

A Study On Rural Consumer Buying Behaviour Of Fmcg Products In Tiruvallur

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Abstract: Urbanisation, a high literacy rate, rising rural consumer income, and an increment in the awareness level of consumers change the consumer buying behaviour of Tiruvallur district. This district has a huge population. The contribution of people's buying is less in this district. This aspect induces the researcher to investigate the buying behaviour of consumers in the district. The aim of the study is to find out the factors influencing the rural consumer to shop for FMCG products in Tiruvallur. The factors are measured through quantitative research methods. The samples are FMCG consumers from Tiruvallur, Tirutani, and Ponneri. These samples are picked out through a convenience sampling method. The opinions of samples are assessed with the help of inferential statistics. All the variables (product, price, and psychological aspects) are associated with buying behaviour. Of the three attributes, prices are having the greatest effect on buying behaviour. If prices change, consumption in the rural market may decrease.

Keywords: Rural consumer, behaviour, product, price and psychological attributes

Introduction: In India, most rural consumers are illiterate. This illiteracy makes consumers unable to identify the basic brand differences and read the text in the packages. Rural consumers are leading their lives in poverty. The poverty is due to the vagaries of the monsoon that preceded the purchasing power, which was unpredictable. For these consumers, manufacturers are selling the products at a low volume and making the products available at a reasonable cost. The main reason for doing such things is that the consumers are different (in terms of economic, psychological, and social aspects) from urban consumers. Rural consumers are price sensitive.

Though most rural consumers in India are illiterate, the average literacy rate of Tiruvallur district is 88.67%. This education has upgraded the lifestyles of rural consumers, which in turn necessitates significant changes in the products

they purchase. Urbanisation is also one of the reasons for having a better lifestyle in the rural areas. In addition, the empowerment of Tiruvallur district is increasing due to a higher literacy rate, rising income, and awareness level, which change the consumption patterns of consumers. Therefore, the study measures consumer behaviour in Tiruvallur.

Statement of problem: The rural market is influenced by behavioural and sociological factors. As per the census 2011, the total population of the district is 2721363. The total size of the FMCG market for Tiruvallur district is 0.2%. This percentage indicates a low market size for the FMCG industry. With this low percentage, the companies reaping revenue from the district are also at a minimum. Though Tiruvallur district has a huge population, the contribution of FMCG buying is less in the district. This aspect induces the researcher to

investigate the buying behaviour of consumers in the district.

Aim: The aim of the study is to find out the factors influence the rural consumer to shop FMCG products in Tiruvallur.

Objectives: The objective of the study is to analyse the relationship between product factor and buying behaviour of FMCG products in Tiruvallur. It investigates the association between price factor and buying behaviour of FMCG products in Tiruvallur. Finally, the study finds out the relationship between psychological factor and buying behaviour of FMCG products in Tiruvallur.

Scope of the study: The purpose of this study is limited to Tiruvallur consumers. The main purpose is to understand the behaviour of consumers. The study investigates the behaviour of quantitative research methods. The samples are from rural consumers in Tiruvallur. Learning the behaviour of the customers would help the companies develop an effective strategy to meet the pandemic or epidemic situation likely to happen in the future.

Review of literature

Kumaravel&Vikkraman (2013) examines the individual socio-economic background, analyzes consumer behavioral factors for FMCG personal care products, checks the level of consumer satisfaction and knowledge of consumer expectations for personal care products. The study shows that consumer behavior is strongly influenced by location, product, quality, promotion, psychology and individuals. Consumer satisfaction also depends on product-specific and market-specific factors. Consumer behavior will change if its distributors comply with their standards.

Kundu (2013) aims to analyze factors that influence consumers' purchases of fast-moving consumer goods (FMCGs) and to

propose policies to raise awareness among rural buyers. On the other hand, rural buyers have felt that social factors are not such that they can influence their decision to purchase FMCGs. It is therefore recommended that producers or advertisers develop ethical advertising strategies in the light of the love of electronic and print advertising among rural communities.

