

#### **OPEN ACCESS**

Manuscript ID: COM-2022-10014566

Volume: 10

Issue: 1

Month: January

Year: 2022

E-ISSN: 2582-6190

Received: 11.11.2021

Accepted: 20.12.2021

Published: 01.01.2022

#### Citation:

Sreedevi, R., and KR Sivakumar. "Buying Behaviour of Rural Consumers Towards Fast Moving Consumers Goods." *ComFin Research*, vol. 10, no. 1, 2022, pp. 17–27.

#### DOI:

https://doi.org/10.34293/ commerce.v10i1.4566



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# **Buying Behaviour of Rural Consumers Towards Fast Moving Consumers Goods**

#### R. Sreedevi

Assistant Professor, Department of Commerce Holy Cross College (Autonomous), Nagercoil, Kanyakumari, Tamil Nadu, India

#### K.P. Sivakumar

Assistant Librarian, Noorul Islam Centre for Higher Education Kumaracoil, Kanyakumari, Tamil Nadu, India

https://orcid.org/0000-0001-8271-6384

#### Abstract

Consumption of goods is the sole purpose of every kind of production, and that's why manufacturers manufacture and promote their commodities to meet the consumer wants and needs. The structure of the Indian market is divided and has different markets like Rural and Urban markets. There are unique techniques of advertising and marketing that can be established to fit into the rural and urban market behaviours. This is because the rural shoppers vary in phrases of their Purchase Choices, Consumption Style, Purchase Activities, and also the Opinions towards goods. The central focus of the study is to investigate the behaviour of the rural consumers towards Fast Moving Consumer Goods (FMCG's). In the current scenario; the rural markets are receiving much attention with the urban market diffusion. This is mainly attributed to the improvement in the economic conditions of the rural people. With the uplift of their standard of living, rural people in India are looking forward to adapting to the urban lifestyle. This change in behaviour is mainly reflected in their purchasing limit and capacity. Hence, rural markets remain to provide potential growth opportunities for the organised FMCG companies, both assorted quality of products and services in the affordable process.

Keywords: Buying Behaviour, Rural Consumers, Fast Moving Consumer Goods, Brands, Personal Care Products, Consumption

#### Introduction

Every individual wants different kinds of products and services right from birth to death. A person who purchases products and services from the marketplace for their finish use is named consumer or buyer. A consumer may be the one who does numerous physical actions and remains cautious to form choices regarding the acquisition of the commodities and to review the goods and also the services. Understanding the behaviour of the consumer isn't a simple job because it's mainly precise and unpredictable. The study of buyer behaviour explains why and why not a consumer purchases a product, when and where a consumer purchases a product and the way a buyer purchases a product.

Consumption of goods is the sole purpose of every kind of production, and that's why manufacturers manufacture and promote their commodities to meet the consumer wants and needs. The structure of the Indian market is divided and has different markets like Rural and Urban markets. There are unique techniques of advertising and marketing that can be established to fit into the rural and urban market behaviours. This is because the rural shoppers vary in phrases of their Purchase Choices, Consumption Style, Purchase Activities, and also the Opinions towards goods.

Rural marketing is now a two-way marketing process. There is an inflow of products into rural markets for production or consumption, and there is also an outflow of products to urban areas. The urban to rural stream comprises agricultural products, Fast Moving Consumer Goods (FMCG), for example, Soaps, Detergents, Cosmetics, Textiles, et cetera. The rural to urban stream comprises horticultural items, for example, Rice, Wheat, Sugar, and Cotton. Likewise, there is a movement of rural items inside rural zones for utilisation.

#### Research Gap

The literature review conducted for the current research clarifies that very little research is done on rural consumer behaviour concerning factors influencing the purchase and consumption of FMCG, by the Indian rural consumers, either in general or concerning South India. Hence, it was decided to survey with reference to the FMCG purchase behaviour of rural consumers in Kanyakumari

#### **Review of Literature**

The national market for fast-moving consumer goods (FMCG) has undergone a spectacular development in recent years, amid the accession to the European Union and the opening of the internal market for major international trade networks. The study conducted by GFK (2019) shows that the FMCG sector in Romania registered a growth of 5.7% during the year 2018 compared to the reports from 2017. However, FMCG sales increased last year at a slower pace, compared to the average of the retail trade sales (+ 5.4% in 2018), according to the releases of the National Institute of Statistics (INS, 2019).

