

# Customer Attitude and Perception Regarding Purchasing Used Product in Retail

Amgad S Khaled<sup>1</sup>, Khaled (M.K) Ismail Alshaketheep<sup>2</sup>, Mohsen. A. Moqbel<sup>3</sup>,  
Eissa A. Al-Homaidi<sup>4</sup>

<sup>1,2,3</sup>Department of Business Administration, <sup>4</sup>Department of Commerce,  
Aligarh Muslim University, Aligarh, India.

Corresponding Author: Amgad S Khaled

## ABSTRACT

Customer perception refers to the process through which a consumer chooses, and interprets info/stimuli inputs and classifies to create an important picture of the manufactured goods. The main objectives of the study are to identify: the products which most searched by the customers, the reason from purchasing used products, the benefits customers seek from the used products and evaluate the advertising campaign of the sites selling used products. The data has been collected from the students who are living in Aligarh and the sample size was 150 respondents. It found that the second-hand market has evolved rapidly after the evolution of internet. People prefer to buy from the sites selling used products like OLX, Quikr, Amazon, Ebay, etc.

**Keywords:** *Online Shopping, Second Hand Product, Second Hand Market, Second-Hand Shopping, Customer Perception and Customer Attitude*

## INTRODUCTION

Customer perception refers to the process through which a consumer chooses, and interprets info/stimuli inputs and classifies to create an important picture of the manufactured goods. There are three stage processes that translate raw stimuli into meaningful information. Every individual interprets the meaning of stimulus in a manner consistent with his/her own unique biases, needs and expectations. Three stages of perception are

- Exposure
- Attention
- Interpretation

In simpler terms, it is how a customer see's a particular with whatever he or she has been able to understand by watching the products, its promotions, feedback etc. It is the image of that particular product in the mind of the customer

## Second-Hand Market

If someone tells that he/she is going to buy a new jacket, would it mean that the jacket is really new? Not necessarily. In the past few years, the second-hand market has boomed tremendously. Indeed, this type of business is expanding online and offline.

There are a couple of reasons that seem to justify this trend. On one side, there are good social associations to the act of buying and using or wearing second-hand articles. People feel like they are, in some way, helping the environment and the overall society, by reutilizing something that has already belonged to someone. Also, there is a sense of uniqueness associated to the act of buying something with a little bit of history.

On the other side, there is the current socio-economical context. People are

looking forward to spending less money on the things they need, and also to recover money from the things they do not need. But how can a company take this fact and turn it into something attractive? OLX, Quikr, Amazon, etc. has made that possible. Currently, OLX is the market leader in second-hand online trade.

### **Second-hand product**

A second hand or used goods is one that is being purchased by or otherwise transferred to a second or later end user. A used good can also simply mean it is no longer in the same condition as it was when bought new. When 'used' means an item has expended its purpose, it is typically called garbage, instead. Used goods may be transferred informally between friends and family for free as hand-me-downs, or they may be sold for fraction of their original price. Second-hand goods can benefit the purchaser as the price paid is lower than the same items bought new. Quality second-hand goods can be more durable than equivalent new goods. Second-hand goods may have faults which are not apparent if examined; for example, furniture may have not easily seen bedbugs.

### **Second-hand shopping**

A New shopping trend i.e. second-hand shopping is emerging given the social and economic scenario at fast rate. Internet has provided a new source of information about products and stores and also new purchasing possibilities. Most of the people are now using technology, for both personal and professional reasons. Smartphones and tablets seem to be everywhere and with it new forms of behavior arise. This may be the one reason of the new shopping trend. Another reason may be the economic crisis, which has also changed the way people buy, as they are saving more and spending less. But there is a way for people to buy the same products and pay less, which is to buy in the second-hand market. Indeed, competition is arising in this type of market, as brands are realizing the value it can bring

to their customers. For example Asos, the online clothing company, has founded a second-hand department on their website, and Flipkart is inviting their customers to return their old smartphones in exchange for a new smartphone. Besides these cases, nowadays there are platforms specialized in the second-hand market, and OLX and Quikr are gaining very high popularity in the country. For these reasons, it is important to get a better understanding on the rationale that lies behind these trends that include the use of new technology and second-hand trade. The main objectives of the study are to:

- Identify the products most searched by the customers
- Identify the reason to buy the used products
- Identify the benefits customers seek from the used products
- Evaluate the advertising campaign of the sites selling used products
- Determine the drawbacks of the used products

### **LITERATURE REVIEW**

Buying and selling of second-hand goods is something that has been done for centuries (Damme & Vermoesen, 2009). Second-hand products can be defined as the reuse of an old product while maintaining its original functionality. In some European countries, there have been long traditions of second-hand products consumption. For example, The United Kingdom, the purchase of used or second-hand products is an activity that is deeply rooted in the society (Davis, 2010). However, due to economic factors, with focus on the recent economic crisis, people from different countries have actively joined the second hand market (Guiot & Roux, 2010, Williams & Paddock, 2003). With the use of different studies mentioned in this report it can be identified that customer habits of purchasing goods are changing and the consumption of second-hand products is increasing.

