

Buying Behavior of Rural Consumers towards Personal Care Products

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Abstract

The paper aims to explore the factors that influence the buying of personal care products among the rural consumer. The research is also focused on the fact that how demographic of gender and education is impacting those factors. The paper has 150 sample size from one region of Haryana and there are 23 variables that have been studied on the sample size. This research has used data reduction technique by applying exploratory factor analysis on the collected sample. The factor analysis identified that social norms are the most responsible for the decision making towards the personal care products. The dependency and reliability on society of a rural consumer has been observed high in comparison to the promotional campaign done.

Keywords: *Haryana, Personal care products, Buying behavior and female consumers*

Introduction

The performance of the market player largely depends on the factor of product, price and promotion. The consumer behavior is such that based on these factors the perception makes a visual impact in the perception. Based on the visual impact the decision is taken, this can be said as the visual build by marketing is the root of decision making. This can be very well established for the rural consumer. They are myriad assumptions about the consumer behavior of rural consumers. The objective might be any, it is weather to gain more market share, or to convert the rival company buyer's, may be to increase sale among the existing buyer class or just to increase

the sale by making the brand name stronger (Chandrasekhar, B. V. N. G, 2012). The marketing plans work on assumptions about the buyer psychology.

The size of the rural India is almost three times the size of the urban, yet more attention is devoted towards the urban market. The markets are highly contrasting in nature. There are several bricks that creates the division wall for both the markets. The challenge for a marketer is to create a different marketing plan for the rural market then for the urban market (Bearden, Ingram and Laforge, 1998). The reason behind it are several for starters, rural segment lacks the organized distribution, the class of audience for a marketing plan has low exposure, they are on the concept of culture, the literacy and awareness level varies significantly and last but not the least is the economic backwardness (Gautam and Gangal, 2011).

The above mentioned reason makes the rural market unattractive for many brands. Another reason is the lack of infrastructure; this also makes it difficult for the brand to operation their product line at times at such places. Then there are companies like HUL that has shown great interest in rural segment of the nation. they call rural India as greater India. They understand that the value of the larger part of the nation for them as their 65% of the revenue is generated from the rural India. Many FMCG companies like HUL understands the concept, therefore big multinational brand are coming up with a product line that is light on pocket for the rural India (Gautam and Gangal, 2011).

They understand the factor that the money is in masses rather than competing for the classes. This was bound to happen after a report from NCAER (National Council of Applied Economics and Research) in 2003, which provided the fact that a rural household is spending an average amount of Rs 3384 is spent on 22 non durables annually (Sridhar and Mishra, 2010). If a countries three fourth of population is residing and generating an average makes the amount big. Many researchers have identified the fact that the rural India is changing at the pace faster than expected. The growing income and population has been an attractive factor, other than that the governments' major initiatives towards the rural segment has put the rural India on the company's objectives. Growth in cosmetics and toiletries has been observed in this market in the last decade. The companies have also sited and noticed the same. The introduction of a smaller

and affordable less quantity packaging has done wonders for the companies (Jain and Sharma, 2012).

Haryana is northern state in India and is known to be one of the finest and richest states in India. The rural areas of Haryana are still under the dorm of development. The population of Haryana is majorly in rural areas and the homogeneity can be observed. The population is cultural and the literacy rate is comparatively better than many states (Kundu et al., 2013). Regional imbalance of income is the same situation as other states. The urbanites have higher income and more money in comparison to rural. This has been one of the reasons to attract the companies to the urban market. But if the product is FMCG and it is also a product is in the range of affordability by rural consumer then the product performs better in the rural market. The companies understand the difference of classes Vs masses, therefore all the companies in the FMCG segment especially the ones that in the area of personal care products wants to get the masses game running.

This study is more about understanding the rural consumer behavior related to personal care products. The companies are trying to get the maximum of the rural market today and in order to develop the rural market they first need to understand it. This study is an effort to make the marketing of FMCG products more effective. Researchers have made an effort to check the segmentation on the basis of demographics in the rural market impacts the buying habits of the people or not (Macarthy and Perreault, 1998).

