
Rural and Urban Consumer Buying Behaviour with Special Reference to Durable Goods: a Literature Survey

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Abstract

Consumer behaviour is described as the process of selecting, buying, using and disposing goods and services by individuals or organisations to satisfy their wants. Companies have to understand the various factors that influence consumers to make purchases these factors may be reference groups, cultural factors, economic factors and alike, they also need to understand the purchase process that goes into making purchase decisions by consumers in order to succeed in both rural and urban markets. The rural markets provide a wide array of opportunities due to their vast size and changes that have taken place over the years. Behaviour of consumers in urban areas and the characteristics of urban consumers vary drastically from the rural counter parts. An important conclusion can be drawn from the studies is that understanding the buying behaviour of consumers is important for companies. Whilst it is also seen that rural and urban consumers need to be segmented properly in order to derive sales and profits from both the markets. This research paper gives an overview of the studies that have been done on consumer buying behaviour in both rural and urban regions with reference to consumer durables. However, there are research gaps and further scope for comparative studies between rural and urban buying behaviour towards durables, as there are few research studies conducted on this topic.

Keywords: Rural Markets, Urban Markets, Consumer Durables

Introduction

Consumer behaviour is described as the process of selecting, buying, using and disposing goods and services by individuals or organisations to satisfy their wants. Consumer behaviour is complicated to understand as consumers behave in a certain manner but act otherwise. It becomes important for marketers to understand what drives consumers to make their purchases as markets are driven by consumers. It also becomes imperative for companies to view consumers from a different angle by understanding their needs and wants as consumers today have a variety of brands and products to choose from. Therefore by analysing the needs of the consumers, marketers can fine tune their products to meet the demands of consumers to become more competitive. Consumer behaviour plays a significant role in all aspects of marketing, even for the players along the supply chain from manufacturer to the retailer. These players have to thoroughly understand the consumers in order to

compete successfully. Companies have to understand the various factors that influence consumers to make purchases these factors may be reference groups, cultural factors, economic factors and alike and they also need to understand the purchase process that goes into making purchase decisions by consumers in order to succeed in both rural and urban markets.

Today, rural markets are seen as potential markets by companies due to the increase in their disposable income, change in lifestyle and attitude, increase in demand of products. The rural markets provide a wide array of opportunities due to their vast size and changes that have taken place over the years. Many companies are tapping these potential markets to take advantage of the opportunities in the rural markets. However, due to the heterogeneous feature of rural markets it is of paramount importance that firms understand the

behaviour of consumers and develop models particularly for these regions. The marketing strategies have to be well thought of when companies consider marketing their products or services in rural markets. It can also be observed that with increase in the income of rural consumers, rural women have started working rather than just doing the household chores, advancement of technology all these factors has increased their demand for durable products like washing machine, refrigerators etc. in contrary to the rural markets are the urban markets, urban markets contribute to nearly 65% market share in durables industry, urban markets are homogenous in nature despite the homogeneity it becomes important for marketers to determine the behaviour of consumers in urban areas and the characteristics of urban consumers as they vary drastically from the rural counter parts in terms of family size, income level, education, higher awareness levels. Therefore companies need to conduct research before venturing into rural as well as urban markets as the dynamics of these two markets are different.

Consumer durables are a class of consumer products that are not required to be purchased frequently. These products have a prolonged life and do not wear out quickly.

The consumer durables industry can be categorized into two segments:

Consumer electronics (brown goods) – such as televisions, laptops, cameras, computers, and audio systems.

Consumer appliances (white goods) –washing machines, kitchen appliances, microwave ovens, cleaning equipment, air conditioners and fans.

International

Nadira Bessouh, Ali Iznasni, Abederrazeh Benhabib (2016) assessed the influence and structure of roles in purchase decisions. The author mentioned that the decision making process depends on the type of product to be purchased certain products like perfumes are decided by individuals only whereas other products like durables require entire family to be involved in the decision making process. The author concluded that in the Algerian context religion and culture are important the influence of wife and children is important and plays a great role in the urban context than in the rural context. The role of family members differ based on the product to be purchased, socio cultural factors is considered important therefore marketers have to take note of it.

