



Psychology and Buying Behaviour of Rural Consumers with Special Reference to Television, Washing Machine and Refrigerator in the Rural Areas of Meerut Region

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Abstract

In this era of competition understanding the consumer is a necessity for producers. The consumer behavior suggest how individual, groups and organization select, buy, use and dispose of goods, services, ideas or experience to satisfy their needs and wants. Consumer needs and preferences are continuously changing given the changes in factors like demographics and lifestyles. Rural areas are scattered and it is next to impossible to ensure the availability of a brand all over the country. It is true that Consumer India is flourishing, but at the same time Indian Consumer has his roots deep into his traditions. This is what calls it as 'The Indian Way'.

The present study is an attempt to examine the purchase motivators (viz; Item of necessity, symbol of social status, marketing influence, brand reputation) for television, washing machine and refrigerator in the rural areas of Meerut region. This study is helpful to the manufactures to identity the consumer perception, beliefs, and behavior for improving them to introduce new strategies and increase in sales. Present paper discusses about how to find the modern way for marketing implementation and value addition.

Keywords: Rural Market, Rural consumer, Fast growing product segments such as television, washing machine, refrigerator, Buying Decision Process, Characteristics of buyer, Consumer Durables, Brand Preference

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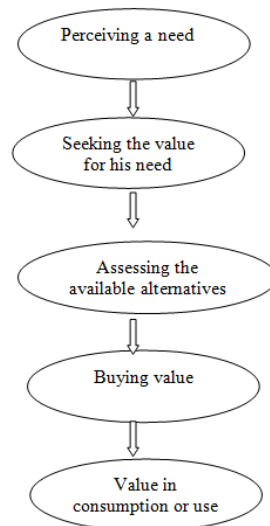
1. INTRODUCTION

On account of green revolution, the rural areas are consuming a large quantity of industrial and urban manufactured products. In this context, a special marketing strategy, namely rural marketing has emerged. A large number of gigantic MNCs have changed their destination from urban to rural markets which have displayed an impressive growth over last few years.

1.1 Consumer Basket

Consumer basket Geographic Spread The population of India in 2011 census stood at 121 crores with 83.3 crores people living in rural areas and 37.7 crores people in urban areas. In terms of percentage 68.84 of the population is in rural areas and 31.16 in urban areas. No. of villages in India has increased from 6, 38,588 to 6, 40,867 in census survey of 2011. There has been an increase of 9.1 crores in the urban population and 9.0 crores in rural population during the decade 2001-2011.

Fig. 1: Buying decision process: The BDP follows a logical sequence of five steps.



- (a) **Perceiving a need:** This is the first stage of buying decision process in which the consumer plays an active role by doing a study of his wants and needs .Thereafter, the consumer identify the product or kind of product which would be required by him for satisfaction of his needs.
- (b) **Seeking the value for his need:** In the second stage consumer starts searching for the various alternatives available of the required product .The consumer can gather information for the product through various options like internet, print media, television conversation with family, friends, neighbors, etc. While searching for the information the consumer need to focus upon certain aspects like the type of product , nature of product , availability of sources, etc.
- (c) **Assessing the available alternatives:** This is the third and the most crucial stage of buying decision process as the consumer evaluates the various alternatives and then proceeds for

buying the product. Generally, in the information search the consumer comes across quite a few products and thus now the consumer has to evaluate and understand which product would be properly suited for meeting the need. In the first instance, the consumer will select a **consideration set**, which is the group of products that would most closely meet the need. Typically a consumer will use **cut-offs** to establish a consideration set. These cut offs are the minimum and maximum acceptable values for the product characteristics. Price is frequently used as an indicator of quality.

