

Indian Rural Consumer's Perception and their Buying Decisions

ASHISH KUMAR MISHRA

Program Director

Uniglobe College, Baneshwor, Kathmandu

Abstract

Today the consumers of India have a multiple influence on income growth, aspiration to consume and a changed friendly thoughts and social status across the income ship, especially in rural India. Therefore, the buying behaviour of rural consumers has become an important –topic for discussion because in rural India, in recent time, is consuming everything from detergent to cars and this “rural perception” is being the important topic of market analysis. Besides, we know well that purchase decision in Indian homes have become a collective process with women and teenage children playing a major role on product and brand choices. Rural customers are conscious of value for money and for every rupee each spends. It is difficult to analyse the behaviour of the rural consumers towards the perceptions of the product. In this study the try has been made to know the buying perceptions of the rural consumer, their awareness about the product and their influential's on their purchasing behaviour. In this competitive market, the companies have to understand the customs and the role of the rural consumers to establish themselves into the rural market.

The Indian rural market with grand size and grand demand attracts great opportunities to the marketers. Two third of our country's consumer lives in rural areas and almost half of the national income is generated from here. Our country is classified in 630000 villages that may be sorted in different parameters such as literacy levels, income levels, penetrations and distances. Customer satisfaction is essentially the culmination of series of customer experiences or, the net result of the good ones and the minus ones. It is an old saying that customer is the king because he is the person whose decision have an influence on the demand of any product or service.

Key words: Rural perception, custom, consumer, purchasing behaviour

Introduction

This paper focuses on the behaviour of the rural consumer towards the product. Today's rural customer has somewhat changed themselves on the perception of the marketing of the product. Customers are always in changing mood, everyone wants something innovative and the innovative product has attracted the rural customers with a surprise. The changing behaviour of the rural consumers, the marketing strategists and multinationals has concentrated towards the Indian rural market. The marketing channel has played a great role in influencing the purchasing behaviour of the rural customers. The excessive interventions of the private companies as HUL, Calvin Care, Porter and Gamble, often resulted in the success of rural marketing in India. The Indian rural market is observed as a high potential market across the world. According to the NCAER report published in The Economic Times, 1 August, 2010 Indian consumers' earning, saving and consumption patterns are rapidly changing much that a recent report by The Centre for Macro Consumer Research (CMCR) of the National Council of Applied Economic Research (NCAER) predicts that by 2015, incomes of more than 42% rural household will shift from agriculture to non-farm sources as construction, retail, trading etal. The rural landscape is undergoing a steady but dramatic change although it leads to a shift in an income sources and consumption patterns by consumers in rural India. Another point that the report brings forth is the size of the under-educated work force that rural India has. It says that hardly 14% of rural households have a graduate and above as a chief bread winner accounting for over 28% of the total household income. Reinforcing the perception of Indians as a public who save for the rainy day, the report points out that as many as 81% rural households save a part of their income for the future, even as more than 50% of households are confident about the stability of the future.

Attempting to map consumer behaviour accurately is a constant challenge for market researchers. Today the annual size of the rural market for value is estimated at around 1.80,000 crores for FMCG, Rs 6000 crores for durables, Rs 55000 crores for automobiles. The market analyst feels that rural markets are important for the growth of companies as Hindustan Lever, the largest FMGC Company in the country.

Marketing is all about knowing the consumer or customer intentions. Rural consumers are fundamentally different from their urban consumers and different rural geographies areas considerable heterogeneity and hence it requires rural-specific and region-specific analysis of consumer behaviour for understanding the rural consumers to know well that to what extent the consumer welfare is being enjoyed by the rural consumers. Similar studies regarding behaviour of contractors in case of Kathmandu Nepal has been conducted best on positivism and found that contractors are also reluctant to change at the time of buying contract (Mishra & Regmi, 2017; Chilual & Mishra 2018; Mishra & Rai, 2017). This shows the behavioural studies is to be focussed for all type consumer in coming days.

Methodology

The knowledge and understanding of rural consumer behaviour leads to consumer protection and welfare that is synonymous with the concept of economic welfare. Therefore, keeping in view the important goal of consumer welfare, a small level survey has been taken to observe, understand and analyse the buying behaviour of rural consumers with particular reference to weaker sections.

