



# A STUDY OF BUYING BEHAVIOUR OF RURAL CONSUMERS

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**Abstract-** Consumer behaviour is described as the process of selecting, buying, using and disposing goods and services by individuals or organisations to satisfy their wants. Companies have to understand the various factors that influence consumers to make purchases these factors may be reference groups, cultural factors, and economic factors and alike, they also need to understand the purchase process that goes into making purchase decisions by consumers in order to succeed in both rural and urban markets. The rural markets provide a wide array of opportunities due to their vast size and changes that have taken place over the years. In recent years, rural markets have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. Rural Markets are defined as those segments of overall market of any economy, which are distinct from the other types of markets like stock market, commodity markets or Labour economics. In this present study, the buying behaviour of rural consumers is studied. Factors affecting the buying decision of the rural consumers are also considered in the study.

**Keyword:** Rural market, Lifestyle, Culture, Marketing and Indian economy

## I. INTRODUCTION

Rural markets in India have assumed significance in the recent past with the growth of the Indian economy. More income & employment opportunities in rural areas have increased the purchasing power of rural consumers. Rural reach is on the rise and it is fast becoming the most important route to growth for the Industry.[1] New approaches, new strategic alternatives and new operational techniques are being evolved to gain competitive advantage. Rural markets hitherto, found unattractive have become the new targets to corporate enterprises, mainly for two reasons. Urban market has become congested with too many competitors. Also markets have reached a near saturation point. Rural markets have become the main street with potential for consumption variety of products and services. For many a product a product rural market provides a promise owing to lag in adaptation. It makes market entry easy. Large population raising prosperity, growth in consumption, life style changes, and life cycle advantages market growth rates higher than urban and inexpensive strategies are the various factors which have made rural market viable. [2]

The Indian consumer market (rural and urban) represents a huge demand base, by offering a vast opportunity for the existing and emerging companies. The Indian market is still not exploited fully and is regarded as one of the fastest growing in global economy. This lures more number of domestic and foreign companies to venture into Indian market opportunity.[3] An urban area as per the Census of India is defined as “all places with a municipality, corporation cantonment or a notified town area” and “All other places satisfying the following criteria: “Minimum population of 5000; At least 75 per cent of male working population in non- agricultural pursuit; and Density of population is at least 400 persons per square kilometre.” Therefore, an area that does not satisfy the criteria specified above can be considered as a rural area (as there is no official definition for an area which could be called as a rural area). In this paper, rural marketing is defined as any marketing activity in which one dominant participant is from a rural area. [4]

## II. RURAL CONSUMERS IN INDIA

The term, ‘Rural’ has been defined differently by different experts and organizations. Collins co Build dictionary(2001) describes the word rural as “a place far away from town and cities”. Rural community has some special features. First, as social interactions are few, individuals cannot remain unknown among the society, second, division of labour is minimum, third, range of occupation is very small; fourth, homogeneous beliefs at community level and fifth, social class is identified basically as scribed and personal attributes. [5] Rural consumers are fundamentally different from their urban counterparts socially, psychologically, physiologically and literally. Rural consumers buy only inexpensive products. There is mass consumption among them regarding a particular product or brand since they are homogeneous of village or regional level. In rural market, since the women have very little contact with the market, the male makes to purchase decision. The community decision making is quite common in a rural market because of strong caste and social structures and low literacy levels. Rural consumers generally feel inhibited and ill-equipped to buy confidently since they have only lesser exposure to quality of the product, service support and company credentials.[6] A rural consumer may be illiterate as per the census definition, but he is not unintelligent. The brand awareness, preference and loyalty among the rural consumers are comparatively less than their urban counterparts. The degree of brand loyalty varies among the rural consumers according to the nature of products. If the rural consumers are loyal to one brand, it is very difficult to change.[7]

## III. RURAL CONSUMER BEHAVIOUR

The rural consumer behavior is influenced by several aspects namely socio-economic, cultural, psychological and physiological environment. Various aspects are decided by the level of education of consumers. Apart from these, the rural consumer behavior is moulded by the external environment namely opinion leaders, friends and relatives, resource persons, retailers, reach of media, caste

and religion etc. The behavior of the rural consumer depends upon the product he wants to purchase. The behavior is highly dynamic even in the consumption of one single product.[8]

Consumer durables involve any type of products purchased by consumers that are manufactured for long-term use. Understand the meaning and categories of consumer durable goods followed by a short discussion on performance of consumer durable industry in past and its outlook for future. Understand the key challenges that are faced by companies operating in consumer durable industry. Highly durable goods such as refrigerators, cars, or mobile phones usually continue to be useful for three or more years of use, and hence durable goods are typically characterized by long periods between successive purchases. These durable goods are referred to as Consumer Durables and examples of consumer durable goods include cars, household goods (home appliances, consumer electronics, furniture, etc.), sports equipment's, and toys.[9]

