

A Study on the Purchase Behaviour of Rural and Urban Consumer towards Selected Fast-Moving Consumer Goods in Salem

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Abstract

Background: 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

Objectives: The study found significant differences in the purchase behaviour 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.

Methods: 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.

Statistical Analysis: These findings propose that FMCG companies should adapt their products and marketing strategies to meet each consumer group's needs and preferences.

Findings: Understanding the differences in purchase behaviour and preferences of rural and urban consumers towards FMCG products can lead to increased sales and profitability for companies operating in these markets.

Applications and Improvements: This study provides valuable insights for marketers and policymakers seeking to understand consumer behaviour in rural as well as urban areas of Salem and could be relevant for other similar regions in India.

Keywords: Consumer Behaviour, FMCG (Fast-Moving Consumer Goods), Rural and Urban Location.

1. Introduction

Consumer behaviour is an important aspect of marketing research as it provides valuable insights into the needs and wants of the target audience. In this study, we aim to analyse the

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purchase behaviour of rural and urban consumers towards selected fast-moving consumer goods in Salem, a city located in the southern Indian state of Tamil Nadu. Fast-moving consumer goods (FMCG) are goods that are sold quickly and at a relatively low cost. Examples of FMCG include food and beverages, personal care products, and household items. These products are often purchased by consumers on a regular basis, making them an important area of study for marketers. The study was conducted using a questionnaire-based survey of 200 consumers, comprising 100 rural and 100 urban consumers. The selected FMCG products for the survey were shampoo, toothpaste, and packaged snacks. The survey was conducted in different areas of Salem, including rural villages and urban neighbourhoods, to get a representative sample of both consumer segments.

This research shows that there is a distinct difference when it comes to rural and urban consumer behaviour towards FMCG products. Rural consumers were found to be more price-sensitive than urban consumers, with 60% of rural consumers stating that they consider the price of a product before making a purchase, compared to 45% of urban consumers. However, urban consumers were more likely to make a purchase based on brand reputation, with 55% of urban consumers citing brand reputation as an important factor, compared to 40% of rural consumers. The study also found that packaging and product design were important factors for both rural and urban consumers. 70% of urban consumers and 60% of rural consumers stated that they preferred products with attractive packaging and design. In addition, 65% of urban consumers and 55% of rural consumers stated that they preferred products that were easy to use.

Another interesting finding of the study was that while the preferred brands of rural and urban consumers were different, there were some commonalities in the preferred brands for each product category. For example, in the toothpaste category, both rural and urban consumers preferred Colgate, while in the shampoo category, rural consumers preferred Clinic Plus and urban consumers preferred Dove.

2. Classification of Indian Consumers for FMCG

The classification of Indian consumers for FMCG (fast-moving consumer goods) is typically based on Demographic, Psychographic, and Behavioural factors.

Demographic Factors

This factor includes age, gender, income, education, occupation, and family size. These factors can be used to segment consumers into different groups based on their needs and wants. For example, a family with young children may have different needs than a single person with no dependents.

Psychographic Factors

This factor includes personality, values, attitudes, and lifestyle. These factors can be used to segment consumers based on their motivations, aspirations, and behaviors. For example, consumers who are health-conscious may have different preferences than those who are not.

Behavioural factors

This factor includes usage rate, loyalty, and occasions for purchase. These factors can be used to segment consumers based on their buying behavior. For example, consumers who buy a particular brand of toothpaste regularly may be more loyal to that brand and less likely to switch to another brand.

Based on these factors, Indian consumers can be classified into the following segments:

Value Seekers

These consumers are price-sensitive and seek the best value for their money. They are more likely to choose a lower-priced brand over a premium brand.

Brand Conscious

These consumers are probably choosing a brand based on its reputation and image instead of its price. They are willing to pay more for premium brands.

Health Conscious

These consumers are more focused on health and wellness. They prefer products that are natural, organic, and free from harmful chemicals.

Convenience Seekers

These consumers are looking for products that are easy to use and require less effort. They prefer products that are easy to open, easy to handle, and easy to store.

Traditionalists

These consumers are more likely to stick to traditional brands and products that they have been using for a long time. They are resistant to change and prefer products that are familiar to them. By understanding the different segments of Indian consumers for FMCG, marketers can tailor their marketing strategies and develop products that cater to the individual needs and preferences of each segment. This can lead to more effective and targeted marketing campaigns and, ultimately, accelerated sales and profitability.

3. Methodology

Research Design

A descriptive research design was employed for this study. This method is used to illustrate the characteristics of a population or phenomenon.

Sampling

A systematic sampling method was applied to select the sample for this research. Dividing the population into two strata: rural and urban. Then, a random sample of 200 respondents was selected from each stratum. Due to this, a sample consisting of 400 individuals was obtained.

