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A STUDY ON PURCHASE BEHAVIOUR OF RURAL AND URBAN CONSUMER TOWARDS SELECT FAST MOVING CONSUMER GOODS IN SALEM

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ABSTRACT

This research study aims to explore the purchase behavior of rural and urban consumers towards chosen fast-moving consumer goods (FMCG) in Salem, a city in Tamil Nadu, India. This research paper conducted using a survey questionnaire with several samples of 400 designated target audience, which included socio-demographic factors such as age, gender, education, and rural/urban location, as well as FMCG purchase behavior. The study found significant differences in the purchase behavior of rural and urban consumers towards FMCG products. The frequency of purchase of FMCG products was higher among urban consumers in comparison to rural consumers. In this study, brand preference differed between rural and urban consumers, with local brands being more preferred by rural consumers and national brands being more preferred by urban consumers. Furthermore, the factors impacting the purchase decision of rural and urban consumers also differed, with price being the most important factor for rural consumers and brand being the most important factor for urban consumers. These findings propose that FMCG companies should adapt their products and marketing strategies to meet each consumer group's needs and preferences. Understanding the differences in purchase behavior and preferences of rural and urban consumers towards FMCG products can lead to increased sales and profitability for companies operating in these markets. This study provides valuable insights for marketers and policymakers seeking to understand the consumer behavior in rural as well as urban areas of Salem and could be relevant for other similar regions in India.

INTRODUCTION

Consumer behavior is a dynamic field of study that has garnered significant attention from scholars, marketers, and policymakers alike. Understanding how individuals make choices in the marketplace, what factors influence their decisions, and how these choices impact various stakeholders is essential for businesses, governments, and researchers. In the context of India, a nation known for its socio- economic and cultural diversity, the rural-urban divide plays a pivotal role in shaping consumer behavior. This divide becomes particularly pronounced in regions like Salem District in Tamil Nadu, where consumers in rural and urban settings exhibit distinct preferences and purchase behaviors, especially concerning Fast-Moving Consumer Goods (FMCG).

STATEMENT OF THE PROBLEM

In the contemporary landscape of the Indian consumer market, the distinction between rural and urban areas remains not only palpable but also significant. This divide extends to the realm of purchase behavior, which is shaped by a complex interplay of socio-economic, cultural, and infrastructural factors. Fast-moving consumer goods (FMCG) form an integral part of the daily lives of consumers across both rural and urban settings. However, there exists a dearth of comprehensive research investigating the nuances of purchase behavior between these two consumer segments, particularly in regions like Salem District in Tamil Nadu, where such disparities are pronounced.

METHODOLOGY

This is a descriptive study made to understand the behaviour rural and urban consumers towards the FMCG products. The study has been carried out in Salem District of Tamil Nadu. The study was made during 2019-2023.

SAMPLING DESIGN

All the people are the consumers of the fast moving consumer goods. The size of the population of the samples is too large and unknown. Hence, the non-probability sampling technique has been adopted. Based on the convenient sampling method, sample respondents have been selected.

SAMPLE SIZE

This is a comparative study between the rural and urban consumers. Hence, 250 sample respondents each from the rural and urban areas are selected. Hence, total sample size is 500. No other demographic nature has been considered to design the sample size.

METHOD OF DATA COLLECTION

The sample respondents were met in person and their opinion was collected using the interview schedule. The interview schedule was designed scientifically based on the objectives of the study. The interview schedule is classified into 7 parts. First part is to obtain the demographic nature of the sample respondents. Other 5 parts of the interview schedule deal with the objectives 1 to 5. The last part is to get an observation from the sample respondents to improve the fast moving consumer goods market. The interview schedule also designed with the open ended, closed ended, Likert scales techniques and ranking techniques, etc.

LIMITATIONS OF THE STUDY

1. The study's findings may be influenced by seasonal variations in consumer preferences and purchasing patterns, potentially limiting the generalizability of the results.
2. The research focuses specifically on Salem District, which may not fully represent the diversity of rural and urban consumer behaviors in other regions of India, restricting the broader applicability of the conclusions.
3. The study relies on self-reported data from surveys, which could introduce response bias and inaccuracies in participants' recall of their purchase behaviors.

