



CONSUMER BEHAVIOUR IN RURAL MARKETS - A CASE STUDY

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Abstract

Consumer behaviour is a field of knowledge that explains and predicts how consumers make buying decisions. It helps the marketers to evolve suitable marketing strategies. Understanding consumer behaviour is a complex process as every consumer is unique in terms of tastes, preferences, likes, dislikes and adopts different behavior patterns while making purchase decisions. The study of rural consumer assumes importance so as to frame effective rural marketing strategies, distinct from marketing strategies of urban consumers. The rural consumer is more of an adopter than an innovator. If the product is of good quality and gives value for money, there is high probability of adoption and brand loyalty. In recent times, information boom has done a lot to bring changes in the rural market. The awareness and aspiration levels of rural consumers are on a higher plane owing to fully expanded media network in to every nook and corner of rural India. The present paper tries to examine rural consumer behaviour in terms of understanding consumption patterns, awareness levels and buying habits of selected consumer products.

Key Words: *Rural Consumer Behaviour, Awareness Levels of Rural Consumers, Rural Buying Habits, Rural Marketing, Indian Rural consumer*

INTRODUCTION

Consumer behaviour is simply a part of human behaviour. Consumer behaviour is the process whereby individuals decide whether, what, when, where, how and from whom to purchase goods and services. The rural consumer is more of an adopter than an innovator. If the product is of good quality and gives value for money, there is a higher probability of adoption and brand loyalty. Genereally in rural areas, the male members rural households have a decisive role in the purchase decisions. However, this phenomenon is changing slowly. Increased incomes and improved education and awareness levels have made the villagers to seek better quality of life. Rural consumers are becoming more knowledgeable about the availability of different brands, as the increasing number of commercials on radio and television are educating them. Informational boom in the recent times has done a lot to bring changes in the rural market. The awareness and aspiration levels of rural consumers are on a higher plane owing to fully expanded media network in to every nook and corner of rural India.

REVIEW OF LITERATURE

Anil Mishra (2009) found that rural consumers mostly use friends, T.V. and retailer as the source of information, the purchase decision is taken by self decision with the help of family and friends. The study also indicated that rural consumers are less quality, functions and brand conscious compared to urban consumers.

Abbas Ali et al., suggested that Retailer is an important source of information to the rural consumers due to the trust factor. The study also suggested that low price strategy is recommended for rural markets not compromising on the quality aspects of the brands because the rural consumers are quality conscious.

H.Venkateswarlu (1995) made a comparative study of consumer behaviour of both urban and rural markets on a sample of 1000 consumers. The study revealed that shop loyalty is high in both urban and rural markets. Retailers in rural markets appeared most effective in brand promotion compared to their urban counterparts.

Kuchi Sayulu (1992) identified the need for the retailers to study the needs, tastes and behaviour of rural consumer to effective marketing in rural areas and also to take steps to minimise the amount of consumer dissatisfaction. He suggested that it is necessary for the retailers to properly disclose the information regarding the price and the terms of sale.

Shamim Ahmed (1991) found that reference groups and media have been the dominant sources of knowledge. Advertisements have impact on literate people and influence the purchase decision of rural consumers. Consumer attitude towards the two promotional tools namely price discounts and free gifts is positive.

OBJECTIVES

1. To examine the brand awareness and usage pattern of selected consumer durable and non-durable products in rural markets.
2. To study the buying habits of rural consumers.
3. To understand the sources of information and the factors influencing the purchase decision of rural consumers.

RESEARCH METHODOLOGY

The present study is exploratory in nature. It is undertaken at state level selecting 300 consumers from three selected districts of Andhra Pradesh and Telangana namely Krishna, Warangal and Chittoor. Two villages are selected from each district. For the purpose of collecting primary data from the sample consumers in the selected villages, a structured questionnaire is designed and administered on the sample respondents. The data collected through questionnaire is classified and arranged through appropriate tables. The weighted scores have been calculated to analyse the data.

FINDINGS AND CONCLUSIONS

A.Brand Awareness and Usage Pattern in Rural Areas

An important purpose of marketing communications is to create brand awareness and develop brand loyalty among consumers which ultimately helps in selling the brands. About brand awareness and loyalty in rural areas, it is generally believed that on account of illiteracy and lack of persistent publicity, branding carries practically little importance. Rural consumers normally do not make brand discrimination, but once induced to buy and use a product; they become loyal to the brand, provided they are satisfied with its functional utility. Such a loyal user may even make efforts to get the whole village to use it.

