

# **Rural Consumers Expectation and Buying Behaviour of Consumer Durables**

**By:**

**Dr. H.C. Purohit**

**Department of Business Economics**

**VBS Purvanchal University, Jaunpur, (UP)**

**E-mail: [hcpurohit\\_mbe@yahoo.com](mailto:hcpurohit_mbe@yahoo.com)**

**[hcpurohit\\_mbe@rediffmail.com](mailto:hcpurohit_mbe@rediffmail.com)**

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## **ABSTRACT**

*In any business development activity there is an essential need to understand and have an appreciation of the buyers. Where the business-to-business market is unique is that the buyer and specifiers of today are highly trained individuals. They are technically and commercially astute and have a great deal of knowledge of the product in question and the various supplier of that product/commodity. The buying role has become much more dynamic and so often the buyers increase in professionalism, skill and ability is not being matched by the marketer. In today's environment the emphasis is on the buyers controlling cost rather than merely negotiation price. The strategy and structure are such that the buyer aims to work in partnership, to secure the best deal from the suppliers and ensure some form of cost stability and cost reduction. Increasing the estimation of the purchasing function is rising. The buying role has become much more dynamic and to often the buyers increase in professionalism, skill and the ability is not matched by the marketer. As the potentiality of the rural market is recognized by the most of the leading corporate houses and they are targeting to capture/utilize the most potential market of the country. Before going to launch any product in the rural area the marketer must understand the psychology, social, economical and cultural determinants of rural buyers. The proposed study will focuses on the buyer's role in the market, buyer's functions, priority, expectation, awareness and knowledge in case of rural buyers with consumer durables.*

# INTRODUCTION

In our day-to-day life we have to take so many decisions right from the time we wake up to the time we retire for the night. We have to choose between several brands of toothpaste for brushing our teeth. We have a variety of soaps to take our bath out of which we choose one. We decide what we shall have on our breakfast table. We commute to our office using a specific mode of transport and specific vehicle to carry us. We have to decide what clothes we will wear. We decide the mix of products we shall use either for our lunch or dinner. Then there are decisions regarding our means of entertainment, cosmetics, sanitary products, health care products, books, magazines and periodicals and the academic courses and institutions. We have to decide for ourselves and for others. We give advice to others and receive advice from others. All these decisions are choices from several alternatives available. The freedom to choose is an essential value of the Indian society. Consumer behaviour does not consist of discrete acts, but is a process. A woman who joins a slimming centre first recognises the need to reduce here obesity. She then take information about various methods of slimming down, and chooses a slimming centre as the best alternative for her. After choosing the centre she may or may not be satisfied with the results. All this is a part of the purchase decision process; it is not just the decision but a whole series of decisions. The purchase decision process can be defined in to five stages:

- (a) Problem recognition
- (b) Information seeking
- (c) Evaluation of alternatives
- (d) Buying decision
- (e) Post-purchase evaluation

But the adoption process is the decision making activity of an individual involving the acceptance of an innovation. The diffusion of innovation is the process by which the innovation is communicated within social systems overtime. A prospective user goes through the following stages in the process of deciding whether to adopt something new:

- a) Awareness
- b) Information
- c) Evaluation
- d) Trail
- e) Adoption
- f) Post adoption

The degree of complexity of an innovation will affect its adoption rate. The fourth characteristic trial ability is the degree to which the new idea may be system, is likely to have a slower adoption rate than some new seed or fertilizer, which may be tried on a small plot of ground. The new product should have some characteristic that sets it apart. It should appeal to the early adopter category of consumer. The product should be designed in divisible form so that it can be evaluated on a sample basis. If this is impossible then the consumer should be able to use the product on a trial basis before having to make an adoption decision.

The buying behaviour of rural consumers in Indian context assumes greater significance due to the fact that they form the core of the upcoming potential rural market. Several factors influence the buying behaviour of rural consumers, apart from the general market conditions prevailing, they have to be aware of the influence that have been undergoing in the society and community. Today's rural consumers in families have to be vigilant on the market forces who try to pass on products with inferior quality, side effects, and duplicated goods so on. A successful consumer is capable of gathering information on a product before effecting purchase through advertisements, friends circle and such other sources. The final purchase is made again after sharing and checking such information's with family members and opinion leaders.

## **Consumer Expectation**

Expectation is a consumer's belief with respect to the various product attributes and the overall performance level of the product. Expectation may mainly be in two forms:

- 1- Pre-purchase expectation
- 2- Post-purchase beliefs.

