



## "A STUDY OF BUYING BEHAVIOUR OF RURAL CONSUMER"

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### **Abstract**

*If we look at the current situation of the rural consumer, there is a huge potential in the rural markets that businesses are trying to tap in rural areas due to the intense competition in urban markets. They are receiving remittances from abroad as well as a significant increase in disposable income due to the fact that it is common for rural households to have at least one family member employed in other countries. Here, marketers must devise these kinds of promotional tactics to entice rural consumers to buy their products and to show loyalty to the business.*

**Keywords: Rural Consumer, Economy, Market Potential, Buying Behavior, Rural Credit.**

### **Introduction**

Rural marketing now involves two-way communication. Products are imported into rural markets for production or consumption, and they are also exported to urban areas. Since a few years ago, the rural market has been steadily expanding and has now surpassed the size of the urban market. The majority of people in India live in villages, about 70%. India has more than 800 million people living in rural areas. Buying behaviour is defined as the process by which people or organisations choose, purchase, use, and dispose of goods and services to satisfy their needs. Understanding consumer behaviour can be challenging because consumers often act one way while behaving another. As consumers drive markets, it is crucial for marketers to comprehend what motivates customers to make purchases. Because consumers today have a wide variety of brands and products to choose from, it also becomes crucial for businesses to view consumers from a different perspective by understanding their needs and wants. Marketers can therefore improve their products to meet customer demands and raise their level of competition by analysing consumer needs. All facets of marketing are significantly influenced by consumer behaviour.

FMCGs (Fast Moving Consumer Goods) have drawn Indian villagers. The manufacturing companies saw this development as an opportunity as urban demand for goods began to saturate. To enter this sizable and expanding rural market, major FMCG companies, including multinational corporations, are developing their own strategies. The marketing plans must be specifically designed for rural areas. Leading Indian businesses have adopted a developmental strategy to support this emerging market. Hindustan Levers Ltd., Godrej, Procter & Gamble, Nirma, Reckett & Coleman, and Karnataka Soaps and Detergents Ltd. are the businesses. HLL has pioneered the development of FMCG products for the rural market as well as the launching of innovative and cooperative strategies. Fast-moving consumer goods have a very large market potential in rural areas. In rural areas, cleanliness and hygiene are very important, and toilet soaps undoubtedly help with both. Profits would naturally follow. Leading companies like HLL, Dabur, P&G, Marico, Colgate-Pamolive, and Callindar are focusing on rural markets with their personal care and beauty products. Major soft drink companies like Coca-Cola and Pepsi are also making a significant effort to expand into rural areas. As a result, FMCG companies'



reach has now reached even the most isolated villages in India. Researchers have put a lot of effort into figuring out how consumers in rural India behave.

### **Literature Review**

**Vaish** (2006) discovered competitive potential in rural markets that businesses cannot afford to ignore. In addition, they discussed how rural Indian consumers' lifestyles were evolving. Based on the foregoing, it can be concluded that while the effectiveness of advertising has received enough attention in general, FMCG advertising, particularly in rural markets, has received relatively little attention. According to **Nagaraja** (2004), socioeconomic factors have an impact on rural consumers' purchasing decisions, social standing, and level of income. In comparison to urban consumers, rural consumers are more logical and were more rational buyers.

According to **Kumar** (2011), celebrity traits may have an impact on consumers' intentions to make purchases. Celebrity endorsements have become more commonplace over time. It is now a common component of the advertising industry, particularly in India. In order to boost sales and expand their market share, marketers use celebrity endorsers to persuade consumers to make a purchase.

**Singh and Singh** (2014) discovered that rural teenagers dominated all decision-making stages for toothpaste and bathing soaps, but that male respondents between the ages of 16 and 19 dominated the information search and evaluation stage and the brand selection at the final purchase stage. Teenagers' purchasing power over toothpaste and soap for the bathroom increases with age and family income, according to research.

According to **Kumar and Singh** (2013), rural male teenagers in the age range of 16 to 19 who belong to the high income class had noticeably more influence over family cell phone purchases than their counterparts.

### **Objective**

1. To recognize the driving forces behind the various buying behaviour of rural consumers.

### **Research Methodology**

The study in this paper is based on secondary data that was collected from books, journals, research papers, and websites, in addition to newspaper articles.