#### IV. RURAL MARKETING

Rural marketing is the planning and implementation of marketing function for the rural areas. It's a two-way marketing process which encompasses the discharge of business activities that direct the flow of goods from urban to rural areas for manufactured goods and from rural to urban areas for agriculture produce, as also within the rural areas. This implies that rural marketing consists of marketing of products or services to the rural as well as marketing of outputs from the rural markets to other geographical areas.[10]



Figure 2: Rural Marketing

Rural marketing has been always a dominant theme that has been emerging over the last few years in Indian marketing Competition and customer bargaining power are increasing due to the variations in consumer tastes, preferences and increase in purchasing power.[11] For satisfying the rural consumers, the marketer should first understand the consumers and their needs in satisfying them.

#### V. FACTORS AFFECTING BUYING DECISIONS OF RURAL CONSUMERS

- **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 Example: availability of electricity in the area will affect the demand for various consumer durables like washing machine, refrigerator, etc. [12]
- **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.
- **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.
- **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. [13] 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.

- **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.
- **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 e.g., in some rural areas Godrej hair dye is being used as a paint to colour horns of oxen, etc.
- **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. [14]
- **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.
- **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.
- **Situation in which the consumer uses the product:** 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.
- **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.[15]

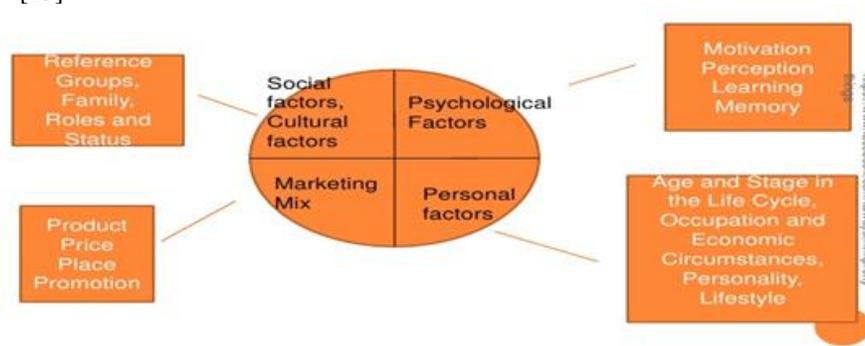


Figure 3: Factors affecting Buying behaviour

## VI. RECOMMENDATIONS FOR RURAL MARKETING

- The Government has to develop infrastructure facilities like roadways, railways etc., in rural areas so as to reach large Indian rural market.
- The rural communication facilities like telecommunication systems, internet facilities, broadcasting systems etc., have to be improved so that there will not be any communication gap among players of the rural market segments.
- Effective Supply Chain Management practices can bring down the various costs associated with rural markets like distribution cost, cost of communication, customer cost, cost of sale.
- Educating rural consumers is the key to successful rural marketing. Rural consumers need to be educated in all aspects like usage of the products, gathering product information, consumer rights, laws and regulations, getting the right product at right place at right cost in right time.
- The efficient marketing is predominantly influenced by efficient distribution system it means products such ultimate consumer in the quickest time possible at minimum cost.
- The state marketing board or federation or market committees also the producers, traders and sellers have necessarily to be consulted as they have the principle interest towards its use.



- Suitable structure of support prices for various farm commodities adjusted from time-to-time. Adequate arrangement of agricultural produce on support price, if the price falls below the level.[16]

### CONCLUSION

In order to utilize the immense potential of rural market in India, companies need to develop specific marketing strategies and action plans taking into account the complex set of factors that influence consumer's behavior. Rural marketing cannot succeed if the marketing strategy and action plans are only extrapolation or minor modification of the urban marketing strategy and plans. Innovative companies who adopted an integrated of the urban marketing strategy and plans. Innovative companies who adopted an integrated approach have succeeded in utilizing market opportunities that rural areas offer. Therefore, the rural consumers need to take the outmost care while purchased in relation to price, quantity, quality, manufacturing date, expiry date etc. while purchase of essential commodity in the rural market.

In the post –purchase satisfaction in rural consumers of predominant brand image and quality of the product is important. The royalty of rural consumer purpose is very high, so their strength and their expectation are also maximized. The democratic background of the rural consumer plays a vital role in determining the behavioral aspect as well as the royalty of brand.

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