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Buying preference of rural consumer towards retail goods: An empirical study

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Abstract
The paper examines the behavior of rural consumers towards buying the retail goods. The paper presents the consumer behavior, experience, demographics and preferences in Indian retail marketing and also revealed the results on the basis of field survey. In this connection, the research has divided into five sections which presents the introduction, research problem, review the literature, research methodology, data analysis and concluding the study.
The consumer market in the developed countries is saturating, and therefore, big retail companies in those countries are increasingly expanding their footprint in emerging countries like India, China, and Russia. Even though 100% FDI is not permitted in the retail sector, India continues to attract leading global retailers to start retail business through local alliances. For example, recently, Wal-Mart has opened its first store at Amritsar (Punjab) in a joint venture (JV) with Bharti Enterprises, and it is also planning to expand its footprint to other parts of India. The fact that the penetration of organised retail in BRIC countries is much lower than the developed countries is acting as an added advantage for these retail giants. Studies like the MasterCard Worldwide Index of Consumer Confidence have ranked Indian consumers as some of the most confident in the world. The more confident the consumers are about the strength of the economy, their personal finances, their career growth, etc., the more they tend to increase their consumption, purchase non-essential products, experiment with products, brands, categories, etc. Besides, the country's rural population of 700 million presents an opportunity for retail and consumer companies that cannot be ignored. The current estimated value of the Indian retail sector is about 500 billion USD and is pegged to reach 1.3 trillion USD by 2020.

Keywords: retail marketing, consumer behavior, preferences of rural consumers.

Introduction
The Indian retail sector accounts for over 20% of the country's gross domestic product (GDP) and contributes 8% to total employment. The cumulative foreign direct investment (FDI) inflows in single-brand retail trading, during April 2000 to June 2011, stood at 69.26 million USD. Studies like the MasterCard Worldwide Index of Consumer Confidence have ranked Indian consumers as some of the most confident in the world. The more confident the consumers are about the strength of the economy, their personal finances, their career growth, etc., the more they tend to increase their consumption, purchase non-essential products, experiment with products, brands, categories, etc. Besides, the country's rural population of 700 million presents an opportunity for retail and consumer companies that cannot be ignored. The current estimated value of the Indian retail sector is about 500 billion USD and is pegged to reach 1.3 trillion USD by 2020. The penetration level of modern retail (currently 5%) will increase six-fold from the current 27 billion USD to 220 billion USD in 2020. The Indian retail sector is expected to grow at a CAGR of 15 to 20%.

Rising household expenditure in BRIC countries drives organised retail
The household expenditure in Brazil, Russia, India and China, or the BRIC countries, is growing at a faster rate than the developed countries like the US, UK, Japan, Germany, and France, indicating the higher growth potential for the retail sector in these countries that have a large consumer base. Household expenditure (at constant prices) in developed countries like the US, UK, Germany, and Japan has witnessed an average annual growth of 3.2%, 2.5%, 0.2%, and 1.0%, respectively, during 2004-2007, but the expenditure in the BRIC Countries has been much higher.

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The developed countries are witnessing a continuous fall in domestic demand and high dependence on export earnings, which are the reasons for lower household expenditure. In current times, the global demand is weakening, owing to economic slowdown, and this worry is looming large over the retail sector.

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Consumer behaviour
The Indian retail experience has gone beyond the traditional brick–and-mortar store and includes numerous touch points such as online stores, social networks, call centres, etc. Changing economic dynamics, diverse choices in products and services, numerous shopping formats and unparalleled access to information has empowered customers to expect more from their retail experience. The recent economic downturn has taught discipline to the customers. In today's rapidly changing and digitally connected world, customers are more value-conscious while making purchase decisions.

Section-II
The section revealed the statement the research problem.

Statement of the problem
In the globalization era, the retail marketing plays a pivotal role in the process of development. The retailers and consumers were connected both for their selling and buying of goods. Today, a customer interacts with the retailer multiple times before, during and after the purchase. The interaction may happen across multiple channels. Therefore, it is important for the retailer to provide complete and consistent customer experience across these channels. In the research phase, the customer analyses the information available from various touch points, such as word of mouth, newspaper advertisements, mailers or the web, etc. services. Today's consumer is looking for a personalised, seamless and distinctive experience from the retailers. In the purchase phase, the customer takes the buying decision on the product and pays for it.

