

Buying Behavior of Rural Consumers towards Selected FMCG Products

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ABSTRACT

Fast moving consumer goods (FMCG) also known as consumer packaged goods are consumed every day by the average consumer and used up over short period of days, weeks or months and within one year. The items in FMCG include all consumables (other than groceries, pulses) that people buy at regular intervals. In the front of rising incomes of rural consumers they are willing to buy products which improve their lifestyle. At this advent a study entitled 'Buying behaviour of rural consumers towards selected FMCG products' was undertaken in order to investigate the buying pattern of rural consumers, the factors affecting the buying behaviour of rural consumers towards FMCG products and their decision making process, their level of satisfaction on attributes like price, quality, free offers, packaging, replace facility, quantity, availability, variety, purchase experience with regard to FMCGs. The products chosen for this study are dental care, face powder, detergent powder, soft drink and biscuits. This study reveals, how rural consumers make decision to spend their available resources (time, effort, money) on consumption related item, their reactions towards different product features, price and advertisement, in order to ensure strong competitive advantage and their satisfaction level towards different attribute of FMCG products like price, quality, availability quantity etc. The present study concluded that the consumers prefer to buy FMCG brands from haat/mandi. Majority of the consumers stick to particular brand for more time. Advertisement is the most influencing factor on buying any FMCG brand.

Keywords: *FMCG products, Consumer buying behaviour, Factors influencing.*

The Fast Moving Consumer Goods (FMCG), also known as Consumer Packaged Goods (CPG), are products that have a quick shelf turnover, relatively low cost and don't require a lot of thought, time and financial investment to purchase. Any product that is used very commonly; sometimes daily and move relatively faster (consumption at least once in a month) at the retailer end can be classified as FMCG.

FMCG sector the FMCG industry primarily engages in the production, distribution and marketing operations of CPG. FMCG Supply Chain is the interrelated collection of processes and associated resources. It includes suppliers, manufacturers, logistics service providers, warehouses, distributors, wholesalers and all other entities that lead up to delivery to the final customer.

According to Walter and Paul (1970), "Consumer behaviour is the process whereby individuals decide whether, what, when, where and how and from whom to purchase goods and services". Every person is a consumer in the marketing world. A consumer is a person who does various physical actions and careful to take decisions about the purchase of the product on to calculate the products and the service area. Consumer behaviour is the study of how individuals, groups and organizations select, buy and dispose of goods, services, ideas or experiences to satisfy their needs and wants. Consumer behaviour can also be defined as the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services. Consumer behaviour includes the "what-where-why-when and how" of the purchase and experience process. As success and failure of marketing depends on target consumers, individuals and group reactions expressed in the form of buying patterns one must understand consumer behaviour.

FMCG status in India and Rural Market

The FMCG sector is a corner stone of the Indian economy. Its principal constituents are household care, personal care and food & beverages. FMCG market has emerged as one of the most attractive rural markets in India (Kashyap, Pradeep & Raut, Siddharth, 2007). It is currently growing at double digit growth rate and is expected to maintain a high growth rate.

A rural market broadly comprises consumer markets, institutional markets and services (Dogra & Ghuman, 2008). An effective FMCG marketing strategy in a rural setup essentially includes product variants, product categories, price points, sizes and widespread distribution network (Kumar and Madhavi, 2006). FMCG products have tremendous demand in rural area as rural households are purchasing a wide range of FMCG products.

FMCG in Rural India

NABARD defined rural market as, all locations irrespective of villages or town, up to a population of 10,000 will be considered as rural. The National Sample Survey Organization (NSSO) defines rural markets as those areas with fewer than 5,000 residents, a population density less than 400 people per square kilometer and at least 75 per cent of male working population employed as agriculturists. At present Indian FMCG sector is worth Rs.1300 billion and expected to be around a whopping value of Rs. 4000 to Rs. 6000 billion by 2020.

Specific objectives of the study

- To study the buying pattern of consumers' towards FMCG.
- To ascertain the Product awareness and preference of rural consumers towards FMCG.

- To analyse the factors influencing the rural consumer while purchasing selected FMCG.
- To know the factors affecting consumers' behaviour and their attributes towards frequency of product purchase.

METHODOLOGY

The study was conducted in Boudh district, a rural and tribal dominated district of Odisha, selected purposefully. A multistage sampling procedure was followed to select the Blocks (Boudh and Harabhanga), Panchat (Boudh and Harabhanga) and villages (Tatarkila, Dimiripali, Biramchandrapur and

Nuapada) for the study. All together 110 numbers of respondents were selected through proportionate random sampling technique. Data were collected using a structured pretested open ended interview schedule. Appropriate statistical tools were used for analysis of data and interpretation was made accordingly

RESULT AND DISCUSSION

1. Buying pattern of the rural consumers store preference of the respondents.

Table 1 shows the place from where the respondents like to buy the FMCG products which they use.

