



---

## **CONSUMER ATTITUDE AND RURAL CONSUMER BUYING BEHAVIOR TOWARDS FMCG PRODUCTS.**

**DR. C.THIRUMAL AZHAGAN**, Assistant Professor, Department of Management Studies,  
Anna University, Trichy

**EL.SOWMIYAA**, Final Year MBA Student, Department of Management Studies, Anna  
University, Trichy

---

### **ABSTRACT**

*Rural marketing is an untapped market in India. The attribute of rural consumer is poised by lack of education and awareness, low income levels where income comes in seasonal basis. In Indian economy the Fourth largest sector is Fast Moving Consumer Goods (FMCG) sector. The house hold consumables such as packaged foods, beverages and Personal Care accounting for 50 percent of FMCG sales in India. Various factors influence rural consumers to make buying decision of FMCG products which includes, low price, convenient packaging, immediate need, availability, quality, lifestyle, economic condition, advertisements, offers, discount. FMCG firms adopting various marketing strategies to attract and retain rural consumers. This paper helps to establish the key factors determining consumer attitude and buying behavior of rural consumer towards FMCG products.*

**KEYWORDS:** FMCG, CPG, rural consumers, buying behavior, consumer attitude.

### **INTRODUCTION**

Every consumer plays a key role in marketing world. Marketing the products is a business that makes the consumers know about the product and finally inducing them to buy it. Marketing helps in increasing consumption, profit through customer satisfaction, improving quality of life, retaining customers. Developing a sustainable plan, pricing, promoting, and distributing is a set of process that helps marketing organizations to market their products in rural areas. Nearly 70% of Indian were living in rural area. It is a complex



process to identify the desired mental state along with their needs and wants of rural customers during their purchase. Knowing the behavior of rural consumers is not easy. They are unpredictable. Rural consumers are more conscious on price, because of their low and moderate income level. Rural consumer extremely gives importance to the price and they were highly price sensitive. Advertising and other promotional activities alone help the marketing companies to create awareness and help in promotion of sales.

Fast Moving Consumer Goods is known as Consumer Packaged Goods. Consumer Packaged Goods (CPG) is products that are low in cost and quick sold. Compare to other sector in India, Fast Moving Consumer Goods sector growing faster in Indian economy. Disposition is the determined tendency to feel and carry on in a good or horrible manner towards some object, person, or though. This is an unique characteristics of a rural consumer. But determining and analyzing is a difficult task for the marketers. This paper shows a focus for analyzing the attitude and behaviour of rural consumers particularly in Tamilnadu.

## **RURAL MARKETING**

Indian rural marketing area is vast in size. Now-a-day, rural marketing is a fast growing area in India and some of the brand that were sale quickly in rural area are were ITC, HUL, P&G. Generally, marketing process in two way (i.e.) business activities the flow of goods from urban to rural markets (manufactured goods) and rural to urban market (agriculture produce). Rural marketing has a set of process such as pricing, promoting and distribution of goods and services to satisfy the rural consumer's needs and wants. Rural families buy their products as they get exhausted and do not buy all the requirements. Their buying habit was once a month or fortnight when compared to urban consumers do. In rural areas there is no allocation for scheduled and periodic purchasing for household needs. This is a greatest issue in understanding their purchase behaviour.

Rural consumers have lack of education which leads to less awareness about the products in the market. Another factor is low income status, and somewhere, they earn



incomes in seasonal basis such as harvesting, 100 days employment scheme. Because of, irregular and insufficient income rural consumer primarily focus on the variable is price. Rural consumers are highly price sensitive and the other strongest factors that influence rural consumers is pricing. Most of the consumer in the rural areas buys the product with medium quality bundles with low price. Due to low level income they extremely give importance to the prices. The factors that influences, rural consumers to buy the products are need, cost, availability, quality, offers and discounts. Other factors that influence rural consumers consider while purchase decision were advertisement, offers, shopkeepers recommendation, friends recommendation, family members recommendations and packaging.