Yang and Zhang (2019) evaluate the impact of information exchange and the use of forecast combinations in an FMCG supply chain. The authors point out that although the exchange of information improves the overall efficiency of a supply chain, some information, such as pricing or promotion strategies, is often confidential for competitive reasons. An analysis of the impact of forecasting systems on supply planning in FMCG networks was also conducted by Basson, Kilbourn and Walters (2019). They demonstrated that using a computerised

supply planning process can reduce errors in the demand forecast for all storage units analysed.

The analysis of the sales systems for certain categories of personal hygiene products, carried out by Cha and Park (2019), showed that consumers' preferences are influenced by the function of the product, the sales price, the means of promoting sales and the characteristics of the distribution channels. The modern buyer is increasingly influenced by brand stories posted on product packaging. The study conducted in 2018 by Solja, Liljander and Soderlund showed that even a brief brand story included on FMCG product packaging could have a positive impact on consumers' behavioural intent and brand perception by consumers.

#### **Statement of the Problem**

While India is a developing nation, the vast majority of the general population is rural. The rustic market offers tremendous untouched potential, yet, it is difficult to work in a rustic market on account of a few issues. The marketers handle numerous issues in advertising their items in rural zones in the light of the fact that a large portion of the consumers in rural zones have low levels of education, poor standard of livelihoods and low levels of brand awareness.

The central focus of the study is to investigate the behaviour of the rural consumers towards Fast Moving Consumer Goods (FMCG's). In the current scenario, the rural markets are receiving much attention with the urban market diffusion. This is mainly attributed to the improvement in the economic conditions of the rural people. With the uplift of their standard of living, rural people in India are looking forward to adapting to the urban lifestyle. This change in behaviour is mainly reflected in their purchasing limit and capacity. Hence, rural markets remain to provide potential growth opportunities for the organised FMCG companies, both assorted quality of products and services in the affordable process.

#### Scope of the Study

The present research focuses on the rural buyers of Kanyakumari to grasp their behaviour, helping to ascertain the components that influence their buying decision towards the purchase of specific FMCGs. In India, rural markets offer the gigantic undiscovered potential to the manufacturers and the analysts. Be that as it may, very little research has been done on the rural zones shopper behaviour in Kanyakumari as a whole. In-depth knowledge of the rural psyche and the pattern of consumption of the rural customer is one of the privileges for making a space in the rural market. Thus the researcher has picked FMCG for the present research. The research helps the marketers and advertisers to discover the rural shopper preference and their purchasing behaviour towards Fast Moving Consumer Goods in Kanyakumari. This would help both the retailers and manufacturers to understand what are the customer inclinations and what methodologies should they adjust to snatch the market.

#### **Objectives of the Study**

- 1. To study the Buying Behaviour of Rural Consumers towards FMCGs in Tamil Nadu.
- 2. To study the Reason for the consumers to Purchase in the Preferred Store
- To ascertain the Preference towards Brands and Number of Years using the same FMCG Brand
- 4. To study the Level of Trustworthiness towards Television Advertisements of Rural Consumers concerning the selected Fast Moving Consumer Goods in rural areas of Tamil Nadu.
- To identify the significant difference in problems faced by rural consumers of different monthly incomes when buying the FMCG products in rural areas of Tamil Nadu.

#### **Sources of Data Collection**

The present research is especially supported by the primary information gathered from rural buyers done with field review. The survey was directed by interviewing people of various families, considering them as the specimen of the family in the rural Kanyakumari. An organised survey was administered for this reason. After designing the proper schedule for information gathering, the questionnaire was done at the individual level. Buyers, who agreed to participate in the study, were requested for detailed replies were listed in the survey. This supported attaining the required level of

exactness and reliability in the gathered information. Secondary information has been gathered through detailed survey and analysis of additional information and facts accessible in the distributed frame, which contains information from books, periodicals, administration reports, seminar papers and so on. The electronic information and surveys led by societies were also taken for the research.

#### Sample Size

Sampling technique used in the study was Multi - Stage Sampling for selecting the sample consumers.

Sample size has been selected by using the formulae

Sample Size  $n = p^* (1-p)^*(z/c)^2$ Where:

Z = 1.96 (Standardize Value for 95 percent confidence level)

p = 0.5 Sample SD from the Pilot Study

c = Confidence interval, expressed as decimal (0.05)Sample Size n =  $0.5*(1-0.5)*(1.96/0.05)^2$ 

 $=0.5*0.5*(39.2)^2$ 

= 0.25\*1536.64

= 384.16

Therefore 384 has been selected as sample size

#### **Selection of Products**

The FMCG products chosen for the research are

- Personal Care: Bathing Soap, Tooth paste / powder and Shampoo
- · Household Care: Washing Powder
- Beverages: Tea and Soft Drinks

#### **Tools used for Analysis of Data**

Statistical tools used for the study are Percentages and 'ANOVA', which are applied for analysing the responses of the FMCG consumers of rural Kanyakumari.

