



RESEARCH ARTICLE

INFLUENCE OF DEMOGRAPHIC VARIABLES ON PURCHASE OF FMCGs IN RURAL MARKETS OF ODISHA: AN EMPIRICAL STUDY

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ABSTRACT

The Country India with 6, 38,365 villages and more than 70% of the rural population has become a huge consumer goods market. FMCG has emerged as a major product category in rural consumption. Companies marketing FMCG to rural consumers cannot merely extend their general marketing strategies to rural markets. Instead, they need to devise rural specific strategies. In this process, they need to understand critical issues relating to rural consumer behavior and more specifically relating to different demographic variables. This research article focuses on understanding factors that affect the purchase stage in consumer decision making process for FMCG and influence of demographic variables in Keonjhar District of Odisha State. In this study, a sample 359 respondents were consulted using a self-administered questionnaire. The study emphasized that majority of the rural consumers gave least importance to the brands of the FMCGs (60.5%), they meet their FMCG needs from village shop (47.9%), with weekly purchase frequency (41.5%), in small quantities (51.6%) and cash as mode of payment (91.6%). The study also intends to identify the level of influence of various demographic factors using Chi Square test on the purchase of FMCG products, viz., soaps, shampoo, hair oil and facial cream.

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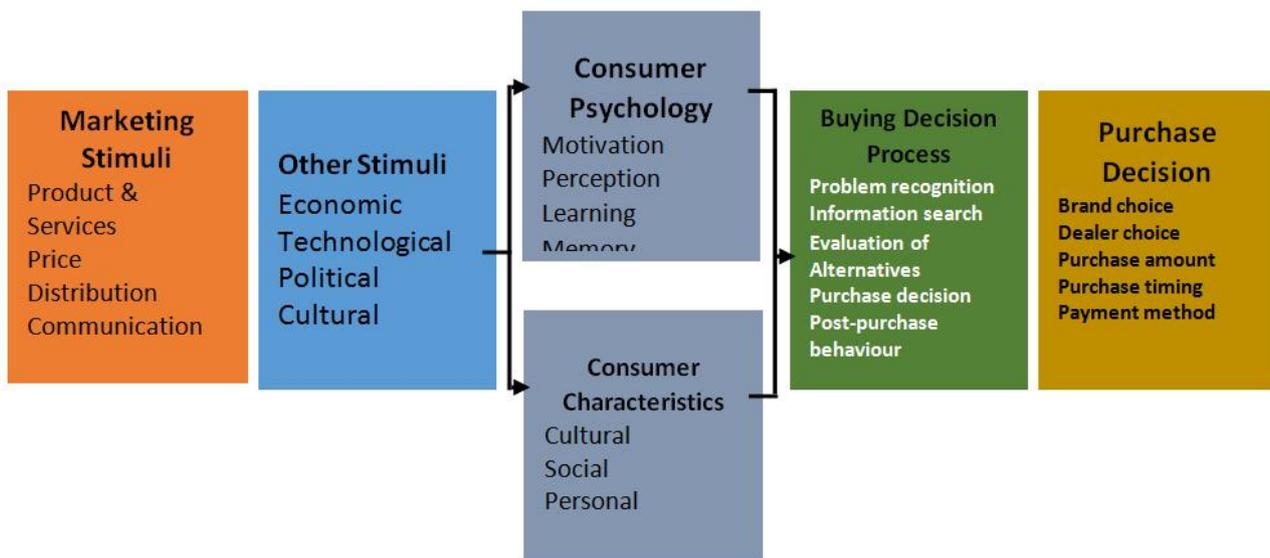
INTRODUCTION

Emphasis on rural development post-independence eventually made India into an attractive rural market. Increased awareness along with rise in income levels influenced the rural marketing environment in the country (Velayudhan, 2002). Other factors that contributed to the growth of rural markets are strides in infrastructure development, penetration of media, rising aspiration of rural people and packaging revolution (Bijapurkar, 2000; Kotler *et al.*, 2001). Fast Moving Consumer Goods (FMCGs) market has emerged as one of the most attractive rural markets in India (Kashyap & Raut, 2007). An effective FMCG marketing strategy in a rural background essentially includes product variants, product categories, price points, sizes and widespread distribution network (Kumar & Madhavi, 2006). The general impression that the rural markets are potential only for agri-inputs is partly correct as there are opportunities to market modern goods and services in rural areas in India (Khosla, 2000).

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The FMCG sector is the fourth largest in the Indian economy, with a total market size of USD 44.9 billion in 2013. The sector grew at a Compound Annual Growth Rate (CAGR) of 16.2 percent during 2006-13. Though the FMCG sector continues to grow in double digits, there has been some moderation (9.4 percent) in growth rates during 2013 due to deceleration in Gross Domestic Product (GDP) growth and high inflation (A C Nielsen & Economic Times). Studying consumer behaviour can be quite complex, especially because of the many variables involved and their tendency to interact. Models of consumer behaviour have been developed in an effort to overcome these difficulties. A model is a simplified representation of the reality. It simplifies by incorporating only those aspects of reality that interest the model builder. Other aspects which are not of interest only add complexity to the situation and can be ignored (Loudon & Bitta, 2002, p. 599). This study encompasses issues on the consumer buying behaviors. Consumer behaviors refer to the decision-making processes and actions involved in purchasing/using a product. The basic model of behavior applicable to all consumers is shown in the Figure 1.



