INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

IJRCM

IJRCM

CONTENTS

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT   ii

A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories

www.ijrcm.org.in

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT   iii

A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories

www.ijrcm.org.in

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT　　iv
A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

CALL FOR MANUSCRIPTS

Weinvite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Management Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic and Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email address: **infoijrcm@gmail.com**.

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1.   **COVERING LETTER FOR SUBMISSION**:

                                                         DATED: _____

THE EDITOR
IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF**.

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled '_____' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:
Designation:
Affiliation with full address, contact numbers & Pin Code:
Residential address with Pin Code:
Mobile Number (s):
Landline Number (s):
E-mail Address:
Alternate E-mail Address:

NOTES:
a)   The whole manuscript is required to be in *ONE MS WORD FILE* only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
b)   The sender is required to mentionthe following in the **SUBJECT COLUMN** of the mail:
    New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/ Engineering/Mathematics/other, please specify)
c)   There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
d)   The total size of the file containing the manuscript is required to be below **500 KB**.
e)   Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
f)   The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2.   **MANUSCRIPT TITLE**: The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3.   **AUTHOR NAME (S) & AFFILIATIONS**: The author (s) **full name**, **designation**, **affiliation** (s), **address**, **mobile/landline numbers**, and **email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4.   **ABSTRACT**: Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT   v
A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

5.   **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.

6.   **MANUSCRIPT:** Manuscript must be in _**BRITISH ENGLISH**_ prepared on a standard A4 size _**PORTRAIT SETTING PAPER**_. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.

7.   **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

8.   **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.

9.   **MAIN TEXT:** The main text should follow the following sequence:

      INTRODUCTION

      REVIEW OF LITERATURE

      NEED/IMPORTANCE OF THE STUDY

      STATEMENT OF THE PROBLEM

      OBJECTIVES

      HYPOTHESES

      RESEARCH METHODOLOGY

      RESULTS & DISCUSSION

      FINDINGS

      RECOMMENDATIONS/SUGGESTIONS

      CONCLUSIONS

      SCOPE FOR FURTHER RESEARCH

      ACKNOWLEDGMENTS

      REFERENCES

      APPENDIX/ANNEXURE

      It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10.   **FIGURES &TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

11.   **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.

12.   **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s**) for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parentheses.
- The location of endnotes within the text should be indicated by superscript numbers.

<div align="center">

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

</div>

BOOKS
- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS
- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES
- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS
- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES
- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES
- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES
- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

<div align="center">

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT   vi

A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories

www.ijrcm.org.in

</div>

BUYING DECISIONS OF RURAL CONSUMERS WITH REFERENCE TO FAST MOVING CONSUMER GOODS

R. MOHAMED NASRUDEEN
LECTURER
M.S.S. WAKF BOARD COLLEGE
MADURAI

DR. L. P. RAMALINGAM
ASSOCIATE PROFESSOR
DEPARTMENT OF COMMERCE & RESEARCH CENTRE
SOURASHTRA COLLEGE (AUTONOMOUS)
MADURAI

ABSTRACT

The rural India offers a tremendous market potential. A mere one per cent increase in India's rural income translates to a mind-boggling Rs 10,000 crore of buying power. Nearly two-thirds of all middle-income households in the country are in rural India. And close to half of India's buying potential lies in its villages. Thus, for the country marketers, small and big, rural reach is on the rise and is fast becoming their most important route to growth. Realizing this, Corporate India is now investing a sizeable chunk of its marketing budget to target the rural consumers. Rural India accounts for more than 40 per cent consumption in major FMCG categories such as personal care, fabric care and hot beverages. There is also difference in the way thinking consumers. The rural consumer has fairly simple thinking as compared to the urban counterpart

KEYWORDS

Buying Decisions, Rural Consumers, Rural Market, Decision-making, Fast Moving Consumer Goods.