Objectives

This study aimed at to investigate and analyse the effect of socio-economic influences on rural consumer behaviour in their purchasing practices and focusing on the pattern of decision making agents with specific attention to the social status and level of income. Basically this study aims at:

1. To identify the mode of purchase of the products.
2. To estimate the level of bargaining in the purchasing process.
3. To analyse the influence of family members in decision making process.
4. To find out the certain factors that have a bearing on consumer behaviour?

Area of the study

Five retail shops in Balrampur town of Uttar Pradesh State, to which the nearby rural consumers are habituated to visit and purchase the consumer goods, were selected for interviewing the sample buyers. Two shops situated at chowk Bazar, a shop near to veer vinay chowk and two shops near to vegetable market are selected to cover the rural consumers and from different directions, residing in the surrounding villages of Balrampur town within a distance of 10 kms.

Sample Size

The size of the sample is 100 rural consumers, who are the resident of four villages of Balrampur revenue mandal and represent three sectors of the rural economy-agriculture, industry and services. Among these 100 samples consumers, 40(40.0percent) belong to Big Farmers and salaried employees 20(20.0 percent).40(40.0 percent) of sample consumers represents weaker sections, Comprising small and marginal farmers, landless agricultural labourers and rural artisans. Purposive random sampling technique was used for selecting the consumers to have different categories of buyers with specific attention to in income- groups and social status. 50(50 percent) sample buyers belong to SCs,STs and OBCs and 50(50 percent) belong to other categories of social status. Among the 100 sample buyers 58(58 percent) belong to the income group of Rs. Less than 10,000; 32(32 percent) belong to the income group of Rs 10001-25000 and 10(10 percent) belong to 25001+income group representing lower, middle and higher income groups.

Study Area

This study was carried out at the selected shops in Balrampur town, Uttar Pradesh, India.

Data collection

The study is based on the primary data collected by interviewing the sample buyers personally. A detailed questionnaire embracing the objective laid down was designed and canvassed to the sample buyers. Information on their behavioural aspects and influential's was recorded at the selected shops after their purchase of consumer's goods from those shops. The interviewed rural buyers were found purchasing five types of consumer's goods grouped under five categories viz., electrical goods, medicines, groceries, toiletries, tobacco.

Analysis of Results

As said earlier, the analysis is based on the primary information collected from 100 sample rural buyers. Among these buyers, 50% belong to the social category of SCs,STs, and OBCs and the remaining (50%) represent the other categories of social status.56(56.0 percent) of

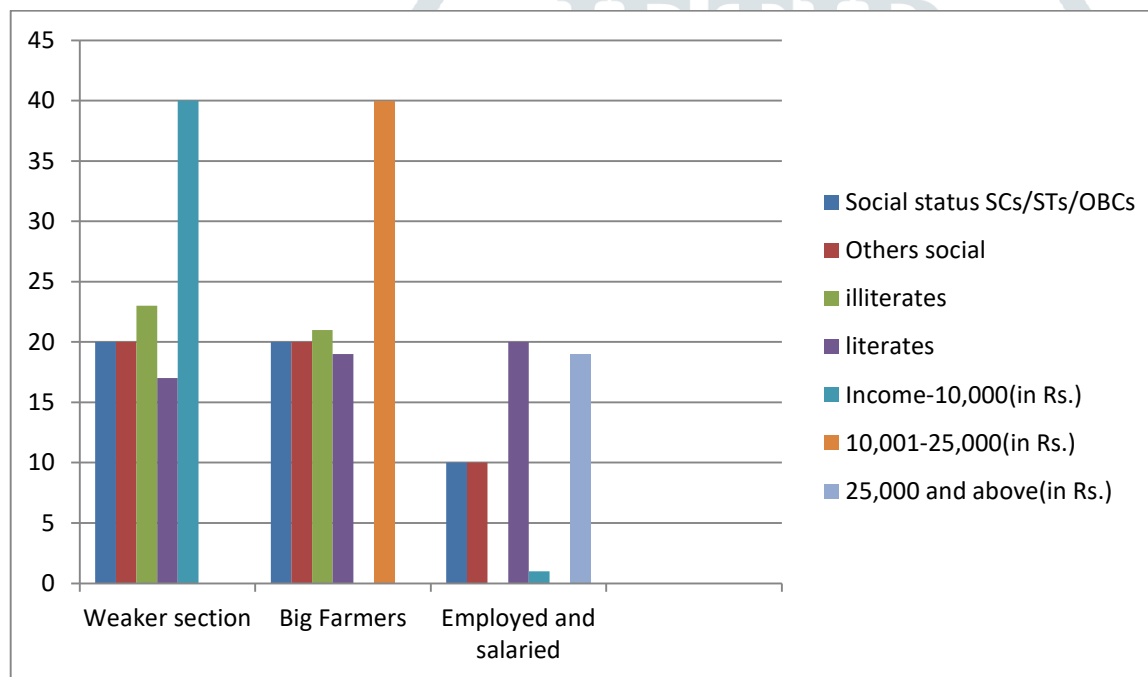
these selected consumers are literates and 44(44.0 percent) are illiterates as per the data collection.58.0,32.0 and 10.0 percent of these sample buyers belong to the income groups of less than Rs. 10,000, Rs. 10,001-25000 and 25,001 and above respectively.(Refer Table 1)