- (d) **Buying Value:** After the assessment of the available alternatives the consumer proceeds to the buying decision of a particular product by keeping in mind the required brand, the trustworthy retailer and also the mode of payment selected by the consumer. All the existing brands in the market make a total set for the consumer and all the brands in this set are acceptable to the consumer. However, the final choice will be made in favour of one brand
- (e) **Value in consumption or use:** This is the last stage of buying decision process which includes the post purchase evaluation by the consumer. This is the process that usually involves a comparison between what the consumer was expecting to get and what is the level of satisfaction attained after the consumption of a particular product. With the help of this the consumer decides whether the product purchase has been a success or not. If the product is close to the expectations of the buyer then the consumer is satisfied and he will spread good words for that product in the market but if he is dissatisfied then it will create a negative image of the product in the market.

1.2 Characteristics of Rural Buyer

The characteristics of the buyer that affect the buying process include:

- (a) **Age group and gender of the buyer:** The buying power and decision is influenced by the age and life cycle stage of the buyer. Generally in rural areas males play a dominant role in taking buying decision for a product as they are the earning members of the family.
- (b) **Profession of Rural Consumers:** Generally the rural consumers are engaged in farming and so their demands are also according to their occupation.
- (c) **Financial Position:** The amount of finances available with the consumers depends on their income and this defines their purchasing power .This clearly indicates that the purchasing power of high income group is more and so they can purchase few comforts and luxurious goods.
- (d) **Lifestyle:** Life style denotes an individual style and standard of living .Generally rural people are very simple, not having much knowledge about the technical world and so they have a simple lifestyle .
- (e) **Personality of an Individual:** The buying decision of customers is influenced by his/her personality as the usage of particular products depends on their thinking , their attitude , their perception , etc
- (f) **Psychological Factors:** The psychology of an individual plays a major role in taking any kind of decision i.e., it can be for purchase of any goods or usage of those goods . Mostly in rural areas people are narrow minded and that is why they don't easily accept the products with latest technology as they have a fear in their mind that whether they will be able to use it properly and whether it will not cause any kind of harm to them.

2. FACTORS AFFECTING BUYING DECISIONS OF RURAL CONSUMERS

- a. Environment of the consumer
- b. Influences of Geographic location
- c. Family
- d. Income of the consumers
- e. Place of purchase
- f. Multiple use of product
- g. Brand preference and loyalty
- h. Cultural Influence
- i. Awareness to urban lifestyles
- j. Situation in which the consumer uses the products
- k. Efforts of marketers to reach the rural consumers

- (a) Environment of the consumer:-**The environment plays a major role in the buying decision of consumers as the surroundings in which the consumer is living leaves and impact on his thinking. For e.g., availability of electricity in the area will affect the demand for various consumer durables like washing machine, refrigerator, etc.
- (b) Influence of Geographic Location:-** The geographic location in which the rural consumer is residing also tells about the thought process of the consumer. For example, how much are the rural areas located near the urban areas, how many of them are employed in industry so that they are at least aware about the latest technology, etc.
- (c) Family:-**The size of family and the roles played by the family members play an important role in deciding which goods to be purchased and which not. As in rural areas there is a concept of joint family so the buying decision of the product is taken collectively keeping in mind the needs of all the family members and also the utility derived from that product. Generally, in rural areas there is one male head of the family who takes all such decisions keeping in mind the opinions of all the family members.
- (d) Income of the Consumers:-**The sources of income and the quantum of income are one of the major deciding factors, which determine what the consumer will be able to purchase as they have to decide among the limited resources the optimum utilization of their income in such a way that every single rupee spent by them gives the maximum utility and feeling of satisfaction. Also in rural areas maximum people are involved in agriculture as their main occupation and majority of them live below the poverty line where they need to think twice before spending.
- (e) Place of purchase:-**The buying decision of rural consumers also varies depending on the place of purchase i.e., they buy their requirements from different outlets like some of them prefer to buy from rural shopkeepers, some prefer to buy from nearby towns or cities, some of them may prefer to visit fairs for choosing a product, etc. Maximum times rural people prefer to buy from haats as they get better quality, variety and low price under one place.
- (f) Multiple use of product -** The buying decision of consumer also depends on the number of uses a product can be put to as multiple uses of the product adds an attraction to it. For eg., in some rural areas Godrej hair dye is being used as a paint to colour horns of oxen, etc.