PILOT STUDY AND QUANTIFICATION OF DATA

The pilot study is important one to rectify the mistakes on the questionnaire and the research purpose. In the present data, the researcher has constructed the final questionnaire as per the objectives of the study. That the 50 questionnaire has distributed to research experts, consumers of FMCG in Salem District. The collected data has taken for measuring the consistency and make changes in variables and other corrections of the questionnaire related to the present study. The outcome of these considerations was carefully corrected and after that the questionnaire were given to the sample respondents by the researcher to collect the required response. The data collected from the pilot was examined for reliability. The Cronbach's Alpha value was found at 8.457. It proved that the data are reliable can be used for the further analysis.

REVIEW OF LITERATURE

In this present chapter the researcher identified and reviewed more influencing factors of purchase behaviour of rural and urban consumers towards selected fast moving consumer goods. To develop a thorough understanding of the empirical research in the field of buying behaviour of rural and urban consumers, extensive review of literature related to the field of rural and urban marketing was undertaken.

Ali Md. A., Thumiki V. R.R., and Khan N.R., (2012)[1] in their article

understand the factors which affect the rural purchase while purchasing of FMCG in South India. Also the authors have studied key influencing variables (24 key variables into five groups). They have concluded the influence of retailers‟ recommendations is most significant variable in the trust factor.

Anand E., (2015)[2] in her thesis, has studied FMCG products - Personal Care,

Cosmetic and Toiletry Care, Cosmetic and Toiletry Care, Food, Health and Beverages. She has found that the differences between buying behaviour of rural and urban consumers towards Fast moving Consumer Goods (FMCG) i.e. branded products or non branded products also studied factors influence more for buying the product.

Anandan (2007)[3] found that purchase decision of the rural consumer is influenced by the availability of the brand as they compromise in their purchase decision and purchase the brand which is available as they are fewer brands loyal. They have also found that there is a significant relationship between the age of the respondents and the factors influencing the customers brand preferences. It is also found that there is no significant relationship between respondents type of income and the factors influencing the customers brand preferences.

Anandan C, Raj M.P., Madhu M., (2009)[4] have conducted a survey to find out the factors influencing the rural customer to prefer a particular brand for washing soap and their behavioural pattern and satisfaction level towards washing soap. The authors have found that quality is the major driver to prefer brand and if the preferred brand is not available, then the customer would buy the available brand. Power soaps are ruling the rural market. The authors have examined that there is no significant relationship between the level of income and the factors influencing the customers brand preferences. Higher price and non-availability are the key reasons for dissatisfaction of the rural consumers. This study provides reasons for satisfaction and dissatisfaction of customers towards washing soap. The researcher has got acquainted with the sequence of preference while purchasing washing soap i.e. quality followed by brand and then price.

Ankit Katiyar and Nikha Katiyar (2014)[5] "An Empirical Study of Indian Consumer

Buying Behavior of FMCG Products (With Special Reference Of Bathing Soap)", bathing soap are fast moving consumer goods that have seen a surge in their sales in the past few decades in India more and more people are opening up to the idea of experimenting and

trying out newer bath soap. This study is attempt to cover the various factors that influence the buying decision of consumers who plan to purchase and or used bath soap. FMCG sector is the fourth largest sector in India touching everybody life"s in every day.

Archna Shukla (2006)[6] stated that consumers of rural areas in Uttar Pradesh

visit weakly markets, as do merchants from the same villages. These weakly markets sell everything from groceries to apparel to kitchenware to fresh products. In the study she observed that despite constraints, the rural market especially for Fast Moving Consumer Goods (FMCG), apparel, footwear and fuel is bigger than the urban market which can be clearly seen in the purchase behaviours at weakly markets, she has concluded that marketers of FMCG products have to make necessary arrangements to tap the rural market.

