

A Conceptual Study on Buying Behavior of Indian Rural Consumers

¹Krishn Chandra Tripathi & ²Dr. Ashutosh Shukla

¹Research Scholar, Pt. JNIBM Vikram University, Ujjain, M.P (India)

²Independent Researcher, Allahabad (India)

ARTICLE DETAILS

Article History

Published Online: 07 September 2018

Keywords

Buying Behavior, Rural Consumers,
Market and Marketers

ABSTRACT

India is a country which is based on agriculture; rural India is a pillar of Indian society. In ancient times India's social aspects of rural areas was very strong, but after the independence contribution of rural areas on social growth has not grown as per expectation, but presently the growth of rural areas is galloping at a faster rate as compared to urban areas on the backdrop of enhancement of education and various government schemes which have acted as booster for the rural economy. Business and society these are interrelated word that is based on the interrelationship between them. Business starts with the society, for the society and end with the society. Mahatma Gandhi saw the dream of Indian development, with the customs, faithfully, equality. The current paper tries to assess the buying behavior of Indian rural customers.

1. Introduction

Buying behavior is related with the consumers buying reaction, preferences, likes and dislikes and perception regarding particular product or area. In the business world especially in India analysis of consumer behavior started between 1985-1995. A major area of rural area is still untouched with hardcore marketing strategies and it offers the marketers a big opportunity in the near future. Less competitive for the marketers but the future encompasses a big strength for the marketers.

Literacy plays an important role for the development of any society, there has been a dramatic change in the literacy level of the rural inhabitants, which has results in the spurge in the demand for the basic amenities for standard of living and technology has also played an important role spreading awareness among the rural people. In the last decade or so there has been a spurt on development in rural areas and a very thin line exists between urban and rural area that's on the aspect of infrastructure development, otherwise a large tract of rural migration has moved from small villages and towns to big cities, which in itself shows the extent of desire among the rural population for acquiring a better standard of living. The literacy rate of rural society has also galloped during the last decade or so which in turn affects the buying behavior. This was also emphasized by (Devdas&Manohar 2011) in their study which enables to understand the shopping behavior of rural consumers in the urban area and to understand the brand switchover behavior of the migrants.

Gandhi Ji believed that "India will have to live in villages, not in towns, in huts not in palaces."In the rural areas modernization is going on and it is based on the changes of basic facilities and enhancement of education which is very useful for the consideration of the society. In the era of globalization we are affected by the global market and this in turn affects every consumer and business organization and both need to be updated.

Mahatma Gandhi said that if the village perishes India will perish too and India will be no more India. Her own mission in the world will get lost. The revival of the village is possible only when it is no more exploited. Industrialization on a mass scale will necessarily lead to passive or active exploitation of the villages as the problems of competition and marketing come in. Therefore we have to concentrate on the village being self-contained, manufacturing mainly for use. Provided this character of the village industry is maintained, there would be no objection to villagers using even the modern machines and tools that they can make and can afford to use. Only they should not be used as a means of exploitation of others.

2. Objective of the Study

- To assess the buying behavior of rural consumers based on their educational and social development.
- The role of marketing in rural areas and the strategies of marketing that are to be adopted.

3. Literature Review

(Jha2013) concluded that, rural consumers have also become value conscious as reflected by their buying behavior. Advertising in the rural areas is costly as the villages are far-off, generally unreachable and the target audience is mostly illiterate. (Kotni2012) also discussed that, rural markets, customs and beliefs play important role in success or failure of any product. Therefore every marketer has to concentrate on rural markets apart from the matured urban markets. (Ali, Thumiki& Khan2012) found that, rural customers trust retailers in their villages. During the field visits, it is observed out that though the retailers are aware of the fact that their customers listen to them, they are not aware of this wonderful principle called, the 'Trust Factor'. The companies must educate rural retailers about such modern marketing principles for a better performance. As price influences rural purchase of FMCG, it is recommended to pursue the low-price strategy in rural marketing. (Hemanth&Shruthi 2013) studied that, the dominant economic peculiarities of rural India may be recognized in

