

## **Buying Behaviour of Rural Women Consumers towards Fmcg Products**

**By**

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### **Abstract**

More than 600 000 villages in India are home to 70% of the country's population today. Rural populations are recognised for having low literacy rates, low income levels, lack of brand awareness, inappropriate communication methods, and insufficient transportation facilities, but they also have unique norms, customs, and rituals. In terms of cultural values, rural people were more rigid than urban people, and because of these differences, marketers sometimes fail to introduce their products into the rural market since the purchasing habits of rural customers varied considerably from those of metropolitan consumers. This study attempted to comprehend the FMCG product purchasing patterns of rural women customers and the numerous aspects that affect those consumers' selections. FMCG has become a significant product segment for rural consumers. Businesses that sell FMCG to customers in rural areas cannot simply apply their typical marketing methods to those markets. Instead, they must develop solutions specifically for rural areas. They must comprehend fundamental difficulties with rural women's consumer behaviour in this process, notably as they relate to various geographical areas of the nation. With the use of secondary data from the literature study, this research focuses on identifying factors that influence rural women's purchases of FMCG.

**Keywords:** Trust factor, Price, Sub-urban, Brand visibility, Value for money, rural purchase, Product education

### **Introduction**

Consumer behaviour is the study of how, why, what, when, and why not consumers purchase goods. It seeks to comprehend how consumers make decisions both on their own and in groups. Before deciding on a certain product, the consumer weighs several options. The consumer makes the buying choice after weighing the alternatives. Sometimes the intended purchase may not actually happen. Therefore, it is crucial to comprehend customer behaviour in order to succeed in the market. These ideas are relevant to customers in both urban and rural areas. Rural markets, however, require specialised goods and marketing approaches. Before attempting to serve rural clients, one must have a thorough understanding of their mindset.

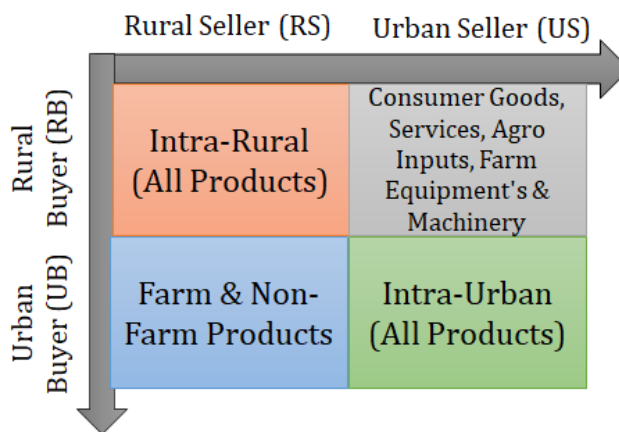
Because of their sheer magnitude, rural markets have been the focus of attention for all marketers. Some businesses have redesigned their goods, prices, and packaging to provide the characteristics and value that these markets need. To forge local ties and gain more awareness, certain FMCG businesses have boosted recruiting in small towns and rural areas of India. Rural markets have seen faster development in FMCG than urban ones. The levels of penetration are expected to rise as rural income rises and the distribution system is improved (in conjunction with road building projects). Currently, urban India consumes 66% of all FMCG, with rural

India consuming the remaining 34%. However, more than 40% of major FMCG categories including personal care, fabric care, and hot drinks are consumed in rural India.

Despite the existence of large MNCs, the unorganised sector holds a sizable portion of the market in rural regions. Unorganised players provide the stockiest a bigger margin in order to gain market share. Businesses must strengthen their distribution networks to reach far into rural areas, and they must invest significantly in brand promotion. Businesses could consider integrating backwards in order to be more economical. The advantage of such a practise will allow businesses to reduce costs and pass the savings down to rural consumers. Targeting rural markets that have the volume as they also exhibit robust consumption makes sense given that the growth in this sector is volume-driven. According to some estimates, India's rural market is larger than that in several other nations, including Australia, Canada, and many others. The success of Corporate would be guaranteed by a clear and differentiated approach to product, site, price, and promotional strategy targeting rural consumers and markets.

**Rural Market and Rural Marketing**

Divergent organisations and experts have different ideas about what is meant by the term "rural." According to the Collins Cobuild Dictionary (2001), a rural area is one that is "far from towns and cities." According to Dogra and Ghuman (2008), a rural market consists mostly of services, institutional markets, and consumer markets. According to Velayudhan (2002), rural marketing encompasses all efforts that evaluate, stimulate, and transform the purchasing power of rural consumers into a real demand for certain goods with the intention of improving the level of living. According to George & Mueller (1955), the movement of goods and services from rural to urban regions and vice versa is a two-way marketing process. According to Kotler et al. (2009), rural marketing is any marketing activity in which the primary participant is from a rural region.



**Figure 1: Rural Buyer-Seller Matrix (Source: Vaswani et al, 2005)**

The Rural Buyer-Seller (Producer) Matrix, which depicts the reach of rural marketing, was provided by Vaswani et al. (2005). The products created by rural residents in rural regions and eaten by rural residents are displayed on Shelf-I. Examples include hand-woven woollen, cotton, and silk fabrics, vegetables, fruits, and ceramics. Products created and sold by urban residents to rural regions are found on Shelf II and include autos, bicycles, farm equipment, fertilisers, etc. Vegetables, agro-based commodities, cottage industry products, and other items created in rural regions but used in urban areas make up Shelf III. Shelf-IV is not covered under the definition of rural marketing. The four A's of acceptance, affordability, accessibility, and awareness would make up the rural marketing mix (Figure 2).