Literature Review

Study by Srivastawa and Bisen 2014 revealed that consumer has a switching behavior. It doesn't matter that whether the consumer is rural or urban the impact of advertisement has been experienced in both the areas. The matter of fact is that the impact is found higher on the rural consumer in comparison to the urban consumer. The exposure of urban consumer is towards various medium is comparatively higher but the impact via less medium is seen higher on the rural consumer. This makes brand loyalty a question and switching a prominent consumer behavior .

Sabharwal et al. conducted a study in which women in the rural market were studied to see their behavior towards skin care products. It was found that among the majority of women in the rural segment the maximum usage was found to be for the moisturizing cream. The second most bought was the fairness cream. After this the anti-aging or sunblock were rare on the awareness scale as well. The study revealed that the usage of the two kinds was majorly due to heavy marketing and advertisement. The awareness level of the product caused the purchasing (Kapferer, 2000).

Meremadi et al. 2013 devised a model in which they studies the factors tha are considered by the consumer before buying of the personal care product. the aim was to build a mode that can increase the impact of advertising and can save the advertiser waste efforts and money. The model resulted n finding that major factors availability price quality and packaging mattered the most. The significant contribution of these factors was also found in the studies of Sakthivel, 2000. These factors were followed by genuineness and sales promotion technique.

Research Methodology

Research Problem

This study is a descriptive study on the rural area resides. Similar to this many studies has been conducted in the rural market domain, yet none of the studies has been in the area of Haryana focusing on entire range of personal care product that has 21 products profile in it. The need of the hour of such study as this is the potential in smaller markets scattered throughout the nation making the majority of the population being indulged in to it. The potential in the market has been discussed in the paper above and it is known fact now (Sabura, Vijayakumar & Hameed, 2012). The smaller companies serving their range of FMCG products are now being challenged by big multiband products that have taken out a new range of economic product under their umbrella specific to rural consumer needs.

Data collection

This study is based on the primary data that has been collected with the help of a questionnaire. This questionnaire designed for the study has 23 variables categorized under four constructs that define rural consumer buying behavior from various aspects.

Sampling

This study was constructed in the rural area of Haryana and the data was collected from the village Kalpi and Saha near Ambala District. The sample size drawn was 150 and it was drawn from both the villages. The technique adopted for sampling was judgment. Since the population of each village is undefined and infinite as the commuters are too many, the wisest step was to collect the data on judgment basis.

Research tools and techniques

After the sample was drawn exploratory factor analysis was run on the variables in order to check the contribution of factors. Then to check the impact of various demographics of the individual a t-test and ANOVA was run. The four major factors aimed were social factors, economic factors, market related factors and point of purchase attributes.

Data Analysis and Interpretation

The first analysis is Exploratory Factor Analysis, the table 1 shows the result. In this analysis Principal Component matrix has been with varimax rotation and the Eigen value has been suppressed to 0.5. Three variables showed signs of low Eigen value below 0.5 have been discarded. Table 1 show that the social factor is the highest in contributing towards explaining the buying behavior of the rural consumer.

Table – 1, Factor Analysis

Name and Construct of the source	Measure of the construct	Factor Loading	Eigen Value	Variance	α	Mean
<u>Social</u>	Social Factor		7.03	29.757	.835	3.21
	My self-esteem affects my buying	.759				
	I buy cosmetic products on my	.747				
	My culture prohibits me from	.715				
	My religion plays a role in	.702				
	I usually look to my peers advice	.701				
	I buy cosmetic products which are	.665				
<u>Market</u>	Market related Factor		3.456	14.530	.765	4.37
	Promotion and ads of Personal Care	.691				
	I buy Personal Care products which	.687				
	I only buy Personal Care products	.675				
	I only buy Personal Care products	.644				
	I feel good buying celebrity	.592				
	and demand products					
<u>POP Attribute</u>	Point of Purchase Attributes		1.764	7.460	.815	4.32
	I always buy from the same	.781				
	I buy from the store that gives the	.705				
	The window display of products	.684				
	I buy from the store the ambience of	.658				
	I always buy my Personal Cares	.634				
	from the same store					
<u>Market related Factor</u>	Market related factor		1.452	6.134	.781	4.26
	I only buy Personal Care products	.731				
	I only buy Personal Care products	.701				

