Arts

A STUDY ON RURAL CONSUMER BEHAVIOUR TOWARDS SELECTED FAST-MOVING CONSUMER GOODS IN COIMBATORE DISTRICT

C. Kanimozhi	Assistant Professor Department of Commerce Rathinam College of Arts And Science Coimbatore-21
M. Romeo*	Assistant Professor Department of Commerce Rathinam College of Arts And Science Coimbatore-21 *Corresponding Author
S. Harikaran	Assistant Professor Department of Commerce Rathinam College of Arts And Science Coimbatore-21
M. M. Vishnu	Assistant Professor Department of Commerce Rathinam College of Arts And Science Coimbatore-21

ABSTRACT With the far-reaching changes in rural India by means of the agricultural revolution, spread of education, improved infrastructure, better banking facilities etc., significant changes have been noticed in the buying and consumption patterns of the rural consumers. The concept of Rural Marketing in Indian Economy has always played an influential role in the lives of people. In India, leaving out a few metropolitan cities, all the districts and industrial townships are connected with rural markets. The concept of rural marketing in India has often been found to form ambiguity in the minds of people who think rural marketing is all about agricultural marketing. However, rural marketing determines the carrying out of business activities bringing in the flow of goods from urban sectors to the rural regions of the country as well as the marketing of various products manufactured by the non-agricultural workers from rural to urban areas. The Indian FMCG market has slowed down in growth for sometimes. From a growth rate in excess of 12 per cent in early 90's it has registered only 4.4 per cent odd so in the last five years. In the last five years, the GDP has grown by a Current Account Growth Rate (CAGR) of close to 6 per cent at real prices. So FMCG business is not even growing at the pace of the domestic economy

INTRODUCTION:

Fast moving consumer goods (FMCG) are the products that are sold quickly at relatively low cost. Though the absolute profit made on FMCG products is relatively small, they generally sell in large quantities, so the cumulative profit on such products can be large. Examples of FMCG generally include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, teeth cleaning products, shaving products and detergents, as well as other non-durables such as glassware, light bulbs, batteries, paper products and plastic goods. FMCG may also include pharmaceuticals, consumer electronics, packaged food products and drinks, although these are often categorized separately. FMCG products are generally replaced or fully used up over a short period, usually a few days or weeks, or months, but within one year. This contrasts with durable goods or major appliances such as kitchen appliances, which are generally replaced over a period of several years. In Britain, "White goods" in FMCG refers to large households' electronic items such as refrigerators. Smaller items such as TV sets and stereo systems are sometimes termed "brown goods". Some of the best known examples of Fast Moving Consumer Goods companies include Miller Coors, HERO Group, Anheuser Busch, Clorox, Colgate, Palmolive, General Mills, H.J.Heinz, Cadbury's Reckitt Benckiser, Sara Lee, Nestle, Unilever, Procter & Gamble, Coca-Cola, Carlsberg, Kimberly, Clark, Kraft, Pepsi, Warburton's, Wilkinson, Wipro, Consumer Care, Barilla Group, Mars and Red Bull Energy Drink. In recent days10 consumer India is at the point where there is a multiplicative effect of income growth, aspiration to consume and a changed consumption friendly ideology/social discourse across the income board, especially in rural India. Hence, the buying behavior of rural consumers has became a hot-topic of discussion because rural India, in recent days, is enthusiastically consuming everything from shampoo to motor cycles and this "rural predilection" is being considered as one of significant topics of market analysis.

Statement of the problem:

There was a time when rural consumers purchased most of their requirements from nearby towns and only a few select households consumed branded goods. Today, a customer in rural area is quite aware of countless products that are on offer in the market place. The importance of the rural market for some FMCG and durable marketers is underlined by the fact that the rural market accounts for close to the 70 per cent of toilet soap users and 38 per cent of all two-wheelers purchased. It reveals that the rural market for FMCG product is growing much faster than the urban counterpart. Hence, the present study is an attempt to analyze the buying practices of rural consumers for selected Fast-Moving consumer goods namely tooth paste, health drinks, toilet soap and shampoo in Coimbatore District.

Fast Moving Consumer Goods constitute a large part of consumers' budget in all countries. India is no exception to this. Purchase decisions in Indian homes have become a collective process with women and teenage children playing a major role on product and brand choices. Decision making has become a joint process in the family, women is the initiator, and / or product evaluator, man the financier and child as an influencer to buy the goods.

Scope of the study:

This study aims in assessing rural consumer behavior towards selected fast moving consumer goods. This study also covers the customer's opinion about the fast moving consumer goods in Coimbatore District.

A cut- threat is existing in market to compete one brand to another brand. In this juncture an attempt was made to study the role of consumer goods to fulfill the needs and wants of the customers' and to what extent the company is concentrating on quality, quantity, price and fragrance of the products.