Source: Figure from Marketing Management, Twelfth Edition, p. 154, by P. Kotler, K.L. Keller, A. Koshy, and M. Jha, 2007, New Delhi: Dorling Kindersley India Pvt. Ltd.

Figure 1. Consumer Behavior Model

As it could be visualized from the Figure 1 that Consumer decision making process involves five stages, namely, Problem recognition, Information search, Evaluation of Alternatives, Purchase decision and Post-purchase. A purchase decision involves a choice between two or more alternative actions or behaviors (Flemming, 1976). If the consumer decided to purchase a product in evaluation stage, he should make five purchase sub-decision such as brand, vendor/dealer, quantity, timing and payment method decision. Purchase of all the products does not involve all of these decisions. It depends on the cost of the product, life of the product, and purchase frequency of the product. In purchase of high cost and infrequently purchased product like television, all these decisions have to be taken.

But, in case of low cost and frequently purchased non-durable products like toilet soap, there may not involve decision about payment method. And also, in the case of consumer non-durable product like food product, cigarettes, toilet soap, etc., which can be purchased on regular basis, there is a responsibility to make trial purchase if the consumer purchase that product or brand for the first time. If the consumer is satisfied with the performance of the product and brand after the trial, only then he/she goes for repeat purchase.

But, trial purchase is not feasible in case of consumer durable product like television, refrigerator, vacuum cleaner, etc., because these product can be purchased only once for a considerable period of time (Sarangapani, 2009, p. 20-21). Demographic information is vital in any marketing research for the purpose of segmentation. Demographics describe a population in terms of its size, distribution, and structure. Demographics influence consumption behavior both directly and by affecting other attributes of individuals, such as their personal values and decision styles (Mc. Donald, 1993). This segmentation is useful for the marketers and the manufacturers to manufacture and distribute the required products and also to

alter its appearance, colour, and characteristic features. It is the useful concept to underpin the nature of consumers and their behavioral aspects towards the products and services. The durability and non-durability of the products have deep correlation with the nature and characteristic features of the consumers. In particular, gender, age, educational qualification, occupation, family income, number of family members, and nature of family are essential to ascertain the need for the purchase and behavioral aspects towards the product.

LITERATURE REVIEW

Marketing scenario in India changed with market liberalization policies after 1990's (Gopaldaswamy, 1997). Most of the Indian rural markets are 'Virgin' in nature and they are now opening for most of the packaged goods (Habeeb-Ur-Rahman, 2007) and for a number of product categories (Bijapurkar, 2000). Rural marketers have to differentiate themselves on quality and value for money (Anand & Krishna, 2008). For this purpose, they need to understand the factors that influence the rural purchase of FMCG (Krishnamoorthy, 2008). Various factors influence the purchase decisions of customers (Blackwell and Talarzy, 1977). Available literature mentions that packaging (Pandey, 2005; Venkatesh, 2004), brand name (Narang, 2001; Bishnoi & Bharti, 2007; Sahoo & Panda, 1995), quality (Rashmi & VenuGopal, 2000; Kumar & Madhavi, 2006), price (Sarangapani & Mamatha, 2008) and promotions (Bhatt & Jaiswal, 1986) influence the rural purchase. Opinion leaders also influence the rural consumption behaviour (Sayulu & Reddy, 1996). In the process, retailers have emerged as key influencers of rural purchase of FMCG (Ying Zhao, 1994). Rural consumer had become enough aware about their needs and upgradation of standard of living. IT, government policies, corporate strategies and satellite communication have led to the development of rural marketing. Although income is one of the major influencing factors, caste, religion, education,

occupation and gender also influence the buyer behaviour in rural areas (Lokhande, 2004). The major factors identified in making a brand choice decision namely quality, price, availability, packaging and advertisement. The age and demographic variables affect significantly the behaviour and cognitive patterns of the customers while other demographic characteristics such as gender and marital status are not significantly associated with these behaviour and cognitive patterns of the consumers (Verma & Munjal, 2003). Rural consumers believed in joint buying decision making in consultation with the elders and the ladies of the house for their personal use.

Advertisement with rural culture and regional/local language attracted the audience. The rural consumers felt strongly about their customs and traditions. They were aware of the availability of the products. They preferred quality to price (Sharma, Gupta & Singh, 2002). There is a significant differences between rural and urban areas on the basis of the role played by different members of a family in purchase decision of non-durable goods. As initiators, husbands and kids are more prominent in rural areas, while wife is more prominent in the urban areas (Upadhyay, 1999). The rural consumer prefers to meet his immediate and day-to-day needs from village shops and avoid a comparatively higher transportation cost at the same time. Bulk purchase will drive them to the periodic markets to avail the bargain and promotional incentives will negate the impact of shopping cost incurred. Rural consumers patronize village shops to meet their credit-based impulsive requirements. On the other hand, cash rich consumers with no urgency, prefer to purchase from periodic markets to avail the benefits of low prices, discounts and varieties etc. which in turn motivate rural consumers (Tuli & Mookherjee, 2004).

