

“A Comparative Study on Attitude of Consumers towards Branded Consumer Durable Products in Rural & Urban Market of Solapur District”

SMS Journal of Entrepreneurship & Innovation
4 (1) 82-86
<https://doi.org/10.21844/smsjei.v4i01.10808>

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Abstract:

Major portion of Indian population (about 69%) resides in rural area point towards the need for developing good understanding rural market and rural marketing trend. Consumers from rural market are distinctly different from urban counterparts in many aspects such as availability of information sources, factors influencing purchase decision, attitude towards products, and their value expectations. In case of consumer durables it is observed that only 35% sale is actualized from rural market and 65% sale is contributed from urban market. Despite of this the penetration levels of branded products are also less in rural market as compared with urban market. Also the established products accounts for merely 10% of the consumer durable market that to in rural market it is less as compared to urban market (report of RNCOS, 2010). Rural market accounts the untapped potential for leading companies to grow their market share with distinctive challenges. Measuring their attitude, knowing the factors forming their attitude & making their attitude favorable towards branded consumer durable products is a key area of concern for leading companies. Hence, researcher is keen to know the attitude and perception being most important factors affecting consumer purchase decision in rural and urban market.

Keywords: Consumer Durables, Branded Products, Attitude, Perception

Introduction:

India, being second fastest growing economy with a rapid growing consumer class has resulted in high growth of consumer durable sector. The increasing income level, easy availability of finance, increased awareness of new products and models, the demand for consumer durable has been persistent and is expected to be same for the coming years. The report of McKinsey, the total consumption of India is likely to multiply by coming decade. India ranks first with 131 index points in the global consumer confidence survey (Nielsen 2011). India has youngest population in different income clusters and having around two third of its population below the age of 35 years.

Consumers in Indian market are progressively growing. Consumer durable market is estimated to be Rs. 300 billion expected to rise up to 500 billion up to 2015.

Rural Consumer durables markets is growing by 30% currently, expected to grow by 45% in next financial year. Nearly 69% population resides in rural India yet only 35% sales are contributed by rural markets. However, this sales contribution is expected to increase to ~45% in near future. Despite of high growth rate, the penetration level of consumer durable categories is very low relative to size of Indian markets the report of RNCOS (2010) finds that penetration level of many appliances was very low for example the usage of refrigerator

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stands at around 18%, washing machine 6% air conditioner less than 2%. The low penetration of these products shows a rewarding untapped market. Further, established brands accounts for a meager 10% of the total consumer market in the India. With rising input costs and saturation in the urban market it has become necessary for marketers to emphasize more on expanding their market share in rural area. To expand the market in rural area, marketers of branded consumer durable products have many challenges to face, these includes price competition, establishing strong distribution channel, molding attitude of rural consumers etc.

In this research, researcher has made an attempt to study the attitude of rural consumers towards class of branded consumer durable products. Also the descriptive analysis of attitude is done across demographic profile of consumers. The key area under study is to measure and differentiate the attitude of Rural and Urban consumers towards branded consumer durable products. Also factors responsible for formation of attitude of rural & urban customers are studies. Consumer demographic has key role in shaping their attitude toward products and intern influence the purchase decision. With this study a clear understanding of role of consumer demographics in purchasing decision can be made so that marketer will able to design the appropriate marketing strategies for rural and urban market.

Research Problem:

With the rising input cost and continuously changing environmental factors putting pressure on margins, the competition among consumer durable companies in India. Saturation in urban market and easy availability of credit in rural market is forcing consumer durable companies to expand their market share in rural market which posses' tremendous untapped potential. Therefore, it is important for leading consumer durable companies to keep a keen eye on consumers and their behavioral pattern. There are various factors influencing purchase decision of consumers,

Attitude and Perception are most important factors influence consumer purchase decision so, researcher has selected the topic titled “*A Comparative Study on Attitude of Consumers towards Branded Consumer Durable Products in Rural and Urban Market*”**Hypothesis**

Researcher has set following null hypotheses to test;

1. H_0 : Rural Consumers do not prefer to purchase unbranded products of low price.
2. H_0 : Branded consumer durable products are not perceived costlier in rural market
3. H_0 : Branded consumer durable products are not perceived as lifestyle goods in urban market

Objectives

This study purports following objectives

1. To study & compare the brand awareness of consumers durable products in rural and urban market.
2. To study the perception of consumers towards branded consumer durable products.
3. To study and compare the attitude of consumers using Multi Attribute Attitude Model.

Research Methodology

Present research is conducted to know the attitude pattern of consumers from Rural and Urban area of Solapur District. Descriptive research design is adopted to portray accurately the characteristics of the interest. As the present research is focused to know the attitude of consumers their perception hence, the customers & consumers of Consumer Durable Products are taken as sample for present study. To measure the attitude of customers correctly researcher has considered the decision makers and users of consumer durable goods as a sample. Only one sample is taken under this study from one family. To cover the entire geography of Solapur district researcher has taken samples from all eleven tahsils of Solapur district. 384 samples from urban area and 384 samples from rural area are selected for this study using random sampling method. Attitude score of rural and urban

respondents is calculated using Fishbein's Multi attribute attitude model. This model can be explained with the help of a formula:

$$\text{Attitude towards an object} = \sum_{i=1}^n b_i e_i = \bar{a}$$

Where,
 n = number of attributes
 b_i = strength of the belief that object contains T attributes.
 e_i = evaluation of the desirability of attribute

Thus attitude towards an object can be described as the sum of the multiplication of the beliefs and evaluation for all attributes. Here researcher has selected 10 product attributes viz. Cost effectiveness, Features, Performance, Value Offerings, Ease of Use, Packaging, Availability of service, Maintenance, Product Availability and Power Saving.