OBJECTIVE OF THE STUDY:

- To analyse the socio-economic profile of CBE rural consumers and their general buying decisions.
- To identify the factor, influence on buying behaviour of rural consumers.
- To identify the choice of various consumer items.
- To offer suggestions for effective taping of the rural markets

Limitation of the study:

The geographical area was limited, time was a limiting factor for the study, the researcher could concentrate on only a few FMCG like toothpaste, health drinks, shampoo and toilet soap, apart from it respondents bias. The time period gives a snapshot of activities undertaken over the year. This is another limitation. The schemes compiled also do not represent an exhaustive calendar of categories in practice. Hence generalisations drawn have to be viewed keeping in mind these limitations. If such a study is conducted over a few years, trends can be analyzed. Linking incentives to the outcome (sales) would provide a better understanding of the rationale for designing promotions.

Research Methodology:
This is an empirical study based upon field survey. This is also an descriptive study. Therefore, the researcher has adapted a suitable model of research methodology. The study aims at evaluation of the criteria of rural consumer behavior with special reference to FMCG (Fast Moving Consumer Goods) products. The present study is an analysis the determinants of buyer behavior in rural area.

Thus, this is a historical, empirical, analytic and descriptive study of consumer behaviour in rural area with special reference to Coimbatore district. The researcher has adopted a suitable model. The research methodology consists of:

Primary Data:
The study is based upon primary data. Primary data is collected with the help of structured questionnaire specially prepared for this study. The researcher has adopted the method of personal visit and noting the responses in the questionnaire because the respondent is from the rural area.

Secondary Data:
The researcher has also used secondary data from various sources available in the published form. This includes:
1. News Papers & Periodicals
2. Research Journals
3. Published Reports of various FMCG Companies
4. Internet sources

Statistical Methods:
Statistical methods are one of the significant tools of analysis. The primary data collected has been analyzed and tabulated in suitable form. The researcher has used the method of percentage analysis and Chi-square for interpretation. Similarly, averages also have been used wherever necessary.

Selection of Sample:
Present study is a microscopic analysis of the consumer behavior in the rural area with special reference to FMCG products. The study is related with selected rural areas of Coimbatore.

Sample Size:
It refers to the number of items to be selected from the universe to constitute a sample here the sample size is 100 respondents.

Area of the Study:
The area of the study refers to the area of Coimbatore District.

Tools used
I.PERCENTAGE ANALYSIS
Percentage analysis refers to a special kind of ratio. Percentages are used in making comparison, between two or more series of data, and percentage is used to describe relationship between them. Since the percentage is reduced everything to common based and there by allow comparisons to be made.

$$Percentage = \frac{No\ of\ respondents}{Total\ No\ of\ respondents} \times 100$$

II.CHI SQUIRE
The Cross-tabulation procedures form the basis for two way and measure the association for two – way tables. In this form an association between the factors of demographics and the selected factors.

Opportunities in Rural Market
From the days of the British who set their feet on the Indian soil as mere traders under the banner of "East India Company" to this day of MNCs and FIIs who come in droves and hordes, flocking India, one common feature that attracted everyone to our country is ~ "Opportunity". Our country with its vast, varied and diversified regions, cultures and people is a source of perennial opportunities. Yes ~ India continues to be the wonder land of not only mystic charms but also a source of myriad opportunities with about six lakhs villages and seventy percent of our population living in rural areas, rural markets offer vast scope for marketers.

Growth of FMCG Market:
FMCG's growth story started following the deregulation of Indian economy in early 1990s which saw dismantling of the 'license raj', resulting in a spurt in new companies and entry of a number of foreign brands. With relatively lesser capital and technological requirements, a number of new brands emerged domestically as well, while the relaxed foreign direct investment (FDI) conditions led to induction of many global players in the segment. Both these factors resulted in leading to rapid development of the FMCG market in India. Riding on a rapidly growing economy, increasing per-capita incomes, and rising trend of urbanization, the FMCG market in India is expected to further expand to Rs 1,80,000 crore by 2015. Despite the strong presence of multinational company players, the unorganized sector has a significant presence in this industry

Findings:
Simple percentage analysis
*   Majority 76.7 per cent of the respondents are Female.
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*   Majority of the sample respondents are from Rural.
*   Majority 46 per cent of the total respondents are married.
*   Majority 28 per cent of the respondents are BC.
*   Majority of the respondents are under graduate.
*   Majority of the respondents are under graduate.
*   Majority 35 per cent of the total respondents are Hindus.
*   Majority 28 per cent of the respondents are from 4 members of the family.
*   Majority 19 per cent of the respondents are 2 members dependencies.
*   Majority 43.3 per cent of the total respondents take decision by them self.
*   Majority 45 per cent of the total respondents stay in own house.
*   Majority 30.7 per cent of the respondents' source is advertisement through television.
*   Majority 23 per cent of the respondents' reason for purchase is availability of products.
*   Majority 30 per cent of the respondents prefer Horlicks.

