

CONSUMPTION PATTERN AND BUYING BEHAVIOUR OF RURAL CONSUMERS IN PUDUKKOTTAI DISTRICT – AN EMPRICIAL STUDY

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Abstract

The Fast Moving Consumer Goods (FMCG) sector could be a significant supporter of India's GDP. Fast Moving Consumer Goods (FMCG) establish huge a part of buyer's budget. The products are generally low in cost and sale quickly is known as Fast Moving Consumer Goods (FMCG). FMCG products include like toiletries, laundry products, candy, biscuits, dry goods. The present study assessment tries to research the Consumption pattern of households in rural area of Pudukkottai district. And to research the changes that's happening consumption mannerism. Long-term perspective of selling planning with modern approach is crucial for his or her future growth. For increasing the consumption habit of the household in rural area new strategies want to be implemented. This study is geared toward consumption pattern and buying behavior of rural consumers in Pudukkottai district.

Keywords: FMCG, consumption pattern, buying behavior, household products.

INTRODUCTION

Fast Moving Consumer Good (FMCG) is additionally known as Consumer Packaged Good (CPG) is products that are low in cost and sale quickly. The FMCG products are were consumed by the consumers at a periodical interval. A number of the common products are soaps, shampoos, toothpaste, laundry products, dish wash products, shaving products and household accessories. During the last many decades, the whole consumer's consumption pattern has extended at an interesting pace. The advantage of consumption has spread far and wide and today, more individuals are preferred taken care of and housed over any time in recent memory. Consumption is characterized because the all-out estimation of consumptions on goods and services for the present use by the household needs. Consumption pattern give the structure for

ordinary material life, and this structure makes economic separation across classes. Individuals having an area with various classes of pay have various structures of consumption. Upper individual doesn't pay more for food and fundamental needs. They spend more for other luxury items. But class individual pay higher percentage of income on foods and other basic needs. Rural consumer is completely a special consumer within the rural market scenario, being influenced by rationality, personal experience, and therefore the level of utility that's derived from consumption, which are influenced by the changing tastes and preferences of the rural consumer buying behavior.

FMCG sales in rural area

Decline in rural sales hits FMCG in 2019, revival likely by half of 2020. In step with IBEF report, Fast Moving Consumer Goods (FMCG) sector is that the fourth largest sector within the Indian economy with household and personal care accounting for 50 percent of FMCG sales in India. According to a report from rating agency Nielsen, rural India contributes 36 percent to overall FMCG spends and has historically been growing around 3-5 percent points faster than urban. However, in recent periods rural growth is slowing down at a far faster rate compared to urban.

REVIEW OF LITERATURE

Dr. K. T. Geetha (2011) This study aims to find the consumption habits of the household products in selected rural and urban area of Coimbatore city. The study undergoes significant economy structural shifts. Education, income, occupation and location were significant determinants of consumption expenditure of the household. And individual characteristic, social and economic factors are the various determinants influence the consumption pattern.

Md. Abbas Ali, Venkat Ram Raj Thumiki, Naseer Khan (2012) This paper focus on factor influencing purchase of FMCG by rural consumers in South India. This process, need to understand the crucial issues relating to rural consumer behavior and specially related to different geographical regions of the country. And vital variable here is trust factor, the retailer not aware of it. Recommendation is emerge as trust factor. Low-cost advertisement strategy also works. According to the study, rural consumers in South India consider that usage of FMCG contribution to their lifestyle.

Dr. Surinder Singh Kundu (2013) This paper revealed perception of customer towards FMCG in rural market. The paper explained factors affecting purchasing decision of rural consumers in Haryana state. They fully agree with celebrity influences their decision towards purchase of these FMCG products. On the other hand, rural buyer perceived that social factors are not so strong than those that may influence their decision to purchase these FMCG products. It may be counseled that the producers or marketers ought to frame moral advertising methods.

Dr. Hitesh Kumar Pant, Mrs. Pratibha Pant (2013) During this study handle the outlook of rural customers towards FMCG merchandise bathroom and soap in Kumaun region of Uttarakhand. It analyzes the demographical standing, shopper attitudes, issue influencing the acquisition and methods influence the behavior of consumer. The consumption pattern of rural people was recently increasing. The consumers now acquire urban life system in their buying behavior.