terms of the source of income (agriculture), the frequency of receipts of income (unstable because of the dependence on monsoon) and the seasonal nature of income and consumption (mainly farmers). These differences also affect the consumption pattern of rural consumers. (Chandra Sekhar 2012) in their study found that, people in villages are subject to traditions, habits, preferences and socio-cultural pressures, rural markets are price sensitive. Rural consumers are price conscious and they purchase simple and low priced goods, brand loyalty is very low in rural areas, communication problems with regard to the marketing information to the rural consumer because of low literacy. (Raja & Kavitha 2015) concluded that, consumer behavior have changed over the years; this is shown by consumers today purchasing a more healthy variety of products, as information today is known about products that was not known many years ago. The typical consumer today watches what they choose; they are more aware and exposed to factors that have brought about change in consumer behaviors. Consumers today tend to purchase differently than they did 10 years ago. (Singh & Singh 2014) study identified the eight factors i.e. price, quality, warranty, advertisement, brand, friends recommendations, family members recommendation and packaging which rural consumers consider while making purchase decisions. It was found that factors effect on rural consumer vary with age and income and found increasing with age and income. (Prajapati & Thakor, 2012) study shows that the rural consumers are more concerned about the quality, brand name of the oral care products purchased by them. Further it was also found that once the rural consumers found that certain brands are suitable to them (Loyalty ratio is more than 80 %), they do not change it easily due to influence of friends/social group and lack of availability of their usual brands. In toothpaste Colgate and close up are the most favorite brands. Price, promotional schemes, color and availability of the product are more influencing factor when they buy the toothpaste. Rural consumers are generally following the instructions of the retailer's for buying the toothpaste.

Rural persons have not been interested in the luxurious goods but in present days they want good brand on minimum and affordable price. In under two decades various soap, shampoo, oil companies make small pouch and they are enter in the rural and even in dove shampoo small sashes is also available because of the affordable price.

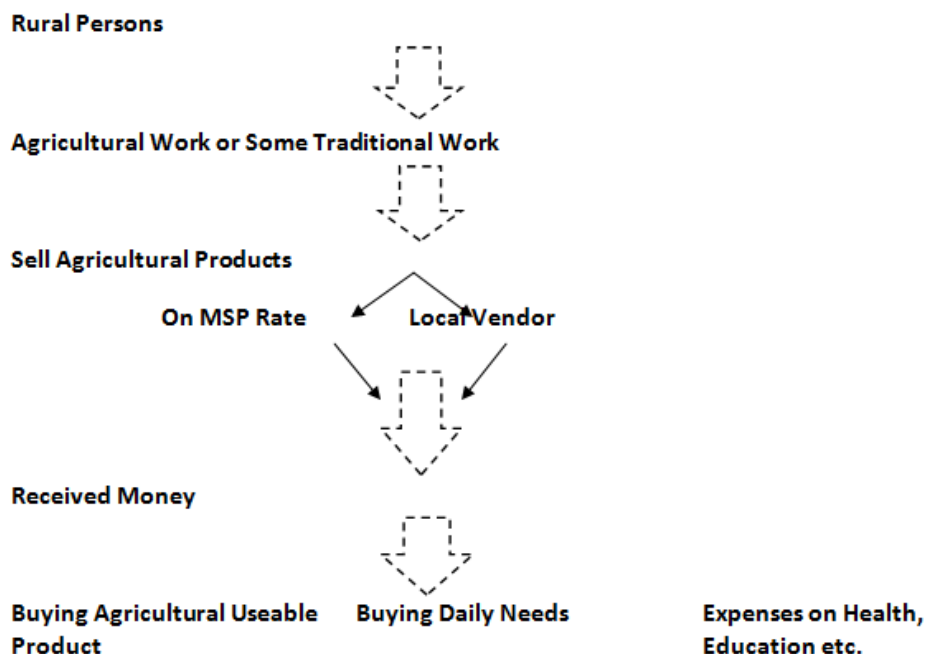
4. Factors Effecting Rural Market

Durability: Durability means long lasting life especially other than FMCG products. Rural consumers depend on seasonal income and that forms the basis of being involved in the consuming process.

Availability: This refers that nearby retail shop availability of particular product that is easy to buy on that particular place to useable products. Store location is reflected in this concept, rural areas concept one shop multi type of products selling under one umbrella and they prefer to buy on near shop or local street vendor but in this time need separate stores and shops for the spreading involvement of that particular areas.

Credits: Seasonal income is way of earning of rural consumers, so they prefer credit facility. In the present scenario rural credit system can be developed or some new type of credit system can be worked on that involves both the consumer and marketers. (Akoijam 2012) defined rural credit as a tool for providing a sustainable livelihood for millions of rural Indians who don't have a means of livelihood, several organizations like RRBs, Microfinance Institutions, NABARD, etc. are playing a major role in providing rural credit facilities to rural India., Reserve Bank of India (RBI) is formulating and regulating the policies and procedure to make the rural credit facilities available to most of the needy..