Table1.

Status of the Sample Households	Social Status		Literacy Status		Income Level		
	SCs/STs/OBCs	Others	Illiterates	Literates	I*	II*	III*
1. Weaker section.	20	20	23	17	40	-	-
2. Big Farmers	20	20	21	19	-	40	-
3. Employed& Salaried	10	10	-	20	1	-	19
TOTAL	50	50	44	56	41	40	19

I*=below Rs 10,000, II*=Rs 10,000 to 25,000, III*= Above Rs 25,000

Graphical Presentation



It was observed in the field survey that the frequency of buying the products differed consumer to consumer and between the consumers of different income groups. To the greatest extent, the frequency of buying was related to the type of product and its use in the households. The survey on these aspects reveals that products like groceries (including vegetables), tobacco and medicines were purchased on daily or weekly basis by the lower income groups. It was found during the field study that a great majority of labourers and artisans purchased their groceries on daily basis in mornings and evenings. Agriculture labourers were found selling their wages paid in the kind to the retail shop owner like paddy and wheat to purchase other items like tobacco or vegetables. Salaried consumers and big farmers were found purchasing groceries, toiletries, and medicines on monthly basis particularly as these sample consumers belong to the middle and higher income groups. Goods like electrical were purchased by these consumers once in three months or six months and also on special occasions like festivals and marriages by the sample consumers belonging to low income groups.

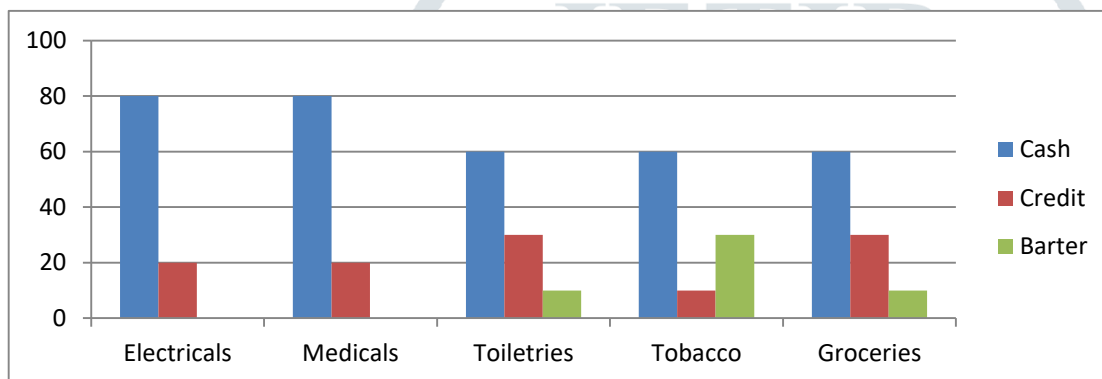
Mode of purchase

The rural consumers are different compared to the civilized urban consumers. They attach some personal preferences and good will to the shop owners. Particularly they visit the same shops and are habituated to purchase the goods. They even introduce their children and suggest them to buy from that shop only. This preference and intimacy often makes the shop owners also to extent goods on credit basis and he shops owners continue to lend the consumer goods on credit basis for years together. These tendencies were also found in the field survey.