INTRODUCTION

In India, ever since independence, because of some obvious reasons, marketing acquired a largely urban bias. Hence, there was no attempt on the part of marketers to know the rural consumer and satisfy their needs. The indifferent attitude also due to the assumption that the rural people were poor and had no purchasing power to buy expensive branded products. Besides, such lack of transportation and communication links and limited reach of mass media were also responsible for neglect of the rural consumer buy the business firms.

The green revolution in the seventies provided a much-needed boost to agriculture-based rural economy in the country. This made India as a self-sufficient economy in food production and also contributed towards and horticulture gained momentum to supplement the land owner's income from crop farming. Infrastructural facilities in the forms of road links, electricity and communication networks also improved largely during the seventies and eighties. These positive developments led many firms to take interest in the rural markets and extend their penetration and reach to smaller towns and villages.

FAST MOVING CONSUMER GOODS (FMCG)

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. Availability of key raw materials, cheaper labour costs and presence across the entire value chain has provided Indian companies with a key competitive advantage in the twenty-first century. In most categories, the unorganized sector is almost as big if not bigger as the organized sector. Unorganized players offer higher margins to stockiest in order to gain market share.

At present, urban India accounts for 66 per cent of total FMCG consumption, with rural India accounting for the remaining 34 per cent. However, rural India accounts for more than 40 per cent consumption in major FMCG categories such as personal care, fabric care and hot beverages. In urban areas, home and personal care category, including skin care, household care and feminine hygiene will keep growing at relatively attractive rates. Table 1 shows growth of consumption in all India rural and all India Urban.

TABLE – 1: GROWTH OF FMCG IN RURAL AND URBAN INDIA (Figures in %)

Categories	All India Rural				All India Urban			
	Volume Growth		Value Growth		Volume Growth		Value Growth	
	2010 over 2009	2011 over 2010	2010 over 2009	2011 over 2010	2010 over 2009	2011 over 2010	2010 over 2009	2011 over 2010
Personal Care	3	4	8	9	4	3	10	10
Household Care	10	5	8	13	9	3	9	6
Food and Beverages	-4	12	-2	12	1	4	2	6

Source: Samidha Sharma. "Rural Consumption Drives FMCG Growth". The Times of India, **0**Madurai Edition, January 13, 2012, p.18.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT   97
A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

From Table 1 it is observed that the 'food and beverages' market witnessed a hectic growth in volume as well as in value in rural India during the year 2011. Further, the table reveals that there is also growth in value in 'household care' segment in rural India during the year but the growth in volume is decreased. From this it is concluded that the main reason for the drives in FMCG growth is rural consumption.

HOW CONSUMERS MAKE THEIR BUYING DECISIONS?

In today's competitive environment, marketers are faced with informed and highly complex consumers. The consumer is becoming more powerful and difficult to predict in their everyday purchase decisions. This has forced marketing to pay attention to specific research techniques aiding to the success of the performance of the organization. An ongoing need for information and examining buying behaviour is very important to the success of an organization.

Branding and Consumer Behaviour: An impulse trigger formed by well informed marketers allows consumers to quickly refer to their memory and make the purchase decision. This behaviour comes almost naturally in our everyday purchases due to certain set of rules predetermined in the consumer mindset. This occurs when a brand has created strong brand resonance amongst its target niche. The Consumer Based Brand Equity (CBBE) model from Strategic Brand Management by Keller suggests that for a brand to reach the Brand Loyalty stage it has to at least have some salience and points of parity to be able to compete in the market place however, it is essential that a brand distinguishes itself from the competition by having unique points of difference to be able to perform above and beyond the various choices available to the consumer in today's competitive market. This model illustrates and stresses the important of being the preferred brand in the mindset of the consumer since branding has played the key role in an environment which is saturated with hundreds of choices from a product or service stand point.

Consumers actively want to associate themselves with certain brands and this makes a large influence on their buying behaviour. The impulse customers may not care about brands as much unless influenced by other variable however, generally a planned purchase decision can be significantly influenced by different brands. Marketers create a lifestyle with these brands which triggers the consumer buying behaviour.