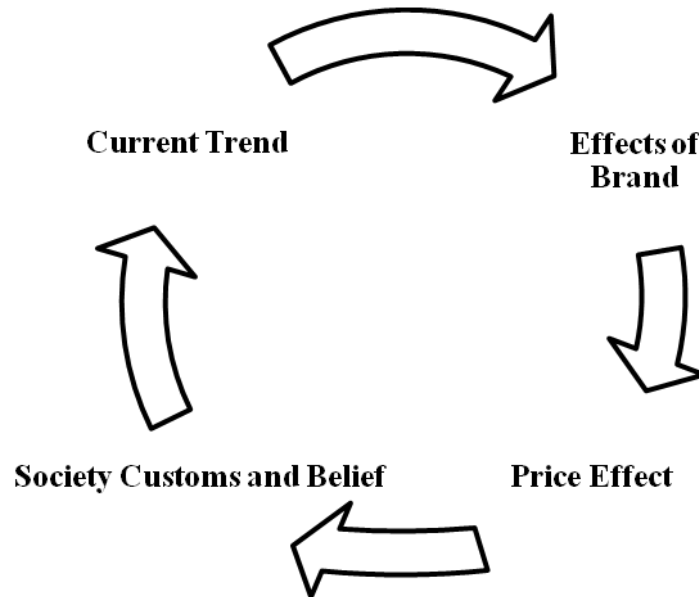
5. Hypothetical Model of Rural Consumers Income and Expenditure



On the basis of hypothetical model we can infer that most of the rural consumers are engaged in agricultural work or some traditional work. In the present time some are also engaged in government and private job but this constitutes a

very small percentage. Rural consumer income depends on seasonal basis and that a big reason for enhancing credit facility.

6. Function of Society Mindset on the Buying



Here I would like to discuss something in regard to buying function that sometimes is based on various aspects such as affection for a good brand, or suggested by friend, relative or neighbor to prefer buying but it is linked with the factor of psychic effect to buy. Price is an important aspects that's depends in the whole business world on all areas. Sometimes customs and tradition and beliefs are reflected in buying i.e; suppose jeans selling in rural areas are low especially girls as girls wearing jeans are not preferred in rural areas at large scale.

7. Conclusion

Indian rural consumers are price conscious and it takes time for future changes, but a dedicated result oriented strategy can be adopted that involves educating the rural population. We saw the literature results comes from the many of them said that rural consumers are price conscious and they are prefer economic price but in the recent about one decade it is changing. Rural area is always bright for especially in India but in the modern scenario it is boom phase for growing business.

References

1. Akoijam, S. L.S. (2012), "Rural credit: a source of sustainable livelihood of rural India", *Journal of Social Economics*, Vol. 40 Iss 1 pp. 83 - 97.
2. Ali, M.A., Thumiki, V.R. R and Khan, N. (2012), "Factors Influencing Purchase of FMCG by Rural Consumers in South India: An Empirical Study", *International Journal of Business Research and Development*, ISSN 1929-0977 | Vol. 1 No. 1, pp. 48-57 (2012).
3. ChandraSekhar, B.V.N.G. (2012), "Consumer Buying Behavior and Brand Loyalty in Rural Markets: FMCG", *IOSR Journal of Business and Management (IOSRJBM)* ISSN: 2278-487X Volume 3, Issue 2 (July-Aug. 2012), PP 50-67.
4. Devadas, A. and Manohar, H.L. (2011), "Shopping behavior of rural consumer migrated to urban area in the Indian context - An emerging market ", *African Journal of Business Management* Vol. 5(6), pp. 2276-2282, ISSN 1993-8233.
5. Hemant, K.P. and Shruti, V.K. (2013), " Determinants of Consumer Buying Behaviour: A Theoretical Framework of Rural India", *Journal of Exclusive Management Science*, March 2013-Vol 2 Issue 3 - ISSN 2277 – 5684.
6. Jha, M. (2013), "A comparative study of the buying behavior of rural and urban consumers towards mobile phone in Bihar", *International Journal of Advanced Research in Management and Social Sciences*, ISSN: 2278-6236, Vol. 2 | No. 4 | April 2013.
7. Kotni, V.V.D.P.(2012), "Prospects and problems of Indian rural market", *ZENITH International Journal of Business Economics & Management Research*, Vol.2 Issue 3, March 2012, ISSN 2249 8826.
8. Prajapati, S. and Thakor, M. (2012), "Competitive and innovative promotional tools used by toothpaste companies for rural market and its impact on consumer buying behavior in Gujarat", *Research World -Journal of Arts, Science & Commerce*, E-ISSN 2229-4686 , ISSN 2231-4172.
9. Raja, P. and Kavitha, S. (2015), "Preferences and behavior of rural consumers towards cosmetic products", *International Journal of Applied Research* 2015; 1(10): 260-263.

10. Singh, A. and Singh, V. (2014), "Factors Affecting Buying Behaviour of Rural Consumers", *International Journal of Management and Social Sciences Research (IJMSSR)* ISSN: 2319-4421 Volume 3, No. 8, August 2014.
11. Tripathi, K.C. (2017), "Rural Marketing Strategy and Ethical Business Practices: Need of Current Business Scenario", *International Research Journal of Multidisciplinary Science & Technology*, ISSN: 2455-930X, Volume: 02 Issue: 01 | January -2017.
12. <http://www.mkgandhi.org/revivalvillage/index.htm>