

A Study of Indian Rural Buying Behaviour for Selected Consumer Durables

By

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Abstract:

The success of brand and product in India is unpredictable because with vast rural market and consumers it is difficult to guess the consumer behavior. Consumer behavior is centre of the modern marketing, understanding his behaviour is quite essential for efficient and effective marketing management. Customers may state their needs, wants but act otherwise. They may not be in touch with their deeper motivations. India's consumer market is riding the crest of the country's economic boom. Driven by a young population with access to disposable incomes and easy finance options, the consumer market has been throwing up staggering figures. Marketing problem enhancing from the consumers' behaviour has a greater degree of similarity behavioral problems relating to the consumer durables. Hence, the present study has been chosen to identify and ascertain the extent of problems of consumer behaviour have an impact on the marketing of consumer durables in the fast growing and a green belt of Satara District. The consumer behaviour in relating to consumer durables is strongly affected by some economic, social, cultural and psychological factors; the present research has been selected for an intensive empirical survey of the various factors influencing the buyer's behaviour on consumer durables in Satara District of Maharashtra State. We found that Rural consumers have typical buying behavior where they prefer to associate with reference group for purchasing high involvement products.

Key Words: Consumer behaviour, Consumer Durables, Influence on buying decision, high involvement products, ANOVA

Introduction:

The success of a brand in the Indian rural market is as unpredictable as rain. It has always been difficult to gauge the rural market. Many brands, which should have been successful, have failed miserably. More often than not, people attribute rural market success to luck. Therefore, Marketers need to understand the social dynamics and attitude variations within each village though nationally it follows a consistent pattern looking at the challenges and the opportunities which rural markets offer to the

marketers it can be said that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage. A radical change in attitudes of marketers towards the vibrant and burgeoning rural markets is called for, so they can successfully impress on the 230 million rural consumers spread over approximately six hundred thousand villages in rural India. To understand the rural market dynamics it became necessary to study the behavior of the rural population hence the study is undertaken.

Objectives of the study:

To study the rural buying behaviour for selected consumer durables.

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Hypothesis for the study:

Null Hypothesis: Ho: Rural buyer's income do not play important role in the purchase decisions.

Alternate Hypothesis: H1: Rural buyer's income plays important role in the purchase decisions.

Scope of the study:

The study is undertaken in Satara district. The Products included in this study are Consumer durables in different categories; total nine durables were selected, namely Radio, Television, VCD/DVD, Refrigerator, Mixer, Cooler, Washing Machine, Air Conditioner and Cooker. The study is based on survey of families from rural parts of Satara district.

Out of these nine durables from study; in this research paper we have shown research outcome of two durables ie: Television (TV) & Air Conditioner (AC)

Research Design:

The research design selected for this study is combination of exploratory and descriptive research designs. The exploration of literature, cases and resource persons opinions are included in exploratory study which is purely desk research whereas the other part which is covered under descriptive study is undertaken by survey method

by constructing an instrument to establish relationship between the income levels and rural background with purchase decisions as dependent variable and income and backgrounds as independent variable. The survey for descriptive study was undertaken during Jan 2009 and June 2010. The data collected from this survey is used for establishing the desired relationship in variables selected for the research hence making the research as longitudinal study. (Kothari, 2009)

An instrument in the form of Structured and closed ended questionnaire using multiple choice and dichotomous questions is constructed based on the data required for objectives and hypothesis for the research. (Kothari, 2009) This questionnaire is printed on the plain paper and carried in copies to the target area by researcher himself. The questions in the questionnaire are in English language hence the researcher had asked the questions in the local language of the area that is Marathi and filled the form himself.

Sampling Method:

Sampling is the process of selecting units such as people from a population of interest so that by studying the sample one can fairly generalize the results to the population from which the units are chosen. (Trochim, 2007). The complexity of selecting the samples from the universe is a systematic process as follows:

1. Defining the population.
2. Identification of the sampling Technique.

3. Calculation of the sample size.

Defining the population:

The study is undertaken in the rural areas of Satara district. One can easily say that entire population of the rural Satara is the population for the study. But the researcher has a specific task of noting the responses of the persons having at least one selected durable in the household. So instead of taking the entire rural population of 2398765 as per 2001 Census (Collector Office Satara, 2012); the rural households having at least one selected durable available to them was taken. The Pressure Cooker is one of the selected durable and it was established that it is available to every household in the rural satara and also it was found that the average household size of rural Maharashtra is 5; hence the rural population is divided by the average household size (2398765 / 5) and universe for the sample is established as to be 465891(Census 2001) households.

Identification of the sampling Technique.