Table 1
Store preference of the respondents (N=110)

Sl. No.	Store	Frequency (f)	Percentage (%)
1	Haat/mandi	35	32
2	Super market	9	8
3	Kirana store	47	43
4	Retail store	7	6
5	Wholesale market	12	11
Total		110	100

It is observed from the Table 1 that 47% of the consumers in the study area prefer to buy the product from kirana store, 32% of the respondents buy from haat/mandi, 11% of them buy from wholesale markets, 8% buy from super markets and only 6% of the

respondents prefer to buy the FMCG products from retail stores. Majority of the respondents buy products from kirana stores because of convenience as the store are nearer to their house.

Table 2
Ranking of the preferred stores by the respondents (N=110)

Sl. No.	Store	Score										Mean score	Rank
		5		4		3		2		1			
		n	%	N	%	n	%	n	%	n	%		
1	Haat/mandi	35	32	34	31	22	20	9	8	10	9	3.68	1
2	Super market	41	37	8	7	23	21	23	21	15	14	3.34	2
3	Kirana store	13	12	34	31	19	17	33	30	11	10	3.05	3
4	Retail store	10	9	10	9	30	27	32	29	28	25	2.47	4
5	Wholesale market	9	8	26	24	16	15	13	12	46	42	2.45	5

It is observed from Table 2 that most of the respondents prefer to buy FMCG products from haat/mandi because of the product availability and comparatively less cost of products for them. Further, it is followed by super markets, kirana stores and retail stores. Respondents prefer less to buy FMCG products from whole sale markets because it is not convenient for them as these are located far away from their house.

Store attributes for purchase behaviour of respondents

There are various factors/reasons that contribute towards purchase of FMCG goods/products by any consumer. The factors or reasons responsible for

purchase behaviour of FMCG products from different stores in the study area is given vide Table 3 below.

Table 3
Reasons for making purchase from preferred stores (N=110)

Sl. No.	Reasons	Frequency (f)	Percentage (%)
1	Discount	16	15
2	Available always	65	59
3	Service	6	5
4	Proximity (nearness)	23	21
5	Ambiance	0	0
6	Other	0	0

It is revealed from Table 3 that, varieties of always available of products in the stores makes highest influencing factor for purchase preference by 59% respondents, while, 21% respondents preferred to purchase because of proximity. 15% of respondents purchase because of discount and only 5% respondents buy because of the service available in the store.

2. Product awareness of rural consumers

Rural consumers are more or less aware about the brands of FMCG products. The following table depicts about the purchase of different brand of the FMCG products like dental care, face powder, detergent powder, soft drinks and biscuits by the rural consumers.

Table 4
Product awareness of rural consumers
(N=110)

Sl. No.	Product	Brand name	Frequency (f)	Percentage (%)
1	Dental care	Oral-B	8	7.27
		Colgate	60	54.55
		Pepsodent	28	25.45
		Himalaya	8	7.27
		Any other	6	5.45
		Total	110	100
2	Face powder	Ponds	53	48.18
		Wild stone	25	22.73
		Nivea	4	3.64
		Himalaya	24	21.82
		Any other	4	3.64
		Total	110	100
3	Detergent powder	Surf excel	11	10
		Rin	23	20.91
		Tide	8	7.27
		Wheel	64	58.18
		Any other	4	3.64
		Total	110	100
4	Soft drink	Coca cola	33	30
		Mountain dew	5	4.55
		Pepsi	16	14.55
		Sprite	30	27.27
		Any other	26	23.64
		Total	110	100
5	Biscuits	Britannia	34	30.91
		Parle	52	47.27
		Bisk farm	6	5.45
		Sun feast	16	14.55
		Any other	2	1.82
		Total	110	100

The above preference for specific brand by the respondents may be due to the fact that they are practiced to use that brand influence since long and thus have developed a faith on those specific brands.

3. Product preference of the rural consumer

Consumers differ in preference towards FMCG products. The following figure represents product preference according to branded, neutral, non-branded FMCG goods by the consumers in the present study.

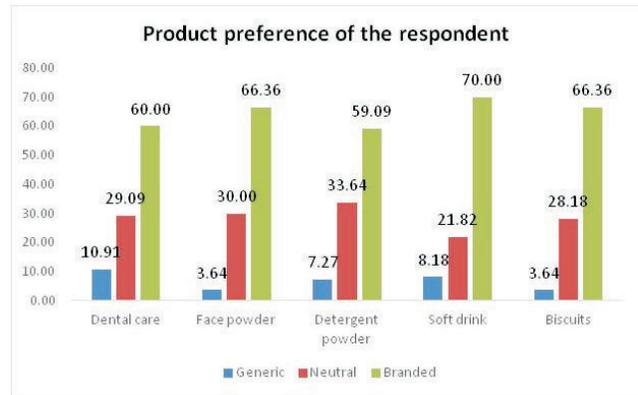


Fig1 Product preference of the respondents

It is very clear from figure above that, most of the consumers prefer to purchase branded product as they are brand conscious.

4. Factors affecting consumers' behaviour towards frequency of product purchase

Consumers purchase product with varying frequency. The study entails the consumer behaviour towards frequency of product purchase as depicted in the following Table. Table 5 shows the time interval with which the respondents buy FMCG products.

