
RURAL CONSUMER BUYING BEHAVIOUR AND BRAND AWARENESS OF DURABLE PRODUCTS

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The consumer durables industry in India is showing sustained growth over the long term, fuelled by favourable consumer demographics, overall growth in services and industrial sectors, infrastructure development etc. Growing demand major share is coming from suburban and rural areas due to increase in disposable income, advancement of technology, changing government policy for the rural development etc. Several Indian and MNC players are looking to strengthen their presence in Rural India to leverage this opportunity.

Demand of rural area is of the first time buyer and not the replacement market. This research based on primary field survey aims to study the buying behavior of rural consumer to predict the demand. Primary data were collected by field survey with the help of structured questionnaire covering retail consumers at Jhunjhunu District of Rajasthan on random sample basis.

The study concludes that rural consumer awareness and knowledge about the product and brand has the significant impact on consumer behavior. But the loyalty towards the specific brand there is causal influence on buying behavior of rural consumer. Study helps marketers to understand how they can use product and brand awareness of consumer in their marketing strategy of growing competitive environment.

Keywords: Brand Loyalty, Consumer Durable, Rural consumer, Consumer awareness, Buying behavior

INTRODUCTION

Increasing disposable income, working women and the advancement of technology, increases the need for the varied consumer durable goods. This in turn is leading to a strong competition among the different consumer durable brands available in the nation.

Before the liberalization of the Indian economy, only a few companies like Kelvinator, Godrej and Voltas were the major players in the consumer durables market covering approximately 90% of the market. LPG policy, changes in economic & demographic features & recently Prime Minister Narendra

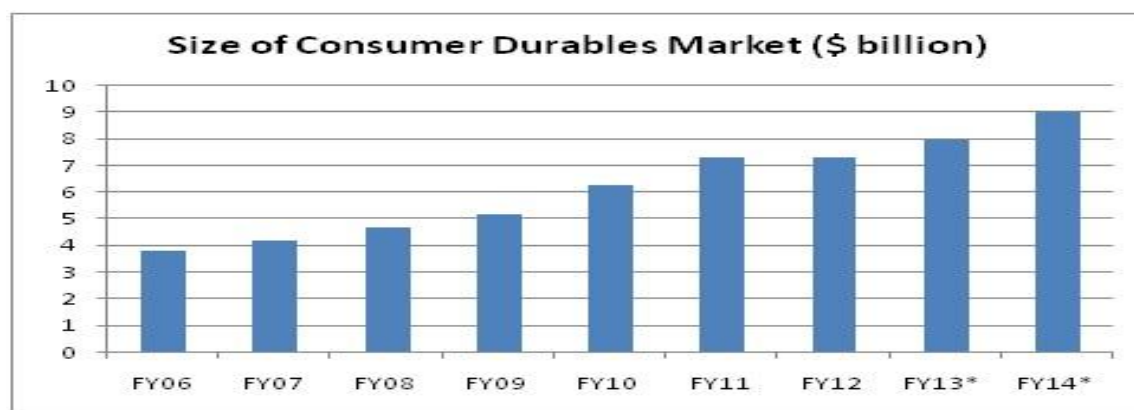
Modi's campaign for made in India is opened platform from the various multinational companies to enter in India . Today the players like LG, Sony, Samsung, Whirlpool appeared to be the major share of the consumer durables market.

Consumer durables market is growing very fast because of increase in income levels, living standards, easy access to consumer finance, and increase in consumer awareness, and introduction of new models. The demand for consumer durables has increased significantly.

Increasing competition results in the decrease in prices of consumer goods of different companies and is available at an affordable price. The rural and urban market of consumer durables has been growing at a rate of around 15 % on an average.

SIZE OF THE CONSUMER DURABLES MARKET IN INDIA

Consumer durables market is expected to double at 14.8 per cent CAGR to US\$ 12.5 billion in FY15 from US\$ 6.3 billion in FY10.