Consumers in rural areas fall behind the consumers in urban areas in per capita consumption and this is due to the fact that the food habits of rural consumers are different than that of urban consumers. The urban consumers prefer branded products whereas the rural consumers prefer mostly unbranded ones (Vanniarajan, 2005). The proportion of households, which are brand loyal to one or more brands, are similar in urban market and rural market. Toothpaste is the only product for which rural market shows greater brand loyalty than the urban market. The rural brand loyal consumers were found to be comparatively more price conscious than the urban brand loyal consumers for detergent powder and toilet soaps (Vasudeva, 1999). The people with lesser monthly earning prefer to buy from *haat*.

Rich people avoid purchasing from small *haats* because they look for branded and quality products. *Haats* have lot of potential which needs to be exploited. *Haats* can come out to be an answer to all marketing problems faced in rural India (Khariroowala & Siddiqui, 2000).

OBJECTIVE OF THE STUDY

- To study the concept of purchase stage of consumer behavior.

- To identify the factors influencing the purchase of FMCG by rural consumers in Odisha.
- To ascertain the impact of demographic characteristics (Gender, Age, Education, Occupation & Income) on the purchase behavior of rural consumers.

HYPOTHESES

- H₀₁ There is no association between Gender and consumer purchase behavior.
- H₀₂ There is no association between Age and consumer purchase behavior.
- H₀₃ There is no association between Education and consumer purchase behavior.
- H₀₄ There is no association between Occupation and consumer purchase behavior.
- H₀₅ There is no association between Income and consumer purchase behavior.

RESEARCH METHODOLOGY

The present study is a descriptive research based on self-administered questionnaires on the rural consumers of Keonjhar District of Odisha State. A multi-stage convenience sampling was adopted to collect information from 359 respondents from the rural areas. Preliminary discussions were held with the rural consumers and the marketers about the consumption of FMCG products as well as about the brands available and preferred in the study area to gather information on the products to be selected for the study. Based on the discussions, the most commonly available and used products in the study area were selected. The data collected was analyzed mainly through descriptive statistics, using Chi-Square method. The SPSS (Version 20.0) software was used to execute the analysis process. Methods such as Pie-charts and tabular formats were used to derive and summarize the data. The desired level of significant was 0.05 with the chi square test.

SCOPE AND LIMITATIONS OF THE STUDY

The study was conducted in one of the rural districts of Odisha state. It is believed that the findings in this district is fair representative of the other parts of the State. Though FMCGs include many product categories, like foods, confectionaries, hair care, household care, beverages etc. only four products, namely, soaps, shampoo, facial cream and hair oil was selected for the study. Other limitations have been identified in this study are, the sample size do not ensure representative and conclusive finding, the behaviour of the consumers is changing fast and hence cannot be truly predicted and finally, a more robust analysis is needed to reach a strong conclusion.

DATA ANALYSIS AND INTERPRETATION

Purchase behavior is the combination of consumers action displayed during the purchase stage of consumer's decision making process. This includes actions like brand selection, dealers/destination selection, purchase quantity, purchase frequency and payment method. The information on these

variables were collected and tabulated in following pages. And also the relevant hypotheses are tested using Chi Square tests.

Importance of brand in FMCG purchase basket

Brand, brand value, brand image, and brand loyalty are the terms and concepts long familiar to the urban consumers. But the rural consumers are now beginning to appreciate the relevance of brand to meet their wants and needs. He/she is now facing a lot of choice and evolving evaluation parameters for making choices, as more brands appear on rural retail shelves (80 percent of all packaged FMCG sold in rural markets are branded either national or regional), according to a research by ORG. The importance of brand in FMCG purchase basket of rural consumers is given in the Table 1.

Table 1. Importance of brand in FMCG purchase basket

| | | Frequency | Percent |
|---------------------|----------|-----------|---------|
| Importance of brand | Least | 217 | 60.5 |
| | Moderate | 97 | 27.0 |
| | Most | 45 | 12.5 |
| Total | | 359 | 100 |

Source: Computed from primary data

It is revealed from the Table 1 that for 60.5 percent respondents brand in FMCG purchase basket is least important where as it is moderately important for 27 percent respondents and most important for remaining 12.5 percent respondents. The Chart 1 depicts the importance of brand by the rural consumers.

Place of purchase for FMCG products

This question is aimed at establishing the place of purchase by the customer for making FMCGs purchase. Rural consumers make their FMCG purchases from different places ranging from village shops to weekly *haats*, nearby towns etc. The place of purchase is presented in the Table 2.

Table 2. Place of purchase for FMCG products

| | | Frequency | Percent |
|-------------------|--------------------|-----------|---------|
| Place of Purchase | Town | 81 | 22.6 |
| | Weekly <i>haat</i> | 106 | 29.5 |
| | Village Shop | 172 | 47.9 |
| Total | | 359 | 100 |

Source: Computed from primary data

The Table 2 explains the distribution of sample respondents in Keonjhar district by their place of purchase. From the above Table, it is clear that 47.9 percent of the respondents purchase from their village shops, followed by weekly *haats* (29.5 percent), and nearby towns 22.6 percent. This is depicted in the Chart 2.