The sample consumers have purchased goods on payment of cash and on credit also. As said earlier, some were also found bartering their wages in kind to consumer's goods particularly in the well-known shops. Electricals and medicines were purchased by paying cash by the ranging 60.0 percent to 80.0 percent of consumers (Refer Table.2). Ranging from 10.0 percent to 30.0 percent of the sample buyers have purchased against credit. Toiletries, Tobacco, Groceries, were purchased by exchanging the paddy and wheat paid towards wages in these shops, ranging from 10.0 percent to 30.0. percent

Table2.

Products	Mode of Purchase			TOTAL
	Cash	Credit	Barter mode (Exchange)	
Electricals	80	20	---	100
Medicals	80	20	---	100
Toiletries	60	30	10	100
Tobacco	60	10	30	100
Groceries	60	30	10	100

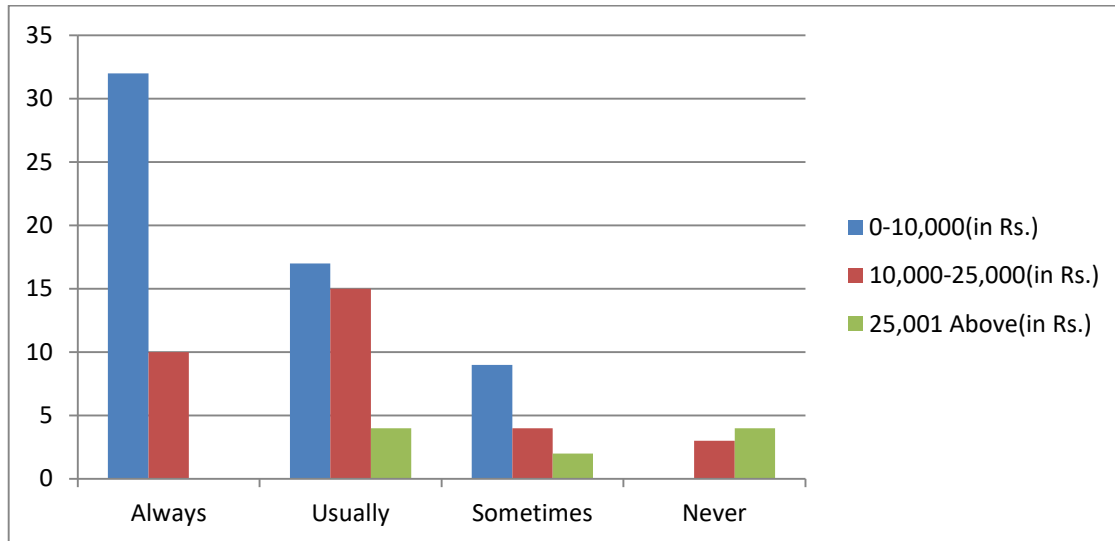
Graphical Representation**Bargaining**

Marketing strategist feel that rural consumer is more rational as a buyer and exhibits a higher level of rationality as compared to the urban consumers. Whenever a consumer is familiar and aware of information about prices of the products and marketing conditions, certainly tries to get good value for his each and every rupee spent on purchase of goods. This rationality often leads to bargaining and bargaining is an attempt of the consumers to keep the selling cost of the product lower or equal to the utility or satisfaction that he derives from that particular product. This tendency of bargaining is generally found in the consumers who belong to the lower income groups and bargaining springs from the economic situation wherein the means to purchase are insufficient to purchase the quantity of the products required. The level of bargaining decreases or does not exist even, whenever the means to purchase (income) are excessively available with consumers. The observations in the field survey corroborate this general tendency of consumer behaviour as shown in Table3.

Table3.

Level of Bargaining	Family Income*Groups (in Rs.)			All groups No.
	0-10,000	10,001-25,000	25,001 Above	
Always	32	10	-	42
Usually	17	15	04	36
Sometimes	09	04	02	15
Never	-	03	04	07
Total	58	32	10	100

Graphical Presentation



Income level-wise classification of level of bargaining reveals that of the total 100 consumers, 42 consumers (42.0 percent) were found bargaining always, 36 consumers usually (36.0 percent), 15 consumers sometimes (15%) and 7 consumers never (7%) bargain whenever they purchase the goods.