The researcher had a chance of selecting any household from the rural satara conveniently; but the researcher wanted to give proper representation to the all the subdivisions of Satara hence the data on the divisional distribution of the Satara district was sought and it was decided to select samples from each subdivision of Satara district.

The total population of Satara District is 28,08,994. The researcher had to select from Probability and

non probability sampling methods to avoid the problem of biased outcomes. (Kothari, 2009) The researcher has selected non probability Area sampling method so as to give proper representation to the rural areas in Satara District.

Sample Size Estimation:

The sample size from Rural Satara is calculated using standard statistical formula for sample size estimation using the sample standard deviation from data generated by undertaking a pilot survey during January 2007. The sample size was calculated at 95% confidence interval with allowable error of 0.5. (Kothari, 2009). As follows:

The following table summarizes the distribution of the average number of durables among various income groups in the selected areas of rural Satara.

Income Group	% of households	Avgas. Durables
Below 0.90	54	3
0.9 to 1.99	41	4
2 to 4.99	4	5
5 to 10	1	9
above 10	0	9
Standard Deviation	23.15	2.98

(Source: Pilot Survey undertaken by Researcher)

The formula used for the sample size estimation is as follows:

$$\sqrt{n} = z\sigma\bar{x}/e$$

Where

n is the sample size,

z is the standard normal score at 95% confidence and

$\sigma\bar{x}$ is the standard deviation calculated of the number of durables found in surveyed households in the rural areas of Satara district.

e is the allowable error

$$Z = 1.96, \sigma\bar{x} = 2.98, e = 0.5 \text{ hence } \sqrt{n} = (1.96 \times 2.98) / 0.5$$

$$n = [(1.96 \times 2.98) / 0.5]^2$$

$$n = 137.$$

Sample Size: 137 households

Data Tabulation, Analysis and Interpretation:

Data Tabulation:

The data collected is tabulated as Nominal, Ordinal and Scale in SPSS data sheet. (Nargundkar, 2007) In all 97 variables are coded for each of the 9 durables namely; Demographic Variables (including Gender, Age, Education, Occupation, Annual Income, House hold size, Available Durables), Behavioral Variables (Nargundkar, 2007)(including Purchase Occasion, Major Influencer, Payment Preference), Preference Variables (including Quality, Price, Availability,

Durability, Features, Utility, Service & Warranty, Long term Benefit), Attitudinal Variables (including Durability, Economy in Use, Economy in Purchase, Handiness, Efficiency in Operations, Dependability in Use, Service & Warranty, Trendy Design, Store Visit, Store display, MLM, Test Run, Word of Mouth, Technology, Trend, Free offer, Discount, Finance Scheme, TV advertising, Newspaper Ads, Web Ads, Outdoor Ads, Past Experience, Latest Information, Personal Feeling), Importance variables (including Spoke Person, Memorable Message, Informative Message, Strong appeal), Motivation to purchase computing statements (P.C. Tripathi, 2008) (including, I prefer to attain convenience & Comfort by buying...., I prefer to gain Self joy by buying...., I prefer to make my family happy by buying...., I prefer to get protection by buying...., I prefer to get recognition in the society by buying....., I prefer to get emotional satisfaction by buying....., I prefer to get my ego satisfied by buying....., Possibility of getting Convenience & Comfort from Outright Purchase, Credit purchase, Installment Purchase and Avoid Purchase, Possibility of getting Self Joy from Outright Purchase, Credit purchase, Installment Purchase and Avoid Purchase, Possibility of getting family happy from Outright Purchase, Credit purchase, Installment Purchase and Avoid Purchase, Possibility of getting protection from Outright Purchase, Credit purchase, Installment Purchase and Avoid Purchase, Possibility of getting recognition in society from Outright Purchase, Credit purchase, Installment Purchase and Avoid Purchase,

Possibility of getting emotional satisfaction from Outright Purchase, Credit purchase, Installment Purchase and Avoid Purchase, Possibility of getting ego satisfaction from Outright Purchase, Credit purchase, Installment Purchase and Avoid Purchase), Computed variables (including 1st level outcome and Valance for outright, credit, installment and avoid purchase), computed variables (including Motivations for outright purchase, Credit Purchase, Installment Purchase, avoid purchase). The motivation is computed using Victor Vroom’s Motivation Theory Model. (P.C. Tripathi, 2008)

Data Analysis:

The longitudinal study to establish relationship of variables is done by analyzing the ordinal demographic data using percentile method. (Kothari, 2009) Ordinal behavioral data using percentile method, ordinal preferential data using One way ANOVA, (Nargundkar, 2007), and The scale motivational data by percentile method. (Kothari, 2009)

The hypotheses are tested at 95% confidence interval using non parametric chi-squared test. (Nargundkar, 2007)

Data Interpretation:

The demographic and behavioral data is interpreted by using pie-charts, (Kothari, 2009) for the preference variables analysis of one way ANOVA is not graphically interpreted the inference is drawn by the understanding that at

95% confidence level the observed value of f probability happen to be less than 0.05 the null hypothesis is rejected. (Nargundkar, 2007), Motivation to purchase is interpreted by using bar graphs. (P.C. Tripathi, 2008).