In India, the sales of second hand products have increased dramatically in last few years. A recent report released by the Associated Chamber of Commerce and Industry of India pegged the market for second-hand and recycled products in India at Rs 80,000 crore (\$12,814m), up from Rs 69,000 crore (\$11,027m) in 2012. The report further estimated that the market would cross Rs 1,15,000 crore (\$18,379m) by 2015. The market has recorded a growth of 15% per annum. However, the growth of the Internet, and more specifically, the developed different Internet applications, combined with the introduction of new electronic devices, now provide users with extremely convenient buying and selling facilities. The use of social networks and smart-phones has also revolutionized the second-hand product market among all classes of people in society. As a result, second-hand products consumption is increasing every day. Therefore, it is important to pay attention to the factors that affect the purchase of second-hand products since it is not a simple form of mercantilism. It's a lifestyle, a way to acquire goods that we need and get rid of those that we do not see as useful anymore (Damme & Vermoesen, 2009). Due to this, it is important that more research is conducted in to this particular field, specifically how customers are purchasing second-hand products and which factors are influencing customers when they decide to buy second-hand products. Considering the rapid popularity and increasing trade of second-hand products consumption it is an interesting field of research and, for this reason, one of the objectives of this project is to know the reasons that influence the purchase of second-hand products. Throughout the last 20 years, rapid growth of second-hand products consumption has got the attention of researchers and raised the question; why do customers purchase second-hand products? (Guiot & Roux, 2010). One answer is that, because of economic and ecological reasons, customers are now more interested in second-hand

products, rather than new products (Guiot & Roux, 2010). In fact, according to Williams & Paddock (2003) "disadvantaged groups who are unable to buy new goods from formal retail outlets are the primary users of such sites (online second-hand stores)". Here the disadvantaged group represents those who do not have the economic ability to purchase new products (Mayer, 2003). Although economically disadvantaged groups are the primary customers of second-hand products, this does not rule out economically rational customers, as according to Williams & Paddock (2003) even economically rational customers involve them in the second-hand market. Here, rational customer means those who like to take the best action for utility maximization for getting the best payoffs (Shugan, 2006).

According to Guiot & Roux (2010) due to the recent economic crisis and thus the drop in purchasing power, the middle-class are becoming more involved within the second-hand market. This consequence is pushing them to purchase more second-hand products. Even more, if we still think that only the lower and middle-class are involved in the second-hand market is a totally wrong presumption. A study by Scitovsky (1994) showed that the upper-class involves themselves in the second-hand market also and how the second-hand market is used by all economic classes of people. Additionally, considering another point of view, we can see that the second-hand market does not only enable customer-to-customer (C2C) business, but also it enables manufacturer to customer (M2C) business, for example,. In 1987 AT&T and IBM became used-equipment vendors for the network gears (Zhao & Jagpal, 2006). Nowadays, because of the Internet, everyone has easy access to online second-hand market sites. The Internet and the introduction of mobile devices has changed the methods in which the customer purchases products, and thus is a factor that must be looked in to as the second-hand market is no exception. All in all, it is

important to understand the factors that influence the customer when purchasing second-hand products because a better understanding of those influencing factors can help a manager to construct an appropriate marketing strategy. Customers buy a product when they want to fulfil a certain need. When fulfilling these needs, the customer follows a buying process. This process is considered as a problem solving process which a customer needs to solve (Solomon 2009). From this viewpoint, it can be argued that the customer purchases a second-hand product when they feel they must fulfill their needs. Additionally the second-hand product has all the abilities to fulfill the customer's needs. The purpose of purchasing new and/or second-hand products might be the same. But technically the processes of buying those two types of products are not the same because second-hand products consumption is associated with more risk and can also have impacts on the customer's social status (Scitovsky, 1994). For example, most of the second-hand products do not have warranty, after-sale service or even any specific price value of the product. This in turn can led to customers feeling uncomfortable when purchasing second-hand products. It might be because of the high involvement of risk or some other social reasons. It can be argued that perceived risk is higher for second-hand products for several reasons such as the seller is unknown, the product might be damaged, and there is no product warranty. However, the customer is still buying second-hand products as an alternative to new products. The traditional second-hand marketplace is losing its position in the favor of second-hand online marketplace because of its easy functionality. Through an online marketplace, a customer can buy and sell any second-hand products from different categories. Customers can buy and sell used vehicles, home materials, personal goods, and electronics or hobby products. Although in reality, the popularity of purchasing

second-hand products is increasing in all levels of the society.