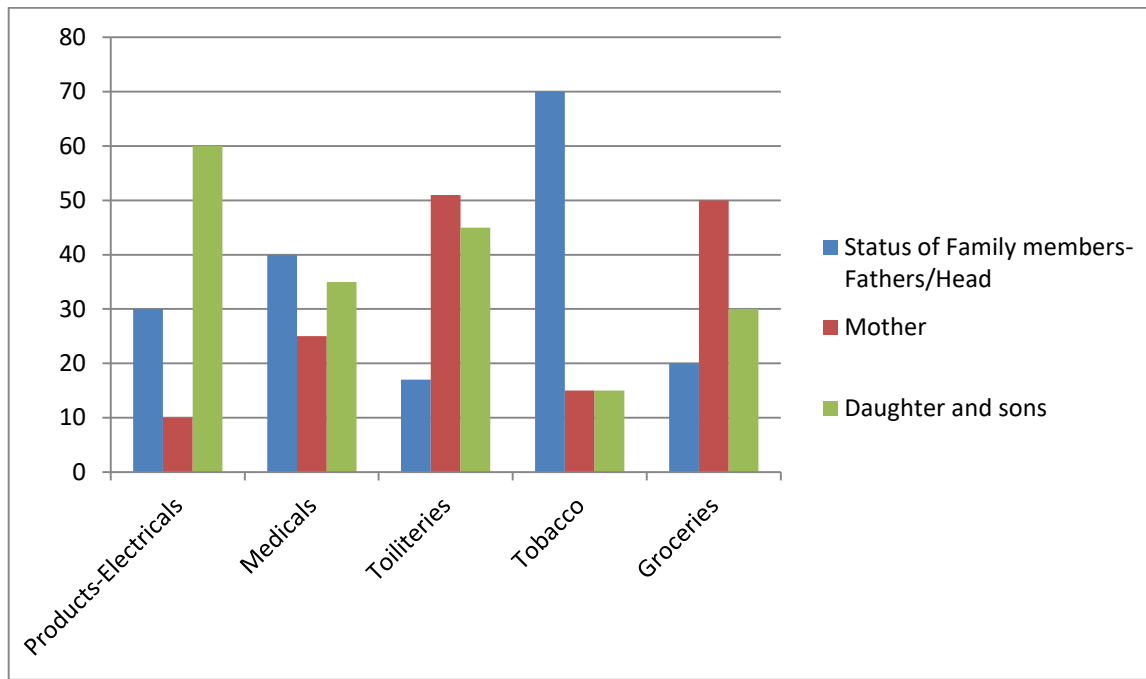
Involvement of family members

Family is the institution which primarily and significantly influences the purchase of goods. The members of the family involve in the process of purchasing and the level of involvements depends upon the nature, importance and preferences. The magnitude of the involvement of family members according to the status is presented in Table 4. Among the different products purchased, groceries and toiletries were the dominant goods purchased by housewives. Dominance head of the households was observed in the purchase of tobacco (70 percent) and medicals (40 percent). The sons and daughters were found interested in purchasing electrical (60 percent), toiletries (45 percent), groceries (30 percent) and medicines (35 percent)

Table4.

Products	Status of the family members			Total sample respondents
	Father/head	Mother	Daughter and Sons	
Electricals	30	10	60	100
Medicals	40	25	35	100
Toiletries	17	51	45	100
Tobacco	70	15	15	100
Groceries	20	50	30	100