For Consumer Durable : Television (TV)

Table 1 - Preferred Purchase Occasion for TV

Sr	Occasion for purchase	Festival	Birthday	Anniversary	No spl occasion	Total
1	No of Respondents	54	8	24	51	137
2	% of Respondents	39	6	18	37	100

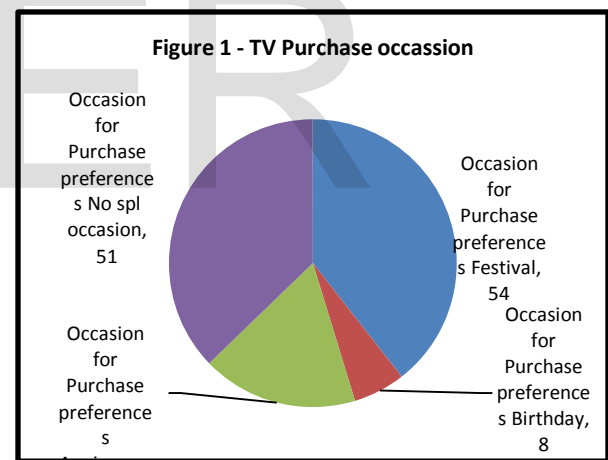


Table 2 - Influencers for purchase of TV:

Sr.	Influencers	Spouse	Neighbor	Friend	Parents	Self	Total
1	No of Respondents	98	5	2	5	27	137
2	% of Respondents	72	4	1	4	20	100

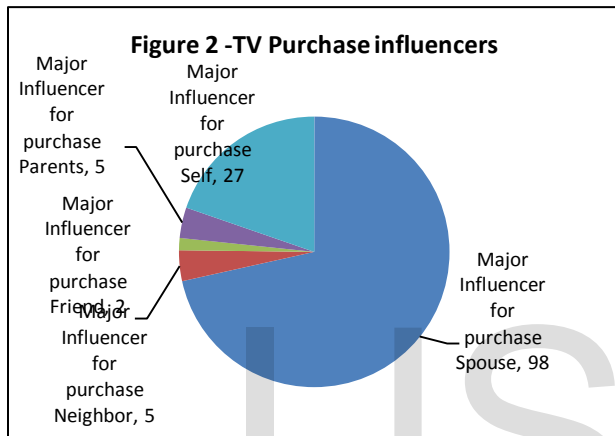
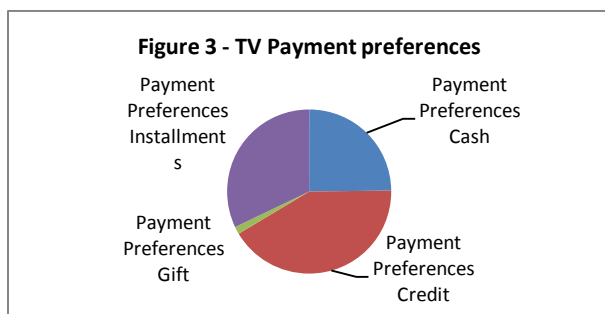


Table 3 - Preference for Payment options for Purchase of Television.

Payment Options	Cash	Credit	Gift	Installments	Total
No Of respondents	34	57	2	44	137
% of Respondents	25	42	1	32	100



Consumer Durable : Air Conditioners (AC)

Table 4 - Preferred Purchase occasion for Air Conditioner.

Sr.	Occasion for purchase	Festival	Birthday	Anniversary	No spl. occasion	Total
1	No of Respondents	0	0	0	6	6
2	% of Respondents	0.00	0.00	0.00	4.38	4.38

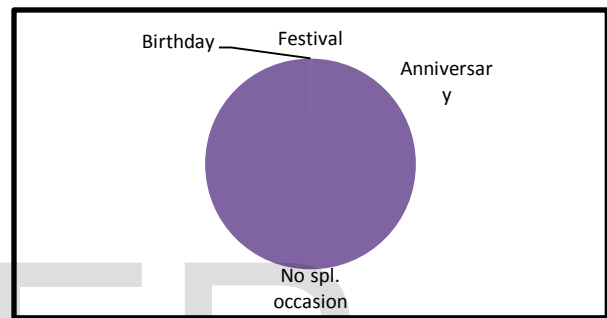


Table 5 - Major influencers to purchase of Air Conditioner.

