



Consumer Buying Behaviour: Changing Pattern in Rural India

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Abstract:

According to the census 2011, about 69% of people live in rural areas, whereas 31% live in urban areas in our country. Rural India has vast scope for marketers due to the variety of consumers, large rural customer base, and their purchasing capacity, which impact their decision-making. Over the past few decades, there has been a visible change in demand for branded consumable items in rural areas. Despite farm distress and stagnant incomes, consumption of consumer goods has grown at a slower pace in rural areas than in urban areas. The entry of smartphones and the massive reach of telecommunication and media have set a new standard in rural marketing, which is quite challenging for marketers to meet. Today, the consumption pattern in rural India is outpacing, which is a positive sign for marketers. Hence, marketers not only need to understand the purchase process in rural markets but also need to encourage rural people through effective communication and pricing strategies to convert their purchasing power into buying decisions to improve their standard of living. Since Indian marketers, as well as MNCs, are approaching the rural market, cut-throat competition will be evident in the rural market.

The research paper is an attempt to understand the buying patterns of rural consumers and their purchase decisions. The findings can be adopted by marketers to meet the demands of new rural business development.

Key Words: Rural Markets, Rural Consumer, Consumer Buying Behaviour

Introduction

India is an agricultural country where about six lakh villages and seventy percent of our population live in rural areas. In the early days, the rustic market was the only source for those rural consumers. That was the place where they could get the things they need; otherwise, they would have had to go to a distant city which means wastage of time, power, and money. Now the time has changed the reach of social media and e-commerce change, the rural market. Higher purchasing capacity, market growth, development of infrastructure is the main reasons which improved rural life and reduced the gap between rural and urban development. The main factors of change in a rural area can be placed in many aspects such as - social, economic, natural, and digital. Due to increased literacy rate, better sources of income increased means of

communication and transportation, and higher rates of mobility among countries, liberalization, and globalization, and awareness among many, other reasons the rural population has moved into a state of gradual urbanization. Many of the rural buyers follow the urban pattern of life; they are keen to purchase branded goods.

Changing lifestyle, increased disposable income, and demand for products of rural people have created a potential for companies. Not only Indian companies, multinationals companies also trying to capture potential rural markets to take advantage of the opportunities. Rural markets are heterogeneous in nature, so companies face many challenges in understanding the customer's behaviour.

Rural consumer behaviour - The term consumer behaviour is defined as the process which starts from need identification and ends at the actual buying of the product. It is a very important step for every organization because clear consumer behaviour is the basic design that is used for planning further marketing strategies. It is somewhat difficult to arrange the behavioural characteristics of rural consumers into well-defined categories. This explains to us the mind-set, preferences, assumptions, alternatives available to rural consumers.

The Statement of problem

Researches shows low per capita income, low levels of literacy, deprived and dispersed markets, lack of communication facilities, the prevalence of spurious brands, and seasonal demand are the major concern of rural consumer buying behaviour. The rural market is growing much faster and rural consumers of India have an aspiration to consume and changed their thoughts towards the social status across the income ship, but it has been observed from the past studies that rural consumers are very much price sensitive and are not loyal to brands. So, it is difficult to analyse the buying behaviour of rural consumers and their perception of the product. As the buying pattern of rural consumers keeps on changing, they are looking forward to the products which are combined with utility and feature, not just the low prices. Again, marketing communication is a major problem of rural communications for low literacy, diverse cultural backgrounds, and different languages. Marketers cannot communicate in Hindi and English languages with rural customers which are the major problem of rural communications.

Scope of the study

This study aims to access rural consumer behaviour and their changing pattern towards their decision-making process.

Review of Literature

Few studies have been conducted on consumers' perception of online shopping in Indian rural context. Many Literatures available especially in western countries. In India where the online shopping has started few year back, market has started the climbing ladder. Some literature reviews are as follows:

Peterson et al. (1997) Choice decision will be influenced by the consumer's initial state, market configuration, and particularly the qualities of the goods and services. The attitude of customers about internet shopping has put significant influence on their purchasing behaviour.

NFO Interactive (1999) study released by the end of 1999, 24.1 percent of online shoppers expect that their usage of the internet and online shopping will reduce the amount they spend on localized retail stores. According to the survey, 23.8 percent of online buyers said their annual spending on products and services has gone up significantly of their online shopping.

Haver (2008) identified that the younger generation are more conscious buyers. They aren't going to misuse their time and money. They purchase online whenever they need without any restriction.

K.Vaitheeswaran (2013) looked into the ease of shopping over the internet "As products become more standardised, specifications become more fixed, and the idea of service becomes less important, the retailer's post-sale responsibility has shrunk dramatically. As a result, people visit stores to personally inspect

products, although they can do it for less money online. Because they don't have a warehouse, e-commerce companies may offer steep discounts."

Aishwarya Goyal (2015) The rapid growth of the internet in India is driving the growth of online buying. The youth population in India is increasingly using social Media, which offers potential for shopping sites. This research contributes to a theoretical knowledge of the current state of online purchasing as well as insights into customers' online shopping habits and preferences. This research will help to disseminate information about the opportunities to improve in online shopping websites and the obstacles that online retailers encounter in the Indian market.