Pre-purchase expectations means consumer's belief about a product on various attributes, while post-purchase means the performance level of the product on various attributes.

Expectation can be categorized into four categories according to Miller (1972),:

- 1- **The Ideal-** What is the best grade you think could get on this test (?) resulting in what the consumer feels the performance of product service or store "can be".
- 2- **Expected-** Objectively, what grade do you actually think you will receive on the test? The expected reflects what the consumer feels performance "will be".
- 3- **The Deserved-** Given the amount of effort you put into studying for the test, what grade do you think you deserve on the test/ the deserved level is critically determined by one's evaluation of his or her "investment in the purchase". It is what 'should be' given all time, money and effort costs associated with product purchase.
- 4- **Minimum Tolerable-** Elicited the question, what is the lowest grade you think you could have gotten on the test? This expectation represents to the consumer what the bottom performance of the product 'must be'.

## **Expectation Theories**

The expectation of a person depends upon a number of factors, such as the person's background (demographic as well as psychographic), Advertisement Exposure, Word of Mouth and past experience. Normally the expectation keeps going up. In the same way, delivered benefit is different from perceived benefit. The benefits that are sought by different persons may be different from the same product. Hence it has to be measured on multiple dimensions and the relative weights attached to each dimension may also vary across individuals and segments. Expectation theories can be categorized as follows:

**1- Assimilation Theory-** Assimilation theory posits that any discrepancy between expectations and product performance will be minimized or assimilated by the consumer's adjusting his perception of the product to be more consistent (less dissonant) with his expectations.

**2-Contrast Theory-** This theory assumes that the customer will magnify the difference between the product received and the product expected; i.e, if the objective performance of the product fails to meet his expectations the customer will evaluate the product less

favourably than if he had no prior expectations from it. Contrast is thus the converse of assimilation.

**3-Generalized Negativity-** Generalized negativity suggests that any discrepancy between expectations and reality results in a generalized negative hedonic state; causing the product to receive a more unfavourable rating than if it had coincided with expectations. Even if the product performance exceeds the customer's expectations, it will be perceived as less satisfying than objective performance would justify.

**4-Assimilation Contrast Theory-** This theory maintains that there are zones or latitudes of acceptance and rejection in consumer perception. If the disparity between expectation and product performance is sufficiently small to fall into the consumer's latitude of acceptance, he will tend to assimilate the difference by rating the product more in line with expectations than its objective performance justifies. However, if the discrepancy between expectations and actual product performance is so large that it falls into the zone of rejection, then a contrast effect comes into play and consumer magnifies the perceived disparity between the product and his expectations from it.

Hence, the effects on consumer satisfaction of disparities between expectations and objective product performance are assimilation contrast.

### **Rural Consumer**

The 21<sup>st</sup> Century has blurred the rural urban divide at least in terms of choices and preferences. Fair and Lovely is as sought after in villages as in the cities. The village lass are as beauty conscious as her city counterpart and would definitely like to be cricket commentator or an actor given the opportunity. Thanks to the electronic media; ambitions at least are not in short supply. The rural people now are not aloof, or unaware of their urban counterparts. The media particularly the visual media are playing catalytic role in transforming the rural people from aloof ones to the awakened ones in not only socio-political but also economical terms. The marketers however, need to take into account certain ground realities regarding the rural markets. Due to difference in culture, values, aspirations, and need pattern of the people there are certain differentiating features of the rural customers are as follows:

**A) Traditional outlook:** The rural customer value old custom and traditions. Basic cultural values are well dominant in rural India Buying decisions are highly influenced by social customs, traditions and beliefs in the rural markets.

**b) Level of literacy:** The literacy rate being low in the rural areas as compared to urban areas, the way these customers are targeted need to be oriented to suit the village mindset. In other words the advertisement that appeals to urban customers can not be simply copied to the rural people that would not be effective one and may not appeal to rural customer due to varying life styles.

**c) Lack of proper communication and infrastructure facilities:** Nearly 50% of the villages in the country do not have all weather roads. The infrastructure facilities like, roads, warehouses, communication system, financial facilities are inadequate in rural areas making physical distribution costly.

**d) Language and dialects:** The number of languages and dialects vary widely from state to state, region to region and many times district to district. Thus the language to be used needs to be different for different places.