#### **Demographic Profile of Rural Consumers**

The personal details of rural consumers, namely Age, Gender, Educational Qualification, Occupation, Marital Status, and Monthly Income, have been analysed with the help of the percentage method. The analysis of personal details of rural consumers is presented in Table 1



Table 1: Demographic Profile of the Rural Consumers

| Consumers        |                       |          |              |  |  |  |  |
|------------------|-----------------------|----------|--------------|--|--|--|--|
| Descriptions     | No. of<br>Respondents | %        | Cumulative % |  |  |  |  |
|                  | Gender of the R       | espond   | ents         |  |  |  |  |
| Male             | 191                   | 49       | 49           |  |  |  |  |
| Female           | 193                   | 51       | 100          |  |  |  |  |
| Total            | 384                   | 100      |              |  |  |  |  |
| Ag               | e of the Respon       | dents (i | n yrs.)      |  |  |  |  |
| 21 to 35         | 55                    |          |              |  |  |  |  |
| 36 to 50         | 97                    | 26       | 81           |  |  |  |  |
| 51 to 65         | 68                    | 18       | 99           |  |  |  |  |
| Above 65         | 05                    | 01       | 100          |  |  |  |  |
| Total            |                       |          |              |  |  |  |  |
| Education        | nal Qualification     | of the   | Respondents  |  |  |  |  |
| School Level     | 142                   | 37       | 37           |  |  |  |  |
| Diploma          | 29                    | 08       | 45           |  |  |  |  |
| Graduate         | 154                   | 40       | 85           |  |  |  |  |
| Post<br>Graduate | 48                    | 12       | 97           |  |  |  |  |
| Illiterate       | 11                    | 03       | 100          |  |  |  |  |
| Total            | 384                   | 100      |              |  |  |  |  |
| Mai              | ital Status of th     | e Respo  | ondents      |  |  |  |  |
| Single           | 150                   | 39       | 39           |  |  |  |  |
| Married          | 232                   | 60       | 99           |  |  |  |  |
| Divorced         | 02                    | 01       | 100          |  |  |  |  |
| Total            | 384                   | 100      |              |  |  |  |  |

| Descriptions           | No. of                            | %      | Cumulative % |  |  |  |  |  |
|------------------------|-----------------------------------|--------|--------------|--|--|--|--|--|
| 00                     | Respondents                       | Respon | dents        |  |  |  |  |  |
| Farmers                | 42                                | 12     | 12           |  |  |  |  |  |
| Self<br>Employed       | 37                                | 10     | 22           |  |  |  |  |  |
| Government<br>Employee | 60                                | 15     | 37           |  |  |  |  |  |
| Business<br>Man        | 06                                | 02     | 39           |  |  |  |  |  |
| Homemaker              | 56                                | 14     | 53           |  |  |  |  |  |
| Student                | 166                               | 43     | 96           |  |  |  |  |  |
| Others                 | 17                                | 04     | 100          |  |  |  |  |  |
| Total                  | 384                               | 100    |              |  |  |  |  |  |
| Mon                    | Monthly Income of the Respondents |        |              |  |  |  |  |  |
| Below 5,000            | 140                               | 37     | 37           |  |  |  |  |  |
| 5001 to<br>10000       | 87                                | 23     | 60           |  |  |  |  |  |

| 10001 to<br>15000 | 45  | 11  | 71  |
|-------------------|-----|-----|-----|
| 15001 to<br>20000 | 48  | 12  | 83  |
| Above<br>20001    | 64  | 17  | 100 |
| Total             | 384 | 100 |     |

Source: Primary data

Gender is one of the most important social factors which influence the consumers towards the purchase of Fast Moving Consumer Goods. It is a well-known fact that both Male and Female consumers have different behaviour towards the purchase of Fast Moving Consumer Goods. It is inferred from the table that 51 per cent of the consumers were Female, and 49 per cent of the consumers were Male.

A product's need and interest often varies with the consumers' Age. The behaviour of sample consumers towards Fast Moving Consumer Goods differs according to their age. Hence age is considered an important factor for this study. It is clear from the table that 55 per cent fall in the category of 21 to 35 years, 26 per cent of the consumers belongs to the age group of 36 to 50, 18 per cent of the consumers belongs to the age group of 51 to 65 and 1 per cent of the consumers belongs to the age group of above 65 years.