Purchase frequency of FMCG products

While purchasing FMCG products, the frequency of purchase can be either weekly, quarterly, monthly, or it could also be randomly depending on the needs of the consumers. The Table 3 describes the purchase frequency of the rural consumers of area studied. The above Table 3 indicates that most of the consumers purchase FMCG products on weekly basis (41.5

percent), followed by monthly (27.9 percent) and quarterly (24.5 percent). However, 6.1 percent of the consumers make random purchase. This information is depicted in the Chart 3.

Table 3. Purchase frequency of FMCG products

| | | Frequency | Percent |
|--------------------|-----------|-----------|---------|
| Purchase frequency | Weekly | 149 | 41.5 |
| | Quarterly | 88 | 24.5 |
| | Monthly | 100 | 27.9 |
| | Randomly | 22 | 6.1 |
| Total | | 359 | 100 |

Source: Computed from primary data

Purchase quantity for FMCG products

Consumers purchase different quantities of FMCGs depending on several factors like financial condition, price, requirement, planning etc. The quantities vary from small to bulk and depend upon as and when required. The results on quantity of purchase are shown in the Table 4.

Table 4. Purchase quantity for FMCG products

| | | Frequency | Percent |
|-------------------|----------------------|-----------|---------|
| Purchase quantity | Bulk | 153 | 42.6 |
| | Small quantity | 185 | 51.6 |
| | As and when required | 21 | 5.8 |
| | Total | 359 | 100 |

Source: Computed from primary data

It is evident from the above Table 4 that, 51.6 percent of the rural consumers buy FMCGs in small quantities. On the other hand, 42.6 percent of rural consumers purchase in bulk, and 5.8 percent consumers purchase as and when required. The results are presented in the Chart 4.

Mode of payment during FMCGs purchase

During the purchase of FMCGs, mode of payment in the rural areas is either in cash or on credit and regular payment. The credit terms are mutually agreed upon by the buyer and the retailer/shopkeeper. The detail of the mode of the payment is given in the following Table 5.

Table 5. Mode of payment during FMCG purchase

| | | Frequency | Percent |
|-----------------|----------------------------|-----------|---------|
| Mode of payment | Cash | 329 | 91.6 |
| | Credit and regular payment | 30 | 8.4 |
| Total | | 359 | 100 |

Source: Computed from primary data

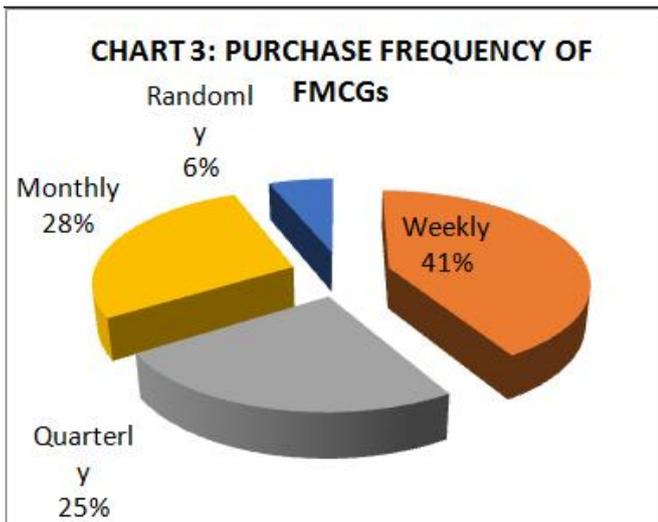
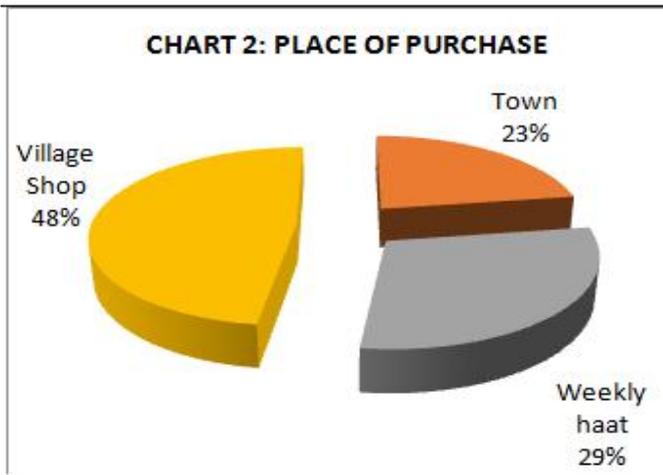
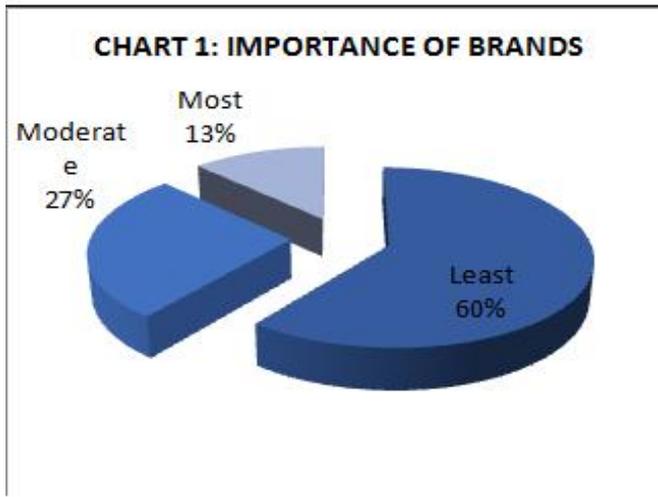
The above Table 5 shows that more than 91 percent of rural consumers make their FMCG purchase in cash and only 8.4 percent of respondents purchase on credit and make regular payment. This is depicted in the Chart 5.