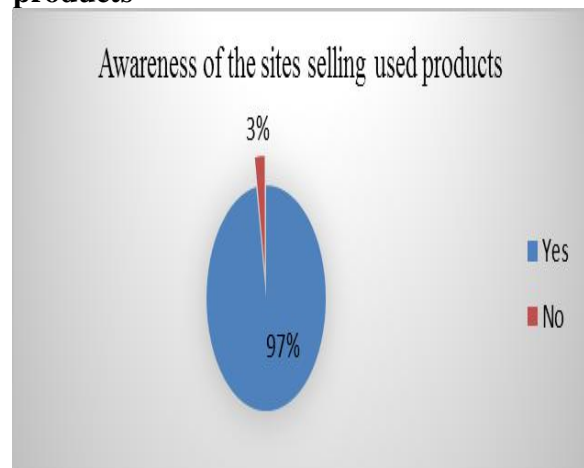
## METHODOLOGY

The data are collected by direct survey through questionnaires. Structured non-disguised questionnaire has been used for this project. And the secondary data is collected for knowing the companies involved in second-hand selling. Research instrument used for data collecting is questionnaire. The questionnaire is prepared in a well-structured and non-disguised form so that it is easily understandable and answerable by everyone. The type of questions include in the questionnaire are open-ended and close-ended both.

**SAMPLE SIZE:** The questionnaires were filled mostly by the students. The total sample size is 150, from which 20.67% of the respondents were of 18-22 age groups, 72.67% were from 23-27 and 6.67% were of more than the age of 27. In regards to income students generally have no income or very less. Most of the respondents were male. The sample size taken for this project is 150.

## Statistical Analysis

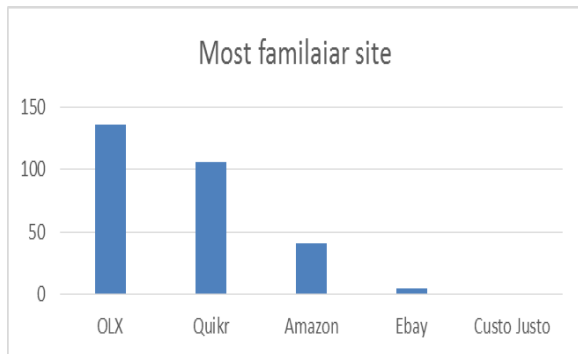
### Awareness of the sites selling used products



**INTERPRETATION:** There were total 150 respondents, out of which 146 (97%) were

aware of sites selling used products, while only 4 (3%) were not aware of these sites.

**Most Common Sites**



INTERPRETATION: Out of 146 respondents, most of the respondents have heard about OLX and Quikr because these sites make advertisement to create awareness.

**Ways of knowing these sites**

	No. of respondents
TV Advertisement	136
Ad in Newspaper/magazines	36
Online Advertisement	41
Word of Mouth	30

INTERPRETATION: Advertisement through television creates more awareness as compared to other media. However other media type has also their significance. Products available on these sites



INTERPRETATION: Furniture, cars & motorcycles and technology product were most searched on the second-hand selling sites. Books, clothing and sports products were also searched but less as compared to furniture and vehicles.

**Prefer to buy used products**

	No. of respondents
Yes	95
No	51

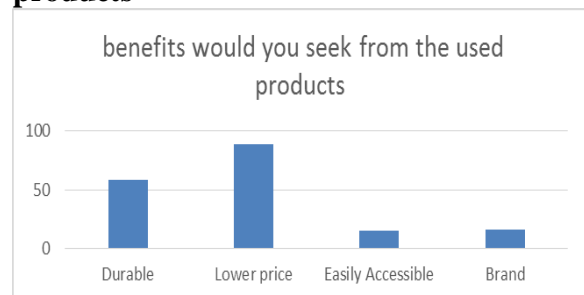
INTERPRETATION: Only 65% respondents have responded to buy used products in future, while 35% have preferred not to buy used products because they are more quality conscious.

**Reason to buy used products**

	No. of respondents
To help the environment	33
To save money	93
Because the product you are looking for is no longer available in the stores	38
Because you wanted to buy something vintage/antique	11

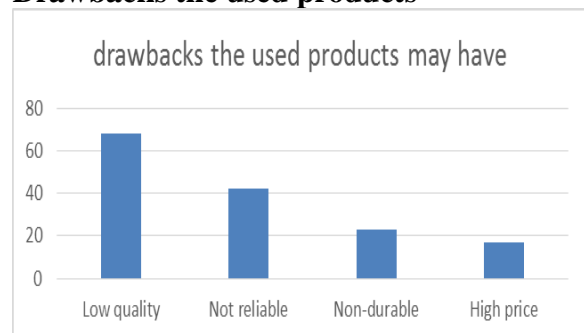
INTERPRETATION: Most of the respondents have preferred to buy used products only to save money. Helping the environment and buying the product which are not available in the stores are also the reason to buy used products.

