

A Study on Consumption of Rural Consumers

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Abstract

The size of Indian rural market is very wide hence can be seen as a great business opportunity for marketers. The study on rural consumer behavior will help marketers to get a better insight of rural market place and help them to formulate effective strategies. The key objective of this paper is to prepare the profile of the rural consumers and to study various factors influencing their behavior, in relation to selected demographic variables using questionnaire method. The data has been collected from 50 respondents in Sangrur district using random sampling technique. Various tools such as Factor Analysis, Cluster Analysis, Average and Percentage have been used to analyze the data collected. The suggestions and recommendations are purely based on the study conducted.

Keywords: *rural consumers, non-durable products*

Introduction

In our country, the rural markets are the great opportunities for the marketers as three-fourth of the total India's population lives in rural areas and it is estimated to be growing fast as compared to the urban markets. The rural India offers a tremendous market potential. Almost two-thirds of all the middle income households in the country are in rural India and nearly half of India's buying potential lives in villages. Therefore, rural markets are the new emerging markets which are opening up for both the durable and non-durable products. In Fast Moving Consumer Goods (FMCG's), rural market of India is projected to be bigger as compared to urban market. The rural consumption expenditure is around 60% of the total consumption expenditure of the country.

It is well established that the consumers in rural areas are different from consumers in urban areas. The behaviour of consumers differs from product to product depending upon the nature of the product. Complex and extensive decision making is involved in purchasing high value and long durable products whereas routine and habitual decision making is involved in low value, daily non-durable products or consumables. Therefore there is the need for understanding the rural consumers purchasing and consumption pattern as well as factor influencing their consumption behavior to avoid surprise for marketers. Thus this study is focused on the rural consumer behaviour towards non-durable products

Non-Durable Products

Non-durable products are those which are consumed within a short period of time. Also known as consumable goods, most of the non-durable goods are expected to be consumed in three years or less. Some of the examples of the non-durable goods are cosmetics, cleaning products, personal products, clothing, footwear etc.

Review of Literature

Gopiseti and Linganna (2017) studied the factors affecting the consumer buying behaviour towards selected Personal Care Products. Primary data was collected from 200 respondents of Nizamabad District using structured questionnaire. It was found that Television Commercials, Quality and Brand Loyalty were the significant factors which influence the consumer buying behaviour whereas culture, labelling and age were the lowest influencing factors affecting consumer buying behaviour. It was also found that the new entrants in the FMCG market can opt television to create the brand awareness among the consumer along with quality products.

Muneeswaran (2015) studied the factors influencing rural consumers regarding the brand preferences for different brands of bathing soaps in Hamanathpura. The data was collected from 220 respondents through structured questionnaire and analyzed using statistical tools like simple percentage method and chi-square. It was found that the major factors influencing the consumers to buy specific brands were advertisements followed by brand name and brand image. Availability, Product texture, Brand loyalty, Price, Personal selling were the factors which also influenced the rural consumer behaviour.

Gahaifi and Svetlik (2011) studied the factors influencing consumer behaviour in market vegetables in Yemen. The data was collected through structured questionnaire from 463 respondents. It was found that the factors like price, occasion, time of purchase and discontent had highest degree of influence on the consumers, while factors such as habit, display, sorting and location of seller had medium influence, and word of mouth had the lowest influence on the consumers behaviour.

Need of the Study

The study on Indian rural consumer behavior regarding non durable products is aimed at helping marketers to get a better understanding and insight of the Indian rural marketplace thus enabling them to formulate and implement strategies to effectively reach the Indian rural consumers.