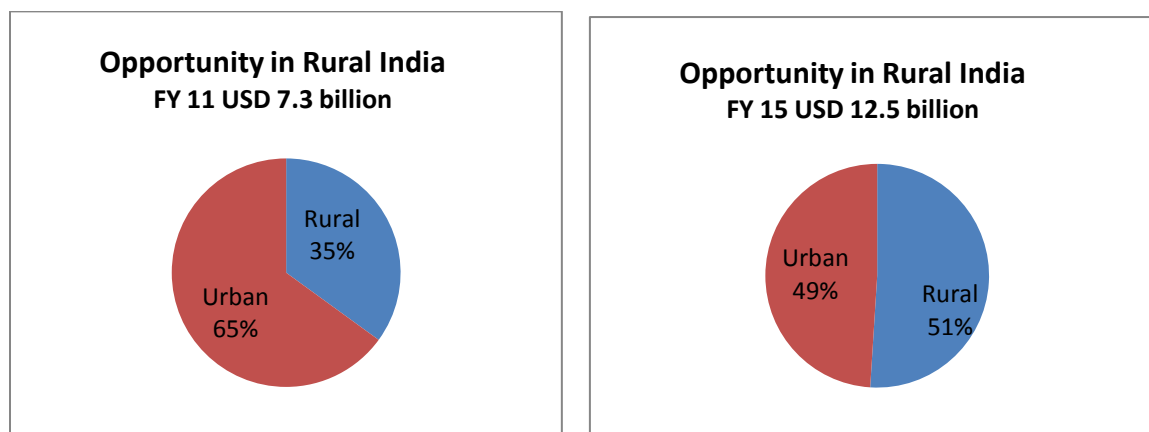
Source : IBEF (India Brand Equity Foundation)

RURAL CONSUMER DURABLE MARKET IN INDIA

Rural Consumer durables markets is 30% in FY11 is expected to increase to approximately 45% in FY15. Approximately 69% population resides in rural India. Rural markets are expected to grow much faster than urban markets because of increasing rural Income with higher contribution from non farm income, changes in government policy for rural development, increased distribution reach of consumer durable companies, customized products for rural consumers, product awareness through advertising etc. Rural growth is mainly contributed by first time buyers of products unlike replacement demand in urban markets .Improved rural

infrastructure, agricultural reforms, power availability will boost growth going forward. Entry of multinational companies in rural market fueled the competition.

According to *IBEF* (India Brand Equity Foundation), in FY 11 total demand of consumer durable was 7.3 billion USD and 35% (2.55 billion) was from rural . FY 15 total market is expected to 12.5 billion USD and 51% (6.37 billion) will be from rural. Such huge demands will definitely attract the more companies towards potential untapped rural market.



Source: *IBEF* (India Brand Equity Foundation)

LITERATURE REVIEW

Dr. N. Ratna Kishor , Rural Consumer behaviour towards Consumer Durable goods in India has also explains the various reasons of durable industry growth is changing economy , disposable income,etc.

Chestnut and Jacoby (1978) have defined brand loyalty, trying to highlight it as a result of the decision making process. Thus they tried to find a theoretical justification for the collocation of brand loyalty that should be refer to in order to explaining the decision consumers take or their choice alternatives. Brand loyalty represents thus a combination of positive attitude and consistent and repeated purchase of a single brand over time (Day, 1969, Jacoby and Chesnut, 1978; Assael, 1987, Dick and Basu, 1994).

Kent and Allen (1994) explained that brand familiarity captures consumer's brand knowledge structures, that is, the brand associates that exist within a consumer's memory. Although many advertised products are familiar to consumers, many others are unfamiliar, either because they

are new to the market place or because consumers have not yet been exposed to the brand. Consumers may have tried or may use a familiar brand or they may have family or friends who have used the brand and told them something about it.

Ganesamurthy (2003) in his study “A Survey of Selected Consumer Products in Rural Market Areas,” examined the brand loyalty, awareness and influence of mass media on rural consumers. The area of study was Erode district of Tamil Nadu and thesis of the sample taken was 50 respondents and simple random survey was conducted. He concluded that now day’s products are flowing from rural to urban areas and urban to rural areas. Even premium brands are gaining wide acceptance in the rural bastions. Increasing awareness has led to significant changes in buying behavior and consumption habits. The urban market is getting increasingly competitive and saturated. There is less scope for growth in the urban markets, especially for the already established categories. Today, the rural market is blooming with increase in the disposable incomes of the households.