Bhardwaj, S, & Palaparthy, I (2008)[7] say that the different internal influences, such as the information known to the customer about the product, attitude of the customer, and different external influences like culture, social class, family, and reference groups also affect the consumers" buying behaviour. Customers are also becoming more critical and feel less attached to brands. Their study also mentions that it is generally believed that a complex set of parameters involving cultural, personal, socio-economic and psychological factors influence the buying behaviour of the customers. They conclude by saying that there will be a major influence on the buying behaviour of the consumers by the factors like importance of perceived quality, price- consciousness, pre-purchase information, perceived utility, positioning and advertisement in influencing the buying behaviour of the consumers.

PURCHASE BEHAVIOUR OF RURAL AND URBAN CONSUMERS TOWARDS FAST MOVING CONSUMER GOODS

The theoretical framework pertaining to the purchase behavior of rural and urban consumers towards fast-moving consumer goods has been highlighted in the previous chapter. It is now proposed to analyze the data on the purchase behavior of rural and urban consumers towards fast-moving consumer goods.

The consumer behaviour is the key for determining the success of the market of the consumable products. The study has been made as an attempt to understand the behaviour of the consumers as their preferred brands of each fast moving consumer goods (selected on the basis of commonly used by the most of the consumers), awareness of the consumers towards the fast moving consumer goods, various factors affecting the their behaviour, their satisfaction and problem in using the fast moving consumer goods. The product planning and policy are made based on the understanding the consumer behaviour. Hence, each manufacturer focuses on the expectation and attitude of the consumers. But it is difficult task to understand behaviour of the human being. There are many factors to influence on their behaviour as it depends on the personal and demographic

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variables of the people. This chapter is presenting the result of the empirical study according to the objectives of the study.

SOCIO-ECONOMIC CHARACTERISTICS

The demographical and economical factors related to the sample respondents are considered as predictors in most of the places analytical part. These information regarding to the sample respondents are given below.

a. Age group

Consumers' behaviour is deliberately influenced by the age level. The taste, wants and preference are highly influenced by the age group. In this background, the respondents are grouped based on their age young age (below 25 years), middle age (25-40 years) and old age (above 40 years). According the classification, the respondents distributed as below.

Table - 1

Age Group of the Respondents

Age group	Number of respondents	Percent
Young	128	25.6
Middle	200	40.0
Old	172	34.4
Total	**500**	**100.0**

Source**:** Computed form primary data

The most of the respondents 200 (40.0%) respondents belong to the middle age group. 128 (25.6%) respondents are in the young age group and 172 (34.4%) respondents are old age group.

b. Gender

Taste and preference towards consumable products will also change according to the gender. The man and women in a family see their need, wants and desire in different perspective. In this point of view, analyzing the gender of the respondents becomes very necessary.

Table - 4.2

Gender of the Respondents

Gender	Number of respondents	Percent
Male	200	40.0
Female	300	60.0
Total	**500**	**100.0**

Source**:** Computed form primary data

Out of 500 total sample respondents, majority (300; 60.0%) of the respondents is female and 200 (40.0%) respondents are male.

c. Marital status

The marital status of the consumers describes their family and financial commitments which influence their decision making behaviour. In this respect, the marital status of the all the sample respondents is considered.

Table - 4.3

Marital status of the Respondents

Marital status	Number of respondents	Percent
Married	356	71.2
unmarried	144	28.8
Total	**500**	**100.0**

Source**:** Computed form primary data

The above table shows that majority (71.2%) of the respondents is married and 144 (28.8%) respondents are unmarried.

d. Educational status

Education to the people brings awareness and knowledge towards the products and its market. This is observed from the sample respondents and the result is given in the following table.