Influence of demographic variables on Purchase behavior

Influence of Gender on Purchase behavior

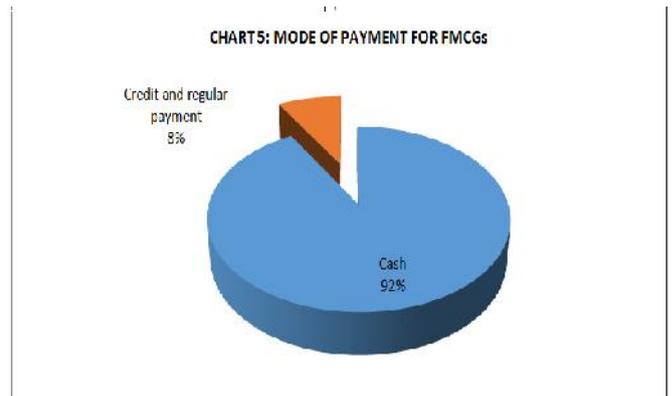
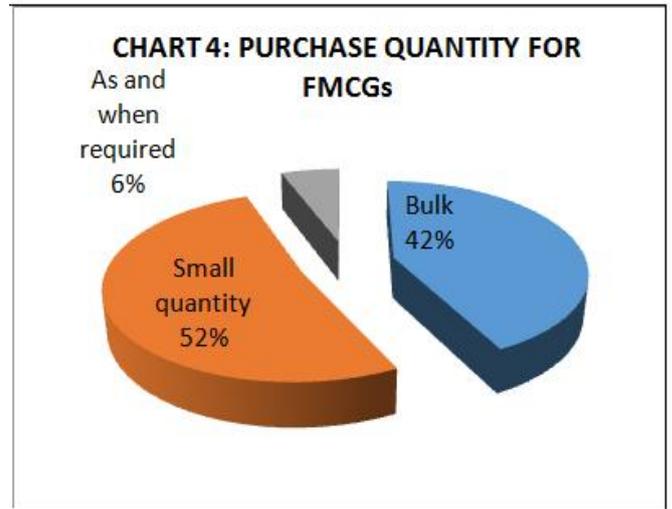
H₀₂: There is no association between Gender and consumer purchase behavior.

HA: There is association between Gender and consumer purchase behavior



Interpretation: The Chi-square test revealed that the Pearson's significant level ($p=0.000$) for the variable payment methods is less than significance level $+0.05$ at 95 percent confidence level, hence, there exists a relationship between the gender and payment method of purchase behaviour. The null

hypothesis is rejected. And we conclude that there is a statistical significant relationship between the gender and the payment method of consumers. It is also found that gender does not influence other variables of purchase behaviour like importance of FMCG brands, choice of purchase destination, purchase quantity and purchase frequency.



Influence of Age on Purchase behaviour

H₀₁: There is no association between Age and consumer purchase behavior.

HA: There is association between Age and consumer purchase behavior

Interpretation: The Chi-square test revealed that the Pearson's significant level ($p=0.000$) for all the variables of purchase behaviour is less than significance level $+0.05$ at 95 percent confidence level, hence, there exists a relationship between the age and purchase behaviour. The null hypothesis is rejected.

And we conclude that there is a statistical significant relationship between the age and all the variables of the purchase behaviour of consumers.

H₀₃: There is no association between Education and consumer purchase behavior.

HA: There is association between Education and consumer purchase behavior

Interpretation: The Chi-square test revealed that the Pearson's significant level for all the variables of purchase behaviour is less than significance level +0.05 at 95 percent confidence level, hence, there exists a relationship between the Education and purchase behaviour. The null hypothesis is rejected. And we conclude that there is a statistical significant relationship between the age and the purchase behaviour of consumers.

H₀₄: There is no association between Occupation and consumer purchase behavior.

HA: There is association between Occupation and consumer purchase behavior

Interpretation: The Chi-square test revealed that the Pearson's significant level ($p=0.000$) for all the variables of purchase behaviour is less than significance level +0.05 at 95 percent confidence level, hence, there exists a relationship between the occupation and purchase behaviour. The null hypothesis is rejected.