- (g) **Brand preference and loyalty**:-India is a land of varied cultures and the consumers' behavior is influenced by the culture especially in rural areas. Product colour, size, design and shape, social practices, decision making authority in the hands of male members of the society.
- (h) **Cultural Influence** - Culture and tradition influence perception and buying behavior. For example, the preference in respect of color, size and shape is often the result of cultural factors. Rural consumer's perception of products is strongly influenced by cultural factors.
- (i) **Awareness to urban lifestyles** - Extent of exposure of rural consumers to urban lifestyles also influences their buying behavior. An increased exposure and interaction with urban communities has been the trend in recent years.
- (j) **Situation in which the consumer uses the products** - The situation in which the consumers utilize the product also influences their buying. In rural areas the lack of electricity automatically increases the purchase of batteries by rural consumers. Since rural consumers cannot use washing powders/detergent powders that much, as they wash their clothes in streams or ponds, they go in more for washing bars and detergent cakes.
- (k) **Efforts of marketers to reach the rural consumers** - Many corporate companies have been trying hard to develop a market for their products in the rural areas, investing substantially in these areas. This has brought about some change in the way buyers purchase different products. Developmental marketing has created discriminating buyers and hitherto unknown demand in the rural market.

3. LITERATURE REVIEW

Consumer durable is a product that must be durable in use and must be expensive relative to income. An item may be durable for a working class family and at the same time may not necessarily be durable for upper middle class consumer. The durable goods are mass-produced in anticipation to consumers' demand and involve huge capital cost (**Downham and Treasure, 1956**). Both washing machines and refrigerators are complimentary to each other. The current purchase of washing machine increases the probabilities of current purchases of both a refrigerator and colour television. Similar was the effect of current purchase of colour television on both refrigerator and the washing machine. But the current purchase of refrigerator was found indifferent to the current purchase of both washing machine and a colour television (**Hu et al. 1989**).

Many companies of consumer products (both durable and non-durable) are making their efforts in rural areas. This is so because of increase in rural purchasing power over the past decade due to increase in support prices for the farm produce. Increase in infrastructure and change in lifestyle due to proliferation of television have changed the buying habits of the rural people. Advertisers target teenagers because of their high disposable income, their influence on parental purchases, their early establishment of loyalty to certain brands, and a conventional wisdom that they buy products on impulse (**Fox 1996; Mc Neal, 1999**). **Ramana Rao (1997)** observed that the boom in rural areas is caused by factors such as increased discretionary income, rural development schemes, improved infrastructure, increased awareness, expanding private TV channel coverage and emphasis on rural market by companies.

Socioeconomic conditions considerably affect consumer behavior (**Kim et al. 2002**). Income affects the buying behavior in terms of amount, type and prices of products purchased. Income is more

important in the buying of low social value product (Williams, 2002). When the income of the consumer is low, the consumer largely tends to focus on price and performance attributes and with the increase in income the consumer becomes more hedonic and may start desiring goods from western nations (Kim et al. 2002).

Brand name and price were the important considerations in buying consumer durables. Consumers used to buy these items based on the necessity felt rather than waiting for any offer or festive season (Shivakumar and Arun, 2002). Indian middle class also consider these items of infrequent purchase as revealed by the study of Rahman and Bhattacharyya (2003 a).

The National Readership Survey IV and V estimated that 77% of urban population and 30% of rural population has access to TV sets. The rural viewership is expected to go up to 45-48% by 2020. Various studies conducted in the past at an aggregate level have demonstrated that purchase behaviour in durable consumer goods sector is the most worthwhile to study (Shivakumar and Arun, 2002; Arora, 2002; Gupta and Chundawat, 2002; Bansal and Easwaran, 2004; Reddy, 2004; Shirodkar, 2005, Sehrawet and Kundu 2007) as it acts as a guide for various durables manufacturing companies about modifications required in their present marketing strategies already applied for tapping urban markets and to decide, if possible and to what extent, these strategies can be molded and then applied successfully to the rural markets.