#### **FMCG sectors**

In Indian economy, the fourth largest sector is Fast Moving Consumer Goods (FMCG) sector. Fast Moving Consumer Goods contribute a huge area in Indian GDP (Gross Product Development). In Fast Moving Consumer Goods, they were sold the products at low price strategy and products are sold quickly. Arise in consumption of rural area have directed the FMCG sectors in a progressive development. It contributes around 36 percent to the overall FMCG spending. The major players of FMCG sectors in rural markets were Tata, HUL, Godrej, ITC, P&G (Procter and Gamble), Britannia, Parle, Colgate-Palmolive.

#### **FACTORS FAMILIAR TO RURAL CONSUMER POINT OF VIEW**

##### ***1. Convenience packaging***

The small size (Sachets) packing provoked a great growth in sales especially in rural areas. Small size packaging is popular and convenient among the rural consumers. Companies like HUL, ITC, P&G, Parle, Britannia, Tata, and Cavinkare give sachets for the convenience of customers in Rural India. Huge size and large consumption are not accepted by most of the consumers. Sachets marketing are small in size but have large customer base. Small size package are easily accessible, affordable in price. As the products are



inexpensive, rural consumers increase their purchase rate which is the primary reason for sale. Rural consumers mainly focus on Acceptability, Affordability, Availability and Awareness.

## **2. LIFESTYLE**

Rural consumers prefer to work hard. Indian rural family usually follows family values. Lifestyle of customer is determining the buying behavior of FMCG products in rural area. Factors such as family income level and individual income level determine the life style of rural consumers which tends to buy. Sometimes, attractive packaging also determining the buying habits. The other factors that were influence buying behavior are brand awareness, packaging, brand visibility and lifestyle.

## **3. CULTURE**

In India, rural and urban cultures were varied. The rural and urban buying habits are different. Culture is combining with different variables such as religion, language, education and income. Buying habits of rural people varies in the festival seasons. Set of values, perceptions, belief and tradition leverages the buyer preference followed by buying behavior are always associated with rural consumption.

## **4. ECONOMIC CONDITION**

Economic factors determine the consumer able to buy. Consumers in rural area are highly price sensitive. The rural economic condition is in low and medium status. Irregular income pattern can affect the buying habits. Mostly the customers spend at low to medium for the products. Change in saving pattern also affects the consumption power of rural people.



## **5. ADVERTISEMENT**

Advertising is a best tool for promoting the FMCG products in rural areas. Advertising in television and radio help to reach the consumer more quickly in rural areas. Television is the fast growing mass media. Usually advertisements in their regional language are more helpful in promotion and sales of the products. Advertising in television help the consumers to prefer for a particular brand what they buy.

## **6. PRODUCT PRICE**

*Value pricing* - Low Unit Packs(LUPs), sachets, small packs, single usage packs and varied quantities at various price points. *Example:* over 95% of rural shampoo sales happen via rupees 1

*Power price point* - Perennial problem of change and affordability to the rural consumers. Promote trials and switching from traditional alternatives. *Example:* 200 ml small bottle coke for rupees 5

*Value engineering-* Save cost and extent to product development. *Example:* Britannia probisk for rupees 32

*Value packaging* - Provide refill or re-useable packs. It is HDPE and LDPE packaging is preferred by rural consumers. *Example:* Dettol hand wash in reusable packs

## **7. FAMILY MEMBERS**

Family decision making is considered as an important aspect in marketing. Members in the family prefer the brand and every rural individual decides to buy a certain product or service after deciding it with his or her family. Family influences the consumer behavior. The important concept in the society is family, an individual consumption and disposal of products is affected here. The behavior of individual change by means of needs, demands, preference by the family members, location(availability), status level, age, lifestyle, gender and so many. Every individual in the family play an essential role in influencing his/her consumer buying behavior.



