepted the effect of liberalisation on market. Analysis of effect of liberalisation of market also shows that market is fully influenced by liberalisation which is agreed by hundred percent respondents. Our economy was characterised by quota system, restrictions on exports, up to 1991. It is clear that liberalisation and privatisation policies have direct effect on market. Our consumer durables market is captured by foreign products and companies market for consumer durables becomes is global due to liberalisation policies and trade agreements.

Hypothesis II - Growth of consumers' income is supportable to increase profit level of suppliers.

It is proved by data analysis of following Tables No. 1, 8, 9, 10.

Table No. 1

Increase in Supply

Sr.No.	Particulars	Respondents	Percentage
1	Increase	24	100%
2	Not increase	0	0%
	Total	24	100%

Source – Primary Survey

Above table No. 1 shows that all the suppliers agreed that there is 100% increase in supply which is helpful to increase supply for consumer durables like T.V. Refrigerator, washing machine etc.

Demand for the products plays very important role in manufacture and supply of durables. Liberalisation and privatisation increases competition, supply of durables, concessions and facilities to purchase which resulted in to increased income of middle class in urban area. Hence it has been observed that there is 100% increase in the supply of consumer durables in last ten years in case of respondents selected for study.

Table No. 9

Increase in income last 10 years

Sr.No.	Particulars	Respondents	Percentage
1	Increase	24	100%
2	Not increase	0	0%
	Total	24	100%

Source – Primary Survey

From the table No. 8 it is seen that out of 24 respondents, 100% supplier respondents have given the information that there is increase in their income since 10 years.

As per table No. 8 available primary data all the suppliers agreed that there is 100% increase in their income. Increase in income is the result of inflation, high cost of living and increase in profit margin of any business or vocation. It has direct effect on increasing supply of consumer durables.

Table No. 8

Change in standard of living

Sr.No.	Particulars	Respondents	Percentage
1	Yes	24	100%
2	No	0	0%
	Total	24	100%

Source – Primary Survey

From the table No. 8, it is seen that out of 24 respondents, 100% supplier respondents have changed their standard of living because of increase in income.

As per table No. 8 available primary data all the suppliers agreed that there is 100% increase, in income and it results in change in standard of living Standard of living depends upon the sources of income and the quantity of income of family.

Table No. 10

Provision of various purchasing facilities

Sr.No.	Particulars	Respondents	Percentage
1	Yes	24	100%
2	No	0	0%
	Total	24	100%

Source – Primary Survey

From table No. 10 it is observed that out of 24 respondents, 100% supplier respondents are providing various facilities for easy purchase of consumer durables. They are allowing easy EMI facility, 100% loan facility, free home delivery, free of cost installation, after sales service etc. These facilities are able to attract consumers so that sale goes on increasing.

Findings

The primary data is collected from 24 suppliers as representative of PCMC area gives findings as below:-

Findings on the growth of middle class

- 100% Supplier respondents agreed with the growth in income is supportable to increase supply.
- 100% Supplier respondents said that there is increase in middle class in PCMC area.

Findings related to supply of consumer durables

- 100% Supplier respondents agreed with the growth in income is supportable to increase supply.
- 100% Supplier respondents agreed with the availability of foreign products into the market.
- 54.17% Supplier respondents satisfied about Prices of Indian made goods for consumer durables.
- 100% Supplier respondents agreed that the advertisement effects on purchasing of consumer durables.

Findings on the impact of growth of middle class on increasing supply for consumer durables

- 100% Supplier respondents agreed that there is increase in demand for consumer durables.
- 79.16% Supplier respondents are satisfied about Indian made Quality of goods.
- 54.17% Supplier respondents are satisfied about Prices of Indian made goods.
- 100% Supplier respondents agreed that in the market there is availability of foreign products and consumer durables.
- 100% Supplier respondents agreed that there is effect of liberalization on market.
- 83.33% Supplier respondents stated that they are selling other commodities like camera, laptop etc along with for consumer durables.

Findings related to standard of living of middle class people

- 100% Supplier respondents said that there is change in standard of living because of increase in income.
- 100% Supplier respondents agreed with the availability of foreign products into the market.
- 83.33% Supplier respondents stated that they are selling other commodities like camera, laptop etc along with for consumer durables.

Findings for increase in supply of consumer durables

- Due to the effect of Liberalization, Privatization and Globalization there is increase in supply of consumer durables.
- There is increase in supply of consumer durables due to an increase in competition.
- Due to an increase in employment opportunities there is increase in supply of consumer durables.
- Due to an increment in urbanization there is increase in supply of consumer durables.
- Due to an increase in income and income sources there is increase in supply of consumer durables.
- Due to change in lifestyle there is increase in supply of consumer durables.

Conclusion

LPG affected in more competition, more supply of goods and services as a result of expansion of Industrial and service sector in last two decades. Industrial and service sector is expanding which resulted in growth of Middle class people in our country. Dependence on agriculture is reducing and urbanization is increasing in our country. Existence of huge middle

class has a very strong impact on increasing demand of consumer durables. Growth in middle class and the purchasing power of people has affected the life style and standard of living of public.

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