Rajendra Kumar R & Srikanth J (2017) A SWOT analysis of these two models revealed that while they both have identical weightage, the market-based model has more benefits than the warehouse-based model in terms of product providing, price discount, and delivery. As a result, in the Indian context, warehouse-based models are more ideal for online shopping enterprises.

Muthumani A., Lavanya V., & Mahalakshmi R., (2017) Although online shopping is one of the most popular methods of making purchases, not everyone feels comfortable with it. Shopping online is becoming more popular every day, and it caters to all types of products and shoppers. Men and women of all ages purchase online, and they come from all walks of life. The purpose of this article is to learn about the products that customers buy from online stores and to identify the types of challenges that consumers face while purchasing goods through online shopping. This research is based on first-hand information.

Abhishek Chilka & Sandeep Chauhan (2018) The distribution, buying, selling, marketing, advertising, and servicing of products through the internet and other computer networks is known as online shopping. The boom of online purchasing in India is phenomenal. This article examines the current state of internet purchasing in India, as well as recent trends. Consumers are drawn to today's online shopping platforms because of the numerous deals available, which attracts them and drives their business.

Research Objectives

- To study the online shopping behaviour of rural customers.
- To determine the factors which influence the rural customer's intention to shop online.

Research methodology

This research study is descriptive in nature. Both primary as well as secondary data were collected and used. Secondary data were collected from various online sources and journals, whereas the primary data was collected using the survey method. After the literature review 15 items were identified for this study. The study covers rural customers in the eastern Uttar Pradesh.

Sample size for research- A sample of 117 respondents was responded in different rural areas in eastern Uttar Pradesh based on non-probability convenience sampling. Respondents belonged to different demographic backgrounds. The respondents were asked to give responses to 15 items. The questionnaire comprising of 15 items has been administered through a google form.

Statistical tools – Basic statistical analysis has been used to identify major factors influencing rural purchase decision-making.

Analysis, Result and Discussion:

Gender Profile of Respondents

Gender	Frequency	Percent
MALE	90	76.9%
FEMALE	27	23.1%

The above table reveals that 76.9% of respondents are male whereas 23.1% are female.

Education Profile of Respondents

Education	Frequency	Percent
Upto 8th class	1	0.9%
12th	3	2.6%
Graduation	62	53.0%
Post Graduation	50	42.7%
Others	1	0.9%

Above table shows that more than 90% respondents are either graduate or post graduate.

Do you like to shop online

Do you like to shop online	Frequency	Percent
Yes	80	68.4%
No	4	3.4%
Maybe	33	28.2%

68.4% respondents like online shopping and 28.2% say maybe, only 3.4% rural customers do not like online purchasing. So we can say that most of the respondents like online shopping.

Composition of online & offline decision

Composition of online & offline decision	Frequency	Percent
I am not buy online	1	.9
Online 20%, Offline 80%	51	43.6
Online 30%, Offline 70%	25	21.4
Online 50%, Offline 50%	25	21.4
Online 70%, Offline 30%	9	7.7
Online 90%, Offline 10%	6	5.1
Total	117	100.0

Above table reveals that about 87% respondent's online purchasing composition are less than 50%.

Cross tabulation:

Gender	Do you like to Shopping online			Total
	Yes	No	Maybe	
MALE	61	4	25	90
	67.8%	4.4%	27.8%	100.0%
FEMALE	19	0	8	27
	70.4%	0.0%	29.6%	100.0%
Total	80	4	33	117
	68.4%	3.4%	28.2%	100.0%

Above table shows that about 68% of rural respondent like online shopping. About 28% respondent are maybe prefer online shopping.

Age	Do you like to Shopping online			
	Yes	No	Maybe	Total
Below 20	29	2	8	39
	74.4%	5.1%	20.5%	100.0%
20 to 30	50	1	24	75
	66.7%	1.3%	32.0%	100.0%
30 to 40	0	1	0	1
	0.0%	100.0%	0.0%	100.0%
40 to 50	0	0	1	1
	0.0%	0.0%	100.0%	100.0%
50 and above	1	0	0	1
	100.0%	0.0%	0.0%	100.0%
Total	80	4	33	117
	68.4%	3.4%	28.2%	100.0%

Above table reveals that most of the youth participated and accepted that they like to shop online.

Education	Do you like to Shopping online			
	Yes	No	Maybe	Total
Upto 8th class	0	0	1	1
	0.0%	0.0%	100.0%	100.0%
12th	3	0	0	3
	100.0%	0.0%	0.0%	100.0%
Graduation	43	2	17	62
	69.4%	3.2%	27.4%	100.0%
Post Graduation	34	2	14	50
	68.0%	4.0%	28.0%	100.0%
Others	0	0	1	1
	0.0%	0.0%	100.0%	100.0%
Total	80	4	33	117
	68.4%	3.4%	28.2%	100.0%

69.4% graduate respondents and 68% postgraduate respondents were liked shopping online.

