THE SPANISH COVERINGS CONSUMER. AN APPROXIMATION BASED ON THE HOUSEHOLD LIFE CYCLE

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ABSTRACT

Approximately half of all Spanish ceramic floor and wall tile sales are made on the domestic market. The level of market penetration by international competitors is still not very high, since only 6% of national consumption is imported.

To maintain this favourable situation in the future, Spanish firms need to make an effort to differentiate themselves from the rest. This makes knowing the national consumer indispensable.

This paper attempts to analyse the profile of the Spanish coverings consumer based on the consumer's lifestyle, which has been characterised in this study through the Household Life Cycle.

Once the socio-demographic characteristics of the most representative Spanish consumer groups had been established, their purchasing decision process was reviewed.

1. INTRODUCTION

Growing international competition is forcing our companies to change their strategy outlook. Of course, technically high-quality products and continuing innovation should be maintained, but it is also necessary to heed market demand and listen to clients in order to meet their needs and guarantee the success of the products being offered.

Spanish ceramic tile manufacturers sell 50% of their products on the domestic market. Thus, this study analyses the profile of the Spanish coverings consumer through the Household Life Cycle (HLC) variable.

After the principal consumer groups have been identified and characterised, this paper analyses a series of aspects such as the intended use of the acquired coverings, distinguishing the domains in the home where they are installed, including both the floor and walls, the suitability of ceramics in the home, evaluation of different types of coverings, quantification of consumption, as well as a more detailed analysis of the purchasing decision process in Spain.

In short, the competitiveness of Spanish companies requires paying greater attention to market needs, as well as to consumer shopping habits in order to enable the companies successfully to face the greater rivalry found on an international level.

In order to carry out the study, personal interviews were conducted using a sample of 1200 Spanish households in which renovations had been carried out in the dwellings during the years 2004 and 2005, with a +/-2.8% error margin.

2. RESULTS

The definition of Household Life Cycle (hereafter HLC) is the result of a study which sought to establish a variable that allowed individuals to be segmented, based on the evolutionary stage of the household in which they lived, since that is pivotal to their consumption pattern.

The most representative consumer groups in Spain are those which correspond to the segments referenced Couple I, Couple II, and Autonomous Nest II, which together account for two thirds of the coverings consumers in Spain.

Distribution of coverings consumers as a percentage according to the HLC variable.

Single I: 7.75%	Single II: 6.33%	Single III: 0.17%
Couple I: 15.08%	Couple II: 12.92%	Couple III: 1.17%
Dependant Nest I: 6.17%	Dependant Nest II: 8.08%	
Autonomous Nest I: 2.08%	Autonomous Nest II: 38.75%	Autonomous Nest III: 1.5%

Table 1

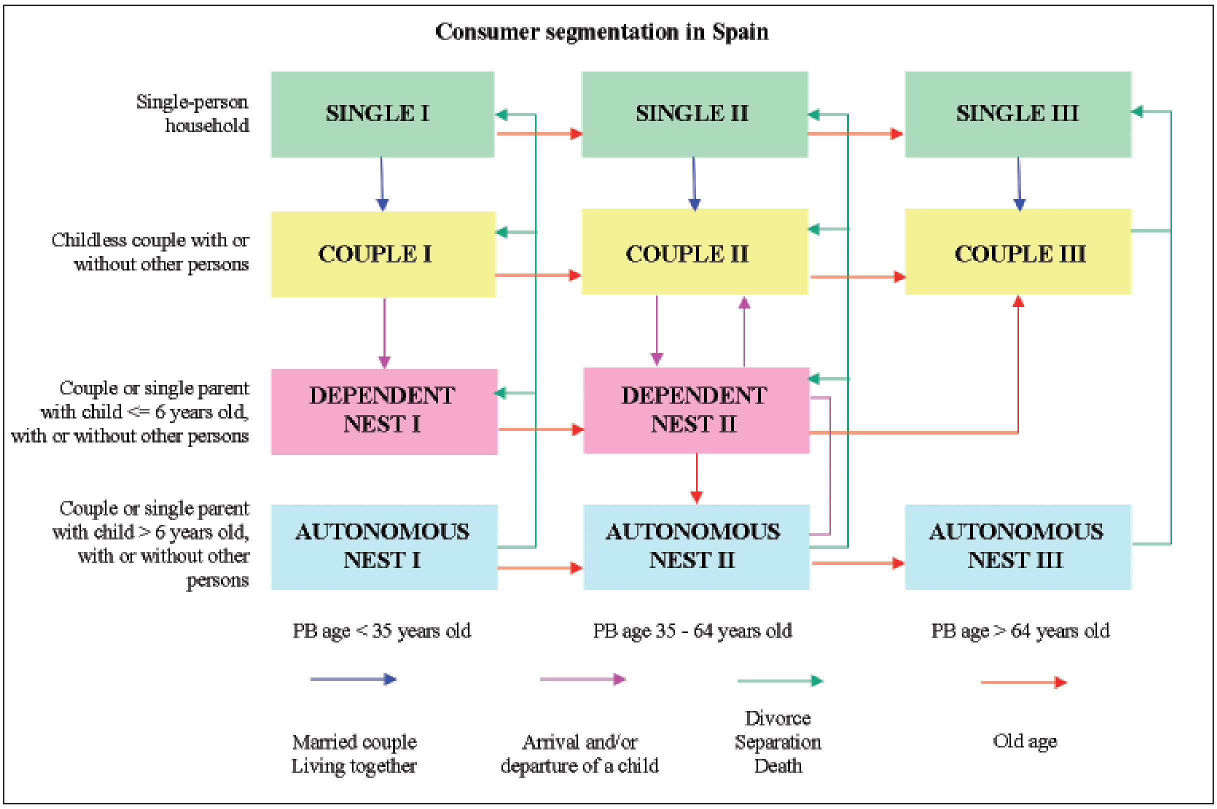
Most coverings consumers made changes to the bathroom (55.8%) and kitchen (52.6%) during 2004 and 2005. Approximately a quarter of these also renovated the lounge/dining room (28.5%) or bedrooms (25.3%)