**e) Low per capita income:** The per capita income in the rural areas is low as compared to urban areas. Naturally, what constitutes a low involvement product for the

urban dweller may become high involvement product for the rural person? Thus the rural customer is more price sensitive and risk averse. He/she will prefer a low unit priced product. In fact, toilet soaps, tooth paste and shampoo sachets are a case in point

### **Indian Rural Market:**

In spite of the high growth rate of urban population, the rural market offers opportunities, which are vast and relatively untapped. The Indian market is larger than the market of many European countries put together. Rural India possesses its own mosaic of light and shade. India's rural population, at 742 million, larger than the population of the EU and the US put together, lives in six lakh- plus villages. A lakh of these hold 50% of the rural population and 60% of its total wealth. Clearly, the fortune for marketers may be at the bottom of the pyramid but the wealth in rural India is at the top of the pyramid and not at the bottom. The upshot roughly 320 million of the population residing in five lakh villages are not target customers for marketers, simply because it is not viable to cater to them. Most of these villages have a population of less than 2,000 and every marketer's mojo- critical mass- is touch to attain. As Britannia's for Tiger Biscuits, experienced that if they go to a shop in Mumbai, they will sell Rs.5,000 worth of stock and the cost to reach that outlet is next to nothing. But if they need to reach an interior village, they would have to hire a van from the nearest town, and then probably sell Rs.50 worth of stock in the village. The other reason for brands not being able to penetrate the rural boondocks have got to do with the sheer physical effort involved. As per the survey report conducted by McKinsey & Co, the rural areas are quite undeveloped, a nationwide survey of 593 rural districts, 248 are deprived and lack of infrastructure like all weather roads., almost half of India's rural population does not have access to good roads and decent infrastructure.

Often the quality of the roads is almost directly proportional to the quality and variety of products available in rural India. In fact, according to market research agency Hansa research, the average shop in rural India stocks just about 29 brands from 14 Fast Moving Consumer Goods (FMCG) categories. That can vary from 13 product categories and 27 brands in eastern India to almost 16 products and 40 brands in Andhra Pradesh. A significant portion of these brands are also locally-made labels, which may not be up to the mark in terms of quality. Interestingly, more than 50% of rural house-wives purchase goods from outside their villages (in nearby towns) as village shops often quote higher prices.

### **Objectives:**

The present study is an attempt to study the buying pattern and influencing factors of the rural consumer with regard to consumer durables.

### **Methodology:**

The study is based on primary data. The primary data is collected from the respondents from the nearby rural area of the Jaunpur district of U P state. A structured questionnaire is prepared and administered with more than 50 respondents, the data is collected from the buyers who are purchasing consumer durables (T.V., Scooter, Bi-Cycle, Bike and Tractor) at the dealers store, they are personally interviewed and questionnaire is handed over to record their opinion just before the purchase of the product.

**Sample Profile:** all (100%) of the respondents are male, a great majority (77%) of the respondents are educated with more than one fourth (27%) of the respondents have graduated. Half of the respondents are having their own business (PCO, grocery store,

and other retail stores) with agriculture engagements and one third (33%) of the respondents are having agriculture as a source of income. While only 19% of the respondents have govt./ private service. Around half (48%) of the respondents are coming from lower income group (up to Rs. 5,000=00 per month) and only 4% of the respondents are belonging to middle income group (up to Rs. 10,000=00 to 20,000=00 per month). More than one third (38%) of the respondents are having large family size (up to 8 members), while a great majority (62%) of the respondents have extra large family size (more than 8 members) with 21% more than 10 members in their family. Around half (48%) of the respondents have more than 30 km. distance from the main city/town and 42% of respondents have more than 10 km. distance from the main city/town, while rest (10%) have up to 5 km. distance from the main city/town.

### Results:

The data collected from rural area of Jaunpur district of Uttar Pradesh and were presented and analysed with the help of simple table and percentile is as follows:

**Influence of Consumer Decision:** The data obtained from the survey of the rural household it is found that a great majority (73%) of the respondents reported that their purchase decisions are influenced by the advertisements of the Television Channels when they want to take purchase decision of any household durable items, however, other than T.V. advertisement like: news paper a great majority (67%) of the respondents have given first rank as an influencers, magazines / journals got second rank by the less than half (42%) of the respondents, consumer fair and hearsay got third rank as less than one third (31%) of the respondents reported that they are influenced by the consumer fair and message of opinion leaders, the hoardings are rated as fourth (out of the influencers: news paper, magazines, consumer fair and hearsay & hoardings) influencer by (38%) of the respondents.(Table-1)