Shambhavi Tamrakar, Bharti Venkatesh (2015) This study differentiated rural and urban marketing. It deals with characteristic, opportunity, scope and economic contribution towards rural marketing in rural FMCG. FMCG companies are adopting various marketing strategies and approach to penetrate in to rural market to win the situation. Opportunity for rural marketing exceptional growth for smaller packaging, purchasing in rural India was increasing, government safety measure were taken to support rural market. Rural marketing is wonderful opportunity for MNC's.

Pallavi G S, Shashidhar S (2015) Observed from this study on behavior of consumers in selected FMCG products. People mainly consider the price, followed by quality and availability. Another finding is consumer still wants to go to traditional shop. This study mainly focus on brand awareness, consumption pattern of products in Hindustan Unilever Ltd, Procter and Gamble hygiene and health care. It is a comparative study.

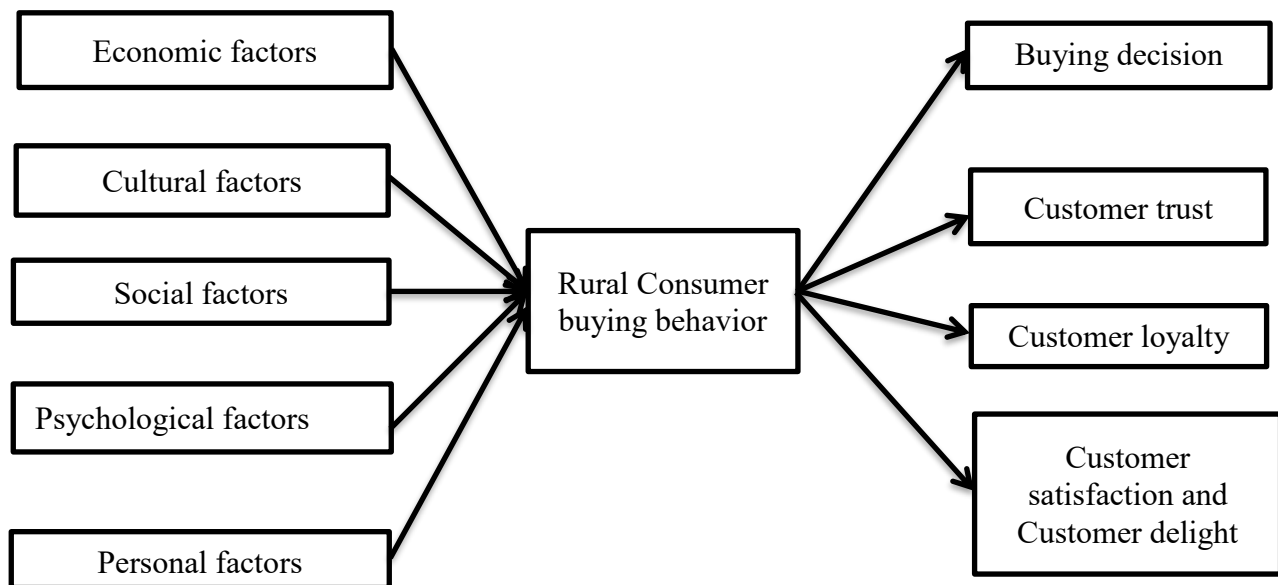
Dr. R Senthilkumar (2017) In this result of the study depict that attitude and behavior of rural consumers towards branded FMCG products in pudukkottai district. The study aimed to rural consumer behavior and attitude towards branded in FMCG products. It also find the awareness, satisfaction level of FMCG products. And study conclude that, product are low in cost, sales quickly, retaining of consumers. Need and wants of rural consumer are satisfied.

OBJECTIVES OF THE STUDY

1. To assess the consumption pattern and expectations of rural consumer on FMCG products.
2. To ascertain the buying habits and the factors affecting rural consumers.
3. To analyze the economic factors in determining rural consumer behavior.
4. To identify psychological and personal factors in determining rural consumer behavior towards FMCG products.
5. To analyze cultural and social factors in determining the behavior of rural consumer in Pudukkottai district.

RESEARCH MODEL

The study discussed about the factors influencing buying behavior, buying habits and consumption pattern. The research framework was formulated using all those variables that will influence rural consumers buying habits and consumption pattern.