In these instances the prediction of behaviour becomes more important since for marketers to really understand the consumer and achieve specific results the study of consumer behaviour becomes vital in every organization. This could be done in different forms of quantitative research such as surveys or qualitative research such as detailed interviews or focus groups. These research techniques allow marketers to understand consumer and compete in the market place.

Technology in Consumer Behaviour: Due to the significant advancements in technology the consumers have become savvier with various tools available for extensive research before making purchasing decisions. These tools allow consumers to go on the web and do price comparisons and quickly find the cheapest possible deal or in other situations find the best possible value compared to the cost. However, these tools have also allowed marketers to indulge with customers and allow an interactive space such as the web as a communication medium. Marketers can now use the ability of sound and visual elements to create mood and settings that fit best with their target audience. Marketers are able to allow consumers to interact and create a custom preference based on each individual customer. This allows both parties to make the most out of the buying decision and buying trigger. This allows a two way communication between the parties.

Memory and Time: Planned purchases are very similar to impulse purchasing since they both may recall memory and make a buying decision. However, planned purchases may have a longer research cycle before they are made while an impulse may take just a few minutes before the product or service is purchased. This may be due to the fact that sometimes planned purchases require a much higher investment than an impulse buy. A consumer will probably not spend the same time for purchasing a chocolate bar as purchasing a motor vehicle or a big screen television.

Income and Consumer Behaviour: Income plays a significant role in consumer buying behaviour. One could safely assume that an individual with higher disposable income may spend a lot more than an individual with a tighter budget. Generally consumers that have a specific budget may be more involved in larger scale research before buying. Consumers with higher disposable income may have less risk versus someone with a smaller income may have to compromise before making a buying decision. The impulse trigger from marketers may directly target a certain income group due to its positive response towards that particular product or service. Consumers actively refer to memory and research either the long term memory generally in large investments or short term memory for impulse purchases. A favorable image about a product or service may be the key decision factor for a purchase decision if it's not entirely a necessity.

PREVIOUS STUDIES

The previous studies related to buying decisions are given below:

Sundar Pandian, P. (2005) in this article he highlighted that the rural market for FMCG products is growing much faster than the urban counterpart. He also pointed out the factors which are significant for the growth in the rural market potential. Constraints faced by the rural consumers are given him. In addition, the 4A approach such as availability, affordability, acceptability, and awareness are indicated by him. **Sanjeev Sanyal (2005),** Director of Global Markets Research, Deutsche Bank, pointed out that the Indian household consumption basket is changing with rising incomes. However, the changes do not necessarily follow the patterns seen in other Asian countries. **Muraliselvam, K. (2007)** listed out the product profile of Hindustan Lever Limited and its brand name. In this article he also pointed out the various strengths, weaknesses, opportunities and threats (SWOT) of this company. **Lee, J.A. and J.J. Kacen (2008)** in their study examines factors thought to influence consumers' planned and impulse purchase decisions including subjective culture (individualist or collectivist consumers) and the presence of another person at the time of purchase. Data was collected in four countries – the USA, Australia, Singapore, and Malaysia. The results indicate that overall, consumers are differentially influenced by others in planned and impulse purchase situations, even after controlling for price. **Amanor-Boadu, V. (2009)** explained that although the challenges facing rural retailers have been attributed to competition and decreasing population, this paper defines the problem from rural consumers' perspective. It argues that consumers select shopping location on its shopping value, determined by its attractiveness and accessibility. The results indicate that locations closest to the consumer's residence offer the highest shopping value for groceries and other low-order goods. They also show that increasing gasoline prices favor local retailers. Rural retailers may use these results to implement differentiating strategies that increase their attractiveness, accessibility, and consequently their competitiveness. **Pradeep Kashyap (2010),** President and CEO of MART (a rural marketing consultancy) in his article "Seven Big Thoughts for Rural Markets" stated that the way rural markets are growing, it won't be long before they start contributing substantially to profits of companies. A proactive approach is the best available tool. The seven big thoughts are – rural boom, reverse innovation, new price performance paradigm, innovative rural distribution, dedicated rural teams, inclusive marketing and new opportunities. **Ergin, E.A. (2010)** carried out a case of Turkish consumers on compulsive buying. The main goals of this study were to explore whether gender was a significant predictor of compulsive buying behavior and to determine the effect of two particular pre-dispositional factors (anxiety, depression) on compulsive buying. The primary data for this study was obtained from a questionnaire that was administered in the capital city of Ankara. A convenience sample of three hundred and fourteen respondents participated in the study. The empirical findings showed that there are marked differences in compulsive buying tendencies of Turkish women and men, and factors such as age and anxiety are strongly related to compulsive buying behavior. **Devadas, A. and H.L. Manohar (2011)** stated that in India, a sizeable number of persons migrate