Arun Korath, Sangeetha and Berhanu Getinet (2016) determined the factors affecting buying behaviour of rural consumers. The authors aimed to determine the factors affecting buying behaviour as well as to analyse if these factors vary with income and age. The author considered eight factors for the study namely advertisement, brand, friend recommendations, family member recommendation, price, quality, warranty and packaging. it was found that the various factors vary with age and income. Price and quality increases as the age and

income increases, lower income groups are more influenced to make purchase decision based on recommendation of family members than higher income groups. Advertisement and brand loyalty are important factors for high income rural consumers than low income rural consumers.

Ali Hassan (2015) made an attempt to study the effects of television advertisement on consumer buying behaviour, a comparative study of rural-urban consumers and male-female consumers. The author mentioned in the study that advertising on television has a major influence on the purchasing behaviour of consumers. The author conducted a comparative study between rural and urban consumers as well as female and male consumers in some districts of Pakistan. The findings of the study revealed that the consumers in urban region purchase products only when the need arises, however the rural consumers make purchases based on advertisement and reference groups like family members. It was also found that female consumers are influenced by advertisements than male consumers.

Fazal Ur Rehman, Tariq Nawaz, Aminullah Khan, Shabir Hyder(2014) analysed how advertising affects buying behaviour of consumers in rural areas. The author conducted this study on the basis of hierarchy of the effects model of advertising and tried to analyse the effects of advertising on the buying behaviour of consumers. The hierarchy models consists of four elements namely awareness, interest, desire and action. the findings revealed that advertising is positively correlated to the buying behaviour of consumers and advertising has appositive impact on consumer behaviour however the characteristics of rural areas has a negative but significant effect on buying behaviour of consumers.

India

R. Dharmaraj (2017) studied consumer buying behaviour towards durables. The author conducted a survey of 100 male and female respondents in Arni a district of Tamilnadu. The author concluded that three products namely television, mobile phones and electric fans were taken under consideration for the study as it is important for daily life. The findings of the study revealed that price and quality are the most important features that consumers looks for while making purchases. Advertisement plays an important role for consumers to collect information about products. Factors like brand loyalty revealed that the consumers are brand loyal and are contented in the purchases of these three products.

C. Eswari and C.Subramian(2017)studied the purchase behaviour of consumer durables. The author conducted convenience sampling technique to obtain responses. A survey of 145 respondents was conducted. The findings of the study revealed that demographic factors are not linked with the brand awareness of the product. However in case of consumer durables there is very little brand loyalty for products.

V.Kaleeswari (2017) studied rural consumer buying behaviour and brand consciousness about durable goods. The study mentioned various factors like increase in

disposable income, awareness of product and affordability has brought about changes in the rural consumption patterns in the consumer durables market. The findings of the study revealed that amidst the various consumer durables television and mobile phones play an important role and customers in the rural market are becoming more brand conscious as well as look at the price and avail discounts. The consumption patterns in the age wise analysis revealed that age group between 21-50 are more dominating. The author concluded that marketers need to customise their offerings/products as per the customer's preference, as customers are considered the king and also utilise various forms of media to communicate to the customers. therefore a marketer who is able to develop strategies as per the needs of the customers in rural markets are likely to be more successful.

Mayuri Jonathan Farmer (2016) examined the changing demand for consumer durables with reference to rural consumer behaviour. The results show that demand for television was high with the second being refrigerator, at the time of making purchase decisions the respondents collected adequate information. It was also found that consumption pattern and behaviour of rural consumers differs with family size.

M Hemalatha and P. Parimaladevi (2016) studied consumer buying behaviour of refrigerators. , The aim of the authors was to identify the positive and negative factors influencing buying behaviour as well as understand the socio economic status of consumers. The author surveyed 150 respondents for this purpose. Various statistical methods like correlation, simple percentage analysis and mean scores were calculated. The findings of the study revealed that correlation analysis that variables are positively correlated to the buying behaviour and the respondents spend nearly 15000rs for purchase of refrigerators and make purchases on credit in multiband stores and majority of the respondents were between the age group of 31-40 years are influenced to make purchases of refrigerators.

Shuchi Mittal (2016) made an attempt to study the factor influencing buying behaviour in the white goods industry the aim of the study was to identify the factors influencing consumer buying behaviour towards durables as well the element in consumer durable process. The findings of the study revealed that independent variables were weakly linked to the dependent variables. However factors like product features, family and social status, brand awareness and substitutes of brands available in the market influenced the buying decisions of consumers.