Objectives of the study

- i. To study the demographical characteristics of the rural consumers consuming non-durable products.
- ii. To prepare the profile of rural consumers in terms of various factors influencing their purchasing behaviour, in relation to selected demographic variables (sex and annual income)

Research Methodology

- Data sources: the research paper includes both primary data and secondary data. The primary data has been collected with the help of questionnaire. The secondary data was gathered from the different books, articles published in the journals viz. Journals of marketing and journals of advertising, etc.
- Sampling unit and size: The study consisted of the Sangrur District of Punjab. There were 50 rural consumers of ages between 15 to 65 years.
- Sampling procedure and method: Random sampling method
- Statistical Tools used : Factor analysis, Cluster analysis, percentages

Data Analysis and Interpretation

A. DEMOGRAPHIC VARIABLE ANALYSIS

Table (i) GENDER

Gender	Percent
Male	51.9
Female	48.1
Total	100.0

Table (ii) GENDER

Age	Percent
Below 20	34.6
20-40	40.4
40-60	21.2
Above 60	3.8

Table (iii) GENDER

Family Members	Percent
2-3	19.2
4-6	30.8
7-9	38.5
9 and above	11.5
Total	100.0

Table (iv) GENDER

Education Qualification	Percent
2-3	19.2
4-6	30.8
7-9	38.5
9 and above	11.5

Table (v) GENDER

Monthly Income	Percent
Below 25k	38.5
25k-50k	19.2
50k-75k	25.0
75k above	15.4
Total	100.0

Table (vi) GENDER

Occupation	Percent
Farmer	1.9
Labourer	34.6
Govt. employee	48.1
Business	15.4

A. FACTOR ANALYSIS

Table (vii)

SERIAL NO.	FACTOR NAMES	VARIABLES
1	Rational Evaluation	Quality, Previous Experience and Awareness
2	Add- on benefits	Guarantee and Warranty
3	Communication Factors	Friends, Advertisement, Availability
4	Price And Ease in use	Price and Convenience
5	Technical Factors	Product Features and Size
6	Brand Image	Brand Image

Interpretation: Initially thirteen variables were considered for the study namely Price, Quality, Availability, Friends and Relatives, Brand Image, Convenience to use, Discount, Guarantee and Warranty, Previous Experiences, Product Awareness, Product Features and Product Size.. From above table, it us noticed that Factor 1 (F1) has three significant loadings(Quality, Previous Experience and Awareness), Factor 2(F2) has 2 variables(Guarantee and Warranty), Factor 3 (F3) has 3 variables(Friends, Advertisement, Availability),Factor 4(F4) has 2 variables(Price and Convenience), Factor 5(F5) has 2 variables(Product Features and Size), Factor 6(F6) has only one variable(Brand Image). These factors can be used as variables for further analysis. The six factors extracted are labeled as: Rational Evaluation, Add- on benefits, Communication Factors, Price and Ease in use, Technical Factors And Brand Image.

Cluster Analysis

CLUSTER MEMBERSHIP			
SERIAL NO.	CLUSTERS	VARIABLES	DEMOGRAPHIC CHARACTERISTICS(Gender and Annual Income)
1	RATIONAL CONSUMERS	Availability, Product Features, Convenience, Discount	<ul style="list-style-type: none"> • Female • Below 25000
2	EXTENSIVE DECISION MAKERS	Guarantee and Warranty, Discount, Availability, Product Features	<ul style="list-style-type: none"> • Male • Between 25000-50000
3	BRAND CONSCIOUS CONSUMERS	Brand Image, Product Features, Guarantee and Warranty	<ul style="list-style-type: none"> • Male • Between 50000-75000
4	RISK AVERTERS	Awareness, Convenience, Friends and Relatives	<ul style="list-style-type: none"> • Female • Below 25000

Findings and Conclusion

The present study shows the following results and findings:-

- 1) There are six major factors which influence the buying behaviour of rural consumers regarding non durables i.e. Rational Evaluation, Add- on benefits, Communication Factors, Price And Ease in use, Technical Factors And Brand Image.
- 2) There are 4 major clusters of rural consumers representing a particular buying behaviour towards non durable products namely Rational consumers, Extensive decision makers, Brand conscious consumers and Risk averters. These 4 clusters of rural consumers are profiled on the basis of demographical variables (sex and income) in following manners:
 - (a) Rational consumers are mainly females having income below 25000.
 - (b) Extensive decision makers are males having income between 25000-50000
 - (c) Brand conscious consumers are mainly males having income between 50000-75000
 - (d) Risk averters are mainly females having income below 25000

Therefore the present study contributes in understanding the major factors influencing the buying behaviour of rural consumers towards non durable products and classifying them according to their demographical variables in order to help marketers and policy makers to get better insight of the rural market place.

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