Table - 4.4

Educational Status of the Respondents

Educational status	**Number of respondents**	**Percent**
School level	76	15.2
Under graduates	111	22.2
Post graduates	94	18.8
Diploma	55	11.0
Professional	105	21.0
Others	59	11.8
Total	**500**	**100.0**

Source**:** Computed form primary data

Out of 500 sample respondents, 76 (15.2%) respondents have studied upto school level, 111 (22.2%) respondents are under graduates, 94 (18.8%) respondents are post graduates. The sample respondents also consist of 55 diploma holders (11.0%), 105 (21.0%) professionals and 59 (11.8%) respondents are from other categories.

e. Occupational status

Occupation of the respondents is one of the important factors considered in social sciences. It gives the people a social and economic status. It is an attempt to consider the occupational status for further analysis of consumer behaviour.

Table - 4.5

Occupational Status of the Respondents

Occupational status	**Number of respondents**	**Percent**
Private employee	137	27.4
Govt employee	94	18.8
Business	94	18.8
Student	61	12.2
Housewife	93	18.6
Others	21	4.2
Total	**500**	**100.0**

Source**:** Computed form primary data

The Table 4.5 reveals that 137 (27.4%) respondents are working in private organizations, 94 (18.8%) respondents are from government employees and business each group, 61 (12.2%) are students, 93 (18.6%) are housewives and 21 (4.2%) belong to other occupations.

BRAND PREFERENCE

One of the objectives of the study is to know various brands preferred by the consumers. There are more varieties of the fast moving consumer goods in the market. In the present study, only few selected FMCG have been chosen for understanding the consumer behaviour, i.e., oral care, hair care, skin care, wash, cosmetics, deodorants, perfumes, paper products, shoe care, fabric wash, cleaner, beverages, soft drinks, staples, bakery, snakes, chocolates, ice creams, tea, coffee, processed fruits, milk, butter, water, flour, rice, sugar and juice. The brand preference of the sample respondents over the above selected FMCG are compared with the urban and rural consumers.

ORAL CARE

The oral care products like tooth paste and other related products are manufactured by number of companies in India. The preferred brands of the sample respondents according to their nature of area are given below.

Table - 4.15
Brand Preference: Oral Care

Brand	Urban		Rural		Total	
	Number of respondents	Percent	Number of respondents	Percent	Number of respondents	Percent
Aquafresh	15	6.0	11	4.4	26	5.2
Close up	23	9.2	13	5.2	36	7.2
Colgate	40	16.0	36	14.4	76	15.2
Colgate vedshakti	11	4.4	10	4.0	21	4.2
Complete care	4	1.6	7	2.8	11	2.2
Dabur red	16	6.4	16	6.4	32	6.4
Dent assure	25	10.0	22	8.8	47	9.4
Dental care	6	2.4	4	1.6	10	2.0
Himalaya	6	2.4	11	4.4	17	3.4
Meswak	18	7.2	25	10.0	43	8.6
Oral B	21	8.4	10	4.0	31	6.2
Pepsodent	25	10.0	33	13.2	58	11.6
Sensodyne	23	9.2	31	12.4	54	10.8
Vicco	17	6.8	21	8.4	38	7.6
Total	**250**	**100.0**	**250**	**100.0**	**500**	**100.0**

Source**:** Computed form primary data

The above table indicates that Colgate is the most preferred (15.2%) brand among the brands available in the market, followed by Pepsodent (11.6%) and Sensodyne (10.8%). While comparing the preference of the brands to the nature of area, in urban area, the respondents mostly prefer Colgate (16.0%), Dent assure (10.0%) and Pepsodent (10.0%). Whereas in the rural area, Colgate is preferred by 14.4% of the respondents, Pepsodent is by 13.2% and Sensodyne is by 12.4% respondents. Company wise comparison among the top brands reveals that Colgate is preferred more by more number of the urban people than the rural people. But for the Pepsodent and Sensodyne, the result indicates that more number of respondents from the rural area prefer than urban consumers. Further, the result is shown in the following chat.