Suggestion:
Rural markets are developing fast and the marketers (that is local, national and international) are concentrating on this huge market by way of effective advertising, pouring a verity of branded and attractive packaged goods. As a result, the consumption pattern of rural people has changed drastically.

Rural market is a huge market and to tap it fully it is needed to improve the efficiency of distribution channel so that rural consumers receive required commodities at right time, at right place and affordable prices

It was observed that a few respondents had brand loyalty, Majority of the respondents (Male and Female) stated that brand does not matter to them what they want is to fulfil their needs. However, some respondents had been using only specific branded goods and ignored shift to other brands. In this regard, I would like to suggest that the manufacturers and the marketers should concentrate on brand value that is the quality, utility and reliability of their products

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CONCLUSION:
Rural India having more than 70 per cent (72.10 crore) population living in 6.27 lakh villages, is a huge market. Obviously, a number of FMCG companies are trying their best to harness the business opportunities in rural India. Electronic media, efficient transportation system, increasing levels and strategic marketing policies are the major contributing factors to enhance the scope of rural marketing. Rural consumer is changing his consumption habits to suit himself to changing environment.

Simple Percentage:

GENDER	PERCENTAGE	AGE GROUP	PERCENTAGE	BIRTH	PERCENTAGE
Male	23.3	Below 25	17.3	Rural	48
Female	76.7	25 to 35 years	28	Urban	33.3
Total	**100**	35 to 45 years	40	Semi Urban	10.7
		45-55 years	10	Metropolitan	5.3
		Above 55	4.7	Cosmopolitan	2.7
		Total 100		**Total 100**	
COMMUNITY	**PERCENTAGE**	**EDUCATIONAL QUALIFICATION**	**PERCENTAGE**	**OCCUPATION**	**PERCENTAGE**
BC	28	Illiterate	24	Business	21
MBC	21	Literate	20	Private services	21
OC	20	Under graduate	29	Government services	28
SC	14	Sec/HSC	21	Agricultures	30
ST	17	Others	6		
Total 100		**Total 100**		**Total 100**	
OCCUPATION	**PERCENTAGE**	**SIZE OF FAMILY**	**PERCENTAGE**	**SIZEOF FAMILY**	**PERCENTAGE**
Hindu	**34**	1members	11	1members	16
Muslim	**33**	2members	18	2members	19
Christian	**32**	3members	24	3members	17
Others	**1**	4 members	28	4 members	18
Total 100	5 members	10	5 members	17	
		Above 5	9	Above 5	3
		Total 100		**Total 100**	

RELATIONSHIP	PERCENTAGE	OWNERSHIP OF HOUSE	PERCENTAGE	REASON FOR PURCHASE	PERCENTAGE
Self	43.3	Owned	37	Nearer to Home	13
Children	1.3	Rented	45	Extension of credit	9
Spouse	11.3	Government Quarters		Availability of quality goods	21
Elders	27.3	Property of Relatives/ friends		Availability of Products	23
Collective Decision	14	**Total 100**		Reasonable Price	15
Friends/Relatives	2.7			Good behavior and Courtesy of retailers	8
Total 100				Offers and discount	11
				Total 100	

Chi-squire Test
The following table shows the chi-square test for FMCG Products & Level of Awareness

Particulars	Awareness about FMCG items			
	High	**Moderate**	**Low**	**Total**
Toothpaste	25	10	8	**43**
Health Drink	10	4	3	**17**
Soap	11	7	8	**26**
Shampoo	5	6	3	**14**
Total	**51**	**27**	**22**	**100**

Table Value at 5% level of Significance = 9.49

O	E	O-E	$(O-E)^2$	$(O-E)^2/E$
25	21.93	3.07	9.4249	0.4297
10	11.61	-1.61	2.5921	0.2232
8	9.03	-1.03	1.0609	0.1174
10	8.67	1.33	1.7689	0.2040
4	4.59	0.59	0.3481	0.0758
3	15.4	-12.4	153.76	9.9844
11	13.26	-2.26	5.1076	0.3851
7	7.02	-0.02	0.0004	0
8	5.72	2.28	5.1984	0.9088
5	7.14	-2.14	4.5796	0.6414
6	3.78	2.22	4.9284	1.3038
3	3.08	-0.08	0.0064	0.0020
Chi-square Value				**14.2756**

Interpretation:
The table value is less than the calculated chi-square value, so the null hypothesis is rejected; there is a significant relationship between the level of awareness and FMCG products.