Profession	Do you like to Shopping online					
	Yes	No	Maybe	Total		
Student	70	3	29	102		
	68.6%	2.9%	28.4%	100.0%		
Government Employee	2	0	2	4		
	50.0%	0.0%	50.0%	100.0%		
Private Employee	7	1	2	10		
	70.0%	10.0%	20.0%	100.0%		
Businessman	1	0	0	1		
	100.0%	0.0%	0.0%	100.0%		
Total	80	4	33	117		
	68.4%	3.4%	28.2%	100.0%		
Ease in access						
	Strongly Disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree	Total
MALE	1	1	4	52	32	90
	1.1%	1.1%	4.4%	57.8%	35.6%	100.0%
FEMALE	0	0	5	14	8	27
	0.0%	0.0%	18.5%	51.9%	29.6%	100.0%
Total	1	1	9	66	40	117
	.9%	.9%	7.7%	56.4%	34.2%	100.0%

Above table reveals that 56.4% respondents agree with purchasing online is easier whereas 34.2% strongly agree with the facts.

	Reasonable Price					Total
	Strongly disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree	
MALE	0	3	18	46	23	90
	0.0%	3.3%	20.0%	51.1%	25.6%	100.0%
FEMALE	1	1	4	12	9	27
	3.7%	3.7%	14.8%	44.4%	33.3%	100.0%
Total	1	4	22	58	32	117
	.9%	3.4%	18.8%	49.6%	27.4%	100.0%

Above table shows that 49.6% respondents agree with purchasing online because they provide reasonable price whereas 27.4% strongly agree with the facts.

	Quality Product					Total
	Strongly disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree	
MALE	1	2	28	39	20	90
	1.1%	2.2%	31.1%	43.3%	22.2%	100.0%
FEMALE	1	0	13	9	4	27
	3.7%	0.0%	48.1%	33.3%	14.8%	100.0%
Total	2	2	41	48	24	117
	1.7%	1.7%	35.0%	41.0%	20.5%	100.0%

Above table reveals that 41.0% respondents agree with purchasing online due to quality of product, 20.5% strongly agree with the facts but 35.0% respondents were in dilemma about quality of products.

Covid -19 Impact					
	Disagree	Neither Agree nor disagree	Agree	Strongly Agree	Total
MALE	3	15	50	22	90
	3.3%	16.7%	55.6%	24.4%	100.0%
FEMALE	1	5	16	5	27
	3.7%	18.5%	59.3%	18.5%	100.0%
Total	4	20	66	27	117
	3.4%	17.1%	56.4%	23.1%	100.0%

Above table reveals that 56.4% respondents agree that they prefer online purchasing due to covid-19 impact, 23.1% strongly agree with the facts but 17.1% respondents were in dilemma about the reason of online purchasing.

Status						
	Strongly disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree	Total
MALE	1	3	22	49	15	90
	1.1%	3.3%	24.4%	54.4%	16.7%	100.0%
FEMALE	0	1	4	17	5	27
	0.0%	3.7%	14.8%	63.0%	18.5%	100.0%
Total	1	4	26	66	20	117
	.9%	3.4%	22.2%	56.4%	17.1%	100.0%

Above table reveals that 56.4% respondents agree that they prefer online purchasing due to status symbol, 17.1% strongly agree with the facts but 22.2% respondents were in dilemma about the reason of online purchasing.

	Influence from urban relatives					Total
	Strongly disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree	
MALE	1	4	19	46	20	90
	1.1%	4.4%	21.1%	51.1%	22.2%	100.0%
FEMALE	1	1	12	9	4	27
	3.7%	3.7%	44.4%	33.3%	14.8%	100.0%
Total	2	5	31	55	24	117
	1.7%	4.3%	26.5%	47.0%	20.5%	100.0%

Above table reveals that 47.0% respondents agree that they prefer online purchasing due to influence from urban relatives, 20.5% respondents also strongly agree with the facts but 26.5% respondents were in dilemma about this reason of online purchasing.

Conclusion and Suggestions:

1. On the basis of responses given by respondent it can be inferred that both male and female respondent like online purchasing due to ease in access. The online shop is open 24x7. So, time does not work as a barrier. Online stores allow us to shop "pollution-free" shopping.
2. Because there are no any intermediaries or less number of intermediaries, so products are comparatively cheaper. Comparison of the costs is very easier. Many e commerce companies also provides coupons and rebates. So we can say that prices on online platform.
3. In online platform, number of options is available. Most of the items you are looking for is available here. Number of quality products in different shape and size are available online. Stocks are also significantly larger so possibility of our choices meat out more.
4. If you prefer online buying, you may dislike shopping in crowds, during festivals, or weekends more rush in the market.
5. Covid -19 also put impact to enhance online shopping. Many respondents choose online shopping due to status symbol and many respondents impacted with Influence from urban relatives.
6. So, it is suggested that marketer should consider all the above factors to improve online shopping in rural market.

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