In order to understand the brand awareness and usage pattern for the selected consumer durables and non-durables, the sample respondents were asked to indicate their responses. The data related to each product category is shown below:

Brand Awareness and Usage Pattern – Consumer Non-Durables

Product Category: Tooth Paste/Powder

S. No	Brand	No. of Respondents						Total	
		Krishna		Chittoor		Warangal		Brands Use	Brands Known
		Brands Use	Brands Known	Brands Use	Brands Known	Brands Use	Brands Known		
1	Colgate	38	64	27	51	25	68	90	183
2	Pepsodent	17	55	17	32	22	38	56	125
3	Close up	15	49	19	43	20	33	54	125
4	Promise	02	15	-	13	03	09	05	37
5	Anchor	07	28	12	18	03	11	22	51
6	Dabur Red	12	32	18	23	16	29	46	84
7	Local brands	09	14	07	07	11	18	27	39
	Total	100	257	100	187	100	206	300	644

Product Category: Toilet Soap

S. No	Brand	No. of Respondents						Total	
		Krishna		Chittoor		Warangal		Brands Use	Brands Known
		Brands Use	Brands Known	Brands Use	Brands Known	Brands Use	Brands Known		
1	Santor	48	88	39	81	32	78	119	247
2	Lifebuoy	17	56	26	65	30	59	73	180
3	Lux	15	52	11	58	13	53	39	163
4	Rexona-Hamam	05	38	08	34	11	33	24	105
5	Liril	06	27	03	25	01	32	10	84
6	Mysore Sandal	08	25	09	32	05	40	22	97
7	Pears	-	24	04	30	06	15	10	69
8	Medimix	12	28	07	21	13	27	32	76
9	Cinthol	09	39	14	34	12	40	35	113
10	Vivel	05	11	02	12	01	05	08	28
	Total	125	388	123	392	124	382	372	1162

Product Category: Tea Powder

S. No	Product/Brand	No. of Respondents						Total	
		Krishna		Chittoor		Warangal		Brands Use	Brands Known
		Brands Use	Brands Known	Brands Use	Brands Known	Brands Use	Brands Known		
1	Chakra Gold	58	82	43	78	52	80	153	240
2	No.1	05	24	09	30	02	19	16	73
3	3 Roses	21	46	30	53	17	49	68	148
4	Taj Mahal	08	35	07	31	07	38	22	104
5	Gemini	05	32	11	26	12	30	28	88
6	Red Label	-	27	-	15	-	12	-	54
7	Local brands.	03	07	-	-	08	10	11	17
	Total	100	253	100	233	98	238	298	724

Source: Questionnaire administered on Sample Consumers

Brand Awareness and Usage Pattern – Consumer Non-Durables

1. Tooth Paste/Powder: In case of Tooth Paste/Powder, it is observed that Colgate is known to majority of the respondents and also being used by the majority. The other two brands in order of preference are Pepsodent and Close up respectively. It is observed that a significant number of rural consumers use local brands. It may also be observed that the number of respondents aware of various brands is more than the number of respondents using the brands. It reveals that though rural consumers have knowledge about multiple brands they use only one or two selected brands. The area wise analysis reveals that the awareness levels of Krishna district are more than the other two districts.

2. Toilet Soap: It may be observed from the toilet soaps category that the awareness levels of respondents of various brands are high. But, sample respondents are found to have used only few numbers of brands. Santoor is a popular brand being used by majority of the sample respondents. The other brand namely Lifebuoy and Lux have significant share in the rural market. On the whole, the usage as well as awareness for different brands in toilet soap category is considerable. The sample consumers are found to have used a number of brands of toilet soap while the awareness level is significantly high in rural markets.

3. Tea Powder: The rate of penetration of branded tea powder is found to be high in the study. It is an important observation that rural consumers seem to be preferring packed and branded tea rather than unbranded and loose tea unlike in the past. This shows that rural market is wide open for marketing branded tea powder.

It can be seen from the table that among the various brands used by the sample respondents, Chakra Gold is popular being used by majority of the respondents in almost all villages. It is followed by 3 roses. Brand awareness is also high for brands Chakra Gold, 3 Roses and Taj Mahal. The discussions with the respondents in the sample villages revealed that the users of Chakra Gold were reluctant to change their brand though they know about various other tea brands available in the market.