**Benefits would you seek from the used products**



INTERPRETATION: From used products people seek the benefit most is lower price of the product. Durability is also the benefit people seek from the used products which they are going to buy.

**Drawbacks the used products**



INTERPRETATION: In terms of drawback of the used products, most of the people were agreed that the used products have low quality and are not reliable.



## CONCLUSION

From the study conducted, it is found that the second-hand market has evolved rapidly after the evolution of internet. People prefer to buy from the sites selling used products like OLX, Quikr, Amazon, Ebay, etc. These sites provide wide range of used products like clothing, furniture, technology products, CDs/DVDs, books, cars, motorcycles, sports goods, etc. People prefer to buy used products with several reasons. Some prefer to buy because of the lower price, some because that product is no more available in the market. More than 90% of the responses pointing to the willingness to save money. Some people buy used products because they think buying used products will help the environment.

## REFERENCES

- Amgad Saeed "The Implementation of Rid Technology in Retail Industry in India." IOSR Journal of Business and Management (IOSR-JBM) 20.5 (2018): 13-18.
- Damme, I. V., Vermoesen, R. (2009). Second-hand consumption as a way of life: public auctions in the surroundings of Alost in the late eighteenth century. *Continuity and Change*, Vol.24 (2), 275-305.
- Eissa A. Al-Homaidi1 Amgad Saeed Dabwan2 Dr. Anwar Ahmad3 "Valuation of Inventory Methods in the Industrial Companies in Yemen." IJSRD - International Journal for Scientific Research & Development| Vol. 6, Issue 04, 2018.
- Amgad Saeed Dabwan Khaled & Ali ThabitYahya "The influence of Demonetisation on Consumers of some selected sector In India." International Journal of Research, February 2018.
- Van Damme, I., & Vermoesen, R. (2009). Second-hand consumption as a way of life: public auctions in the surroundings of Alost in the late eighteenth century. *Continuity and change*, 24(2), 275-305.
- Paddock, C. D., & Childs, J. E. (2003). Ehrlichia chaffeensis: a prototypical emerging pathogen. *Clinical microbiology reviews*, 16(1), 37-64.
- Shugan, S. M. (2006). Save research—Abandon the case method of teaching. *Marketing Science*, 25(2), 109-115.
- Mayer, R. E., & Moreno, R. (2003). Nine ways to reduce cognitive load in multimedia learning. *Educational psychologist*, 38(1), 43-52.
- Zhao, H., & Jagpal, S. (2006). The effect of secondhand markets on the firm's dynamic pricing and new product introduction strategies. *International Journal of Research in Marketing*, 23(3), 295-307.
- Scitovsky, A. A. (1994). "The high cost of dying" revisited. *The Milbank Quarterly*, 561-591.
- Guiot, D., & Roux, D. (2010). A second-hand shoppers' motivation scale: Antecedents, consequences, and implications for retailers. *Journal of Retailing*, 86(4), 355-371.
- Solomon, S., Plattner, G. K., Knutti, R., & Friedlingstein, P. (2009). Irreversible climate change due to carbon dioxide emissions. *Proceedings of the national academy of sciences*, 106(6), 1704-1709.
- Guiot, D., & Roux, D. (2010). A second-hand shoppers' motivation scale: Antecedents, consequences, and implications for retailers. *Journal of Retailing*, 86(4), 355-371.
- Davis, M. E., Chen, Z., & Shin, D. M. (2010). Nanoparticle therapeutics: an emerging treatment modality for cancer. In *Nanoscience And Technology: A Collection of Reviews from Nature Journals* (pp. 239-250).
- <http://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/10818-customer-perception.html>
- [https://en.m.wikipedia.org/wiki/used\\_good](https://en.m.wikipedia.org/wiki/used_good)
- [https://en.m.wikipedia.org/wiki/second\\_hand\\_shop](https://en.m.wikipedia.org/wiki/second_hand_shop)
- [m.timesofindia.com/tech/slideshow/oldstuffsale/10-places-to-sell-your-old-stuff-online/itsslideshowviewwall/9299620.cms](http://m.timesofindia.com/tech/slideshow/oldstuffsale/10-places-to-sell-your-old-stuff-online/itsslideshowviewwall/9299620.cms)
- <http://www.aljazeera.com/indepth/features/2014/02/india-shining-second-hand-market-2014211947815757.html>

How to cite this article: Khaled AS, Alshaketheep KI, Moqbel MA et.al. Customer attitude and perception regarding purchasing used product in retail. International Journal of Research and Review. 2018; 5(12):349-354.

\*\*\*\*\*