Table 6 (a). Gender and Purchase behaviour Cross-Tabulation

| | | Sex | |
|---------------------------------------|--------------------|-------------|------------|
| | | Male | Female |
| Importance of FMCG Brands | Least | 195 (59.5) | 22 (71.0) |
| | Moderate | 91(27.7) | 6(19.4) |
| | Most | 42(12.8) | 3(9.7) |
| Choice of purchase destination | Town | 78(23.8) | 3(9.7) |
| | Village shop | 97(29.6) | 9(29.0) |
| | Weekly Haat | 153(46.6) | 19(61.3) |
| Purchase quantity | Bulk | 141 (43.0) | 12 (38.7) |
| | Small | 168 (51.2) | 17 (54.8) |
| | As & when required | 19 (5.8) | 2(6.5) |
| Purchase Frequency | Weekly | 130 (39.6) | 19 (61.3) |
| | Quarterly | 84 (25.6) | 4(12.9) |
| | Monthly | 92 (28.0) | 8(25.8) |
| | Randomly | 22 (6.7) | 0 (0.0) |
| Payment Methods | Cash | 299 (91.2) | 30(96.8) |
| | Credit | 29 (8.8) | 1 (3.2) |
| Total | | 328 (100.0) | 31 (100.0) |

Table 6 (b). Chi Square Tests between Gender and Purchase behavior

| Purchase Behaviour | Chi-Square Value | Asymp. Sig. (2-sided) | Remarks for Null H ₀₁ @0.05 |
|--------------------------------|------------------|-----------------------|--|
| Importance of FMCG Brands | 1.580 | .454 | Accepted |
| Choice of purchase destination | 3.767 | .152 | Accepted |
| Purchase Quantity | 0.215 | .898 | Accepted |
| Purchase Frequency | 1.116 | .280 | Accepted |
| Payment Methods | 31.066 | .000 | Rejected |

Table 7 (a). Age and Purchase behaviour Cross-Tabulation

| | | Age | | | |
|---------------------------------------|--------------------|-----------|-----------|-------------|------------|
| | | Up to 25 | 25-30 | 30-50 | >50 |
| Importance of FMCG Brands | Least | 7 (100) | 44 (75.9) | 128 (63.4) | 38 (41.3) |
| | Moderate | 0 (0.0) | 14(24.1) | 45 (22.3) | 38 (41.3) |
| | Most | 0 (0.0) | 0 (0.0) | 29 (14.4) | 16 (17.4) |
| Choice of purchase destination | Town | 0 (0.0) | 7 (12.1) | 59 (29.2) | 15 (16.3) |
| | Village shop | 7 (100.0) | 15 (25.9) | 61 (30.2) | 23 (25.0) |
| | Weekly Haat | 0 (0.0) | 36 (62.1) | 82 (40.6) | 54 (58.7) |
| Purchase quantity | Bulk | 0 (0.0) | 22 (37.9) | 77 (38.1) | 54 (58.7) |
| | Small | 7 (100.0) | 36 (62.1) | 104 (51.5) | 38 (41.3) |
| | As & when required | 0 (0.0) | 0 (0.0) | 21 (10.4) | 0 (0.0) |
| Purchase Frequency | Weekly | 7 (100.0) | 29 (50.0) | 89 (44.1) | 24 (26.1) |
| | Quarterly | 0 (0.0) | 14 (24.1) | 60 (29.7) | 14 (15.2) |
| | Monthly | 0 (0.0) | 7 (12.1) | 46 (22.8) | 47 (51.1) |
| | Randomly | 0 (0.0) | 8 (13.8) | 7 (3.5) | 7 (7.6) |
| Payment Methods | Cash | 7 (100.0) | 51 (87.9) | 195 (96.5) | 76 (82.6) |
| | Credit | 0 (0.0) | 7 (12.1) | 7 (3.5) | 16 (17.4) |
| Total | | 7 (100.0) | 58(100.0) | 202 (100.0) | 92 (100.0) |

Table 7 (b).Chi Square Tests between Age and Purchase behavior

| Purchase Behaviour | Chi-Square Value | Asymp. Sig. (2-sided) | Remarks for Null H ₀₂ @ 0.05 |
|--------------------------------|------------------|-----------------------|---|
| Importance of FMCG Brands | 31.066 | .000 | Rejected |
| Choice of purchase destination | 32.939 | .000 | Rejected |
| Purchase Quantity | 32.452 | .000 | Rejected |
| Purchase Frequency | 55.042 | .000 | Rejected |
| Payment Methods | 17.792 | .000 | Rejected |

And we conclude that there is a statistical significant relationship between the occupation and the purchase behaviour of consumers.

H₀₅: There is no association between Income and consumer purchase behavior.

HA: There is association between Income and consumer purchase behavior.

Interpretation: The Chi-square test revealed that the Pearson's significant level ($p=0.000$) for all the variables of purchase behaviour is less than significance level $+0.05$ at 95 percent confidence level, hence, there exists a relationship between the Income and purchase behaviour.