The educational qualification provides a better awareness of the Fast Moving Consumers Goods. Hence the profile of sample consumers in terms of educational qualification has been highlighted in the table. In the study, the majority of the FMCG buyer's literacy level is up to under graduation, which accounts for40 per cent, 37 per cent of the consumers fall in the category of school-level education, 12 per cent of the sample consumer's literacy level is up to post-graduation. 08 per cent of the consumers fall in the category of Diploma holders, and 03 per cent of the consumers are Illiterate. For purchasing the FMCGs, no basic qualification is required. Both the literate and illiterate have the necessity for buying the products used in day to day life.

Marital Status is one of the factors which may influence consumers to purchase Fast Moving Consumer Goods. The behaviour of unmarried woman/man consumers towards Fast Moving

Consumer Goods is entirely different from that of married consumers. The distribution of Consumers based on their marital status in the study inferred that 60 per cent of the consumers are married, 39 per cent of the consumers are unmarried.

Occupation is one of the important factors that determine the standard of living of the individual. People who are better employed or well placed in business enjoy a status in society, and accordingly, they change their pattern of life. Occupation is one of the important variables which influence the behaviour of the consumers towards Fast Moving Consumer Goods. In this study, 43 per cent of the consumers are students, 15 per cent of the consumers are Government employees, 14 per cent of the consumer are homemakers, 10 per cent of the consumers are self-employed, 12 per cent of the consumers are farmers and 4 per cent of the consumers are engaged in other works such as road works and building works.

The disposable income is indispensable in deciding over the issues relating to a number of units to be purchased, quality of the goods considered and frequency of purchase of particular products of FMCG. The distribution of Consumers based on their family monthly income in the study exhibits that 37 per cent belong to the family monthly income of below 5,000, 23 per cent of the consumers belong to the monthly income of 5001 to 10000, 17 per cent of the consumers belong to the monthly income of Above 2000, 12 per cent of the consumers belongs to the monthly income of 15001 to 20000 and 11 per cent fall in the category of 10001 to 15000

#### Buying Behaviour of Rural Consumers Towards Fast-Moving Consumers Goods Shop Preference of the Rural Consumers

The shop preference of rural consumers is influenced by various factors. They consider the location of the stores and their design. That apart, advertisements of various kinds also help marketers draw consumer attention.

Table 2 : Shop Preference of Rural Consumers to Purchase Personal Care Products

|        | to 1 di chase i ci sonai care i i oddets |                     |     |  |  |  |  |  |
|--------|--|---------------------|-----|--|--|--|--|--|
| S. No. | Shop<br>Preference                       | No. of<br>Consumers | %   |  |  |  |  |  |
| 1.     | SuperMarket                              | 109                 | 28  |  |  |  |  |  |
| 2.     | Convenient stores                        | 70                  | 18  |  |  |  |  |  |
| 3.     | Relative or<br>Friends Shop              | 10                  | 03  |  |  |  |  |  |
| 4.     | Shop in Town                             | 189                 | 49  |  |  |  |  |  |
| 5.     | From anywhere it is available            | 06                  | 02  |  |  |  |  |  |
|        | Total                                    | 384                 | 100 |  |  |  |  |  |

Source: Primary data

It is clear from the table that 49 per cent of the consumers prefer to make purchases of personal care products from Shop in Town and 2 per cent of the consumers prefer to make purchases of personal care products from anywhere it is available. The majority of consumers prefer to make purchases of personal care products from shops in town and supermarkets. Because of the availability of more brands, the ease of shopping process, the store supplies, cleanliness of the store may be the reason to purchase from the supermarket.

Table 3: Shop Preference of Rural Consumers to Purchase Household Care Products

| <b>S. No.</b> | Shop Preference SuperMarket   | No. of<br>Consumers | %   |
|---------------|-------------------------------|---------------------|-----|
| 1.            | SuperMarket                   |                     |     |
|               | 1                             | 97                  | 26  |
| 2.            | Convenient stores             | 177                 | 46  |
| 3.            | Relative or Friends Shop      | 55                  | 14  |
| 4.            | Shop in Town                  | 40                  | 10  |
| 5.            | From anywhere it is available | 15                  | 04  |
|               | Total                         | 384                 | 100 |

Source: Primary data

It is clear from Table no. 3, among the 384 sample consumers, 46 per cent of the respondents prefer to make purchases of household care FMCGs in convenient stores. This shows that the people in rural areas have not made much effort into

purchasing household care products. They buy the washing powder from the shop, which is convenient and near to their home.