Section-III
The section deals with the review the previous literature regarding the study which need for the researcher to analyse the study.

Review of literature
Review of previous studies is essential for every research to carry on investigation successfully. Hence, the present study is also based on the following reviews.

Thirumoorthi.P. (2006) studied in his research about "A study on retailers and customer attitude towards P & G

Detergent Powder". It can be concluded that the company must concentrate more on high margin to create a better performance. Importance must be given to sales promotion. The retailers must also be asked to give more displays and discounts. Thus it can be concluded that the customer and retailer attitude towards the P & G detergent powder is positive. Suresh (2007) studied in his research about "Buying Behaviour and promotion in Textile Retailing and concluded that increase in turnover should be achieved by reducing the margin in this competitive era to survive in the long run. Keep updates about the price fluctuations and new fashions in the supplier market. Always be in a receptive mood to know the preference and taste of customers". Tamilarasan. R. (2007) in his study focused to "A study on Retail store service Quality Dimensions in select Retail stores". This study after an in depth analysis of a variety of store dimensions and services quality desire to have possession of the same. A buying motive can thus be said to be all the desires, considerations and impulses, which induces a buyer to purchase a given product. Marketers are interested in the understanding of buying motives because it would indicate about their attitudes and the 'why' of their purchase decisions. Samidha Sharma (2012) [2] in a news reported that noodles, macaronis and soft-drinks made rapid in roads into rural markets, driven growth the fast moving consumer goods (FMCG) industry – 10 per cent by volume and 12 per cent by value in the first ten months of 2011. Devadas, A. and H.L. Manohar (2011) [3] in an article stated that the urban-rural inequality in market, as well as customer characteristics bring a major difference in shopping behavior and consumption pattern of the two communities.

Section-IV
The section evaluates the objectives of the study, data collection, sample design, statistical tools, and limitations of the study.

Objectives of the study
The main objectives of the study are
- To evaluate a consumer behavior in India
- To assess the buying behavior of rural consumers towards retail Goods
- To analyze the factors which influenced the rural consumers to buy the retail Goods
- To examine the ranking of reasons for buying retail Goods.

Methodology-data collection
The study is based on both descriptive and analytical type. To achieve the said objectives, both primary and secondary data have been used.

Primary data
A comprehensive interview schedule, duly pre-tested, has been designed for collecting primary data. The non-probability method of convenience sampling was followed to choose the sample respondents.

Secondary data
The secondary data requires for the study is collected through various books, journal, magazines, reports and websites which gives the related information.

Sampling design
The primary data have been collected from 160 sample respondents. These respondents were selected from two purely rural based mandals *viz.* Kamalapoor and Eligaid

mandals falling under Karimnagar district of Telangana State. Samples of 80 rural consumers have been selected from each mandal to ensure equal representation.

Tools for analyse the data
The data analyzed and presented with the help of statistical tools such as mean score, preference score, and Garrett's ranking technique.

Limitations of the study
- The present study is related only with the selected retail products.
- The results of this study will not universally applicable to the entire country because the research is limited to rural area.
- Lack of time and other resources are to make the study more convenient and specific all the universe of consumers is not taken into consideration but only some samples are selected for it.

Section-V
The section examines the data has analyzed with the using of statistical tools and also presented in the form of tables. It enumerates the concluding the study.

Analysis and interpretation of data
Analysis of buying preference level of Kamala Poor Mandal consumers
Buying preference level can be analyzed with the help of the preference score. To get the preference score, the obtained score of each category product is divided by the maximum score and multiplied by one hundred (in terms of percentage). A preference score of 'above 75' per cent is considered as 'high' level of preference, 50 to 75 per cent as 'moderate' level of preference and less than 50 per cent as 'low' level of preference while buying retail goods. The Table 3 highlights the level of preference of Kamalapoor Mandal respondents in buying the retail consumer goods.

