



“RURAL CONSUMER BUYING BEHAVIOUR: IMPACT OF DEMOGRAPHIC CHARACTERISTICS”

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Abstract:

In today's dynamic and volatile market rural population plays a vital role. India being a rural dominant country, exploring the rural consumer base in today's competitive market is a quint essential factor. In order to increase the market share in this sector of economy, distinct understanding of buying behaviour of rural consumers is very essential. In determining the buying behaviour, demographic factors hold a huge significance with respect to rural consumers. Due to changes or variations within these factors, buying behaviour of rural consumers is influenced. Factors such as Age, Gender, Marital Status, Family Size, Educational Qualification, Occupation and Financial Status largely influence the buying behaviour. This study primarily focuses on identifying and analysing the impact of demographic factors on the buying behaviour of rural consumers. The data was collected through a structured questionnaire and ANOVA tool was used to determine its significance. With the advent of time, rural market has witnessed a drastic shift with respect to buying pattern and preferences. In this ruthless battle for obtaining the dominance in the market share, the one who understands the buying behaviour of their consumers will win the battle. The findings of this study can be utilised by the marketers while framing their marketing strategies with respect to rural consumers.

Index Items: Rural Consumer, Buying Behaviour, Demographic Factors.

I INTRODUCTION

Rural consumers are an important demographic group that comprises a significant proportion of the world's population. These consumers are often overlooked by marketers who tend to focus on urban consumers. However, studying the needs and behaviours of rural consumers can lead to valuable insights that can be used to tailor marketing strategies to this segment of the population.

The definition of rural consumers varies depending on the context and geography. However, rural consumers can be broadly defined as individuals who reside in rural areas and engage in regular consumption of goods and services. Rural areas are defined as non-urban areas, typically with low population density and limited access to urban amenities. Rural consumers may live in villages, hamlets, or small towns and rely on agriculture and other primary industries for their livelihood.

Rural consumers have unique characteristics that set them apart from urban consumers. These characteristics are shaped by the rural environment and lifestyle. Marketers who understand these characteristics can tailor their marketing strategies to better reach and engage with rural consumers. By doing so, they can unlock a valuable market segment that is often overlooked by their competitors. India's population is primarily rural, and the rural consumer class plays a significant role in the country's economy. The consumer market for goods and services is expected to increase to \$4 trillion by 2025, with the rural consumer contributing \$1.2 trillion or 30% of the total consumer market. This paper aims to explore the importance of rural consumers in the Indian market, their characteristics and purchasing behaviour, and the challenges faced by companies operating in rural India.

The importance of rural consumers in the Indian market cannot be overstated, especially in a country where the majority of the population reside in rural areas. The growing purchasing power and changing preferences of rural consumers present significant business opportunities for firms. However, operating in rural India presents significant challenges that firms must address through innovative business models and distribution strategies. Significantly firms that can effectively tap into the rural market have the potential to reap substantial rewards, but only if they invest sufficient time and resources in understanding the unique characteristics and needs of rural consumers.

Rural consumers have specific purchasing behaviours, which are often influenced by their cultural and traditional values. They are value-conscious buyers and prefer products that are affordable, high-quality, and meet their specific needs. They are often dependent on agriculture for their livelihood, and therefore, their spending patterns are also influenced by the seasonality of crops and harvest cycles. Most rural consumers prefer to buy goods and services that are essential to their daily lives, such as food, clothing, healthcare, and education.

Rural consumers are an essential target audience for companies looking to expand their customer base and increase their market shares in India. This study primarily aims to provide an overview of the buying behaviour of rural consumers by comparing and analyzing the various researches conducted in the past. However, it is deduced that rural consumers are majorly motivated by social

factors, such as family, friends, and neighbours. Moreover, product, price, quality, and its availability also plays a crucial role in determining the buying behaviour of rural consumers. Marketers must understand these motivations and tailor their products and marketing strategies accordingly to effectively engage rural consumers.

Factors Affecting Rural Consumer Buying Behaviour:

Demographic Factors: Demographics factors are the characteristics of a population, such as age, gender, marital status, education, income, and occupation that have the potential to influence consumer behaviour. In rural areas, age and income are the most significant factors that affect buying behaviour.

1. **Age:** Different age groups have varying preferences and needs when it comes to consumer goods and services. For example, younger rural consumers may be more interested in technology products, while older consumers may prioritize healthcare or household necessities.
2. **Gender:** Gender can also play a role in consumer buying behaviour. For instance, women may be more inclined to purchase items related to household chores, decoration, or personal care, while men may focus more on outdoor and recreational products.
3. **Income:** Rural consumers with higher incomes may be able to afford more expensive or luxury items. Conversely, individuals with lower incomes may prioritize essential products and seek out value for money.
4. **Education Level:** More educated individuals are often more aware of product options, brands and market trends, leading to different choices. It can also influence the adoption of new technologies including online shopping platforms.
5. **Occupation:** Rural consumers engaged in agriculture or traditional occupations may have distinct preferences for product and services related to their livelihood. Those involved in non-agricultural occupations may show preferences for different types of consumer goods and services.
6. **Family Structure:** Family size and structure affect buying behaviour. Larger families may have different consumption pattern and prioritize different types of products. Family roles and responsibilities within rural households can also influence who makes purchasing decisions.

Rural consumer buying behaviour is a multifaceted phenomenon influenced by a variety of demographic factors. Understanding these factors is essential for businesses and policymakers looking to cater to the unique needs and preferences of rural consumers and drive economic growth in rural areas.