I.Brand Awareness and Usage Pattern – Consumer Durables

Product Category: Television

S. No	Brand	No. of Respondents						Total	
		Krishna		Chittoor		Warangal		Brands Use	Brands Known
		Brands Use	Brands Known	Brands Use	Brands Known	Brands Use	Brands Known		
1	Onida	25	42	15	38	16	41	56	121
2	Philips	09	25	07	26	02	30	18	81
3	Videcon	11	22	10	19	08	18	29	59
4	BPL	07	32	08	20	05	27	20	79
5	LG	18	30	14	38	18	40	50	108
6	Sony	03	15	01	12	04	22	08	49
7	Sharp	04	18	03	15	06	20	13	53
	Total	77	184	58	168	59	198	194	550

Product Category: Two-wheeler

S. No	Brand	No. of Respondents						Total	
		Krishna		Chittoor		Warangal			
		Brands Use	Brands Known	Brands Use	Brands Known	Brands Use	Brands Known	Brands Use	Brands Known
1	Hero	14	37	13	28	06	40	33	105
2	Honda	09	22	12	25	05	05	26	52
3	Bajaj	03	38	05	32	04	26	12	96
4	TVS	09	37	07	30	03	25	19	92
5	Yamaha	04	25	03	22	-	21	07	68
Total		39	159	40	137	18	117	97	413

Product Category: Mobile Phone

S. No	Brand	No. of Respondents						Total	
		Krishna		Chittoor		Warangal			
		Brands Use	Brands Known	Brands Use	Brands Known	Brands Use	Brands Known	Brands Use	Brands Known
1	Nokia	12	15	04	12	01	18	17	45
2	Sony Ericson	10	32	03	25	02	22	15	79
3	Samsung	21	56	22	45	15	50	58	151
4	LG	05	20	06	28	05	29	16	77
5	Spice	-	05	03	08	02	03	05	16
6	Other brands	04	-	07	-	03	-	14	-
Total		52	128	45	118	28	122	125	368

Source; Questionnaire administered on Sample Consumers

II. Brand Awareness and Usage Pattern – Consumer Durables

1. Television:It can be found from the table that among the various brands, Onida is the popular brand being used by 28% of the sample respondents. It is followed by LG. The other brands in order of importance are Videocon, BPL and Philips. Regarding knowledge of various brands, more number of sample respondents was found to know about Onida which is followed by LG.

A comparison between brand awareness and usage reveals that most of the sample respondents were found to have knowledge of various brands of TV irrespective of the fact that they use TV or not.

2. Two Wheeler:It can be seen from the table that Hero is the popular brand being used by majority of the respondents followed by Honda and TVS. The reason for popularity of Hero two wheeler is that rural people perceive the brand as very sturdy and suitable for rural roads. As regards brand awareness, the sample respondents know about all the popular brands of two wheelers in the market despite they use a few number of brands.

3. Mobile Phone:The advent of Technological/Communication revolution explores the rural consumers attracted to use mobile phone as a communication device. A recent survey indicates that more than 50 % of the mobile sales are from rural consumers. The present study tries to examine the mobile usage and awareness pattern of rural consumers. The most popular brand being used and known to majority of the sample consumers is Samsung. It is followed by Sony Ericson and LG. It is observed from the study that rural youth have more knowledge of different brands being promoted by the mobile companies from time to time.

B. Buying Habits:The place where the consumer prefers to shop is important for marketer to design his distribution strategy because if the products are not made available at the place where consumer shops, the consumer may buy another available brand. Apart from this, the preference of shopping place will also help the marketers to design appropriate communication strategies. The point of purchase (POP) has become the company's important merchandising and advertising medium. It is believed to be the most effective during product launches or when new line extensions are introduced. More importantly, POPs serve as good remainder medium¹. Keeping this in view, it is now proposed to examine the rural consumer sources of purchasing consumer durables and non-durables. For this purpose, the sample respondents were asked to indicate the places of various products in order of preference. The weighted scores were calculated to the responses given by them and shown in the following table.