The great majority of the coverings changes were carried out on floors (with percentages above 90%). Wall alterations basically occurred in bathrooms and kitchens (with percentages between 65 and 75%).

With regard to the type of cladding used on floors in different domains, ceramic tiles were predominantly observed in the bathroom, kitchen, and exterior areas. On the other hand, wood prevailed in the lounge/dining room, bedroom, and other interior areas, such as hallways and entrance halls, amongst others.

With regard to alterations made to wall facings, the most widespread choice was ceramic tile. In other domains, such as the lounge/dining room, bedrooms and other interior areas, significant use of wood was also observed, along with other less commonly used materials, such as stone and vinyl.

In order to ascertain the opinion of the coverings consumer in 2004 and 2005 regarding the suitability of ceramics, consumers were asked to score the following: *"On a scale of 1 to 5 choose the level of suitability you believe ceramics have in the following domains, where 1=very unsuitable, 2=unsuitable, 3=indifferent, 4=suitable, 5=very suitable."* The domains targeted by the analysis were the kitchen, bathroom, lounge/dining room, bedrooms, exterior areas, and facades.



Source: Cruz and Redondo (1998)
Note: PB: Primary Breadwinner. The person earning the most income in the family unit.

Figure 1. HLC diagram

The Spanish consumer believes that the use of ceramics is appropriate in all studied domains, though there are notable differences between these domains. Thus, though the use of ceramics is considered suitable in kitchens and bathrooms by almost all consumers, the same could not be said about the remaining areas.

The prevailing opinion is that the use of ceramics in lounges/dining rooms and bedrooms is unsuitable. However, it was noted that in single-person households, opinion is almost equally divided between those who consider its use suitable, unsuitable, or indifferent. This indifference in single-person households in regard to the suitability of ceramics for lounges/dining rooms and bedrooms may represent an opportunity for companies in our sector.

All interviewed HLC segments considered ceramics to be the most suitable material for kitchen and bathroom cladding with figures near 90%, as well as for exterior areas, where about 60% of people thought it appropriate. On the other hand, there were a wide range of responses from consumers when they were asked about other domains.

The most valued features of tiles were the design and maintenance of the cladding, compared with the environmental aspects, which scored the lowest points.

A scale of 1 to 5 was considered, with 1 meaning total consumer disagreement in the linkage of an attribute to a covering and 5 meaning total agreement. The best value for money was associated with terrazzo (4.2), with marble being assigned the lowest value (3.8). However, marble is the product most closely associated with prestige, with ceramic tiles (3.9) and wood (3.8) hard on its heels.

In view of these results, the key aspects in need of improvement by ceramic tile manufacturers are related to promoting a series of intangible aspects, such as respect for the environment, product prestige/brand, and also after-sales service.

No significant differences were found in these evaluations when the data were analysed as a function of the HLC.

A positioning map has also been created in which different types of coverings are simultaneously represented, with their associated attributes.

Tiles and terrazzo are similarly viewed by consumers and are linked to attributes such as easy cleaning, maintenance, and conservation with time. These products are somewhat removed from the perception consumers have of parquet and marble, which are closer to concepts such as prestige and image, a natural look, and quality (from the consumer's point of view).

According to data provided by the Spanish Statistics Institute (INE) the number of dwellings in Spain was 20.8 million in 2005, though the number of existing households in 2005 was estimated at 15,037,482.

Out of the total number of Spanish households, 25% made some sort of coverings purchase during 2004 and 2005, equivalent to approximately 3,745,000 households.

Based on the total number of households that purchased coverings, the percentage was calculated of the number of households that renovated every room in the home.

In this case it was taken into account that the purchasing households might have intended the claddings for one or more rooms.