Priyanka Sharma (2014) Marketing of Consumer Durables in Rural India with Special Reference to Eastern Rajasthan in her research thesis explains that the rural Indian market has gained significance in the recent times as the overall economic growth of the country has led to an improvement in the living standard of the rural people. Every consumer as an individual is different from others. Across the world the rural consumer buying behaviour is considerably different from the urban consumer. Rural consumers vary not only in their behaviour and practices but also in their conviction and beliefs. Their thought process is simpler as compare to the urban masses. The rural market is quite different in terms of 2 the price-value equation, product usage pattern etc. because the meaning of convenience differs with market segments.

RATIONALE OF STUDY

The consumer durables industry in India is set for sustained growth over the long term, fuelled by favorable consumer demographics, overall growth in services and industrial sectors and infrastructure development in suburban and rural areas. Literature reviews show that much of the research works have been conducted to investigate the various reasons of increasing demand in rural areas. Increasing demand from rural area forces to study and understand consumer buying behavior of rural areas , their demand for the branded product and the loyalty for it . This research helps to understand the relation between rural consumer buying behavior , awareness and brand loyalty.

RESEARCH OBJECTIVES

- To study the consumer buying behaviour of durable products
- To understand the brand loyalty of consumer for durable goods
- To identify the level brand awareness among the consumers of durable goods

HYPOTHESIS

H1 There is no significant difference in consumer buying behaviour of durable goods.

H2 : There is no significant difference in brand awareness among the consumers of durable goods.

H3 : There is no significant difference in brand loyalty among the consumers of durable goods.

RESEARCH METHODOLOGY**Research Design**

Research design for the study is quantitative based on primary field survey and conclusions are on the basis of the analyses of the data using statistical tools.

Coverage of the Study

The study examines the durable product market and covers rural consumers of Jhunjhunu District of Rajasthan

Universe, Sampling Design, Sample Size and Data Sources

Data and information were gathered from primary sources by means of field survey using structured questionnaire covering retail consumers on random sample basis in Jhunjhunu District of Rajasthan and from secondary published sources .

Secondary data sources included research studies published in books, journals, newspapers and other websites. They are used for literature review and conceptual reference.

Methodology and Survey Instrument

Questionnaire was designed to capture the retail customer respondents' demographic features, consumer buying behaviour , brand awareness and brand loyalty.

RESULTS OF THE STUDY

Demographic Profile of the Respondents

| Table: 1 Demographic Profile of Respondents | | | | | | | |
|---|-----------|------|-------|-------------------|---------------|-------|-------|
| | | Freq | % | | | Freq | % |
| Gender | Male | 72 | 72 | Occupation | Agriculturist | 48 | 48 |
| | Female | 28 | 28 | | Self Employed | 29 | 29 |
| | Total | 100 | 100 | | Housewife | 12 | 12 |
| Age | <30 | 20 | 20 | | Professional | 11 | 11 |
| | 31 – 40 | 41 | 41 | | Total | 100 | 100.0 |
| | 41 – 60 | 31 | 31 | Income in lacs | < < 10000 | 15 | 15 |
| | > 60 | 8 | 8 | | 10001-20000 | 31 | 31 |
| | Total | 100 | 100.0 | | 20001-30000 | 24 | 24 |
| Marital Status | Married | 81 | 81 | | > 30000 | 30 | 30 |
| | Unmarried | 19 | 19 | | 100 | 100.0 | 100 |
| | Total | 100 | 100 | | | | |

About 28% of the sample respondents were female and the remaining were male. About 60% of the respondents were below 30 years of age . 48% of the respondents were from agriculture sector . 11% of the respondents were professionals. Annual Incomes of 54% of the respondents were above Rs.4 lacs. Nearly 81% of the respondents were married.