Pallavi & Shashidhar (2015) describes shifts in consumer purchasing behavior towards FMCG products. The study focused on those three categories, both of which have a product portfolio. The study focuses on comparing the two companies with their brand awareness. Consumer consumption habits and the type of product also contribute to the determination of their level of satisfaction. HUL & P&G are two major FMCG brands.

Kumar & Joseph (2014) aims to identify the degree of influence of the various factors involved in the acquisition of FMCG soap and detergent products among rural / semi-urban consumers. The study emphasized that the "price" of personal care products acquired by FMCG was of greater importance to rural clients than to conventional control or social appeal in the mass media of celebrities.

Vibhuti& Pandey (2014) identifies and ultimately decides on the factors that influence the actions of consumers buying FMCG products. The data was collected by means of a questionnaire and a theoretical presentation of the results. The paper shows that there is a significant impact on consumer behaviour, goods, costs, advertising, physiological and psychological influences.

Aamir Yousuf (2011) examined how rural consumers in various social groups had a purchasing tendency towards FMCG goods. Buying activity differed according to place of purchase. For dissimilar outlets, separate segments of rural buyers were there. But even today they only learned about the items through TV advertisements. Findings reported that many only purchased the goods after they had

become popular in the market. Finally, brand loyalty was especially strong in India's rural segments.

Lekshmi Bhai (2012) has stated that how advertisements influenced consumer behaviour and picked out the brands of selected consumer durables in India. People spent huge amount of money for leisure TV as well as reading books. Less amount of time spent for radio and then reading newspaper and magazines. At that time, there was no familiarity of using internet in India. Ultimately consumers went for watching advertisements which provided them knowledge to know about the products available in India. The primary attributes which influenced behavior comprised of brand name and then quality followed by price and then advertisements as well as availability of the particular products. Findings stated that a TV ad has influenced the customers towards consuming consumer durable products in India. There were other attributes like brand name and then quality followed by after sales service, price and advertisement. Finally, company image and quality had a positive impact on consumer buying behavior in India.

Samar Fatima and Samreen Lodhi (2015), the study explains the impact of ads on consumers purchasing behavior in the cosmetic industry. The authors conclude that the ads serve as a powerful tool in educating and generating knowledge among consumers about the product, but in the minds of consumers cannot create the intensity of the product. Variables such as market understanding and consumer experience have a fairly positive impact on the customer's purchase of any products or services.

Research methodology

Research design: The type of research to be used in the project is descriptive nature. A summary of the present situation is the descriptive inquiry

Samples: Samples are the FMCG consumers in Tiruvallur, tirutani and ponneri. These samples are picked out through convenience sampling method.

Sample size: The survey is estimated to be conducted among 108FMCG consumers in Tiruvallur district.

Tools of data collection: The study uses primary and secondary data to gather the data. Primary data collection by means of questionnaires. The investigator uses the perceived value model to construct the questionnaire and the perceptions of the answers were defined using five-point likert questions. Secondary data also reveals how other studies said about Indian consumer purchasing behaviour. The resources used mainly for journals, magazines, newspapers and internet

Statistical analysis: Simple percentage analysis, correlation and regression.

Limitations: The study is limited to FMCG products. Though the population is big, it is difficult to represent the sample portraying the population. In consumer buying behaviour, dynamic changes exist, and hence it is difficult to estimate in quantitative form.