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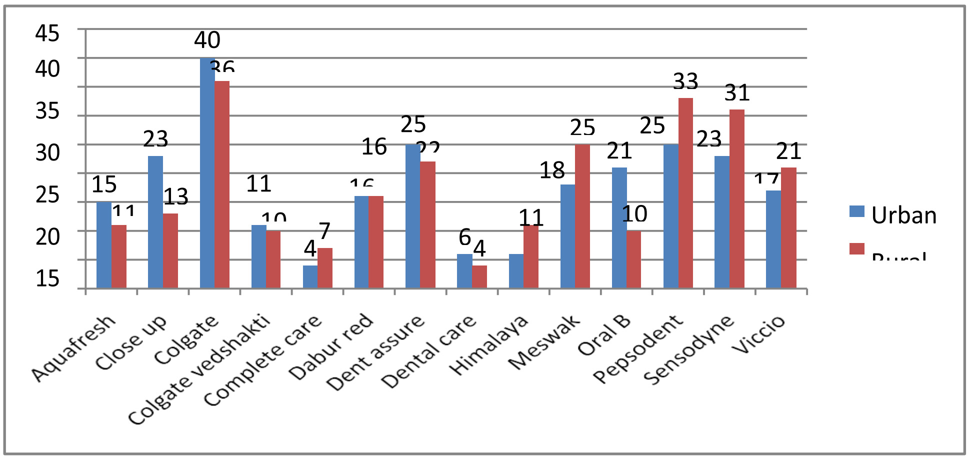
Diagram - 4.1

Brand Preference: Oral Care



HAIR CARE

The hair care is another important product used by all the people. Leading FMCG manufacturers are also playing their role in the Indian market. The leading brands preferred by the consumers in the study area is observed and given in the following table.

Table - 4.16

Brand preference: Hair Care

Brand	Urban		Rural		Total	
	Number of respondents	Percent	Number of respondents	Percent	Number of respondents	Percent
All clear	1	0.4	0	0.0	1	.2
Anti Dandruff	27	10.8	20	8.0	47	9.4
Chik	9	3.6	13	5.2	22	4.4
Clinic plus	0	0.0	1	0.4	1	0.2
Dove	28	11.2	50	20.0	78	15.6
Head & shoulders	55	22.0	56	22.4	111	22.2
Herbal	14	5.6	7	2.8	21	4.2
Himalaya	4	1.6	7	2.8	11	2.2
Meera	27	10.8	25	10.0	52	10.4
Organic	12	4.8	13	5.2	25	5.0
Pantene	38	15.2	21	8.4	59	11.8
Parachute	1	0.4	1	0.4	2	0.4

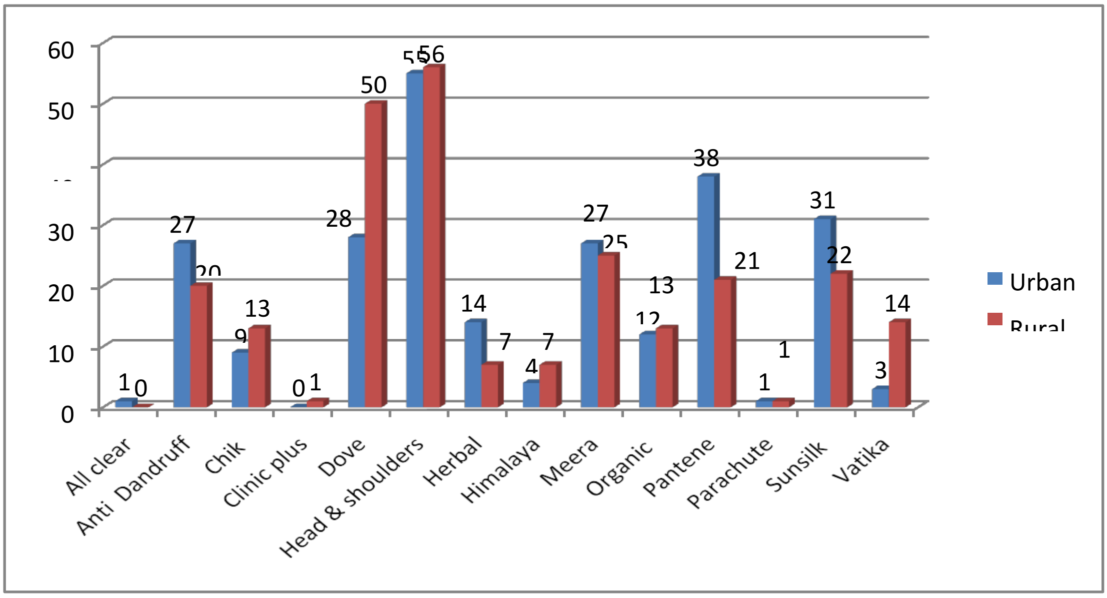
Sunsilk	31	12.4	22	8.8	53	10.6
Vatika	3	1.2	14	5.6	17	3.4
Total	**250**	**100.0**	**250**	**100.0**	**500**	**100.0**