Consumer Buying Behaviour of Durable Products

| Table2: Consumer Buying Behaviour of Durable Products | | | | | | | |
|--|----------------|-------|---------|----------|-------------------|---------|------|
| Statements | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | F Value | Sig |
| I will recognize or need of the product or brand before buying. | 64 | 30 | 3 | 0 | 0 | 11.287 | 0.01 |
| I will search information from various sources before buying. | 38 | 52 | 6 | 1 | 1 | | |
| I will compare or evaluate the number of alternatives before buying. | 37 | 49 | 12 | 1 | 1 | | |
| I will select the best product or brand among alternative | 45 | 44 | 8 | 1 | 1 | | |
| I will purchase the product repetitively once satisfied with the product or brand. | 41 | 44 | 12 | 1 | 0 | | |

The consume will recognize or need of the product or brand before buying 64 are strongly agree followed by 30 agree and 3neutral. Consumers who search information from various sources before buying strongly agree 52 followed by 38 agree ,1 neutral and 1 disagree. The consumers will select the best product or brand among alternative is strongly agreed by 45 followed by agree 44, neither agree nor disagree8 and disagree1. It is observed that 44 consumers agreed with they will purchase the product repetitively once satisfied with the product or brand followed by strongly agree41, neither agree nor disagree 12, disagree 1and strongly disagree is 0.

The F-value of 11.287 is significant at one per cent level. Hence, the null hypothesis of there is no significant difference in consumer buying behaviour of durable goods is rejected. Therefore it can be concluded that there is a significant difference in consumer buying behaviour of durable goods.

Brand awareness of consumer on durable goods

| Table3: Brand awareness of consumer on durable goods | | | | | | | |
|---|----------------|-------|---------|----------|-------------------|---------|------|
| Statements | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | F Value | Sig |
| I am familiar with this brand. | 57 | 36 | 7 | 1 | 0 | 32.472 | 0.01 |
| I can recognize this brand quickly among other competing brands. | 29 | 53 | 13 | 2 | 1 | | |
| I automatically know which of the consumer durable products to buy | 21 | 60 | 13 | 3 | 1 | | |
| When I think about consumer durable products, I always remember the brand or product. | 31 | 52 | 13 | 2 | 1 | | |
| I heard about this brand many times | 33 | 45 | 16 | 3 | 1 | | |

Source : Primary Data

Consumer familiar with brand strongly agree 57 followed by 36 disagree .Awareness about product features and brand approximately 81 are agree . Those who remember the brand are about 83.

The F-value of 32.472 is significant at one per cent level of significance indicating that there is a significance difference in brand awareness among the consumers of durable goods. Hence, the null hypothesis of there is no significant difference in brand awareness among the consumers of durable goods is rejected.

Brand Loyalty of Consumer on Durable Goods

| Table4: Brand Loyalty of Consumer on Durable Goods | | | | | | | |
|--|----------------|-------|---------|----------|-------------------|---------|------|
| Statements | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | F Value | Sig |
| I consider myself to be loyal to this brand. | 41 | 47 | 11 | 1 | 0 | 29.982 | 0.01 |
| In future, I want to buy this brand and it will be my first choice | 24 | 52 | 20 | 1 | 1 | | |
| I would love to recommend this brand to my friends. | 30 | 45 | 21 | 1 | 1 | | |
| I will buy this brand even its price increased. | 26 | 44 | 21 | 5 | 3 | | |
| When buying product this brand will be my first | 30 | 48 | 19 | 1 | 1 | | |
| I will not buy other brands if my brand is available at the store. | 29 | 52 | 14 | 2 | 2 | | |

Source: Primary Data

Consumer want to buy the same brand approximately 76 ,who like to recommend to relatives and friends about 75 , even like to purchase same brand approximately 70 and not buy the other brand 81 .This shows the loyalty of consumer towards the specific brand.

The F-value of 29.982 is significant at one per cent level of significance indicating that there is a significance difference in brand loyalty among the consumers of durable goods. Therefore, the null hypothesis of there is no significant difference in brand loyalty among the consumers of durable goods is rejected

CONCLUSION

Indian consumer demographic profile is changing with large young population, rising personal income ,increase in education class, advancement in technology, rural development offering

enormous scope for consumer durable market . The aspiration of ease in work and increase in standard of living scales up product demand like TV , Refrigerator, Computer, washing machine , kitchen appliances in the market

Ease of information access across all consumer segments has brought fundamental shifts in Indian consumer behaviour. The study reveal that changing economic and social features has created a great impact on consumer buying behavior. They are fully aware about the product and brand with their features and price. Durable company should study these trends and work out their strategies for sustained growth.

Success in the long-term will require firms to develop a wide and robust distribution network, differentiate their products in areas of relevance to the consumer and innovate in the areas of promotion, product financing, etc. The product and approach to market need to be customized to suit the unique needs of the Indian Rural market.

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