A Baskaran and Krishnamurthy (2016) aimed to study the pre and post purchase behaviour of consumer durables. The author conducted an empirical study by collecting responses from 1000 respondents through interview schedules. The results of the study were that there was lack of brand loyalty among consumers, the consumers are more inclined to switch brands based on the benefits sort, it was also found that the demographic factors have no much influence on the attributes of

products while the study indicated that the level of importance linked to characteristics of quality of the product based on various segments of consumers who are different in terms of economic status, educational level etc.

Anil Kumar N and Jelsy Joseph (2015) examined the contrast of consumer behavior towards durables in rural-urban perspective with impact of religious beliefs, an empirical study. The findings revealed the consumer are no longer having traditional mindset in savings, consumers are on a spending spree there is a raise in the purchasing power of consumers.

K T Kalaiselvi and D. Muruganandam (2015) analysed the purchase behaviour towards white goods. The authors selected refrigerator, washing machine and television for the study. The author suggests that innovation is key, as it plays a vital role in advertising and promotion in creating awareness for products. The author concluded that the consumer purchase decision depends on internal factors as well as analysing the market is important. Price, durability, quality, features, brand, needs, wants, search, motivation and satisfaction are factors that influence purchase decision.

Seema Ladha (2015) in her paper studied the rural consumer buying behaviour and brand awareness of durable goods. The author conducted a random sampling to obtain responses. The author concluded that there is an increase in demand for products like television, refrigerators, and computers in the rural markets. The findings of the study revealed that the economic changes and social features have a huge influence on consumer behaviour. The rural consumers are knowledgeable about the brand of products as well as their attributes. The marketers have to consider fine tuning their products as well as establish a wide distribution channel and bring about innovations in promotions, financing etc.

R. Rajeswari and P. Pirakatheeswari (2014) attempted to study the consumer behaviour and factors influencing the purchase decision of durable goods. The author had conducted a primary survey of 50 respondents as the sample size for the study. The author concluded that the marketers have to understand and communicate with the consumers to succeed in the market; this can be done by customising the products as per the needs and requirements of the customer. Therefore marketers who develop strategies by understanding the behaviour of customers are likely to be more successful by taking advantage of the same.

P. Neetikumar and T. Araganathan (2014) aimed to study the determinants of consumer behaviour towards durable goods. The objective of the study was to examine the factors influencing consumer buying behaviour. A conclusion was drawn by the author suggesting the varied consumer specialisation levels viz behaviour, cognitive and affective are significantly related to the purchase pattern of consumers that will eventually improve the sales for the company. Home appliances are important for every household women as well as working women as it reduces tension of an individual as well as adds

value to their lifestyle. The findings of the study revealed that socio, economic, cultural factors have a substantial influence on the consumer behaviour towards durables.

Yuvraj L Lahoti and Alfred S Job (2013) assessed the Indian rural buying behaviour for selected consumer durables. The study was conducted to determine the problems in consumer behaviour and its impact on marketing of durables. The findings revealed culture, income and reference groups were the common factors that influenced consumer purchase decision

S Arul Kumar(2013) examined the pre purchase behaviour of urban and rural consumers. The author adopted multi stage sampling. A survey of 100 rural consumers as well as urban consumers was done to obtain responses. The author had drawn a conclusion through the findings of the study that rural and urban consumers vary in terms of attitudes towards product promotion. Reference groups, pre purchase search and self opinion. It was also found that the marketers have to bring out a rural and urban segmentation approach to be successful in the urban markets as well as in tapping the potential rural markets.

P.Sathya, C Vijaysanthi (2013) studied consumer behaviour towards durable goods. The author concluded that the durables market is competitive it becomes imperative for manufacturers to understand the need of consumers and convince the consumers by various media forms. Marketers have to customise the products, understand the consumer behaviour and develop strategies in order to be successful.

Hemanth KP and Shruthi VK(2013) assessed the determinants of consumer buying behaviour in rural India. The aim of the author was to understand the magnitude of rural markets as well as analyse the determinants of rural buying behaviour. The author concluded that the rural consumer's characteristics are different from their urban counter parts. This calls for different marketing strategies to be adopted by marketers. Marketing plays an important role in business and marketers have to consider the customer as king. It requires them to identify the needs of consumers, develop products and plan their marketing strategies accordingly to become successful.