According to the Federation of Indian Chambers of Commerce and Industry (2008), the number of rural households using consumer products has grown from 136 million in 2004 to 143 million in 2007. A pointer to the fact that rural consumers are moving to branded products. In a report by market research firm AC Nielsen, in April-May 2008, it was seen for the first time that the rural market has outpaced urban India in certain key product categories. The study quoted the National Council of Applied Economic Research, which estimates that an average rural Indian household will have five major consumer appliances by 2006, almost double what it had five years ago (The Tribune, 2003).

4. OBJECTIVES OF THE STUDY

- (1) To find out the factors influencing the consumers for brand preference.
- (2) To study the most preferred brand of washing machine, TV and refrigerator.
- (3) To examine the factors, which motivate rural people to buy consumer durables.
- (4) To understand the buying behavior of rural consumers with special reference to their income and need.

5. HYPOTHESIS

H1 [H.sub.0]: Income and reasons of buying consumer durables are independent (regarding washing machine ,television and refrigerator as ' items of necessity' or 'comfort and social status').

H2 [H.sub.0]: Income and duration of Planning before buying consumer durables are independent (regarding washing machine ,television and refrigerator).

6. RESEARCH METHODOLOGY

The study is based upon primary data collected from 160 households (owning Washing Machines, Television and Refrigerator), from rural areas of Meerut. These households were interviewed through a pretested, well-structured questionnaire. Consumer durables; washing

machines, Television and Refrigerator have been chosen for the study because these items are household products and most commonly used items in a family. Six economically significant villages nearby Meerut viz. Sardhana, Mawana, Khatauli, Dorli, Nanglatashi, Gadhi were selected for the survey.

The respondents from the villages were taken on convenience cum judgement basis. The survey unit was taken to be the family unit as represented by the respondent who answered questions affecting the family as a whole. This choice of survey respondents was restricted to persons responsible for purchases of all durable products of the family, including washing machines selected for the study.

Statistical tools and techniques:

Chi Square Test (dependent Samples): Chi Square test was applied to test the significance of difference between the two independent samples of rural populations. The hypotheses were tested at 5 percent level of significance. Refer table-1 and table-2.

SPSS: Statistical Package for Social Science (SPSS) version 17.0 for Microsoft Windows has been used. The hypotheses framed have been shown in **Table1 and Table2**. The study which is descriptive in nature.

Correlation: Correlation was used to test the brand awareness among the rural consumers according to their gender. This is represented with the help of **Table 3**.

Measures of Central Tendency and Dispersion: Mean and standard deviation were used to test the reasons for buying new product of the same brand they are already using. This is shown with the help of **Table 4**.

Sample size: The sample size is 160 respondents taken around the rural areas of Meerut.

Sampling technique: The random sampling technique is being used for this study. A random sample is obtained by selecting individuals from different households and different backgrounds.

Sources of data: The data has been collected from both primary and secondary sources. The primary data is collected from the respondents directly. The secondary data was collected from the textbooks, journals, magazines and newspapers.

7. DATA PRESENTATION AND ANALYSIS

TABLE-1: Case Processing Summary

	CASES					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Income* ROB	160	100.0%	0	.0%	160	100.0%

Income * ROB (Reasons of Buying) Cross tabulation

	ROB		Total
	Need	Comfort and Status	
Income <1.5 Lakhs	33	19	52
1.5-2.5 Lakhs	39	4	43
>2.5 Lakhs	34	31	65
Total	106	54	160

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.326	2	.000
Likelihood Ratio	19.739	2	.000
Linear-by-Linear Association	2.221	1	.136
No. of Valid Cases	160		

Interpretation: From the above table we have the value of chi square at 2 degrees of freedom and 5 % level of significance i.e. 17.326.

The tabular value at 2 degrees of freedom and 5% level of significance is 5.991. The calculated value is > tabular value, so the null hypothesis is rejected.

So the income and reasons of buying the consumer durables are dependent on each other.