Table 4: Shop Preference of Rural Consumers to Purchase Beverages

| S. No. | Shop Preference               | No. of<br>Consumers | %   |
|--------|-------------------------------|---------------------|-----|
| 1.     | SuperMarket                   | 117                 | 30  |
| 2.     | Convenient stores             | 85                  | 22  |
| 3.     | Relative or<br>Friends Shop   | 65                  | 17  |
| 4.     | Shop in Town                  | 92                  | 24  |
| 5.     | From anywhere it is available | 25                  | 07  |
|        | Total                         | 384                 | 100 |

Source: Primary data

It is clear from table 4 that 30 per cent of the consumers prefer to make purchases of Beverages from supermarkets, and 24 per cent of the consumers prefer to make purchases of Beverages from Shops in town. It is because of the availability of more brands in the supermarket and the shops in town are the major reason.

## Reason for the Consumers to Purchase in the Preferred Store

Rural consumers are making purchases in the preferred store for different reasons, namely discount, variety, service, proximity and ambience. The following table shows the reasons for purchasing the rural consumers in the preferred store.

Table 5: Reason for Making Purchase in the Preferred Store by the Consumer

| S. No. | Reasons   | No. of Consumers | %   |
|--------|-----------|------------------|-----|
| 1.     | Discount  | 194              | 51  |
| 2.     | Variety   | 80               | 21  |
| 3.     | Service   | 92               | 24  |
| 4.     | Proximity | 12               | 03  |
| 5.     | Ambience  | 6                | 01  |
|        | Total     | 384              | 100 |

Source: Primary data

It is evident from the table that 51 per cent of the consumers are purchasing in the preferred store for discount, the people in a rural area are price-sensitive,

and so the people in the rural area are very much influenced by the discounts for all the products from chalk to cheese and only 1 per cent of the consumers are making a purchase in the preferred store for ambience, because they are attracted by the store environment or the friendliness of the storekeepers.

#### Level of Trustworthiness towards Television Advertisements

Purchase of any products depends upon the level of trustworthiness attached to the source of information towards the products. The following table shows the level of trustworthiness of rural consumers towards TV advertisements.

Table 6: Level of Trustworthiness towards TV

Advertisements

| S.<br>No. | Level of trustworthiness | No. of<br>Consumers | %   |
|-----------|--------------------------|---------------------|-----|
| 1.        | Very high                | 68                  | 18  |
| 2.        | High                     | 66                  | 17  |
| 3.        | Moderate                 | 121                 | 32  |
| 4.        | Low                      | 43                  | 11  |
| 5.        | Very low                 | 86                  | 22  |
|           | Total                    | 384                 | 100 |

Source: Primary data

Table 5 shows that 32 per cent of the consumers have a Moderate level of trustworthiness towards TV advertisements, 22 per cent of the consumers have a very low level of trustworthiness towards TV advertisements, 18 per cent of the consumers have a very high level of trustworthiness towards TV advertisements, 17 per cent of the Consumers have a high level of trustworthiness towards TV advertisements and 11 per cent of the Consumers have Low level of trustworthiness towards TV advertisements

#### **Preference towards Brands**

Urban consumers are long familiar with the terms and concepts of brand, brand image, brand value and brand loyalty. But the rural consumer is only now beginning to appreciate the relevance of brands and their relevance to meeting wants and needs. Rural consumers prefer to buy different varieties of brands, namely local brand, regional brand, national brand

and international brand. The following table shows the varieties of brands preferred by rural consumers.

Table 7: Rural Consumers' Preference towards
Brands to buy FMCGs

| S. No. | Varieties of Brand             | No. of<br>Consumers | %   |
|--------|--------------------------------|---------------------|-----|
| 1.     | Local brand/<br>Regional brand | 141                 | 37  |
| 2.     | National brand                 | 188                 | 49  |
| 3.     | International brand            | 55                  | 14  |
|        | Total                          | 384                 | 100 |

Source: Primary data

It is inferred from the table that 49 per cent of the Consumers in the rural areas of Tamil Nadu prefer National Brands, which shows the awareness of rural consumers in selecting the Branded Fast-moving consumer goods, and 14 per cent of the consumers prefer to buy International Brand. It shows that The high income level of people consumes international Brands, because the International Brand product's price is high compared to National Brands.

#### Number of Years using the same FMCG Brand

An important factor, namely duration of use of FMCGs, is studied in detail to determine the perception of the Consumers. If the Consumers use the same brand for a long period, they are highly satisfied with the products used by them. Therefore, the duration of experience with the products used by the consumers is enquired into, and the results are presented in Table 7.