Analysis and interpretation

Particulars	Frequency	Percentage
Age		
Below 20 years	29	26.9
Above 20 to 30 years	19	17.6
Above 30 to 40 years	27	25.0
Above 40 years	33	30.6

Gender		
Male	50	46.3
Female	58	53.7
Education qualification		
Under graduate	18	16.7
Graduate	27	25.0
Post graduate	25	23.1
Professional qualification	38	35.2
Occupation		
Business	32	29.6
Employee	26	24.1
Student	26	24.1
Home maker	24	22.2
Income		
Below Rs. 10,000	28	25.9
Rs. 10,000 to Rs. 20,000	21	19.4
Rs. 20,000 to Rs. 30,000	19	17.6
Rs. 30,000 to Rs. 40,000	15	13.9
Above Rs. 40,000	25	23.1
Total	108	100.0

Age: In the analysis, the study finds that the rural consumers who have been highly involved are over 40 years of age. The other dominating ages are below 20 years with 26.9% and above 30-40 years with 25%.

Gender: As observed, female rural consumers are active in offering their opinions in the survey. The contribution of male rural consumers is slightly lower than that of female consumers.

Education qualification: Rural consumers are well-educated and hold professional credentials. More than 20% of consumers are graduates or postgraduates. A minimum number of consumers are undergraduates in Tiruvallur district. Therefore, the results show that the population of this district is literate.

Occupation: Rural consumers work in the business. Other categories of consumers are

those working in private companies as employees. The rest are students and homemakers who actively engaged in the survey.

Income: Rural consumers who earn below Rs.10,000 have 25.9%, followed by 19.4% of Rs.10,000 to Rs.20,000, 17.6% of Rs.20,000 to Rs.30,000, 13.9% of Rs.30,000 to Rs.40,000, and 23.1% are above Rs.40,000. It is therefore concluded that the majority of respondents are above Rs. 40,000.

Rural consumer behaviour of FMCG products: Consumers are purchasing the products either from wholesale shops, retail outlets, or petty shops. In these shops, the consumption of products is on a daily, weekly, monthly, or whenever needed basis. The description of all the patterns of consumers is assessed quantitatively. The results are described in detail.

Particulars	Frequency	Percentage
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Wholesale shops	25	23.1
Petty shops	61	56.1
Retail outlets	22	20.4
Frequency		
Whenever needed	22	20.4
Once in a month	17	15.7
Once in a week	22	20.4
Twice in a week	20	18.5
Daily	27	25.0

Place of purchasing FMCG products:

According to the table, the majority of rural consumers buy their goods from petty shops. Rural consumers would like to purchase the products in the nearby shops. The reason behind it is that they are in need of low volume products. Although wholesale shops and retail outlets have a lower volume of products, the consumers have to travel to reach the respective locations. Therefore, the favourable location for rural consumers is petty shops only.

Frequency: The precise information from the table shows that the highest number of rural consumers are purchasing FMCG products daily. Most consumers are using products that

are perishable in nature. More than a quarter of customers bought it once a week or whenever they needed it. The main reason is that they chose products that had short shelf lives and were reasonable for them. In addition, it is quite surprising to observe that a small percentage of consumers have procured once a month.

Correlation: Bivariate correlations determine the relationship between the dependent and independent variables. The researcher has taken the buying behavior of FMCG products as a dependent variable, whereas the other factors (product, price, and psychological attributes) are independent.

Particulars	r-value (Sig)
Product	.919 (.000)
Price	.989** (.000)
Psychological attributes	.937** (.000)

The correlation value of products is 0.919, which represents their strong strength. The significance value of this variable is less than 5%, so it is statistically significant. It is then inferred that products are positively associated with the buying behaviour of FMCG products. The correlation value of the price is 0.989, which indicates strong strength. The significance value of this variable is less than 5%, which is statistically significant. It is then found that price is positively associated with the buying behaviour of FMCG products.

The correlation value of psychological attributes is 0.937, which indicates its strong

strength. The significance value of this variable is less than 5%, which is statistically significant. It is then evident that administration is positively associated with the buying behaviour of FMCG products.

Finally, the analysis reveals that all the factors are positively associated with the buying behaviour of FMCG products. Price is highly correlated, and the product has the least correlation value.