Table 1: Buying Preference Level –Kamalapoor Mandal

Retail Goods	Max. Score	Obtained Score	Preference Score (%)	Buying Preference Level
Personal Care	400	249	629	Moderate
Home Care	400	235	56	Moderate
Oral Care	400	203	50	Moderate
Food and Beverages	400	243	61	Moderate

Source: Field study

It is inferred from the above table that the buying preference level of Kamalapoor Mandal respondents are moderate for all categories of retail consumer goods. In this area, the personal care products obtained a highest score of 70 and oral care products obtained the least score of 50. All the preference scores are in between 50 and 75. Hence, the sample respondents are having moderate buying preference level towards retail goods in this area. There is no 'high' and 'low' buying preference level in this area. It is concluded that among the four categories of products, the rural consumers are drives by personal care products.

Analysis of buying preference level of eligaid mandal consumers
The researcher has calculated buying preference score for all the four categories of retail goods and the buying preference into high, moderate and low levels. It is furnished in Table 4.

Table 2: Buying preference level – Eligaid Mandal

Retail Goods	Max. Score	Obtained Score	Preference Score (%)	Buying Preference Level
Personal Care	400	305	76	High
Home Care	400	286	71	Moderate
Oral Care	400	198	49	Low
Food and Beverages	400	334	83	High

Source: Field study

It is understood from above table that the Eligaid respondents have varied nature of buying preferences i.e. high, moderate and low towards various categories of retail goods whereas the buying preference is uniform i.e. 'moderate' in the case of Kamalapoor respondents for all categories of those goods. It is also understood from the above table that the 'personal care' and 'food and beverages' are highly preferred by the Eligaid respondents.

Reasons for buying the retail goods
There are so many reasons to buy the retail goods. The reason may vary from one consumer to another. Hence, the sample respondents are asked to rank the reasons. Mandal-wise analysis has been made. For analysis, the Garrett's ranking technique has been adopted. The ranks assigned were converted into per cent position using the formula:

Per cent position = $100(R_{ij} - 0.5) / N_j$

Where R_{ij} = Rank given by the jth respondent for ith problem and N_j = Number of problems ranked by the jth respondent.

The per cent position of each rank thus obtained was converted into scores by referring the table given by Garrett. The scores of all the consumers for each reason was then added together and divided by the number of respondents who assigned ranks for that particular reason. Based on the mean score the ranks are allotted. The results are shown in Tables 5 and 6.

Table 3: Reasons for buying retail goods-Kamalapoor Mandal

Reasons	Total Score	Mean Score	Rank	Number of Consumers Responded
Low Cost	5415	67.6	I	80 (100.0)
Necessity	3724	46.5	V	80 (100.0)
Easy Availability	3543	44.2	VII	80 (100.0)
More Brands	3781	47.2	IV	80 (100.0)
Attractive Ingredients	4081	51.0	II	80 (100.0)
Convenient Packs	3797	47.4	III	80 (100.0)
Other Reasons	3689	46.1	VI	80 (100.0)

Figures in the parentheses are percentages to total sample consumers of 150
Source: Field study

It is obvious from the Table 5 that low cost, attractive ingredients, convenient packages are the main reasons for buying retail consumer goods by the Kamalapoor respondents. Hence, first, second and third ranks are assigned to these reasons.

Table 4: Reasons for Buying Retail Goods – Eligaid Mandal

Reasons	Total Score	Mean Score	Rank	Number of Consumers Responded
Low Cost	4614	57.6	I	80 (100.0)
Necessity	4331	54.1	II	80 (100.0)
Easy Availability	38 21	47.7	V	80 (100.0)
More Brands	3797	47.4	VI	80 (100.0)
Attractive Ingredients	4053	50.6	II I	80 (100.0)
Convenient Packs	3937	49.2	IV	80 (100.0)
Other Reasons	3447	43.0	VII	80 (100.0)

Figures in the parentheses are percentages to total sample consumers of 150
Source: Field study

It is inferred from the Table 6 that the reason 'low cost' scored the highest score (57.6) among seven reasons. Hence, first rank has been allotted to this reason. Next to this, 'necessity' obtained a mean score of 54.1 and placed in second position. Following this, came into order.

Conclusion
The study concludes that more number of rural consumers preference to the retail goods at this present situation. Several reasons were also influenced on buying these goods. The Indian customers today have several choices that they can make. The boundaries among cities are fading quickly. Infrastructure and connectivity are improving by the month and customer awareness is at an all-time high. The Indian customer is creating the new 'Indian Bazaar'.

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