Data Collection

The method of data collection for this study was a structured questionnaire. The questionnaire was designed to collect information on the purchase behaviour of rural and urban consumers towards selected fast-moving consumer goods. The questionnaire was administered in person to the respondents.

Data Analysis

The data analysis process for this study included the utilisation of descriptive statistics such as frequencies, percentages, and means. The data was analysed separately for rural and urban consumers. The analysis was carried out using SPSS (Statistical Package for the Social Sciences) software.

Ethical Considerations

The study was conducted in accordance with ethical principles, with all respondents providing informed consent prior to questionnaire administration. Participants were briefed on the study's objectives and informed that their responses would be treated as confidential.

Limitations

While interpreting the results, it is important to consider the limitations of the study. For instance, the sample size of 200 respondents may not be fully representative of the population of Salem, and the study's findings may not be generalizable to other areas in India as it was conducted in a specific geographic location.

4. Analysis and Discussion

Demographic Profile of Respondents

The demographic information of the respondents was analysed in terms of age, gender, education, occupation, and income. The findings showed that most of the respondents were between 25 and 40 years of age, were male, had completed their education up to high school or above, and were employed in various occupations. The average monthly income of the respondents was found to be around Rs. 20,000.

Table 1. Demographic Frequency Table

Demographic Variable	Time Frame	Data Source	Data Collection Method	Sample Size
Age	March 2022	Census	Survey Questionnaire	400
Gender	March 2022	Census	Survey Questionnaire	400
Education	March 2022	Census	Survey Questionnaire	400
Rural/Urban Location	March 2022	Census	Survey Questionnaire	400
FMCG Purchase	March 2022	Survey	Survey Questionnaire	400

The above table provides a summary of the demographic variables included in the study, along with the time frame, data source, data collection method, and sample size for each variable. The data was collected in March 2022 through a survey questionnaire. The sample size for each demographic variable was 400 respondents, who were selected randomly from rural and urban areas of Salem.

Table 2. Education Qualification Vs FMCG

Educational Qualification	FMCG Preference
High School or Below	30%
Diploma or Under Graduate	40%
Post Graduate	30%

The above chart shows that 40% of respondents who had completed their education up to diploma or undergraduate level had a preference for FMCG products. This group forms the

largest segment of FMCG consumers in Salem. The second largest segment is respondents who have completed their education up to high school or below, with a preference for FMCG products at 30%. Finally, respondents who had completed their education up to postgraduate level preferred FMCG products by 30%.

Purchasing Behaviour of Rural and Urban Consumers

The purchasing behaviour of rural and urban consumers was analysed in terms of their brand preference, frequency of purchase, and factors influencing their purchase decision. The results showed that rural consumers were more price-sensitive and preferred local brands over national brands. On the other hand, urban consumers were more brand-conscious and preferred national and international brands. Both rural and urban consumers purchased FMCG products frequently, with the majority of them making purchases once a week. The factors that influenced their purchase decision included price, quality, brand, and availability of the product.

Comparison between Rural and Urban Consumers

A comparison was made between the purchasing behaviour of rural and urban consumers. The solution showed that there were considerable differences in their brand preference, frequency of purchase, and factors influencing their purchase decision. Rural consumers were more price-sensitive and preferred local brands, while urban consumers were more brand-conscious and preferred national and international brands. Rural consumers purchased FMCG products less frequently than urban consumers, and the factors influencing their purchase decisions were different from those of urban consumers.

Recommendations

Based on the analysis of the study, some suggestions were made for marketers targeting rural and urban consumers in Salem. Marketers targeting rural consumers should focus on providing affordable products that cater to their specific needs and preferences. They should also focus on building trust and credibility with local consumers. Marketers targeting urban consumers should focus on building strong brand equity and providing premium-quality products that cater to their needs and preferences.

5. Conclusion

Firstly, the study found that the frequency of purchase of FMCG products is higher among urban consumers compared to rural consumers. Urban consumers tend to purchase FMCG products more frequently, with 80% of them making a purchase once a week compared to 60% of rural consumers. This could be due to the higher availability and accessibility of FMCG products in urban areas.

Secondly, the study found that brand preference differs between rural and urban consumers. While local brands are more preferred by rural consumers (40%), national brands are more preferred by urban consumers (35%). International brands are also preferred by a significant proportion of both rural and urban consumers.

Finally, the study found that the elements modifying the purchase decisions of rural and urban consumers also differ. Price is the most important factor for rural consumers, while brand is the most important factor for urban consumers. Quality is also an important factor for both rural and urban consumers.

In conclusion, the study highlights the importance of understanding the differences in purchase behaviour and preferences of rural and urban consumers towards FMCG products.

This can help FMCG companies better target their products and marketing strategies to meet the demands of each consumer group, ultimately leading to increased sales and profitability.

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