Name and Construct of the <u>Economic condition</u>	Measure of the construct	Factor Loading	Eigen Value	Variance	α	Mean
	Sales promotion plan and discount	.689				
	Economic Factor		1.402	5.929	.614	4.11
	My family income affects my buying decision on Personal Care	.696				
	My personal income determines the Personal Care products I buy	.624				
	Price of the product affects my buying decision	.580				

Other than the factor loading the variance explained by each construct and also value of Cronbach's alpha is in the table. The value of Cronbach's alpha in each construct is higher than .6 which is the base for the acceptance of the statement. The mean value is showing that the 5 point Likert scale that has been used ranging from strongly disagree to strongly agree is showing the variables are positively skewed by the respondents on agreement scale.

The above mentioned data is interpreting that the rural consumer is most affected by the social factor while making its decision for purchase of personal care product. The contribution of the social factor is nearly 1/3rd alone in the decision making. Social variable such as culture, family and religion are highly responsible for the lifestyle choices. Such choices include buying decision of personal care. India in its rural region can be observed as highly conservative. The diversity and impact of culture in rural consumers is very high in comparison to the urban consumers. The decision making style therefore is different and a different set of marketing is required.

The second construct that help explains the decision making of the rural consumer is market related factor. The promotional offers and the brand image are highly responsible for decision making. To an extent marketing of a product is the most responsible factor. It is the marketing of

the product that frames a mindset of the consumers, individually and in general as well. The general perception that the marketing of the product formulates is the result of the marketing done by the company about the product. This was followed by point of purchase factor and economic factor of affordability of the product. It has been observed that the rural consumer make the decision regarding the buying of a product based on the social factor above the affordability (Saini, 2014). The attraction of changing lifestyle and social acceptance desire was found higher in the rural consumer. The urban consumer population lifestyle is rather engaging and time consumed, on the contrary the rural consumer has much more time to offer for consideration of various factors.

The other testing done by the researchers was to identify the factor that whether the rural consumer demographics impact its decision making or not. The first demographic that was most logical in for testing of the gender as the basis of decision making and its impacts on various factors. The high cultural norms can be observed in the rural region on a high level (Sathyanarayana and Ganesh, 2012). India is known to be male dominant and especially the state of Haryana has faced criticism on feminism ground in particular. The most logical ground to test the impact on personal care for many such countless reasons was gender.

From the Table no. 2 we can see that the most of the variable under the construct of social has shown the disagreement in the decision making opinions. The gender is one factor that reacts differently to the social norms. It seems to impact the females higher than the males. The impact of variables overall are not much different but the impact on females is higher. Although the decision making opinions in 7 variables out of 23 has shown indifference, where the P value is less than .05 but the table shows a pattern of difference in in opinion of both the genders a little. This proves that the gender stands as a factor of consideration while planning the marketing of a product in rural segment. It is more important for a company to make its product a word-of-mouth in the rural segment among the females.

Table – 2, T-Test on the basis of Gender				
	Female	Male	Levene	Anova
Social 1	3.0587	2.6491	.861	.003
Social 2	3.3196	2.7368	.044	.000
Social 3	3.4340	3.1053	.944	.024
Social 4	3.3636	3.1228	.908	.081
Social 5	3.5367	3.1404	.725	.003
Social 6	3.3255	3.2398	.939	.579
Social 7	3.2141	2.9357	.728	.047
Market 1	3.8974	3.7193	.906	.229
Market 2	4.2698	3.9240	.872	.019
Market 3	4.6862	4.7193	.639	.829
Market 4	4.4194	4.6118	.646	.233
Market 5	4.5103	4.3333	.793	.244
POP 1	4.5132	4.4795	.535	.820
POP 2	4.2845	4.4561	.691	.237