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT 98

A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories

www.ijrcm.org.in

from rural to urban in search of job opportunities, work, education, marriage and personal reasons. From the marketing perspective, migration leads to new market opportunities. And so, marketers have to come out with appropriate strategies to attract and retain migrants. In India a limited research studies has been done in this regard. The results reveal that the migrated consumers consider the following dimensions when shopping in the urban environment: they are shopping conscious, enjoy urban shopping environment, price and quality conscious, and compare different shops when buying. They want shopping to be recreational, price worthy, perfect and buyer oriented. They are unhappy with poor shopping environment, if any. These dimensions describe the factors to which the migrant rural consumers give importance in the urban shopping environment. **Samidha Sharma (2012)** 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. **Ramalingam, L.P. (2012)** in a research investigation pointed out the attitude of rural consumers. In his investigation he found the level of attitude of rural consumers towards ISI Mark on white goods and also measured with the help of socio-economic variables. He measured 22 variables and each variable has been measured with mean score and standard deviation scores.

PROBLEM OF THE STUDY

Fast Moving Consumer Goods constitute a large part of consumers' budget in all countries. India is no exception to this. In recent days 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. Because of these factors, the FMCG market in India is expected to further expand to Rs 1,80,000 crore by 2015. Hence, the buying behaviour of rural consumers has became a hot topic for discussion, because rural India in recent days is enthusiastically consuming everything from shampoo to motor cycles and this is being considered as one of the significant topics of market analysis. 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.

There has been always a vast difference between the urban and rural markets for a long time. The kind of brand choices that an urban consumer enjoys is different from the choices available to the rural counterparts. The rural consumer usually has 2 to 3 brands to choose from whereas the urban consumer has multiple choices. There is a difference also in the way of they think. The rural consumer has fairly simple thinking as compared to the urban counterpart. Hence, it is interesting to study the buying decisions of rural consumers on Fast Moving Consumer Goods. The present study is an attempt to analyze the Buying Decisions of Rural Consumers with reference to Fast Moving Consumer Goods. This study would provide an analysis on the following aspects:

1. What is the socio-economic status of rural consumers?
2. What are the general buying decisions of rural consumers?

The response to the above questions will help the new marketers to plan for entry in rural segment and also useful for the existing companies in launching new brands.

OBJECTIVES OF THE STUDY

The main objectives of the study are –

1. To analyze the socio-economic conditions of rural consumers and
2. To assess the buying decisions of the rural consumers.

METHODOLOGY AND SAMPLING

Both the secondary and primary data were used for the study. Secondary data were collected from books, journals and websites. Primary data were gathered from sample survey. The area of investigation is Madurai district. It consists of seven taluks. Of the seven taluks, only two taluks have been considered as purely rural. The other taluks have the characteristics of both urban and semi-urban. Since the main objective of the study is to analyze the buying decisions of rural consumers, the taluks having the rural characteristics i.e. Peraiyur and Vadipatti has been chosen for area of investigation. Survey regarding the buying decisions of rural consumers was carried out in these two rural taluks. The Peraiyur taluk comprising Sedapatti and T. Kallupatti panchayat unions have 75 villages. The Vadipatti taluk has 77 villages with two panchayat unions namely Alanganallur and Vadipatti. A sample of 150 consumers from each taluk comprising a total of 300 consumers (i.e. respondents) has been taken for survey. Convenience sampling method was adopted for sampling.