More than 50% of the purchasing households assigned the materials bought for kitchen and/or bathroom alterations. Approximately a quarter refurbished the lounge/ dining room and bedrooms, while very few undertook modifications in exterior areas and other interior domains.

More than 84% of purchasing households used ceramic tiles in their renovations while 23% of these opted for wood.

In this case it was taken into account that there were homes where one or more types of cladding were used in the renovations.

The average expenditure by Spanish households on cladding products during 2004 and 2005 was 688 euros, if all existing Spanish households are taken into account. However, if only the households that purchased coverings are considered, the average expenditure increased to 2,765 euros per household. It should be noted that these figures only refer to the purchase of coverings, i.e. it is not the total spent on the renovation but just the amount spent on cladding. The average total amount invested in renovation by Spanish households during these years is estimated at approximately 6,000 euros.

This is why the total cladding consumption in Spain during 2004 and 2005 lies at about 10,353 million euros.

The average spending on ceramic tiles is 2,103 euros per cladding-purchasing household. Taking into account the number of cladding-purchasing households, the total expenditure on ceramic claddings in Spain may be estimated at 6,641 million euros in the years 2005 and 2005.

Some aspects related to the purchasing decision process have then been analysed with regard to the motivation phase, information search and evaluation, purchasing stage, and post-purchase evaluation.

The main motives for change which the interviewees generally mentioned focused on: the old cladding being broken, scratched, defective,…(36%), changing the decoration (about 35%), and renovating and reorganising the space (more than 21%).

Changing the decoration was the main factor in Spain for those households where the primary breadwinner was less than 35 years old, compared with all other types of households, where the most common motive was deterioration of defects in already installed material.

On a national level, 80.5% of households indicated their willingness to change their home claddings, while just over 10% would never do it. The remaining 8.7% were indifferent.

Consumers that thought they should change their claddings again said it would take about 15 years before they made the change.

More than 85% of those surveyed stated they would consult professionals to carry out the tile installation, while about 15% stated they would do it themselves.

This analysis, based on the type of cladding used, shows how terrazzo is the material that is most often installed by the buyers themselves (26.1%), compared with 100% of the marble users who state having needed a professional for installation. Ceramic tiles were installed by a professional in 87% of cases.

It was also analysed whether there had been any previous sense of the type of cladding to be used. In cases where such a notion had existed, it was studied whether the initial idea had changed after information had been sought.

Two specific questions were posed to the consumer. The first was. *"Before starting your information search, did you have any prior idea as to which type of cladding you were going to use?"* The consumer was then asked: *"Did you choose a different type of cladding after you had obtained your information?"*

In this case and for all claddings generally, about 85% of the interviewees admitted that they had had a prior idea. The remaining 16% weren't sure which cladding they wanted to buy before starting their search for information.

Of those individuals who had had such a previous notion, 14% changed their mind during the information search, while 86% stuck to their initial idea.

In the case of those consumers who eventually opted for ceramic tiles as cladding, the data are very similar to the general results indicated.

Consumers obtain the necessary information for taking decisions regarding coverings mainly by visiting shops (more than 90% stated they had visited shops to help them take the final decision). Other widely used information sources were the opinions of friends and family members, as well as consumer catalogues and manufacturers' brochures.

The foregoing comments are also applicable to ceramic tiles, since the results are similar.

Apart from the most commonly used sources, in the study consumers were also asked about the most important sources. Here, the consumer could only indicate one source of information which in his/her opinion was the most important.

Paying visits to coverings shops turned out to be a major source of information, since for 64% of interviewees it was the main source of information used. Less important was seeking expert advice, at 14%, as was consulting family members and/or friends, which scored about 9%. The most irrelevant sources according to consumer opinion were television and trade fairs.

The same conclusions are reached when we analyse the information search process of those who finally opted for having ceramic tiles installed.

Coverings consumers visit an average of 2.9 establishments during the purchasing decision process.

The purchasing decision process continues beyond product selection and purchase. For this reason, aspects relating to satisfaction and loyalty were analysed.

For all evaluated aspects, an evaluation scale of 1 to 5 has been used, where 1 indicates that the consumer is very dissatisfied and 5 that the consumer is very satisfied.

The data on a national level reveal that Spanish coverings consumers are satisfied with their purchases, since the level of satisfaction is above 4. However, it should be noted that even though all evaluated factors scored above 3, the factor that produced the greatest consumer satisfaction was the available product range, closely followed by treatment by sales personnel, seller knowledge, and the availability of useful information. The question that scored the lowest was after-purchase service (3.66).

With regard to loyalty, almost all those surveyed (95.6%) would repeat their decision and choose the same covering if they had to choose again. Only 4.3% would change their material.

As a general conclusion, it may be noted that strengthening intangible aspects (fundamentally prestige/image, respect for the environment, and after-purchase service), greater attention to distribution, and a better understanding of the Spanish coverings consumer are some of the keys to enhancing the competitiveness of Spanish ceramic sector companies. In view of the foregoing, close attention should be paid to the way in which the variables analysed evolve in the coming years.

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