Source: Computed form primary data

The Table 4.16 shows that head and shoulder is the most preferred brand (111) among the various brands. 78 the respondents like Dove brand and Pantene is referred by 59 respondents. Among the urban respondents, it is understood that Head & Shoulder is preferred by 22.0%, Pantene by 15.2% and Sunsilk by 12.4%. From the rural area sample respondents, it is found that 22.4% of them prefer Head & Shoulder, 20.0% prefer Dove and 10.0% like Meera. While comparing the urban and rural area consumers, it is clear that top brands Dove and Head & Shoulders are liked more rural consumers than the urban consumers. Other top brands, Meera, Pantene and Sunsilk are mostly preferred by the urban consumers than rural consumers. The result is presented in the following chart.

Diagram - 4.2

Brand preference: Hair Care



SKIN CARE

The Skin has to be cared like other part of the body as sun light and polluted environment spoil the softness, nature and fresh skins. The skin care products are also available in the market. The brand preference towards the skin care is studied. It is found that 4.0% of the respondents are not using the skin care products. The result from other 96.0% (480) of the respondents is given below.

Table - 4.17

Brand preference: Skin Care

Brand	**Urban**		**Rural**		**Total**	
	Number of respondents	**Percent**	**Number of respondents**	**Percent**	**Number of respondents**	**Percent**
Not preferred	11	4.4	9	3.6	20	4.0
Aloe Vera gel	22	8.8	22	8.8	44	8.8
Dove	24	9.6	17	6.8	41	8.2

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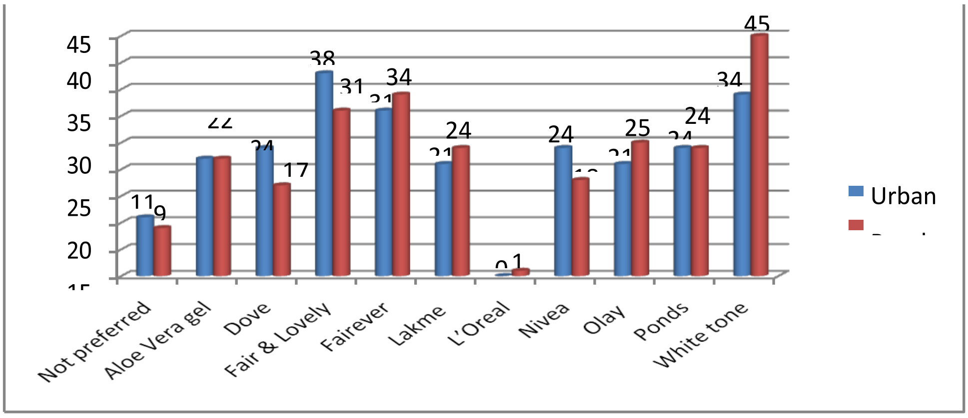
Fair & Lovely	38	15.2	31	12.4	69	13.8
Fairever	31	12.4	34	13.6	65	13.0
Lakme	21	8.4	24	9.6	45	9.0
L'Oreal	0	0.0	1	0.4	1	0.2
Nivea	24	9.6	18	7.2	42	8.4
Olay	21	8.4	25	10.0	46	9.2
Ponds	24	9.6	24	9.6	48	9.6
White tone	34	13.6	45	18.0	79	15.8
Total	**250**	**100.0**	**250**	**100.0**	**500**	**100.0**