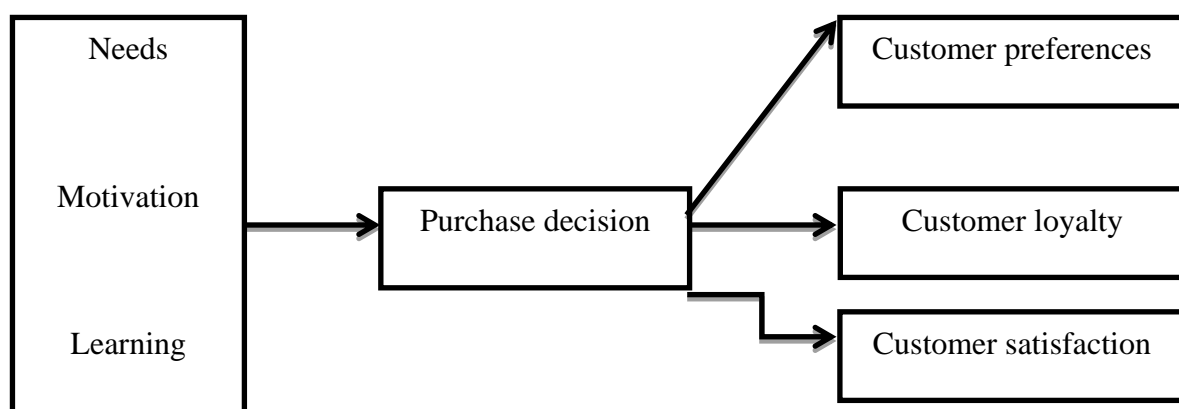
## **8. PERSONAL FACTORS**

Personal factors can also affect the rural consumer behavior. Some of the personal factors which is important in determining behavior of rural buyer were living style, economic condition, profession, self-esteem and individuality. Lifestyle and age group have potential outcomes on the consumer buying behavior. The personal factors include occupation, age groups, economic situation, gender biases, self-definition, lifestyle of consumer, objectives, skill acquired, practical contact, control senses, norms, frame of reference, judging rationality. The most important personal factor that plays a vital role in marketing was age, income, occupation and lifestyle.

## **9. SOCIAL FACTORS**

Society forces to focus on social factors of rural buyers. Social factors include literacy level, size of a family, buying behavior, libertinage, and prosperity. Reference group, family, social status and social role are the factors influencing consumer behavior of rural consumers.

### **Framework Model**





## **CONCLUSION**

The overview of the paper help for a remarkable improvement understanding the attitude and behaviour of rural consumers, but still one cannot judge how the rural consumers act. The price plays a vital role in rural market. Promoting the products in the local language helpful them to increase sales of FMCG product. Study of economic condition is considered as the primary factors that influence rural consumer buying behavior. Lifestyle is the secondary factor that also affects the buying behavior of rural consumers. Other factors include like social environment, cultural environment, education, occupation, family size, media and involvement of the users. When compared with urban market, the rural market is still untapped and has more challenges. The consumers want the products in such a way like long lasting ease to use and less in cost. Rural consumer income level in rural area ranges from low to moderate which influences the buying behavior of rural consumers. These factors can be further analyzed to close the gap between the expectation of rural consumers with the right delivery of expectations by products from marketers .

## **REFERENCES**

1. Shambavi Tamrakar, Bharti Venkatesh; "A study on retail FMCG marketing in rural India". Voice of Research. 4 (2) (September 2015): 35-37
2. Md. Abbas Ali, Venkat Ram Thumiki, Naseer Khan; "Factors influencing purchase of FMCG by rural consumers in south India: An empirical study". International Journal of Business Research and Development. 1 (1) (2012): 48-57
3. Mridanish Jha; "A study on the rural consumer buying behavior in bihar". International Journal of Marketing, Financial Services and Management Research. 2 (2) (February 2013): 172-182
4. Dr. Seema Rathee, Jitender kumar; "Rural marketing environment: A conceptual framework". Asian Pacific Journal of Marketing and Management Review. 2 (9) (September 2013): 64-74.



5. Mr. Anshul Pardesi, Mr. Aditya Sharma, Mr. Harvinder Singh; "Micro-scale products for the bottom of the pyramid-'Sachet Marketing'". International journal of business management. 2(2) (2015): 1663-1683
6. Pinki Rani; "Factors influencing consumer behavior". Excellent Publishers. 2 (9) (2014): 52-61