Place of Buying by Rural Consumers

I. Consumer Non-durables

S.No.	Source of Purchase	No. of Responses (Weighted scores)			
		Krishna	Chittoor	Warangal	Total
1	Village Retail Shop	282	322	268	872
2	Town retail shop	238	359	376	973
3	Super bazaar	56	78	24	158
4	Dealer	15	11	08	34
5	Company show rooms	-	-	-	-
6	Trade fairs/Weekly markets	44	48	79	171

II. Consumer Durables

S.No.	Source of purchase	No. of Responses (Weighted scores)			
		Krishna	Chittoor	Warangal	Total
1	Village retail shop	46	32	48	126
2	Town retail shop	252	261	274	787
3	Dealers	228	183	132	543
4	Companyshow rooms	128	114	208	450
5	Mobile stores	87	62	45	194
6	Others	11	20	24	55

Source: Questionnaire administered on Sample Consumers

It may be observed from the above table that, in the three sample districts, most of the consumer non-durables items are purchased at village retail shops. However, rural people also purchase their consumer items from the nearby towns whenever they happen to visit these places. It depends upon the accessibility and the frequency of visits to the urban centers. The main reason for purchasing in the town retail shop is due to availability of wide range of products and price concessions offered by these shops. The company showrooms are not preferred by rural consumers as they are not access to these shops. However, the rural consumers have the knowledge of these shops available in the urban centers. In the durables category, rural consumers prefer to purchase from Town retail shops. The other sources in order of preference are Dealers and Company show rooms.

A comparison of three districts reveals that the sample consumers of Krishna district mostly purchase their consumer items from the town retail shops while the sample consumers of other two districts purchase their consumer items from village retail shops. It is due to fact that the consumers in this district have access to the urban centers.

C.Sources of Information

The purchase decisions for consumer durables and non-durables are based on the information gathered by the consumers from various sources. These sources normally include the family members, friends, neighbors, advertisements, village opinion leaders, shop keepers, demonstrations etc. Apart from these sources, consumer is influenced by his own past experience in purchasing these products. An understanding about the sources of information for rural consumers will be highly rewarding for the marketers to design their communication strategies and deliver them through appropriate sources. Keeping this in view, an attempt is made to find out the sources of information for purchase of various consumer non-durables and durable items in order of preference.

Sources of Information for Purchase of Consumer Items

I. Consumer Non-durables

S.No	Source	No. of Responses (Weighted scores)			
		Krishna	Chittoor	Warangal	Total
1	Self Experience	538	405	398	1341
2	Friends/Neighbors	168	132	169	469
3	Family members	257	269	241	767
4	Advertisements	68	58	72	198
5	Shop keepers' advice	98	112	123	333
6	Opinion leader	34	47	42	123
7	Demonstration	12	09	16	37

II. Consumer Durables

S.No	Source	No. of Responses (Weighted scores)			
		Krishna	Chittoor	Warangal	Total
1	Self Experience	253	148	203	604
2	Friends/Neighbors	578	509	412	1499
3	Family members	356	370	348	1074
4	Advertisements	41	19	42	102
5	Shop keepers' advice	265	217	314	796
6	Opinion leader	328	342	290	960
7	Demonstration	117	138	140	395

Source: Questionnaire administered on Sample Consumers

It can be observed from the table that in case of consumer non-durables self experience is the major source of opinion formation and reinforcement about products and brands. The other sources in order of importance are opinion of family members and advices of friends and neighbors and shop keepers' advice. It may be noted that the advertisements have not been considered as major source of influences on purchase decision. The advices of opinion leaders also do not form major influence on the rural consumers in purchasing consumer non-durables.

In case of consumer durables, advices of friends and neighbors is found to be a major source, while family members, opinion leaders and shop keepers are other important sources influencing the buying decisions. Self experience has no significant influence because consumer durables are not purchased repeatedly. It may be noted that advices of opinion leaders also form important sources of influencing buying decision. This may be due the reason that on account of illiteracy and low level of awareness, rural consumers use to take advices of opinion leaders and try to implement the ideas of these opinion leaders. That is why communication through the opinion leaders will have greater impact on the rural consumers. The rural consumers revealed that advertisements do not have major impact on purchase of consumer items.

CONCLUSION

The emergence of rural market as a business proposition has generated a new interest among the indian marketers to explore these markets and study the rural consumer. Rural consumers are fundamentally different from their urban counterparts. The study of rural consumer is of paramount importance in this competitive era. The present study found that the consumption and awareness levels of selected consumer items are significantly increased. The rural consumers are exposed to no. of brands in all the product categories. The study of buying habits of rural consumers explores the need for the marketers to strengthen the role of retail outlets in the rural areas for consumer non-durables. However, for purchase of consumer durables, the study revealed that rural consumers depend on town outlets. Regarding the sources of information, the rural consumers are found to have influenced by self experience in case of consumer non-durables and friends and neighbours in case of consumer durable items. It is also found that opinion leaders also play significant role in influencing the purchase decision of rural consumers.

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