Table 8: Years of Experience in using the Same FMCG Brand by the Consumers

| FMCGs          | < 1 | year 1 to 3 yrs. |    | 4 to 5 yrs. |    | 5 to 10 yrs. |    | >10 years |     |      |
|----------------|-----|------------------|----|-------------|----|--------------|----|-----------|-----|------|
|                | No  | %                | No | %           | No | %            | No | %         | No  | %    |
| Washing powder | 44  | 11.5             | 14 | 3.6         | 37 | 9.6          | 97 | 25.3      | 192 | 50.0 |
| Bathing Soap   | 21  | 5.5              | 33 | 8.6         | 50 | 13.0         | 68 | 17.7      | 212 | 55.2 |
| Tooth Paste    | 11  | 2.9              | 37 | 9.6         | 48 | 12.5         | 68 | 17.7      | 220 | 57.3 |
| Hair Care      | 23  | 6.0              | 58 | 15.1        | 36 | 9.4          | 62 | 16.1      | 205 | 53.4 |
| Soft Drinks    | 66  | 17.2             | 40 | 10.4        | 44 | 11.5         | 68 | 17.7      | 166 | 43.2 |
| Tea            | 33  | 8.6              | 34 | 8.9         | 16 | 4.2          | 36 | 9.4       | 265 | 69.0 |

Source: Primary data

The above table highlights the fact that 50 per cent of Washing powder users, 55. 2 per cent of the Bathing Soap users, 57.3 per cent of Toothpaste users, 53.4 per cent of Hair Care users, 43.2 per cent of Soft Drink users and 69 per cent of the Tea users have been using the same brand for more than ten years. It could be stated that FMCG companies attract consumers with product line extensions with

the same brand name. The rural folks are satisfied with the offerings provided by the FMCG companies.

## Frequency of Purchase of FMCG by the Consumers

Rural consumers purchase FMCGs at regular intervals. As per the need of the product, they used to buy the products at different intervals. The following table shows the frequency of purchase of FMCGs.

Table 9 Frequency of Purchase of FMCGs by Consumers

| S.             | EMCC-        |        | Frequency of Purchase |           |            |       |  |  |
|----------------|--------------|--------|-----------------------|-----------|------------|-------|--|--|
| No.            | FMCGs        | Always | Often                 | Sometimes | Not at all | Total |  |  |
| 1              | Washing      | 140    | 172                   | 62        | 10         | 384   |  |  |
| 1.             | powder       | (36.5) | (44.8)                | (16.1)    | (2.6)      | (100) |  |  |
| 2              | 2 D 41:      | 256    | 114                   | 14        |            | 384   |  |  |
| 2. Bathing soa | Dathing soap | (66.7) | (29.7)                | (3.6)     | -          | (100) |  |  |
| 2              | Tooth paste/ | 273    | 79                    | 18        | 14         | 384   |  |  |
| 3.             | Powder       | (71.1) | (20.6)                | (4.7)     | (3.6)      | (100) |  |  |



| 4. | Hair Care   | 125<br>(32.6) | 80<br>(20.8) | 130<br>(33.9) | 49<br>(12.8) | 384<br>(100) |
|----|-------------|---------------|--------------|---------------|--------------|--------------|
| 5. | Soft Drinks | 62<br>(16.1)  | 67<br>(17.4) | 200<br>(52.1) | 55<br>(14.3) | 384<br>(100) |
| 6. | Tea         | 232<br>(60.4) | 80<br>(20.8) | 44<br>(11.5)  | 28<br>(7.3)  | 384<br>(100) |

Source: Primary data

It is clear from the table that 66.7 per cent of the consumers always purchase bathing soap, 71.1 per cent of the consumers purchase tooth paste/powder. This shows that people in rural households are changing nowadays. They are changing the traditional products and adapting to use the products that are used by their urban counterparts. It is clear from the study rural consumers are always purchase toothpaste/powder. Only 16.1 per cent of the consumers always used to buy soft drinks; this is because the people in rural households think that the chemical content of the soft drinks may affect their health.

## Association between Problems faced by Rural Consumers among Monthly Income while Buying FMCGs in Rural Areas

To find out the significant difference in problems faced by rural consumers of different monthly income when buying products in rural areas, 'ANOVA' test is attempted with the hypothesis as,

 $\rm H_{0}$  - There is no significant difference in problems faced by rural consumers of different monthly incomes when buying products in rural areas.