RESULTS AND DISCUSSION

ANALYSIS OF SOCIO-ECONOMIC CONDITIONS OF RURAL CONSUMERS

This section deals with the socio economic conditions of sample rural consumers on the basis of taluk. The sample respondents' profile, like gender, age, marital status, level of education, occupation, family monthly income, family type, and family size are analyzed in this section based on the primary data. Percentile analysis has been applied for this purpose.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT 99
A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

TABLE – 2: SOCIO-ECONOMIC FACTOR-WISE SAMPLE RESPONDENTS

Socio-Economic Factors	No. of Respondents		Total
	Peraiyur Taluk	Vadipatti Taluk	
Gender			
Male	113 (75.3%)	106 (70.7%)	219 (73.0%)
Female	37 (24.7%)	44 (29.3%)	81 (27.0%)
Age			
18 to 30 years	30 (20.0%)	25 (16.7%)	55 (18.3%)
31 to 45 years	56 (37.3%)	73 (48.7%)	129 (43.0%)
46 to 60 years	53 (35.3%)	46 (30.7%)	99 (33.0%)
Above 60 years	11 (7.3%)	6 (4.0%)	17 (5.7%)
Marital Status			
Married	127 (84.7%)	118 (78.7%)	245 (81.7%)
Unmarried	23 (15.3%)	32 (21.3%)	55 (18.3%)
Educational Status			
Illiterate	21 (14.0%)	35 (23.3%)	56 (18.7%)
Primary	43 (28.7%)	41 (27.3%)	84 (28.0%)
Secondary	29 (19.3%)	32 (21.3%)	61 (20.0%)
Higher Secondary	25 (16.7%)	23 (15.3%)	48 (16.0%)
Graduate	28 (18.7%)	16 (10.7%)	44 (14.7%)
Post-Graduate	4 (2.7%)	3 (2.0%)	7 (2.3%)
Occupational Status			
Private Employee	48 (32.0%)	17 (11.3%)	65 (21.7%)
Government Employee	21 (14%)	8 (5.3%)	29 (9.7%)
Business	12 (8.0%)	18 (12.0%)	30 (10.0%)
Agriculturist	14 (9.3%)	15 (10.0%)	29 (9.7%)
Casual Workers	46 (30.7%)	74 (49.3%)	120 (40.0%)
Others	9 (6.0%)	18 (12.0%)	27 (9.0%)
Family Monthly Income			
Less than Rs.5,000	20 (13.3%)	16 (10.7%)	36 (12.0%)
Rs.5,000 to Rs.10,000	99 (66.0%)	91 (60.7%)	190 (63.3%)
Rs.10,000 to Rs.15,000	9 (6.0%)	37 (24.7%)	46 (15.3%)
More than Rs.15,000	22 (14.7%)	6 (4.0%)	28 (9.3%)
Type of Family			
Joint	91 (60.7%)	99 (66.0%)	190 (63.3%)
Nuclear	59 (39.3%)	51 (34.0%)	110 (36.7%)
Size of Family			
Up to 4 members	36 (24.0%)	22 (14.7%)	58 (19.3%)
Above 4 members	114 (76.0%)	128 (85.3%)	242 (80.7%)
Total No. of Respondents	**150 (100.0%)**	**150 (100.0%)**	**300 (100.0%)**

It is observed from Table 2 that in the gender category, male constitute 75.3 per cent from Peraiyur taluk and 70.7 per cent from Vadipatti taluk. Female in the study are 24.7 per cent and 29.3 per cent respectively.

The age-wise classification shows that in Peraiyur taluk 37.3 per cent of the respondents are in the age group of 31 to 45 years, about 35 per cent are in the age group of 46 to 60 years, and 20 per cent are in '18 to 30 years' category. Only 7.3 per cent are in the age group of 'above 60 years'. In Vadipatti taluk 48.7 per cent of the respondents are in the age group of 31 to 45 years, 30.7 per cent are in the age group of 46 to 60 years, 16.7 per cent are in '18 to 30 years' group and the remaining 4.0 per cent are in the age group of 'above 60 years'. The general observation is that the maximum number of respondents falls in the age group of 31 to 45 with the sample size of 129 respondents constituting 43 per cent and 99 respondents (33%) fall in the age group of 46 to 60 are the major decision makers in this study.