Table 8 (a). Education and Purchase behaviour Cross-Tabulation

| | | Education | | | | |
|--------------------------------|--------------------|------------|-------------|-----------|-----------|------------|
| | | Illiterate | Upto 10th | Upto 12th | Degree | PG |
| Importance of FMCG Brands | Least | 8 (100.0) | 149 (83.70) | 15 (32.6) | 45 (45.9) | 0 (0.0) |
| | Moderate | 0 (0.0) | 22 (12.35) | 24 (52.2) | 37 (37.8) | 14 (48.3) |
| | Most | 0 (0.0) | 7 (3.93) | 7 (15.2) | 16 (16.3) | 15 (51.7) |
| Choice of purchase destination | Town | 8 (100.0) | 14 (7.86) | 15 (32.6) | 22 (22.4) | 22 (75.9) |
| | Village shop | 0 (0.0) | 69 (38.76) | 15 (32.6) | 22 (22.4) | 0 (0.0) |
| | Weekly Haat | 0 (0.0) | 95 (53.37) | 16 (34.8) | 54 (55.1) | 7 (24.1) |
| Purchase quantity | Bulk | 8 (100.0) | 37 (20.78) | 39 (84.8) | 54 (55.1) | 15 (51.7) |
| | Small | 0 (0.0) | 127 (71.35) | 7 (15.2) | 44 (44.9) | 7 (24.1) |
| | As & when required | 0 (0.0) | 14 (7.86) | 0 (0.0) | 0 (0.0) | 7 (24.1) |
| Purchase Frequency | Weekly | 0 (0.0) | 113 (63.48) | 7 (15.2) | 22 (22.4) | 7 (24.1) |
| | Quarterly | 0 (0.0) | 42 (23.59) | 16 (34.8) | 23 (23.5) | 7 (24.1) |
| | Monthly | 8 (100.0) | 15 (8.43) | 23 (50.0) | 39 (39.8) | 15 (51.7) |
| | Randomly | 0 (0.0) | 8 (4.49) | 0 (0.0) | 14 (14.3) | 0 (0.0) |
| Payment Methods | Cash | 8 (100.0) | 171 (90.06) | 38 (82.6) | 83 (84.7) | 29 (100.0) |
| | Credit | 0 (0.0) | 7 (3.93) | 8 (17.4) | 15 (15.3) | 0 (0.0) |
| Total | | 8 (100.0) | 178 (100.0) | 46(100.0) | 98(100.0) | 29 (100.0) |

Table 8 (b). Chi Square Tests between Education and Purchase behavior

| Purchase Behaviour | Chi-Square Value | Asymp. Sig. (2-sided) | Remarks for Null H ₀₃ @ 0.05 |
|--------------------------------|------------------|-----------------------|---|
| Importance of FMCG Brands | 145.50 | 0.000 | Rejected |
| Choice of purchase destination | 118.959 | 0.000 | Rejected |
| Purchase Quantity | 127.443 | 0.000 | Rejected |
| Purchase Frequency | 142.379 | 0.000 | Rejected |
| Payment Methods | 20.530 | 0.002 | Rejected |

Table 9 (a). Occupation and Purchase behaviour Cross-Tabulation

| | | Occupation | | | | |
|--------------------------------|--------------------|-------------|---------------|--------------|-----------|------------|
| | | Agriculture | Govt. Service | Pvt. Service | Business | Others15 |
| Importance of FMCG Brands | Least | 89 (75.4) | 15 (22.1) | 28 (77.8) | 70 (65.4) | 15 (50.0) |
| | Moderate | 22 (18.6) | 29 (42.6) | 8 (22.2) | 23 (21.5) | 15 (50.0) |
| | Most | 7 (5.9) | 24 (35.3) | 0 (0.0) | 14 (13.1) | 0 (0.0) |
| Choice of purchase destination | Town | 15 (12.7) | 33 (54.4) | 0 (0.0) | 21 (19.6) | 8 (26.7) |
| | Village shop | 60 (50.8) | 8 (11.8) | 7 (19.4) | 24 (22.4) | 7 (23.3) |
| | Weekly Haat | 43 (36.4) | 23 (33.8) | 29 (80.6) | 62 (57.9) | 15 (50.0) |
| Purchase quantity | Bulk | 23 (19.5) | 53 (77.9) | 8 (22.2) | 61 (57.0) | 8 (26.7) |
| | Small | 88 (74.6) | 15 (22.1) | 21 (58.3) | 39 (36.4) | 22 (73.3) |
| | As & when required | 7 (5.9) | 0 (0.0) | 7 (19.4) | 7 (6.4) | 0 (0.0) |
| Purchase Frequency | Weekly | 74 (62.7) | 0 (0.0) | 21(58.3) | 54 (50.5) | 0 (0.0) |
| | Quarterly | 21 (17.8) | 22 (32.4) | 7 (19.4) | 31 (29.0) | 7 (23.3) |
| | Monthly | 16 (13.6) | 46 (67.6) | 8 (22.2) | 22 (20.6) | 8 (26.7) |
| | Randomly | 7 (5.9) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 15 (50.0) |
| Payment Methods | Cash | 118 (100.0) | 61 (89.7) | 28 (77.8) | 92 (86.0) | 30 (100.0) |
| | Credit | 0 (0.0) | 7 (10.3) | 8 (22.2) | 15 (14.0) | 0 (0.0) |
| Total | | 118 (100) | 68 (100.0) | 36 (100.0) | 107(100) | 30 (100) |