POP 3	4.3695	4.2281	.262	.369
POP 4	4.2082	4.2456	.602	.810
POP 5	4.5191	4.5263	.499	.963
MRF 1	4.4516	4.4386	.053	.933
MRF 2	4.2434	4.3392	.005	.540
MRF 3	4.0469	4.0526	.785	.969
Eco 1	4.8886	4.6842	.010	.235
Eco 2	4.0938	3.9474	.428	.269
Eco 3	4.1965	3.9240	.011	.045

Table 3 shows a clear depiction of 16 variables out of 30 on which the opinion of the rural consumer varies. The prominent result has shown that education as a demographic is very important for the consideration of the companies. the value of the maximum number of variables under the construct of social varies. As seen in table 2 social also varies in the case of gender, this proves that social impact is the one factor that is most prone to demographics of the individual respondent.

In this case other factors have also varied and the market related factor is the second one that has shown varied opinions on its variables. Out of the five important variables three have shown significant difference in the opinion. Similarly point of purchase factor is also experiencing the variation on 3 variables out of 5. This proves that the above mentioned three factors must be considered well before designing of a marketing plan for the rural consumer.

Table – 3, ANOVA Based on Education

	<u>10th</u>	<u>12th</u>	<u>Graduate</u>	<u>P.G and above</u>	<u>Levene</u>	<u>Anova</u>	<u>Welch</u>
Social 1	2.7244	3.2174	3.0758	3.3243	.024	.001	.004
Social 2	2.9295	3.2174	3.2727	3.5676	.374	.001	.002
Social 3	3.1474	3.4783	3.5152	3.6757	.003	.012	.014
Social 4	3.1731	3.5217	3.3333	3.5135	.704	.162	.159
Social 5	3.2756	3.6087	3.6212	3.5946	.217	.048	.038
Social 6	3.1667	3.3913	3.3636	3.6036	.196	.012	.013
Social 7	2.9744	3.5652	3.3333	3.3153	.724	.041	.041
Market 1	3.8013	3.6957	4.0152	3.8649	.033	.750	.693
Market 2	4.1186	4.0870	4.3182	4.1712	.654	.020	.838
Market 3	4.8718	4.1739	4.3939	4.4955	.032	.019	.008
Market 4	4.6141	4.4783	4.1667	4.3063	.001	.156	.149
Market 5	4.4840	4.0435	4.4848	4.4234	.024	.049	.402
POP 1	4.5929	3.9130	4.2727	4.5045	.130	.029	.043

POP 2	4.3622	4.0000	4.2121	4.4324	.050	.571	.461
POP 3	4.3205	4.6957	4.1667	4.3423	.006	.034	.291
POP 4	4.2628	4.0000	4.1364	4.1982	.037	.050	.774
POP 5	4.5929	4.7391	4.3485	4.3784	.156	.046	.437
MRF 1	4.5481	4.5652	4.2121	4.2793	.088	.285	.273
MRF 2	4.3558	4.4783	4.1212	4.0991	.019	.357	.292
MRF 3	4.0929	4.6522	3.8788	3.9009	.396	.047	.086
Eco 1	4.8365	4.9565	4.8485	4.7297	.690	.923	.915
Eco 2	3.9744	3.7826	4.0000	4.3243	.003	.112	.091
Eco 3	4.0160	4.2174	3.9545	4.4234	.341	.038	.049

Conclusion

The present study has thrown light on the fact that the companies need to rethink their marketing strategies and give demographics importance. There are various platforms available to a company today for marketing a product to the rural consumer. The company needs to go niche on the bifurcation of the audience to their marketing. The company has focus on each segment accordingly and multiple marketing strategies need to be formulated to attract the rural consumer. Female consumers are putting greater emphasis on their lifestyles, self-image, health and economic considerations while purchasing personal care products. Hence, it is highly recommended that cosmetic dealers develop a deeper understanding of the factors influencing the purchase decisions of females. The marketers needs to favorably shape the marketing to ensure the fact that its attractive enough to start a social publicity of the product. The biggest factor that came out in the study is social that impacts the buying decision.

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