According to marital status, 84.7 per cent of Peraiyur and 78.7 per cent of Vadipatti taluk respondents are married one. While comparing these two taluks, Peraiyur taluk consists of more married respondents.

Regarding education-wise, out of 300 sample respondents, a majority of 28 per cent education is 'primary level', following this 20 per cent fall in 'secondary level and 16 per cent come under 'higher secondary level'. The 'graduate' and 'post-graduate' respondents accounts only for 14.7 per cent and 2.3 per cent respectively. It is noted from the table that 18.7 per cent of respondents are illiterate. There is no major change in the educational status of respondents in taluk-wise except in 'graduate' level. In Peraiyur, 'graduate' accounts for 18.7 per ent whereas it is 10.7 per cent in Vadipatti taluk. Illiterates are more in Vadipatti taluk (23.3%) than in Peraiyur taluk (14%). From the above analysis it is concluded that school educated respondents are more than the college educated.

It is noted from Table 2 that in Peraiyur taluk 30 per cent of respondents are working as a private employee, following this casual workers (30.7%), government employee (14%), agriculturist (9.3%), business (8%) and others (6%) come in order. It is some what different in Vadipatti taluk. In Vadipatti taluk, 49.3 per cent of respondents are casual workers. Following this, 12 per cent each come under 'business' and 'others' category of occupation. Private employee accounts for 11.3 per cent and 'agriculturist' for 10 per cent. Only a minimum of 5.3 per cent come under 'government employee' category. Collectively, 40 per cent are casual workers, 21.7 per cent are private employee, and 10 per cent are business people. The occupation category such as government, agriculturist and others accounted for 9.7 per cent, 9.7 per cent and 9.0 per cent respectively. From this it is understood that casual workers are more in rural areas.

In the study, the major portion of respondents, i.e. 63.3 per cent, fall in the income group of 'Rs.5,000 to Rs.10,000', following this, 15.3 per cent belong to 'Rs.10,000 to Rs.15,000' category, and 12 per cent of respondents were in the income group of 'less than Rs.5,000'. Less than 10 per cent of respondents fall in

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT 100
A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

'more than Rs.15,000' monthly income category. It also point out that most of the Peraiyur taluk respondents' family monthly income is between Rs.5,000 and Rs.10,000.   About 66 per cent of Vadipatti taluk respondents fall in this category whereas the Vadipatti taluks accounts for about 60.7 per cent. In Peraiyur taluk, 6 per cent of respondents fall in 'Rs.10,000 to Rs.15,000' income category whereas it is 24.7 per cent in Vadipatti taluk. But it is reversed in 'more than Rs.15,000' income category in both the taluks.

It is understood that more than one-third of sample respondents' family come under 'nuclear type' both in taluk-wise category as well as in overall category of respondents. The study also shows that 80.7 per cent of respondents fall in 'above 4 members' category and 19.3 per cent fall under 'up to 4 members' category. The researcher comes to a conclusion that in the study area, the 'above 4 members' category dominate more.

GENERAL BUYING DECISIONS OF RURAL CONSUMERS

In this section, the buying decisions of rural consumers towards Fast Moving Consumer Goods (FMCGs) in general are analyzed. It clearly state about the purchase of the fast moving consumer goods, period of purchase, sources through which the goods are known by the rural consumers, decision made before buying and how decisions are taken. Primary data have been extensively used and percentile and chi-square test have been adopted for analysis.

All the sample respondents in the study unit, i.e. cent per cent, are buying the fast moving consumer goods.