RESEARCH DESIGN

The research problem is that the preparation of a design of the research project, popularly referred to as research design. A research design is the arrangement of conditions for collection and analysis of data in manner that aims to combine relevance to the research purpose.

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SAMPLING DESIGN

Sampling area

The study is conducted in rural area of Pudukkottai district.

Sampling size

As it is difficult to determine the rural population in Pudukkottai district, I am considering the population as infinity. So the Cochran's formula was used to calculate sampling size. It is estimated the sample size of 383, were 110 samples have been conformed as many of them are incomplete and with wrong data.

Sampling technique

Convenience sampling technique is employed to collect the samples.

DATA ANALYSIS

1. CHI-SQUARE TEST

Hypothesis 1

Ho: There is no significant relationship between the monthly amount spend for FMCG products per month and number of earning members.

H1: There is significant a between the monthly amount spend for FMCG products per month and number of earning members.

Table Name: Amount spend for FMCG products per month and earning members

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.376 ^a	12	.342
Likelihood Ratio	14.116	12	.293
Linear-by-Linear Association	.100	1	.752
N of Valid Cases	110		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is 2.29.

Level of Significance = 0.05

Degree of freedom = 12

Calculated χ^2 value = 13.376

Interpretation

It is inferred that the significant value is greater than 0.05. Hence H_0 is accepted and H_1 is rejected. Therefore, there is no significant association between the monthly amount spend for FMCG products per month and number of earning members.

Hypothesis 2

Ho: There is no significant relationship between the occupation and frequency of shopping.

H1: There is significant relationship between the occupation and frequency of shopping.

Table Name: Occupation and frequency of shopping

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	26.092 ^a	12	.010
Likelihood Ratio	28.825	12	.004
Linear-by-Linear Association	3.078	1	.079
N of Valid Cases	110		
a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .89.			

Level of Significance = 0.05

Degree of freedom = 12

Calculated χ^2 value = 26.092

Interpretation

It is inferred that the significant value is less than 0.05. Hence H_0 is rejected and H_1 is accepted. Therefore, there is significant relationship between the occupation of the respondent and frequency of shopping of FMCG products.

Hypothesis 3

Ho: There is no significant relationship between the income and amount spend for FMCG products per month.

H1: There is significant relationship between the income and amount spend for FMCG products per month.

Table Name: Income and amount spend for FMCG products per month

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	21.751 ^a	8	.005
Likelihood Ratio	23.142	8	.003
Linear-by-Linear Association	9.480	1	.002
N of Valid Cases	110		
a. 7 cells (46.7%) have expected count ss than 5. The minimum expected count is .19.			

Level of Significance = 0.05

Degree of freedom = 8

Calculated χ^2 value = 21.751

Interpretation

It is inferred that the significant value is less than 0.05. Hence H_0 is rejected and H_1 is accepted. Therefore, there is significant relationship between the income of the respondent and amount spend for FMCG products per month.

2. CORRELATION

Hypothesis 1

H_0 (Null Hypothesis): There is no significant relation between frequency of shopping and amount spend for FMCG product for per month

H_1 : There is significant relation between frequency of shopping and amount spend for FMCG product for per month

Table Name: Correlation for hypothesis 1**Correlation**

		Frequency_of _ shopping	Amount_spend_ product
Frequency_of_shopping	Pearson Correlation	1	.076
	Sig. (2-tailed)		.431
	N	110	110
Amount_spend_product	Pearson Correlation	.076	1
	Sig. (2-tailed)	.431	
	N	110	110

Interpretation

It is inferred that Sig. (2-tailed) value is greater than the critical value 0.05, hence H_0 is accepted and H_1 is rejected. Therefore, there is no relationship between frequency of shopping and amount spend for FMCG product for per month.

Inference

There is no significant relation between frequency of shopping and amount spend for FMCG product for per month.

Hypothesis 2

H_0 (Null Hypothesis): There is no significant relation between factors influence to prefer the product and factors influence to buy the product.

H_1 : There is significant relation between factors influence to prefer the product and factors influence to buy the product.

		Prefer_the_product	Buy_the_product
Pefer_the_product	Pearson Correlation	1	.251**
	Sig. (2-tailed)		.005
	N	110	110
Buy_the_product	Pearson Correlation	.251**	1
	Sig. (2-tailed)	.005	
	N	110	110
**. Correlation is significant at the 0.01 level (2-tailed).			