Sr.	Influencers	Spouse	Neighbor	Friend	Parents	Self	Total
1	No of Respondents	1	2	1	0	2	6
2	% of Respondents	0.73	1.46	0.73	0.00	1.46	4.38

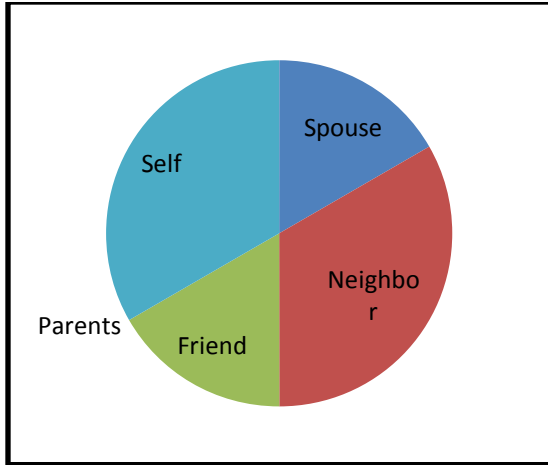


Table 6 - Preference for Payment options for Purchase of Air Conditioner

Sr	Payment Options	Cash	Credit	Gift	Installments	Total
1	No Of respondents	18	23	2	94	137
2	% of Respondents	13.14	16.79	1.46	68.61	100.00

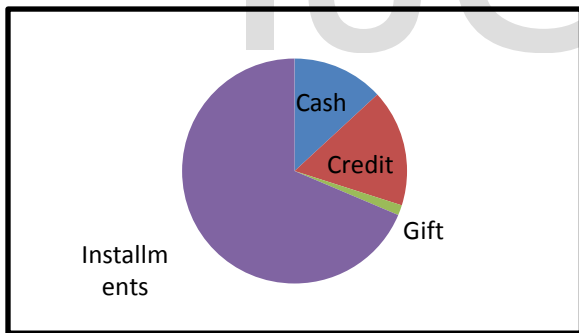


Table 7- Product Specific factors influencing consumer purchase decisions for TV

Durable	TV
Purchase Occasion	Festival
Purchase Influencer	Spouse
Payment Preference	Credit
Brand Preference	Phillips
Product Attributes Preference	Quality, Price, Availability, Durability, Features, Utility and Service & Warranty
Attractive Feature	Economy,
Must be Feature	Trendy Design, Service & warranty and dependability in Use, Test run
Attractive Stimuli	Trend & Word of Mouth, Free offer, Discounts
Must be Stimuli	Test run, Technology, and Latest Information
Advertising attributes importance	Spoke Person and Memorable Message
Motivation to Purchase	Avoid purchase

Consumer Behavior Type for TV: Being a rare, high value, high involvement purchase the buying behavior model identified is Complex Buying Behavior.

Table 8 - Product Specific factors influencing consumer purchase decisions for Air Conditioner

Durable	Air Conditioner
Purchase Occasion	No Special Occasion
Purchase Influencer	Self
Payment Preference	Installment
Brand Preference	Hitachi
Product Attributes Preference	Quality, Price, Durability, Utility. Service, Warranty, and long term benefits
Attractive Feature	--
Must be Feature	Economy in Use, Dependability in Use, Efficiency of operations, Economy in Purchase, Trendy design, and Durability.
Attractive Stimuli	web ad
Must be Stimuli	Test run, Trend, Personal feelings, and technology
Advertising attributes importance	Informative message
Motivation to Purchase	Installment Purchase

Consumer Buying Behavior Type for AC : Being a rare, high value, high involvement purchase the buying behavior model identified is Complex Buying Behavior.

Major Findings:

Common Factors influencing consumer purchase decisions:

Indian Rural consumer is exposed to a Culture with limited exposure, low achievement motivation, less active, more unrealistic, not much believe in material comfort, and not having much sense of individualism.

The Indian rural Social Classes are mostly based on income levels. The reference groups differ as per the income levels.

Most of the rural consumer has membership of primary reference group including, family friends and co workers. The aspiration group for most rural consumers is urban elites. The dissociation group is the urban slum dwellers.

In a rural family for material comfort products; husband and his parents are dominating and influential.

Conclusion:

Rural Indian consumers in this selected area has a typical buying behavior where they prefer to associate with reference group for purchase of high involvement products like television and air conditioner and thus shows complex buying behaviour.

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