Table 5
Consumer behaviour towards product purchase frequency (N=110)

Sl. No.	Purchase frequency	Frequency (f)	Percentage (%)
1	Weekly once	10	9.09
2	Fortnightly	3	2.73
3	Monthly once	86	78.18
4	Quarterly	2	1.82
5	Occasionally	9	8.18
Total		110	100

It is inferred from the Table 5 that maximum number of consumers i.e. 78.18% buy monthly once from their preferred stores because of its convenience for them. Second purchase behaviour was weekly purchase by 9.09% of consumers. Likewise 8.18% consumer buy occasionally, 2.73% consumers buy fortnightly and very few consumers buy FMCG products quarterly from their preferred stores.

5. Attributes influence the consumers while purchasing FMCG products

Various attributes influence the consumers in making choice and buying the FMCG products for use was presented in Table 6.

Study reveals that there are many attributes which influence the rural consumer during purchase of FMCG products. In case of dental care products, product image influences highly whereas availability influences less. Respondents are highly influenced by promotional offers while buying face powder whereas price of the products influence less. Likewise In case of detergent power, promotion influences highly whereas price of

the product has low influence. While purchasing soft drink, most influencing factor is promotional offer given on product and product availability is a less influencing factor. Promotional offers influence highly

whereas quality of product influences less in case of purchase of biscuits.

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Table 6
Attributes influence the consumers while purchasing FMCG products (N=110)

Sl. No.	Product	Brand	Rank												Mean Score	Rank
			6		5		4		3		2		1			
			f	%	F	%	f	%	f	%	f	%	f	%		
1	Dental care	Price	13	11.82	53	48.18	26	23.64	9	8.18	3	2.73	6	5.45	4.42	2
		Availability	41	37.27	22	20	13	11.82	16	14.55	16	14.55	2	1.82	4.45	1
		Product image	4	3.64	19	17.27	7	6.36	2	1.82	18	16.36	60	54.55	2.26	6
		Promotional offers	12	10.91	5	4.55	12	10.91	9	8.18	33	30	39	35.45	2.52	5
		Advertisement	23	20.91	2	1.82	18	16.36	47	42.73	18	16.36	2	1.82	3.63	4
		Quality	17	15.45	7	6.36	34	30.91	27	24.55	22	20	3	2.73	3.65	3
2	Face powder	Price	37	33.64	20	18.18	27	24.55	16	14.55	8	7.27	2	1.82	4.51	1
		Availability	14	12.73	40	36.36	19	17.27	13	11.82	11	10	13	11.82	3.95	2
		Product image	20	18.18	17	15.45	0	0	9	8.18	25	22.73	39	35.45	2.92	5
		Promotional offers	5	4.55	9	8.18	10	9.09	29	26.36	32	29.09	24	21.82	2.64	6
		Advertisement	6	5.45	18	16.36	29	26.36	17	15.45	21	19.09	19	17.27	3.22	4
		Quality	31	28.18	4	3.64	25	22.73	26	23.64	13	11.82	11	10	3.83	3
3	Detergent powder	Price	41	37.27	7	6.36	18	16.36	11	10	21	19.09	12	10.91	4	1
		Availability	18	16.36	30	27.27	20	18.18	19	17.27	13	11.82	10	9.09	3.92	2
		Product image	10	9.09	29	26.36	10	9.09	18	16.36	21	19.09	22	20	3.3	5
		Promotional offers	13	11.82	12	10.91	17	15.45	16	14.55	19	17.27	33	30	2.95	6
		Advertisement	11	10	25	22.73	13	11.82	27	24.55	15	13.64	19	17.27	3.39	4
		Quality	15	13.64	9	8.18	32	29.09	19	17.27	21	19.09	14	12.73	3.42	3
4	Soft drink	Price	19	17.27	27	24.55	30	27.27	18	16.36	11	10	5	4.55	4.09	2
		Availability	31	28.18	22	20	16	14.55	25	22.73	11	10	5	4.55	4.2	1
		Product image	10	9.09	7	6.36	7	6.36	11	10	32	29.09	43	39.09	2.39	6
		Promotional offers	4	3.64	23	20.91	19	17.27	15	13.64	24	21.82	25	22.73	3.03	5
		Advertisement	20	18.18	17	15.45	20	18.18	18	16.36	21	19.09	14	12.73	3.59	4
		Quality	26	23.64	12	10.91	20	18.18	23	20.91	11	10	18	16.36	3.68	3
5	Biscuits	Price	19	17.27	24	21.82	18	16.36	34	30.91	11	10	4	3.64	3.95	2
		Availability	24	21.82	13	11.82	29	26.36	15	13.64	16	14.55	13	11.82	3.77	4
		Product image	12	10.91	17	15.45	17	15.45	10	9.09	24	21.82	30	27.27	3.03	5
		Promotional offers	2	1.82	15	13.64	8	7.27	6	5.45	31	28.18	48	43.64	2.25	6
		Advertisement	6	5.45	31	28.18	25	22.73	20	18.18	16	14.55	12	10.91	3.59	3
		Quality	47	42.73	10	9.09	11	10	25	22.73	14	13	3	2.73	4.38	1

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