**Figure 2:** 4A structure (Source: Kotler et al, 2009)

**Example 1**

Anilkumar and Joseph (2014) did a study to understand how Enakulam customers behaved towards FMCG items. The study focuses on semi-urban and rural customers' patterns of purchasing behaviour and preferences. For gathering the main data, they selected a sample of 50 semi-urban and 50 rural residents. To determine if there are any differences in the two groups' preferences for store attributes, a t-test is performed. They discovered that preferences for clear signage and price labels, helpful cashiers, baggers, and other store staff varied across sub-urban and rural residents. assistance with shop item location, putting things on lower shelves so they're easier to access Personal things that fit my needs, packaging and size considerations for my age and home, and product quality attractive product pricing, While they do not differ in terms of other parts of shop qualities like consistent arrangement of things for ease of discovering items, availability of advertised products, and option to return items for replacements and takes tickets from drawings for prizes. This demonstrates that consumers in semi-urban and rural areas desire stores to be located consistently for easy access, and they also want the advertised goods to be readily available in stores. In addition, both groups of people like getting coupons when they shop so they may participate in drawings.

**Table 1:** t-test for retail shop aspects influencing purchase behaviour of Consumers

Preferred store attributes	Mean	Std Dv.	t	Sig (p<0.05)
Consistent location of items for ease of finding items	12.6448	3.80692	-0.413	0.68
Availability of advertised products	12.5956	3.65279	-0.688	0.492
Easy to read signs/price stickers	13.276	3.60332	2.914	0.004*
Helpful cashier, baggers, other store personnel	13.1038	3.45383	2.087	0.038*
Help in finding items in store	12.276	3.50855	-2.46	0.014*
Placement of items on lower shelves for ease of reach	11.8852	3.94037	-4.087	0.000*
Personal items suited to my need	11.8689	3.59364	-4.569	0.000*
Packaging/sizes suited to my age/household needs	12.2268	3.67821	-2.602	0.01*
Quality of products	13.2404	3.31491	2.963	0.003*
Attractive prices for products	13.8169	3.37547	6.177	0.000*
Store reputation and location	13.1913	3.4872	2.547	0.011*
Accepts coupons from Lucky draws	12.6284	3.67348	-0.514	0.608
Option to return items for replacements	13.194	3.50547	2.548	0.01*

### Example 2

A research was undertaken by Ali et al. (2012) in 8 districts of South India to determine the major factors influencing rural consumers' purchasing decisions. They used a standardised questionnaire that was originally written in Telugu for ease of comprehension to gather data from a sample of 1080 rural residents. The five components that were selected from the 24 variables of the buying behaviour elements were thought to have the most influence on rural customers.

**Table 2:** *Factor explanation and loadings*

Factor	Variables	Factor loadings
Promotion Factor	Promotions	0.951
	Relationship Marketing	0.912
	Product Education	0.903
	Free offers/sales promotion	0.896
	Brand endorsement	0.871
	Shelf display	0.810
Lifestyle Factor	Brand awareness	0.847
	Packaging	0.847
	Dignity	0.816
	Brand visibility	0.799
	Lifestyle	0.750
Trust Factor	Friend's recommendation	0.883
	Brand loyalty	0.791
	Government promotions	0.790
	Shopkeepers recommendation	0.784
Value Factor	Availability	0.746
	Intended benefits	0.880
	Affordability	0.862
	Need based	0.827
Product Factor	Low price	0.760
	More features	0.780
	Size	0.726
	Quality	0.713
	Long lasting	0.624

Factor 1: Emerged from 6 variables - Promotion Factor

Factor 2: Emerged from 5 variables - Lifestyle Factor

Factor 3: Emerged from 5 variables - Trust Factor

Factor 4: Emerged from 4 variables - Value Factor

Factor 5: Emerged from 4 variables - Product Factor

## Discussion, Conclusions and Recommendations

This essay aims to examine rural consumers' purchasing habits. Concepts pertaining to consumer behaviour are reviewed together with the relevant prior research. According to earlier study, residents in rural and suburban regions believe that stores should be located in accessible areas for simple access. In addition, it's important for the promoted product to be readily available in stores since customers enjoy using coupons to enter lucky drawings. Another example shows that customers in rural areas, like those in metropolitan areas, are affected by company advertisements and buy goods and services to enhance their lifestyle and level of

living. Rural people also choose branded items for themselves since the economic climate in the nation has changed. However, since there is still a huge problem with trusting a company or a product, these consumers rely on friend recommendations before making a purchase. The advice supplied by shopkeepers at the time of purchase impacts customers' purchasing decisions since awareness is another important aspect. Rural customers sought value for their money, just like urban consumers, and this made them readily migrate to the brand offering more advantages, whether in the form of lower costs or additional perks. Similarly to urban customers, people from rural regions seek high-quality products that might endure a long time. This is because they cannot make frequent trips to the market. It is advised to pursue the low-price strategy in rural marketing since pricing affects the purchasing of FMCG in rural areas. Cheap-cost production is necessary to achieve cheap prices, but it's also important to carry out other marketing tasks including distribution and advertising in an efficient way. Additionally advised is the promotion of products on a pricing plank. Value for money is achieved for rural clients when the FMCG purchased provides the desired results. It is advised to advertise FMCG along lines of reason rather than only making low price appeals given that the survey found that rural buyers also consider quality, performance, dependability, brand, and other crucial criteria. Rural marketers should develop creative promotional techniques for rural markets that can communicate messages to the villagers simply and are consistent with their level of knowledge and comprehension. It is advised to give FMCG with a lengthy shelf life. Rural customers connect larger size and/or product hardness with long-lasting features. It is thus advised to market FMCG along these lines. Due to the preference of rural consumers for high-quality FMCG, quality is significant in the context of rural FMCG consumption and purchase. Therefore, it is advised against compromising on FMCG quality. Low prices must be charged without compromising on quality.

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