Graphical Representations



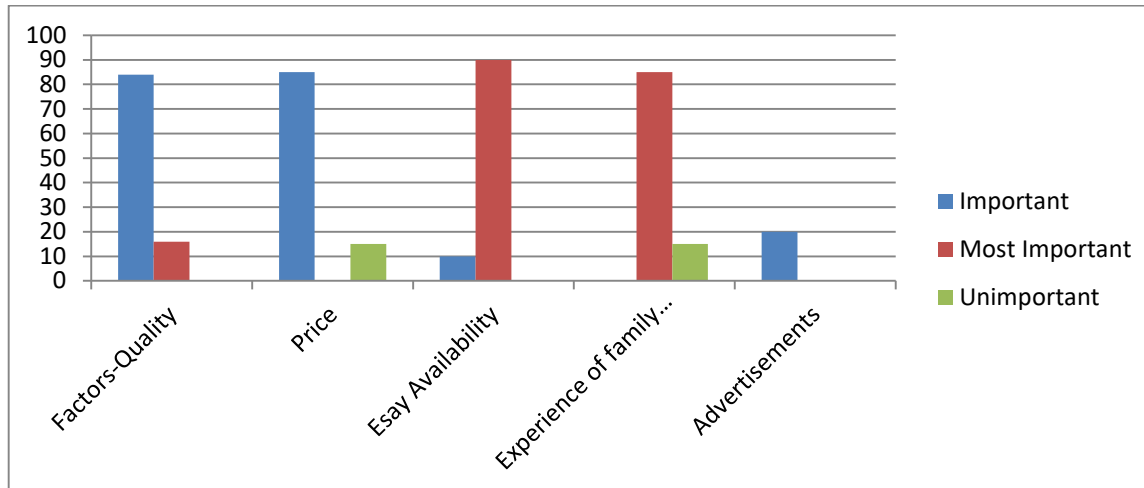
Importance given to the factors

An attempt is made in this study to know the factors which were given importance in the process of purchasing. Factors like Quality, Price, Easy available, Advertising, Use by the neighbour consumers and Experience of the own family members were treated as important factors and the sample consumers were asked to express their opinion about to what extent these factors are influencing their behaviour while purchasing the goods. The analysis is presented in table5. The data presented in table 5 reveals that experience of the family members (85 percent) and easy availability of the products (90 percent) were considered most important while purchasing goods. 84 percent and 85 percent of the sample consumers reported that quality and price of the product respective were the important factors which influence their buying behaviour to the maximum extent. Surprisingly majority of the consumers (80 percent) did not attach much importance to advertising and 15 percent of them opined that it is neither important nor unimportant. 15 percent of the consumers felt that price was the unimportant factor for purchasing the products. These observations facilitate to infer that consumers attach much importance to the quality (100.0 percent), price (85 percent), easy availability (100.0 percent) and the experience of their own family members (85 percent) were the dominant factor in the purchase of the products. Advertising was found less importance in the buying behaviour of the consumer.

Table5.

Factors	Level of Importance of the factors considered			Total sample respondents
	Important	Most Important	Unimportant	
Quality	84	16	0	100
Price	85	0	15	100
Easy Availability	10	90	0	100
Experience of family members	0	85	15	100
Advertisements	20	0	80	100

