



INFLUENCE OF ECONOMIC FACTORS ON TEXTILE BUYING BEHAVIOUR

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Abstract

Selection of clothes is not as simple as one feels but involves many important factors that influence the ultimate purchase. As such, the behaviour pattern of textile consumers are influenced by their income mainly. The middle income group spent highest per cent of their total annual income on clothes. Among the business category, the low income group have spent highest per cent of their annual income followed by middle income for the purchase of textile items.

Key Words: Consumer, Textiles, Behavioural Pattern.

1. Introduction

Clothing constitutes one of the basic and fundamental needs of human beings. Therefore, everyone has to purchase clothes at frequent intervals. In a way, no one can escape the responsibility of cloth purchases. Besides being frequently purchased item, it symbolizes fashion trends and in a way identified with the status of an individual. All these features make clothing an unique product despite the low price-tag attached to the same. When consumers decide to purchase a particular type of cloth, they are influenced by a number of factors like income, social and official status, culture, social traditions, external social environment, family size, the distributive methods and so on.

2. Objectives of the Study

1. To study the expenditure on textile items by various income categories.
2. To study the proportion of expenditure on textiles.

3. Research Methodology

3.1 Sample Size

A finite subset of population is called a sample and the process of selection of samples is called sampling. This refers to the number of items to be selected from the population to constitute a sample. Primary data is collected through questionnaires distributed to 250 urban household respondents from Berhampur and Rourkela city of odisha. The entire questionnaire received was screened for errors, incomplete and missing responses.

3.2 Sampling Method purposive sampling method is used for collecting information with the help of questionnaires.

4. Analysis and Interpretation

Table-1 Consumer Profile

Item	Categories	No respondents	of Percentage
Gender	Male	185	74.0
	Female	65	26.0
	Total	250	100.00
Occupation	Service	201	80.4
	Professional	23	9.2
	Business	20	8.0
	Others	6	2.4
	Total	250	100.00
Annual Income	Low income	76	30.4
	Middle income	132	52.8
	High income	42	16.8
	Total	250	100.00

Source: Primary data

Basically the income of the household plays an overriding role in determining the quantum of expenditure on clothing. On an average, the sample households surveyed are found spending 9.2 per cent of their annual income on the purchase of all types



of textile goods. In absolute terms, the spending of Rs. 9.67 thousand by the I₁ income (higher income) group on clothes is highest but in terms of percentage of income it comes to only 5.97 per cent. As against this, the I₃ income (lower income) group spends Rs.4.93 thousand and the I₂ (middle income) group Rs. 7.17 thousand which comprise 12.74 per cent and 10.52 per cent of the annual income of the I₃ and I₂ income group respectively. (Table 2). In order to have further insight into the spending behavior of the three income groups, they are further classified on the basis of their occupation as service holders, professionals and businessmen.

Service Holders

The service holders, on an average spend about 8.8 per cent of their annual income on clothing. Income based classification of the sample reveals that the service holders of the I₃ income group spend highest of 12.32 per cent while the I₂ and I₁ income groups spent 9.73 and 5.94 per cents of their annual income on cloth purchases respectively. In absolute terms, a service holder in the I₁ income group spends double the amount on the textile purchases in comparison to the I₃ income group which can be seen from Table 2. As against this, the average annual income of the I₁ income group in the service holder category is more than four times in comparison to the average annual income of the I₃ income group.

Professionals

Expenditure on the textiles by the sample professional portrays a different trend as can be seen in Table 2. All the groups taken together the professional spent a little higher on textile purchases than the service holders in terms of percentages of their income. Among the various income categories, the I₂ income group spent highest of 14.62 per cent of their total annual income on clothes followed by the I₃ income group with 10.78 per cent. Both the service holders and the professionals in the I₁ income group almost are spending an identical proportion.

Table 2. Income and Expenditure on Textiles by the Sample.