**Table 1**  
**Factor Influencing consumer purchase decision**

Variable	No. of Respondents (%)
<b>-Influence of TV advertisement</b>	
Yes	73
No	27
<b>-Influence of other than TV</b>	
News Papers	67 I <sup>st</sup> rank
Magazines	42 II <sup>nd</sup> rank
Consumer fair and Hear say equally	31 III <sup>rd</sup> rank
Hoardings	38 IV <sup>th</sup> rank

**Purchase Decisions:** Less than half (48%) of the respondents reported that they made self decision for purchasing any durable items specially Bikes, Scooters and Bi-cycles, while one third (33%) of the respondents reported that the purchase decision of household items is made by their father and rest (19%) of the respondents reported that

the purchase decision of these items at their home are made by their mother and brother. (Table-2)

**Table-2**

**Family Members who make purchase decision of various durable household items**

Decision taken by	No. of Respondents (%)
Self	48
Father	33
Brother/Mother	19

**Consumer Experience:** All (100%) of the respondents reported that they can make better purchase decision of household items, almost all (99%) of the respondents are satisfied with their previous purchases, and an overwhelming majority (90%) of the respondents reported that they consult their family members before purchasing the household items for the family use. A great majority (67%) of the respondents reported that they can change their purchase decision with the attraction of the packaging. However a great majority (77%) of the respondents do not hesitate when they go for purchase of household items, and a great majority (62%) of the respondents think that women can not make good purchasing of house hold durable items, while rest (38%) of the respondents reported that educated women can make better purchase, and a great majority (77%) of the respondents reported that marketers are cheating the innocent rural consumers in the market. However an overwhelming majority (94%) of the respondents reported that they have freedom of purchasing the products as per their choice. (Table-3)

**Table- 3**

**Rural Consumers Experiences on Purchase**

Responses	No. of Respondents (%)	
	Yes	No
1- Can you make better purchases?	100	--
2- Are you satisfied with your previous purchase?	99	1
3- Did you consult your family member before purchasing the product?	90	10
4-Did attractive packaging change your purchase decision?	67	33
5-Do you hesitate while purchasing the products?	23	77
6- Do you think women can not make good purchasing?	62	38
7- What do you think that marketers are cheating the consumers?	77	23
8- Do you have freedom of purchasing of the products?	94	6

**Information Seeking and Financing Facilities:** An overwhelming majority (83%) of the respondents reported that they seek information before going to purchase the products, however half (50%) of the respondents reported that they can change their purchase decision with the offer of the financing facilities offered by the company. (Table-4)

**Table- 4**



### Information Seeking and Financing Facility

Responses	No. of Respondents (%)	
	Yes	No
1-Did you seek information before going to purchase the products?	83	17
2- Did the financing facilities offered by the company- change your buying decision?	50	50

**Source of Information:** A great majority (61%) of the respondents reported that they seek information from their friends, while more than one fourth of the respondents were seeking information from their relatives, and less than one fourth (23%) of the respondents reported that they seek information from their colleagues before going to purchase household items, however a very little number (14%) of the respondents reported that they seek information from their neighbours. (Table-5)

**Table- 5**  
**Source of Information**

No. of Respondents (%)			
Friends	Colleagues	Neighbours	Relatives
61	23	14	27

### **Conclusion:**

In developing economies like India, it is important to target rural market as a very large section of potential customers reside in villages. The marketers need to convert the latent needs of the village people into specific wants. The rural folk are ready to imbibe modern ways of living. It is also not that rural India is just a market for biscuits and shampoo sachets. As the trend is changing it can be believed that the rural durables market has great potential and companies find a way of tapping it, in the next five years the nearly 70 million of rural households will have TV, mobile, two wheelers as compared to 48 millions household of urban India.

As the consumption pattern is changing and with a bit of imaginative marketing big brands like HLL, P&G, ITC, LG and Eicher etc are trying to reap benefits that they could not have even thought of a decade ago. Rural consumers are price sensitive, they are influenced by the consumer fair, news paper and magazine advertisements, the family size in rural areas are quite large and agriculture is their main occupation, so marketers should design develop products as per the requirement of rural folk and go for promotion campaign with the help of print media. It is also clear that the most of the purchase decision of durable items is made by the male counterparts but most of the products are purchased after consulting all family members including female members. So the marketers should have to understand consumer expectation and try to fulfil their need

through offering products and services as per their requirements, then only they can make the proper use of this opportunity.

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