Graphical Presentation

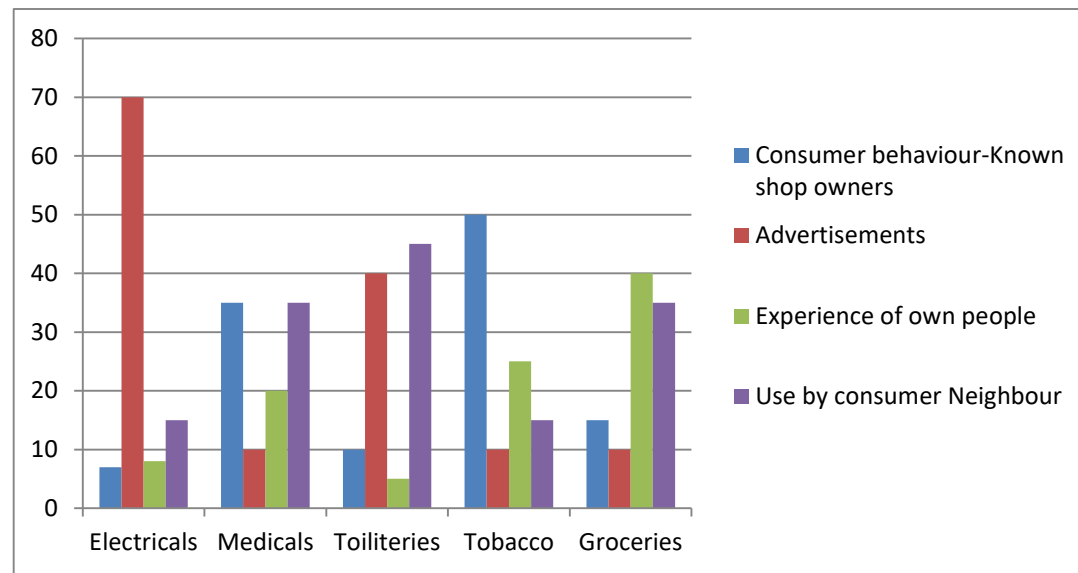
**Behaviour influence**

Generally marketing experts design, prepare and implement many things, programmes and entertainments to influence the consumers to buy a particular product. In rural areas cinema dialogues, pictures and names of famous heroes and heroines, flowers, symbols, short theatre commercials, TV Spots, cricket themes, road shows VOW programmes etc., are used extensively to influence the consumer behaviour. In the present survey an attempt is made to find out the important influence on products-wise-so as to assess their importance on purchasing the products. The results are presented in table 6. The data presented in table 6 reveals that four types of influential's viz, experience, of family members, suggestions of intimate shop owners, use by neighbour, consumers and advertisements and mass media are influencing the buying behaviour of the sample consumers. The experience of the family members is the chief propelling influential in the purchase of groceries (40 percent). The consumers, who consume tobacco, are very much motivated and purchased dues to the suggestions put forth by the shop owners of the shops to which they visit regularly (50 percent). This influential also had a 35 percent effect on the purchase of medicines. The experience of the neighbour-consumers is the important influential's in purchasing medicals (35 percent), purchasing electrical (15 percent), purchase in toiletries (45 percent), purchase in tobacco (15 percent), and purchase in groceries (35 percent) respectively were influenced by the suggestions and directions given by their neighbour-consumers. It is quite interesting to note that advertisements particularly 'quickies' (short TV commercials) and commercials ads through mass media are the prominent propelling factors in the purchase of electrical(70 percent), medicals(10 percent), toiletries(40 percent), tobacco(10 percent) and groceries(10 percent). This observations lead to infer that the younger generation is very much influenced by the education combined with entertainment and the older generations by personal experience while purchasing the products.

Table 6

Products	Type of consumer Behaviour				Total sample
	Known shop owners	Advertisements	Experience of Own people	Use by consumer Neighbour	
Electricals	07	70	08	15	100
Medicals	35	10	20	35	100
Toiletries	10	40	05	45	100
Tobacco	50	10	25	15	100
Groceries	15	10	40	35	100

Graphical Presentation



Conclusion

Rural consumer is totally a different consumer in the rural market scenario, being influenced by the rationality, personal experience and the level of utility which is being influenced by the changing tastes and preferences of the younger section. The clever and attractive advertisements do not work out with rural consumers. Their purchasing behaviour is very much influenced by 'experience' of their own and of neighbour-consumers and his own family and involvement of his own members is exerting maximum influence on his purchases. Above all quality of the product and its easy availability are the primary and vital determinants of his buying behaviour. The technique of bombarding with messages has a limited influence. He is very much attached to and influenced by 'touch' and 'feel' aspect of any promotional activity. It is imperative that the marketing experts should understand the mindset of the rural consumers for every product in a particular region. Hence, it is necessary that moral rural search studies of quality should be undertaken to understand the rural consumers better and generate more reliable data with particular attention to product-specific, region-specific, group-specific, and occasion-specific studies. It is also very important that language and regional behavioural variations should be given due attention while developing the rural communication strategy. Feel of the local touch and selling of the goods much should be aim of producers and marketing agencies.

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Questionnaire

1. Name:
2. Age.....
3. Category (SC/ST/OBC.....)
4. Occupation.....
5. Income (per month).....
6. Which type of products to be purchased.....?(medicals, electrical, toiletries, tobacco, groceries)
7. What do you consider while purchasing the product.....?(quality ,price, easy availability, advertisements, use of neighbours, experience of family members)
8. Who among your family members affects in purchasing.....?(mother ,father, sons and daughter)
9. How you bargain for the product.....?(always ,usually, sometimes, never)
10. What is your mode of purchase.....?(cash ,credit, barter)
11. Who are the factors that influence you in purchasing.....?(Experience of own people, known shop owners, use by consumer neighbours, advertisements)