Table 9 (b). Chi Square Tests between Occupation and Purchase behavior

| Purchase Behaviour | Chi-Square Value | Asymp. Sig. (2-sided) | Remarks for Null H ₀₄ @ 0.05 |
|--------------------------------|------------------|-----------------------|---|
| Importance of FMCG Brands | 80.817 | 0.000 | Rejected |
| Choice of purchase destination | 89.628 | 0.000 | Rejected |
| Purchase Quantity | 93.854 | 0.000 | Rejected |
| Purchase Frequency | 220.071 | 0.000 | Rejected |
| Payment Methods | 27.346 | 0.000 | Rejected |

Table 10 (a). Income and Purchase behaviour Cross-Tabulation

| | | Income | | | |
|---------------------------------------|--------------------|-------------|--------------|---------------|--------------|
| | | 20000-50000 | 50000-100000 | 100000-200000 | Above 200000 |
| Importance of FMCG Brands | Least | 7 (100.0) | 15 (68.2) | 145 (83.3) | 50 (32.1) |
| | Moderate | 0 (0.0) | 7 (31.8) | 22 (12.6) | 68 (43.6) |
| | Most | 0 (0.0) | 0 (0.0) | 7 (4.0) | 38 (24.4) |
| Choice of purchase destination | Town | 0 (0.0) | 0 (0.0) | 7 (4.0) | 74 (47.4) |
| | Village shop | 0 (0.0) | 8 (36.4) | 76 (43.7) | 22 (14.1) |
| | Weekly Haat | 7 (100.0) | 14 (63.6) | 91 (52.3) | 60 (38.5) |
| Purchase quantity | Bulk | 0 (0.0) | 0 (0.0) | 39 (22.4) | 114 (73.1) |
| | Small | 7 (100.0) | 22 (100.0) | 114 (65.5) | 42 (26.9) |
| Purchase Frequency | As & when required | 0 (0.0) | 0 (0.0) | 21 (12.1) | 0 (0.0) |
| | Weekly | 7 (100.0) | 15 (68.2) | 106 (60.9) | 21 (13.5) |
| | Quarterly | 0 (0.0) | 7 (31.8) | 38 (21.8) | 43 (27.6) |
| | Monthly | 0 (0.0) | 0 (0.0) | 8 (4.6) | 92 (59.0) |
| Payment Methods | Randomly | 0 (0.0) | 0 (0.0) | 22 (12.6) | 0 (0.0) |
| | Cash | 7 (100.0) | 22 (100.0) | 174 (100.0) | 126 (80.8) |
| | Credit | 0 (0.0) | 0 (0.0) | 0 (0.0) | 30 (19.2) |
| Total | | 7 (100.0) | 22 (100.0) | 174 (100) | 156 (100) |

Table 10 (b). Chi Square Tests between Income and Purchase behavior

| Purchase Behaviour | Chi-Square Value | Asymp. Sig. (2-sided) | Remarks for Null H _{0s} @ 0.05 |
|--------------------------------|------------------|-----------------------|---|
| Importance of FMCG Brands | 80.817 | 0.000 | Rejected |
| Choice of purchase destination | 111.319 | 0.000 | Rejected |
| Purchase Quantity | 123.469 | 0.000 | Rejected |
| Purchase Frequency | 177.691 | 0.000 | Rejected |
| Payment Methods | 42.598 | 0.000 | Rejected |

The null hypothesis is rejected. And we conclude that there is a statistical significant relationship between the Income and the purchase behaviour of consumers.

RESULTS

In the present study found that, for 60.5 percent of rural consumers brand in FMCG purchase basket is least important where as it is moderately important for 27 percent and most important for remaining 12.5 percent consumers.

In rural areas 47.9 percent of the respondents purchase from their village shops, followed by weekly *haats* (29.5 percent), and nearby towns 22.6 percent.

It is found that most of the consumers purchase FMCG products on weekly basis (41.5 percent), followed by monthly (27.9 percent) and quarterly (24.5 percent). However, 6.1 percent of the consumers make random purchase.

Over 50 percent of the rural consumers buy FMCGs in small quantities and 42.6 percent of rural consumers purchase in bulk.

It is found that more than 91 percent of rural consumers make their FMCG purchase in cash and only 8.4 percent of respondents purchase on credit and make regular payment.

Testing the hypothesis, it is found that there is a statistical significant relationship between the gender and the payment method of consumers. It is also found that gender does not influence other variables of purchase behaviour like importance of FMCG brands, choice of purchase destination, purchase quantity and purchase frequency.

There is a statistical significant relationship between the age, education, income and occupation and all the variables of the purchase behaviour of consumers.

CONCLUSION

This research aims at gaining insight into the influence of various factors on the purchase behavior of rural consumers. The factors included were related to the personal care products like soaps, shampoo, facial cream and hair oil. From the study it is evident that majority of the rural consumers gave least importance to the brands of the FMCGs, they meet their FMCG needs from village shop, with weekly purchase frequency, in small quantities and cash as mode of payment. The study also identifies that various demographic factors influence the purchase behaviour of rural consumers. Demographic factors have significant difference across the purchase behaviour. So, the rural marketers must ensure the optimal market segmentation and offer a matching marketing mix to increase their market share.

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