N.Ratna Kishore (2013) aimed to study rural consumer behaviour towards consumer durable goods in India. The author mentioned in his study that the various changes taking place in terms of changing lifestyle, increased disposable income, better awareness of products, affordability in terms of pricing the products has led to the increasing demand for durable goods. The author concluded that in order to be successful in rural markets, companies have to adopt certain marketing strategies that are tailor made for the rural regions like modifying products for rural markets, customise promotional activities, organising fairs and exhibitions to develop a sense of awareness among rural consumers., establishing customer care centres to provide adequate information to the rural consumers etc. The results show that price is an important factor in buying process of consumers, personal sources is an important source of

information. The purchase of durables depends on the economic status of the consumers.

N. N. Patel Jaykumar. R. Joshi (2013) conducted an empirical study of the purchase pattern of consumer durables. The author adopted convenience sampling method to obtain responses from 100 respondents. The findings revealed factors like brand name, warranty and guarantee, price and after sale service play an important role in decision making process of rural consumers, role of television as a media and influence of reference groups like friends, neighbours, and relatives were found to have an influence in the purchase of durable goods. It was also found that the consumers in this region were not brand loyal and prefer

Jagwinder Singh (2011) assessed the comparison of rural and urban buying of consumer durables. A survey of 411 respondents was selected based on convenience sampling. The findings revealed there was no significant variation between urban and rural consumers in purchase timing, number of items, planning duration before purchases. It was seen that habitat has a relationship with income for the timing of purchase of durables like television, refrigerator and there is no significant relationship between habitat and income in terms of duration at the time of planning before making purchases of television or refrigerator.

Satya Prakash Srivastav and Manish Kumar (2011) aimed to study consumer behaviour in rural marketing. The authors concluded that the study gives a new facet that provides an overall framework that will help marketers understand, integrate and apply consumer behaviour in Indian rural marketing context. The authors further mentioned that marketing in the rural context is different from that of the urban markets. It becomes important for marketers to take advantage of similarities that exist in the rural markets. as these markets are heterogeneous markets, marketers have to adopt different strategies to market to the rural consumers. the urban and rural consumers vary in terms of attitude, sophistication and consumption pattern therefore marketers have to work a lot more harder to sell their products in rural markets.

Arul Ranjan (2011) assessed the antecedents of buying behaviour in the Indian rural markets. The author conducted a study in 32 districts of Tamil Nadu, India. A survey of 600 respondents was done to collect responses. The author collected data through structured interview; the various constructs used were buying intentions, desire, attitude, information search, perceived utility, perceived risk, social norms, family orientation. The author concluded by finding that factors like social norms and family orientation have a strong influence in the decision making of consumers, whilst factors like perceived utility and perceived risk have a moderate influence on the attitude of consumers purchase decisions.

W K Sarwade (2009) studied consumer behaviour and marketing trends of consumer durables the author conducted both exploratory and descriptive research. the author studied both consumer behaviour and changing trends with range of different objectives in both the

context. The findings of the study revealed that factors like price and company image play an important role while purchasing a product. The rural consumers change their attitude towards the purchase pattern of consumer durables. It was also seen that younger generations purchase luxurious and expensive products and females are more interested in purchase of durables.

K .Malarmathi and C Saraswathi

Examined the factors influencing rural consumer buying behaviour towards Durable goods. The survey was restricted to 14 blocks of Erode district. The findings revealed that decision making attitude differs based on the type of products. Personality of the rural consumers plays a significant role in influencing the buying behaviour of rural consumers and varies product wise.

Conclusion

Consumer buying behaviour is an integral part of marketing, understanding the buying behaviour of consumers determines the success or failure of a company as products are targeted to consumers who ultimately spend money to purchase products to satisfy their needs. It is seen that rural consumers buying behaviour drastically varies from their urban counter parts as the characteristics that define a rural consumer like their education level, level of awareness of products, disposable income are lower than the urban consumers and various other factors like brand name, price, after sale service also determine the purchasing decisions in case of rural consumers. Whereas consumers in urban areas are more impulsive in making their purchases.

An important conclusion can be drawn from the above studies is that understanding the buying behaviour of consumers is important for companies. Whilst it is also seen that rural and urban consumers need to be segmented properly in order to derive sales and profits from both the markets. This calls for developing creative and different strategies to be adopted by marketers. As consumers are considered the king companies need to customise their products to suit the needs of the consumers.

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