### **Understanding the factors from the perspective of a rural consumer**

Over the years, rural India has undergone a rapid transformation. In response, businesses have tailored their products for consumers in rural areas, adding features like smaller packs and coin pricing. New communication and distribution channels have been developed by businesses like HUL, ITC, Tata, Godrej, and Eveready, among others. Consumer durables are now more readily available in rural areas thanks to improved infrastructure that has increased household electrification, improved road and phone connectivity, and access to mass media via television. The demand for new products has increased due to each of these factors raising purchasing power. The government has invested heavily in initiatives as a result of its focus on reducing poverty and the rural population. The stereotypes of the poor, uneducated, and fearful rural consumers of ancient India are changing as they become more affluent. The rural consumer in India is changing from the stereotypes of the past, which associated



them with poverty, ignorance, and a reluctance to spend money, to one that is more literate and value-driven. Let's now examine the variables that affect rural consumers.

- **Culture**

One of the key factors influencing behaviour in rural areas is culture. A child growing up in a rural environment develops a set of values, perceptions, preferences, and behaviours from his family and other significant associations that are present at different stages of his life. Culture determines the tried-and-true behaviour displayed by a group as a whole. However, a culture's degree of influence on behaviour will depend on how limited it is or if it merges with other cultures.

- **Product Boxing**

As it relates to affordability, brand recognition, user friendliness, and product appeal, packaging plays a significant part in the product offering for rural markets. At the primary level, packaging serves to protect the product, whereas at the secondary level, it improves the product's appearance and sales appeal. Due to a number of issues, including India's rural areas' inadequate power supply, inadequate cold storage, and a poor transportation system, packaging for rural markets requires a special focus.

- **Price**

It is the sum of money that a consumer must pay in order to be granted permission to use a product. The amount of various goods or services that rural consumers will purchase depends on the price. When attempting to reach rural consumers, marketers frequently mistakenly believe that price is their only weapon. In actuality, rural consumers are not solely motivated by price but also by value for money. The state and federal governments' various development initiatives have increased India's money flow. The rural consumer's purchasing power will increase as a result. Consumers in rural areas continue to underestimate the premium value of brands. They enjoy working with products, especially durable goods for the home that perform essential functions.

- **Family Size**

Family structure and size have an impact on consumer behaviour in rural areas as well. The consumption of goods increases along with the size of the family. The need for the family pack or the economy refill pack rises in such a situation. Similar to small families, big families have more breadwinners, which means higher family income and more product consumption.

- **Age**

Age has an impact on both the forms and purchases of products. Similar to urban areas, this is very evident in rural areas. For instance, a person under the age of sixty consumes less motorcycle, mobile, and ready-made clothing than someone between the ages of twenty and forty. Young adults in rural areas show a clear preference for mobile phones with the newest features and technology.

- **Advertising**

There are many obstacles to communicating with the rural audience, including low literacy rates, poor media exposure, a large and diverse rural population, and variations in language,



culture, and lifestyle. The message needs to be clear and logical for consumers in rural areas. More people accept the use of education in entertainment and slice-of-life content.

### Findings

The study implies that family size and structure have a significant impact on rural consumers' consumption patterns. All of the brands chosen are suitable for the rural consumer after reaching the choice set in the evaluation stage of the buyer decision process. However, in this case, the final decision is influenced by the product's perceived risk as well as by the major influencers, such as opinion leaders, family, and friends. Rural consumers also rely on observable sources like exhibitions and road shows because they give them a chance to personally assess the product and learn pertinent information at their own leisurely pace. With an increase in income, the influence of price and quality on rural consumers' purchasing decisions grows significantly. High income rural consumers place a higher value on advertising and product brand than low income consumers.

### Conclusion

By encouraging product trials and effectively contacting customers through the best information channels, marketers need to concentrate on reducing the time spent searching for information. Marketers must also comprehend the steps involved in evaluating a specific product, starting with primary research and mapping the progression of their brand from the consideration set to the choice set. By addressing the product's shortcomings in comparison to the competition, this increases the likelihood that it will be chosen for evaluation. Building a successful and long-lasting relationship with rural customers depends on achieving high levels of customer satisfaction.

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