Data Analysis

Awareness Level of Respondents

Following table shows the awareness level of respondents related to branded consumer durable products.

	Awareness		%	Urban	%
1	Low	164	42.70	90	23.43
2	Medium	123	32.03	180	46.80
3	High	97	25.26	114	29.68
		384	100	384	100

(Source: Primary Data)

Above show that the awareness level of urban consumers towards branded consumer durable products is high as compared to rural consumers. High awareness in urban market is majorly due to accessibility to information sources such as internet, outdoor media & promotional events.

Testing of Hypothesis (Null Hypothesis 1 & 2)

1. H₀: Rural Consumers do not prefer to purchase unbranded products of low price.
2. H₀: Branded consumer durable products are not perceived costlier in rural market

Sr. No	Opinion	Hypothesis 1	Hypothesis 2
1	Strongly Agree	131	137
2	Agree	85	79
3	Neutral	61	63
4	Disagree	51	49
5	Strongly Disagree	56	56
Total		384	384
Mean ()		3.50	3.50
Standard Deviation (S)		1.43	1.45
Z value		6.85	6.76

From above analysis it is clear that the sample mean for both the hypotheses is higher than hypothesized mean. Since this Z-value is in the critical region, the conclusion of the test is to reject the null hypothesis H₀ and accept the alternative

hypothesis H₁. The conclusion is that the opinion of overall respondents is on the agree side of neutral, a conclusion made at α = 0.05 level of significance. This provides quite strong evidence that overall Respondents on average are not neutral on this issue but tend to agree. Hence the alternative

hypothesis H_1 . Rural consumer prefers to purchase unbranded products of low price and second alternative hypothesis H_1 . Branded consumers durable are perceived costlier in rural market hold true.

Null Hypothesis 3

H_0 : Branded consumer durable products are not perceived as lifestyle goods in urban market

Sr. No	Opinion	Response	Percentage
1	Strongly Agree	149	38.80
2	Agree	94	24.48
3	Neutral	50	13.02
4	Disagree	53	13.80
5	Strongly Disagree	58	15.10
6	Total	384	100
Mean()		3.55	
Standard Deviation (s)		1.45	
Z value		7.43	

The sample mean $Z=7.43$ in more hypothesized mean 2.33. Hence z values lies in critical region From above analysis it is clear that the sample mean for both the hypothesis is higher that hypothesizes mean. Since this Z-value is in the critical region, the conclusion of the test is to reject the null hypothesis H_0 and accept the alternative hypothesis H_1 . Null hypothesis that respondents are

neutral on the statement is rejected and alternative hypothesis that Branded consumer durable products are perceived as lifestyle goods in urban market is accepted.

Calculation of Attitude Score using Multi Attribute Attitude Model

Sr. No	Product Attributes	(bi*ei) Rural Area	(bi*ei) Urban Area
1	Cost Effectiveness	-1642	856
2	Features	-852	945
3	Performance	356	1145
4	Value Offerings	-950	675
5	Ease of Use	-862	955
6	Packaging	584	546
7	Availability of Service	1158	995
8	Maintenance	750	-584
9	Product Availability	-585	-386
10	Power Saving	358	-489
A₀= bi*ei		-1685	4658

The attitude score in rural market is - 1685 which shown negative attitude of consumer towards branded consumer durable products. This is mainly due to their negative beliefs related to cost

effectiveness, availability of service and value offerings of branded consumer durable products. Whereas the attitude score in urban market is 4658 which shows that urban consumers have positive

attitude towards branded consumer durable products. Urban respondents have favorable beliefs towards all product attributes except product availability and power saving. **Conclusion:** In this research work an effort is made to know the attitude of consumers towards Branded Consumer Durable products in urban and rural area. It can be concluded that the attitude of respondents from urban market is more favorable towards Branded Consumer Durable products whereas the attitude of consumers from rural market have unfavorable attitude towards the Branded Consumer Durable products this is the prime reason of low sale of Branded Consumer Durable products in rural market.

It is proved that in rural market the awareness & knowledge of consumers regarding Branded Consumer Durable products is low and their purchase decision is highly influenced by retailers' recommendations. Unbranded companies are pushing their product through the channel partners by offering them lucrative offers. In urban market presence organized retail shops and malls is low hence customers are preferring to purchase Branded Consumer Durable products from unorganized retail stores also rural consumers rely more and find it convenient to purchase from retailer from whom they are purchasing frequently. The silent beliefs of consumers from rural market are not favorable for majority of product attributes of Branded Consumer Durable products. Consumers feel that Branded Consumer Durable products are not cost effective and the value offerings of Branded Consumer Durable products

are not as per the requirements of rural consumers. Rural consumers need the basic product of low price whereas Branded Consumer Durable products are augmented products which cost more to rural consumers.

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