II LITERATURE REVIEW

Kunal Gaurav (2017) stated the growing importance of understanding consumer behaviour in the context of marketing, especially in an increasingly competitive market. The critical role of understanding consumer behaviour in a competitive marketing landscape. It emphasizes the dynamic nature of consumer preferences and highlights the significance of demographic factors in shaping consumer behaviour. This paper primarily aims on exploring the relationship between specific demographic variables and consumer expenditure on electronic gadgets, which can provide valuable insights for marketers and businesses operating in this industry.

Rakesh Kumar and Ramesh Kumar (2019) stated the dynamic nature of consumer behaviour, which is subject to change due to various factors, especially demographic factors. It highlights the significance of understanding how demographic variables influence consumer behaviour. This paper examined the importance of demographic factors in shaping consumer behaviour and the need for business, particularly those in the electric industry, to gain insights into these factors. By understanding how demographic variables influence consumer choices, companies can tailor their marketing strategies, product offerings, and sales approaches to better meet consumer demands and remain competitive in the market.

Reetika Gupta (2020) the changing dynamics in consumer behaviour, where consumers have gained more control and influence over product – related decisions. The study mentioned focuses on analysing consumer behaviour with regard to branded food products in rural and urban areas with a specific focus on demographic factors. The findings from such research can be valuable for marketers and businesses aiming to tailor their strategies to meet the demands and preferences of consumers in diverse settings.

Priyadarsini Patnaik (2020) examined the potential and challenges of rural markets in India. It highlights the changing consumption patterns, the impact of technology, and the importance of effective marketing strategies in rural areas. The research presented in the paper aims to provide insights that can assist marketers in meeting the demand of rural consumers and contribute to the development of rural business in the liberalized market environment.

III OBJECTIVES OF THE STUDY

- To analyse the impact of demographic factors (age, gender) on rural consumer buying behaviour

IV HYPOTHESIS

H₀₁: Demographic variables does not affect buying behaviour of rural consumers.

H_{01a}: Age of consumers does not affect the buying behaviour of rural consumers.

H_{02b}: Gender of consumers does not affect the buying behaviour of rural consumers

V RESEARCH METHODOLOGY

The study has been conducted by developing a structured questionnaire, following which a survey was conducted among rural consumers of Bhopal division, within the age bracket of 16-32 years. The sample was selected on the basis of random sampling and the questionnaire was circulated among 1500 respondents out of which the researcher received 1374 complete responses, which were considered for this study.

Statistical Techniques: To analyse the buying behaviour of rural consumers, ANOVA and t- Test has been used.

VI DATA ANALYSIS

Hypothesis Testing

H_{02a}: Age of consumers does not affect the buying behaviour of rural consumers.

Table 1: Analysis of ANOVA for Age of Respondents

| ANOVA | | | | | |
|------------------|----------------|------|-------------|-------|------|
| Buying Behaviour | | | | | |
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 134.487 | 3 | 44.829 | 1.972 | .116 |
| Within Groups | 31148.288 | 1370 | 22.736 | | |
| Total | 31282.774 | 1373 | | | |

Source: SPSS output

Interpretation: It is interpreted from the above-mentioned table that age of consumers does not affect the buying behaviour of rural consumers, since, sig. >0.05.

H_{02b}: Gender of consumers does not affect the buying behaviour of rural consumers.

Table 2: t- Test Analysis for Gender of Respondents

| One-Sample Statistics | | | | |
|-----------------------|------|-------|----------------|-----------------|
| | N | Mean | Std. Deviation | Std. Error Mean |
| Gender | 1374 | 1.31 | .464 | .013 |
| Buying Behaviour | 1374 | 23.16 | 4.773 | .129 |

| One-Sample Test | | | | | | |
|------------------|----------------|------|-----------------|-----------------|---|-------|
| | Test Value = 0 | | | | | |
| | T | df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| Gender | 104.927 | 1373 | .000 | 1.312 | 1.29 | 1.34 |
| Buying Behaviour | 179.853 | 1373 | .000 | 23.160 | 22.91 | 23.41 |

Source: SPSS output

Interpretation: It is interpreted from the above-mentioned table that gender of consumers affects the buying behaviour of rural consumers, since, sig. <0.05.

VII RESULTS AND DISCUSSIONS

The impact of demographic factors on rural consumer buying behaviour is multifaceted and varies across regions and cultures. These findings highlight the importance of understanding the specific context of rural areas when developing marketing strategies and product offerings. Businesses aiming to succeed in rural markets must consider the diverse demographic characteristics of their target audience and tailor their approaches accordingly.

Moreover, the role of cultural norms and traditions cannot be underestimated. Businesses must respect and align with local customs and values to gain the trust and acceptance of rural consumers. Additionally, as rural areas undergo infrastructural development and access to information technology improves, there may be shifts in consumer behaviour, making it imperative for businesses to adopt to changing circumstances and preferences.

Overall, demographic factors continue to be critical determinants of rural consumer buying behaviour, and continued research in this area is essential to stay attuned to evolving consumer preferences and market dynamics in rural settings.

VIII LIMITATION OF THE STUDY

- The study was confined to a particular district. The results of this study may not be applicable to whole of the country.
- There may be limitation of time with respondents.
- The study assumes the perception of people related to the products available in the market and with no context to the future demands.

IX SCOPE FOR FURTHER RESEARCH

- The study has covered the impact of social media advertisements on management students buying behaviour, leaving much scope for the further research.
- Further studies can be done on a large sample size.
- Comparative studies can be drawn on different locations.

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