Average household figures in Rs. '000

Class		w income(I ₃)	Middle income(I ₂)	High income(I ₁)	Total
Service	Income	39.52	68.99	162.55	75.34
	Expenditure	4.87	6.71	9.66	6.63
	Percentage	(12.32)	(9.73)	(5.94)	(8.80)
Professional	Income	38.00	66.08	159.83	84.43
	Expenditure	4.10	9.66	9.00	8.28
	Percentage	(10.78)	(14.62)	(5.63)	(9.80)
Business	Income	32.60	65.41	156.50	66.36
	Expenditure	6.82	8.33	11.75	8.29
	Percentage	(20.92)	(12.73)	(7.50)	(12.42)
Others	Income	28.50	50.00	-	39.25
	Expenditure	4.00	9.00	-	6.50
	Percentage	(14.03)	(18.00)	-	(16.56)
Total	Income	38.68	68.12	161.88	74.92
	Expenditure	4.93	7.17	9.67	6.90
	Percentage	(12.74)	(10.52)	(5.97)	(9.20)

of their annual income on the textile materials which comes roughly of about 6 per cent. Another interesting observation is that in absolute terms both the I₂ and I₁ income groups spent about Rs. 9,000 annually on the clothes which is more than double the amount spent on clothes by an average family in I₃ income group of professional category.

Businessmen

The study shows that I₃ and I₁ income groups of this category have spent higher percentage of their annual income on clothes, in comparison to the service holders and the professionals. The business community spends about 12.42 per cent of their annual earning on purchases of different textile materials for their use in the family. Within this category, the I₃ income group have spent highest per cent of 20.92 of their annual income, followed by 12.73 per cent by the I₂ and 7.5 per cent by the I₁ income group for the purchases of textile items.

Rank correlation calculated on the basis of spearman's rank correlation formula shows that, the ranks are almost opposite in the negative trend with about the rank correlation opposite at the half level is 0.5. So at the half way, the ranks of two trends



are in reverse direction i.e. the ranks of expenditure increasing in case of I_3 from rank I to III, maintains the rank is I_2 from downwards III to I.

Income Pattern

Amount the various income categories, the I_3 income group have a mean annual income of Rs. 38.68 thousand per household which ranges from Rs.15, 000 to Rs. 48,000. The mean expenditure on purchase of clothes by these families is Rs. 4.93 thousand which ranges from Rs. 2,800 per annum to Rs.7, 000. The mean annual income of the I_2 income group is Rs. 68.12 thousand per household which ranges from Rs.50, 000 to Rs. 1, 00,000. The mean expenditure on purchase of clothes by these families stands at Rs. 7.17 thousand which ranges from Rs, 5,200 to Rs. 15,000 per annum. In percentage terms, the I_2 income group spend 10.52 per cent which is less in comparison to I_3 income group which is 12.74 per cent. But in absolute terms, the expenditure per household of the I_2 income group is about one and half times more than the I_3 income group. Within the range of income of Rs. 150 to 216 thousand, the I_1 income groups have a mean annual income of Rs. 161.88 thousand. On an average, every family in this group spend roughly Rs. 9.67 thousand which ranges from Rs.7,700 to Rs. 30,000 per annum. On an average, their spending on textiles forms about 5.97 per cent of their income.

Table 3. Proportion of Expenditure on Textiles

Income Range	Frequency	Average Income	Rs. In ' 000	
			Average Expenditure on Textiles	Percentage of Expenditure
Up to 20	4	16.75	4.250	25.373
20-40	37	34.745	5.062	14.569
40-60	68	48.279	5.266	10.909
60-80	63	66.619	6.849	10.281
80-100	35	85.682	8.908	10.397
100-160	22	150.727	8.504	5.642
160-200	18	164.833	10.472	6.353
Above 200	3	205.333	15.166	7.386
Total	250	74.922	6.907	9.219

The trend of income and expenditure on textiles thereof is shown in above table.

Taking all the households investigated in this study, the income pattern and expenditure on purchase of textile materials per annum is shown in Table 3. On an average, the per household income comes to Rs. 74.92 thousand and expenditure on textile is Rs. 6.90 thousand which forms 9.21 per cent of the income. It clearly indicates that in the I_3 income group, a higher percentage of income is spent on the purchase of textiles. In the I_2 income group the percentage of income spent on textiles remained somewhat constant constituting about 10 per cent of their total income. In the I_1 income group, the percentage expenditure on textiles remained constant at about 6 to 7 per cent of their annual income.

Conclusion

From this study it can be concluded that income or the house hold in the primary determinant of the quantum of expenditure on clothing. On the basis of expected expenditure on textile goods by the households surveyed, it is observed that absolute expenditure on textiles witnesses increase with the level of income. However, the percentage of income spent on textiles decreases with the increase in income thus broadly conforming the Engel's Law of consumption.

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