Regression

Impact of product factors on buying behavior of FMCG products

Model	R	R ²	F	Sig.	USC		SC	t	Sig.
					B	SE	B		
C	.919 ^a	.845	993.194	.000 ^b	.446	.074		5.993	.000
Product					.869	.028	.919	31.515	.000

The table above shows that the R-value is 0.919, indicating that the relationship between the variables is strong and close. However, it shows that when buying behaviour improves, the product factors also improve. The R² value is 0.845, which implies that product factors are about 84.5% dependent on the buying behavior of FMCG products. However, the F-statistics were secured to be 993.194. The significance

value is 0.000 ($p < 5\%$), implying that product factors are sufficient to predict the buying behavior of FMCG products. However, the beta value of product factors is 0.919, the t-value is 31.515, and the significance value is 0.000 ($p < 5\%$), which is statistically significant. Thus, it concluded that product factors positively affect the buying behavior of FMCG products.

Impact of price factors on buying behaviour of FMCG products

Model	R	R ²	F	Sig.	USC		SC	t	Sig.
					B	SE	B		
C	.989 ^a	.979	8404.996	.000 ^b	.140	.029		4.840	.000
Price					.970	.011	.989	91.679	.000

It is noted from the table above that the R-value of price is 0.989, indicating the relationship between the variables is strong and close. However, it shows that when buying behaviour improves, the price factors also improve. In addition, the R-square value is 0.979, implying that price factors are 97.9% dependent on the buying behaviour of FMCG products. However, the F-statistics are secured to be

8404.996. The significance value is 0.000 ($p < 5\%$), implying that price factors are sufficient to predict the buying behaviour of FMCG products. However, the beta value of price factors is 0.989, the t-value is 91.679, and the significance value is 0.000 ($p < 5\%$), which is statistically significant. It is then evident that price factors positively and significantly affect the buying behaviour of FMCG products.

Impact of psychological attributes factors on buying behaviour of FMCG products

Model	R	R ²	F	Sig.	USC		SC	t	Sig.
					B	SE	B		
C	.937 ^a	.878	1310.290	.000 ^b	.326	.068		4.795	.000
Psychological attributes					.889	.025	.937	36.198	.000

It is observed from the table above that the R-value of psychological attributes is 0.937, indicating the relationship between the variables is strong and close. However, it shows that the psychological attributes factors also improve when buying behaviour improves. In addition, the R-square value is 0.878, implying

that psychological attributes factors are 87.8% dependent on the buying behaviour of FMCG products. Although the F-statistics are secured to be 1310.290, the significance value is 0.000 ($p < 5\%$), implying that psychological attributes factors are sufficient to predict the buying behavior of FMCG products. However, the beta

value of psychological attributes factors is 0.937, the t-value is 36.198, and the significance value is 0.000 ($p < 5\%$), which is statistically significant. It is then evident that psychological attributes factors positively and significantly affect the buying behaviour of FMCG products.

Findings

Rural consumers over the age of 40 were highly engaged and female. Most of the consumers were well educated and had professional qualifications. The majority of the consumers worked in businesses and earned less than Rs.10,000/- per month. The majority of rural consumers bought their goods from petty shops, and the frequency of buying was daily. To understand the behaviour, the study used three attributes. The attributes were product, price, and psychological aspects. The association of attributes with behaviour was positive, strong and significant. After determining the association, the extension of impact was identified through simple linear regression analysis. This analysis revealed that price had an effect, and it was statistically more significant than others. The other two attributes had an effect on behaviour of more than 80%.

Conclusion

The purpose of the study is to identify the factors influencing the rural consumer to shop for FMCG products in Tiruvallur. According to the extensive literature, the three factors that influence behaviour are support, product, price, and psychological attributes. All the aspects are measured through quantitative research methods. Application of statistical tools reveals that the products are purchased from nearby petty shops. The maximum number of consumers have a frequency of buying daily. The assessment of variables reveals that all the variables (product, price, and psychological aspects) are associated with buying behaviour. Of the three attributes, prices are having the greatest effect on buying behaviour. If prices change, consumption in the rural market may decrease.

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