Table 10: ANOVA Test Showing the Significant difference between Monthly Income and Problems faced by Rural Consumers while Buying FMCGs in Rural Areas

|   | Monthly Income (Mean Score) |                  |                      |                    |                   |               |
|---|-----------------------------|------------------|----------------------|--------------------|-------------------|---------------|
| Problems  | Below<br>Rs.5,000           | Rs.5001 to 10000 | Rs.10001 to<br>15000 | Rs.150001 to 20000 | Above<br>Rs.20001 | F- Statistics |
| Adulteration is quite common in rural markets                                 | 4.0143                      | 3.9885           | 3.8444               | 3.5000             | 3.3750            | 4.988*        |
| Misuse of brand is<br>done by the Local<br>Manufacturers                      | 3.4571                      | 3.6322           | 3.5556               | 3.5417             | 3.1719            | 2.439*        |
| Hoarding and Black marketing  | 3.3286                      | 3.7586           | 3.8889               | 3.6042             | 2.9531            | 8.384*        |
| Shortage in weights and measurement   | 3.2143                      | 3.3218           | 3.0222               | 3.4167             | 2.8906            | 2.407*        |
| Deceptive advertisement   | 4.0786                      | 4.0000           | 3.4667               | 3.4792             | 3.4844            | 10.919*       |
| Defective and<br>Deceptive<br>packaging                                       | 3.4286                      | 3.7471           | 3.5556               | 3.7083             | 3.2344            | 4.002*        |
| Selling of spurious<br>brand is a common<br>practice among<br>rural retailers | 3.3071                      | 3.5632           | 3.7111               | 4.0208             | 3.1563            | 8.433*        |

Source: Primary data

It is evident from the table the mean score of monthly incomes when buying products in rural problems faced by rural consumers of different areas, along with its respective 'F' statistics.

<sup>\*-</sup>Significant at five per cent level

The important problems among the consumers who belong to the monthly income of below Rs.5000 are deceptive advertisement, and adulteration is quite common in rural markets. Their respective mean scores are 4.0786 and 4.0143, and among the consumers who belong to the monthly income between Rs.5001-10,000, deceptive advertisement and adulteration are quite common in rural markets. Their respective mean scores are 4.0000 and 3.9885. The table further shows that the important problems among the consumers who belong to the monthly income between Rs.10,001-15,000 are adulteration is quite common in rural markets, and hoarding and black marketing and their respective mean scores are 3.8889 and 3.8444 and among the consumers who belong to the monthly income between Rs.15,001-20,000, selling of spurious brand is a common practice among rural retailers and defective and deceptive packaging and their respective mean scores are 4.0208 and 3.7083. The table reveals that the important problems among the consumers who belong to the monthly income of above Rs.20,000 are deceptive advertisements and adulteration is quite common in rural markets. Their respective mean scores are 3.4844 and 3.3750. Regarding the problems when buying products in rural areas, the significant difference among the different monthly income of consumers, are identified in the case of adulteration is quite common in rural markets, misuse of the brand is done by the Local Manufacturers, hoarding and black marketing, shortage in weights and measurement, deceptive advertisement, defective and deceptive packaging and selling of spurious brand is a common practice among rural retailers since the respective 'F' statistics are significant at 5 per cent level, the null hypothesis is rejected.

#### **Summary of Findings**

The profile of the respondents through percentage analysis ascertains that 51 per cent of the respondents are female and 49 per cent of the respondents are Male. It shows that the social setup in India has undergone a rapid change. Indian women are making a lot of buying decisions.

55 per cent fall in the category of 21 to 35 years. This shows the majority of the youth population has a great influence on overall consumer behaviour. Such

implication needs research investigation which helps in understanding the consumer behaviour better.

In the study, the majority of the FMCG buyer's literacy level up to under graduation accounts for 40 per cent. This shows the young and the educated take the buying decision to purchase the FMCGs in the villages. 03 per cent of the consumers are Illiterate. For purchasing the FMCGs, no basic qualification is required. Both the literate and illiterate have the necessity for buying the products used in day to day life.

It is depicted, 61 per cent of the consumers are married, and 39 per cent of the consumers are unmarried. It is inferred from the above analysis that the majority of the consumers are married. Irrespective of the marital status, all the consumers are engaged in the buying process.

The income of the respondents affects the buying behaviour of rural consumers in the form of quality and quantity of purchase. It is noted that 37 per cent of the respondents belong to a family monthly income of below 5,000, and 23 per cent of the respondents belong to a family monthly income between 5000 - 10,000

49 per cent of consumers prefer to purchase personal care products from shops in town and supermarkets. Because of the availability of more brands, the store supplies, the ease of shopping process, and the cleanliness of the store may be the reason to purchase from the supermarket. 46 per cent of the respondents prefer to make household care FMCGs in convenient stores. This shows that the people in rural areas have not made much effort in purchasing household care products. 30 per cent of the consumers prefer to make purchases of Beverages from supermarkets, and 24 per cent of the consumers prefer to make purchases of Beverages from Shops in town. It is because of the availability of more brands in the supermarket and the shops in town is the major reason.