Table Name: Correlation for hypothesis 2

Correlation

Interpretation

It is inferred that Sig. (2-tailed) value is less than the critical value 0.05, hence H_0 is rejected and H_1 is accepted. Therefore, there is relationship between factors influence to prefer the product and factors influence to buy the product.

Inference

There is significant relation between factors influence to prefer the products and factor influences to buy the products.

Hypothesis 3

H_0 (Null Hypothesis): There is no significant relation between number of earning members in a family and monthly household budget for FMCG products.

H_1 : There is significant relation between number of earning members in a family and monthly household budget for FMCG products.

Table Name: Correlation for hypothesis 3
Correlations

		no_earning	monthly_household
no_earning_member	Pearson Correlation	1	.161
	Sig. (2-tailed)		.093
	N	110	110
monthly_household_budget	Pearson Correlation	.161	1
	Sig. (2-tailed)	.093	
	N	110	110

Interpretation

It is inferred that Sig. (2-tailed) value is greater than the critical value 0.05, hence H_0 is accepted and H_1 is rejected. Therefore, there is no relationship between earning members in a family and monthly household budget for FMCG products.

Inference

There is no significant relation between number of earning members in a family and monthly household budget for FMCG products.

3. DESCRIPTIVE STATISTICS

Table Name: Factors influence the buying behavior of rural consumers.

S. No	Factors	Mean	Standard Deviation
1	Know about FMCG products available in the market.	1.600	.997
2	Frequency of shopping	2.563	.933
3	Amount spend for FMCG products for per month	1.727	.765
4	Credit facility available near your locality.	1.654	.532

5	Duration for credit facility	3.863	1.547
6	Often purchase of FMCG products	2.627	.917
7	Factor influence to prefer the products	2.154	1.110
8	Factor influence to buy the products	2.290	1.448
9	Convenient packaging like to buy.	2.554	1.018
10	Reason for buying only from local shop nearby	2.172	1.240
11	Number of earning member in a family	1.945	.799
12	Monthly household budget for FMCG products	1.854	.865
13	Mode of payment	1.163	.439

Interpretation

From the above table, it is inferred that consumers give more important to the monthly budget for households and factors influence the buying behavior. The table explain that duration for credit facility, often purchase of FMCG products, frequency of shopping, convenient packaging like to buy, factors influence to buy the products, factors influence to prefer the products, reason for buying only from local shop nearby, number of earning member in a family, monthly household budget for FMCG products, amount spend for FMCG products for per month, credit facility available near your locality, know about FMCG products available in the market and mode of payment all these factors were influencing buying behavior of rural consumers.

SUGGESTION

- 1) It is found that consumer preferred FMCG products are not made available when they are in need in the rural market. So it is suggested that FMCG marketer may focus on specific rural consumer preferences and make availability of the product by improving and increasing distribution network in rural area.

- 2) It was found that economic factor primarily influence the consumer buying decision in rural area. Majority of rural consumer are influenced by low purchasing power due to cost factor. The rural consumer focus on low price product and convenience facts. So it suggested to promote the FMCG product with least cost strategy and convenient packaging.
- 3) Most of the rural consumer only buy the products for the need. It moderately increase the purchasing power. So, it is suggested to focus on quality of product to improve the buying behavior of rural consumer. To improve the buying behavior on the rural area focus on the quality of the products.
- 4) Earning member were less in a family with low income level and more of them earn income through seasonal basis, it affects the buying behavior of the rural consumers. So it is recommended that the retailer may consider in providing credit facility for shorter duration as it create reliability among rural consumer with the seller by the way it increases the purchasing power of rural consumers.

CONCLUSION

The current study concludes that consumption habit and buying behavior of consumers, which will create more demand to companies in future as well. The FMCGs sector could be a very dynamic sector in India. A significant goal is to satisfy the needs and wants of rural consumer and their target markets more effectively and efficiently. Economic, cultural, social, psychological and personal factors were influence consumers buying behavior. It also affects the consumption pattern of rural consumers. Qualification, job, salary and location were distinction determinants of consumption pattern of household goods. Henceforth, for improving the consumption habit of the household items particular household of rural areas, the planning strategy for improvement ought to be reasonable blend of human resource development, infrastructural development and beneficiary-oriented programmes.

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