Source**:** Computed form primary data

79 (15.8%) respondents prefer White tone cream, 69 (13.8%) respondents prefer Fair & Lovely and 65 (13.0%) respondents like Fairever skin creams. These three brands stand top ranks in this category of the fast moving skin care products. According to the urban consumers, Fair & Lovely is the most preferred brand (15.2%), White tone (13.6%) and Fairever (12.4%). Among the consumers from the rural area, White tone (18.0%), Fairever (13.0%) and Fair & Lovely (12.4%) are mostly preferred. The comparative analysis of top brands states that Fair & Lovely is preferred most by the Urban area consumers and the Fairever and the White tone are mostly preferred by the rural area consumers.

Diagram - 4.3

Brand preference: Skin Care



FINDINGS

SOCIO-ECONOMIC CHARACTERISTICS

1. The most of the respondents 200 (40.0%) respondents belong to the middle age group. 128 (25.6%) respondents are in the young age group and 172 (34.4%) respondents are old age group.
2. Majority (300; 60.0%) of the respondents is female and 200 (40.0%) respondents are male.
3. Majority (71.2%) of the respondents is married and 144 (28.8%) respondents are unmarried.
4. 76 (15.2%) respondents have studied upto school level, 111 (22.2%) respondents are under graduates, 94 (18.8%) respondents are post graduates. The sample respondents also consist of 55 diploma holders (11.0%), 105 (21.0%) professionals and 59 (11.8%) respondents are from other categories.
5. 137 (27.4%) respondents are working in private organizations, 94 (18.8%) respondents are from government employees and business each group, 61 (12.2%) are students, 93 (18.6%) are housewives and 21 (4.2%) belong to other occupations.

6. Majority (60.8%) of the respondents are from the nuclear family and 196 (39.2%) respondents belong to the joint family.

To improve the satisfaction of the customers

1. The overall satisfaction of the customers is found high on the quality and price of the FMCG products. Other factors physical distribution, product policy and planning and promotions are less satisfied. Hence, it is suggested to the marketers of FMCG to focus on these areas to improve the overall satisfaction of the customers.
2. It is found that the overall satisfaction of the old group respondents is higher than the other age group respondents. It is suggested to focus on the young and middle age group customers to satisfy by providing better quality and price for the products.
3. The promotional activities are highly satisfying the customers who have studied up to school level. It is understood that the promotional activities are successful with the customers studied up to school level. Hence, the marketers can adopt the promotional strategies to develop their brand images. Whereas, the promotional measures may also be changed to attract other customers also.
4. Among various problems of the FMCG, poor quality, unhealthy and hgiher price are found big problems. Hence, it is suggested to the marketers to avoid these problems to increase the market and customers' satisfaction.
5. The problem among the customers studied upto under graduation and the customers from the urban area found higher than other respondents. Hence, the companies can take necessary steps to focus on the customers studied under graduation and the customers from the urban area. It will help to promote their market and increase the satisfaction.

CONCLUSION

In order for a business to be successful, it must be able to predict the purchasing habits of its target audience, who ultimately spend their money on the things they need to meet their demands. In rural areas, the characteristics that define a rural consumer, such as their education level, product awareness, and disposable income are lower than those of urban consumers, and several other factors such as brand name and price also influence purchasing decisions in rural areas. When it comes to buying purchases, urban residents are more impulsive than their rural counterparts. The findings of the preceding research show that organizations need to be aware of their customers' purchasing habits. Rural and urban customers must be effectively classified in order to generate sales and profits from both segments, as is also demonstrated. As a result, marketers will need to come up with new and innovative approaches. Because customers are king, businesses must tailor their goods to meet their specific requirements.

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