It is depicted that 51 per cent of the rural consumers in Tamilnadu make purchases in their preferred store because of the discount for the products, and 24 per cent of the people purchase because of services provided in the store. Discount and service are the two important reasons for rural consumers to make purchases in the preferred store.

49 per cent of the consumers in the rural areas of Tamilnadu prefer National brands, which show the awareness of rural consumers in selecting the Branded FMCGs, and 14 per cent of the consumers prefer to buy International Brands. It shows that International Brands are consumed by the high-income level people because the International Branded products' prices are high when compared to National Brands.

It is clear from the study, 66.7 per cent of the consumers always purchase bathing soap, 71.1 per cent of the consumers purchase tooth paste/powder. This shows that people in rural households are changing nowadays. They have changed the traditional products and have adapted to use the products used by their urban counterparts. It is clear from the rural study consumers always purchase toothpaste/powder. Only 16.1 per cent of the consumers always used to buy soft drinks; this is because the people in the total household think that the chemical content of the soft drinks may affect their health.

The study highlights the fact that 50 per cent of Washing powder users, 55. 2 per cent of the Bathing Soap users, 57.3 per cent of Tooth paste users, 53.4 per cent of Hair Care users, 43.2 per cent of Soft Drink users and 69 per cent of the Tea users have been using the same brand for more than ten years. It could be stated that FMCG companies attract consumers with product line extensions with the same brand name. The rural folks are satisfied with the offerings provided by their preferred FMCG companies.

#### **Suggestions and Recommendations**

From the study, it was found that the majority of rural people rely upon branded products. This is because they are bound within a stiff belief that only branded products are associated with quality, reasonable price and extra benefits. It was also observed that even users of branded products are slowly shifting towards branded products due to increased literacy level. Hence, MNC's would no longer consider rural people within the preview of "illiterates" and focus on bringing out innovative marketing strategies. Reaching out to the rural people would be easy if the innovative ideas were woven

around natural ingredients because they always have a special touch towards tradition.

The study highlighted that, for the rural consumers' access to their favourite brands is insufficient in their hamlets. They generally shop in their nearby towns. Hence the manufactures must make sure that their products are made available in every corner of the rural areas for greater penetration. The study also revealed that the rural market is heavily exploited by duplicate products produced by local manufactures taking advantage of the unavailability of products. Thus, they continue to be a great threat to National and International Brands. To overcome this, they must use prominent logo symbols and logo colours to assure that all the consumers will easily recognize the products.

This study explored that even though the literacy level in the rural area is increasing, there is still a considerable population who are illiterates. Reaching out to those people would be easier only through television advertisements. Hence, greater focus is necessary on the advertising strategies. The advertisements should be in the local language with simple themes so that the illiterate population would easily know about the various brands available in the market.

#### Conclusion

This study, on one hand, has broken much old thinking regarding rural markets whereas, on the other hand, it has upheld many others. Opposing the belief that only well-educated and rich consumers utilise the top national brands, even low-level consumers were found to be captivating such brands. Similarly, the consumers are being well exposed to the different media, primarily television. The teenage rural consumers are more variety seeking in contrast to their old aged counterparts. The companies entering the rural market must do so for deliberate reasons and not for tactical gain as a rural consumer is still a closed book. It is only through solid commitment that the companies can make an indentation in the market. At last, the winner would be the one with the essential resources like money and time and the much needed ground-breaking ideas to tap the rural.

The only constant thing in an evolving market is the change in consumers' dynamics. Over some time, the Indian market has come to stand as distinctly divided like the religions and castes of India. The Indian markets are categorised into urban and rural markets, and each of these markets has its own characteristics and potential. Today, rural markets are the focus of Indian marketers for various reasons that include the current and future potential of the market. The Indian rural consumer FMCG market is very vast in size and has a lot of opportunities and studying consumer behaviour is also important for tapping rural markets.

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#### **Author Details**

**Dr. R. Sreedevi,** Assistant Professor, Department of Commerce, Holy Cross College (Autonomous), Nagercoil, Kanyakumari, Tamil Nadu, India, **Email ID:** sreewinsall@gmail.com

**Dr. K. P. Sivakumar**, Assistant Librarian, Noorul Islam Centre for Higher Education, Kumaracoil, Kanyakumari, Tamil Nadu, India, **Email ID**: sivavinsall@gmail.com