TABLE 2: Case Processing Summary

	CASES					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Income* DOP	160	100.0%	0	.0%	160	100.0%

Income * DOP (Duration of Planning) Cross tabulation

	DOP			Total
	<2	2-6	>6	
Income <1.5	43	0	9	52
1.5-2.5	30	3	10	43
>2.5	50	8	7	65
Total	123	11	26	160

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.414	4	.052
Likelihood Ratio	12.465	4	.014
Linear-by-Linear Association	.019	1	.890
No. of Valid Cases	160		

Interpretation: From the above table we have the value of chi square at 2 degrees of freedom and 5 % level of significance i.e. 9.414

The tabular value at 2 degrees of freedom and 5% level of significance is 9.488. The calculated value is < tabular value, so the null hypothesis is accepted.

So the income and duration of planning before purchase of the consumer durables are independent.

TABLE 3: Gender * Brand Awareness (Case Processing Summary)

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Income* ROB	160	100.0%	0	.0%	160	100.0%



Gender * Brand Awareness (Cross tabulation)

		BA		Total
		YES	NO	
Gender	Male	111	22	133
	Female	21	6	27
Total		132	28	160

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Pearson's R Interval	.056	.085	.705	.482
Ordinal by Spearman Correlation Ordinal	.056	.085	.705	.482
N of Valid Cases	160			

Interpretation: According to the above table it is clear that the correlation between male and brand awareness is higher than females.

TABLE 4: Statistic ROBP (Reason of Brand Preference)

N	Valid	160
	Missing	0
	Mean	2.27
	Median	2.00
	Mode	2
	Std. Deviation	1.038

ROBP (Reasons of Brand Preference)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Price	21	13.1	13.1	13.1
Quality	110	68.8	68.8	81.9
After sale service	8	5.0	5.0	86.9
Discounts	7	4.4	4.4	91.3
Special offers	14	8.8	8.8	100.0
Total	160	100.0	100.0	

Interpretation:

According to the survey done maximum rural consumers prefer to buy new product of the same brand keeping in mind the quality of product they are already using of the same company.

Second preference is given by the consumers to the price of the product while purchasing a new product.

Third preference is given by the consumers to the special offers of the company while purchasing a new product .And lastly preference is given by the consumers to the after sales service and discount offered by the company while purchasing a new product.

8. LIMITATIONS OF THE STUDY

- a) **Literacy Level among the Rural People:** The literacy level of rural buyers was low and this created a problem while collecting the data as majority of rural people were uneducated and so they were not able to understand the meaning of few questions as desired.
- b) **Time Consuming:** It was a time consuming activity because very few people showed an interest in filling up the questionnaires.
- c) **Lack of Knowledge about the consumer durables:** Rural people were not aware about various brands and their products available in the market. Majority of them were not aware about the advantages of the concerned product.
- d) **Lack of awareness about the mode of payment:** Generally, rural people prefer to buy on cash payment basis as they are unaware of the other modes of payment like: installment basis, with the help of credit cards, etc.
- e) **Amount of disposable Funds available:** Most of the rural people fall under the category of low income group because of which they are not able to purchase the products on prompt basis.

9. DISCUSSION AND CONCLUSIONS

India is an agrarian economy and majority of the Indian population still resides in rural areas so it becomes the responsibility of the producers to take into account the needs of rural consumers and their preferences. Consumer is the basic foundation of every business. What consumer sees, thinks prefers and buys is of great importance to marketers to fine tune their marketing offers and achieve high level of consumer acceptance and satisfaction. The emergence of rural market as a viable proposition has sparked a new interest among marketers to explore and understand them.

- According to the study it is clear that the brand awareness in males is high in comparison to females.
- The large no. of rural consumers prefers the brands and their products because of the quality of the product and then the price of the product respectively.
- Around 40 percent of the rural consumers come under the income group of greater than Rs.2.5 lakhs per annum and they usually plan for 0-2 years before purchasing a product.
- According to the survey done maximum rural consumers prefer to buy new product of the same brand keeping in mind the quality of product they are already using of the same company.
- The study shows that most of the rural people used to buy these products when there is a need for them to purchase.
- The responses also show that the brands most preferred by the consumers regarding television, washing machine and refrigerator are Samsung, LG and LG respectively.

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