PERIOD OF BUYING FAST MOVING CONSUMER GOODS

The period of buying may differ from one rural consumer to another. Hence, the period of buying of fast moving consumer goods has been analyzed and the result is presented in the Table 3

TABLE – 3: PERIOD OF BUYING FAST MOVING CONSUMER GOODS

Period of Buying	No. of Sample Respondents		Total
	Peraiyur Taluk	**Vadipatti Taluk**	
Below 3 years	23 (15.3%)	23 (15.3%)	46 (15.3%)
3 to 6 years	55 (36.7%)	52 (34.7%)	107 (35.7%)
6 to 9 years	62 (41.3%)	48 (32.0%)	110 (36.7%)
Above 9 years	10 (6.7%)	27 (18.0%)	37 (12.3%)
Total	**150 (100.0%)**	**150 (100.0%)**	**300 (100.0%)**

It is inferred from the Table 3 that the majority of respondents, say 36.7 per cent, are buying the fast moving consumer goods for a period of '6 to 9 years', 35.7 per cent between 3 and 6 years, 15.3 per cent for 'below 3 years' and the rest 12.3 per cent for 'more than 9 years'.

Regarding taluk-wise, 41.3 per cent of Peraiyur taluk respondents buy the fast moving consumer goods for a period of 6 to 9 years whereas it is 32 per cent in Vadipatti taluk. Most of the Vadipatti taluk respondents buy the fast moving consumer goods in between 3 and 6 years. Moreover, a huge percentage of Vadipatti taluk respondents (18%) are buying fast moving consumer goods for a longer period i.e. 'above 9 years'.

The researcher has made an attempt to ascertain whether there is any relationship exists between the period of buying of fast moving consumer goods and the taluk-wise sample respondents. Chi-square test has been applied to test the hypothesis. The following formula has been used for computing the chi-square value.

$$\text{Chi-square} = \Sigma \frac{(O - E)^2}{E}$$

Where,

O = Observed Frequency; E = Expected Frequency

Null Hypothesis (H₀): "There is no significant relationship between the period of buying of fast moving consumer goods and the taluk-wise sample respondents".

Alternative Hypothesis (H₁): "There is significant relationship between the period of buying of fast moving consumer goods and the taluk-wise sample respondents".

The calculated chi-square test reveals the following results:

Computed Chi-square Value	**: 9.68**
Table Value at 5% Level of Significance	**: 7.81**
Degree of Freedom	**: 3**
Hypothesis Result	**: Rejected**

The computed chi-square value (9.677) is more than the table value (7.815) at 5 per cent level of significance. Hence, the null hypothesis is rejected. It means alternative hypothesis is accepted. So, it is concluded that "there is significant relationship between the period of buying of fast moving consumer goods and the taluk-wise sample respondents".

Moreover, the researcher has made an attempt to ascertain whether there is any significant relationship between the socio-economic factors and the period of buying of fast moving consumer goods and it is tested by using chi-square analysis.

SOCIO-ECONOMIC FACTORS AND THE PERIOD OF BUYING

In order to find out whether there is any association between the socio-economic factors and the period of buying of fast moving consumer goods, chi-square test has been applied. The socio-economic factors such as gender, age, marital status, educational status, family monthly income and family type have been taken for analysis. Taluk-wise analysis has been attempted and results are furnished in Tables. The chi-square analysis for Peraiyur taluk is given in Table 4 and for Table 5 shows the chi-square analysis of Vadipatti taluk.

The hypotheses framed for this purpose is given below:

Null Hypothesis: There is no association between the socio-economic factors of Peraiyur taluk consumers and the period of buying of fast moving consumer goods.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT   101
A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

Alternative Hypothesis: There is no association between the socio-economic factors of Peraiyur taluk consumers and the period of buying of fast moving consumer goods.

TABLE – 4: SOCIO-ECONOMIC FACTORS AND THE PERIOD OF BUYING OF FAST MOVING CONSUMER GOODS – CHI-SQUARE ANALYSIS FOR PERAIYUR TALUK

Socio-Economic Factors	Computed Chi-square Value	Degree of Freedom	Result of Null Hypothesis
Gender	0.870	3	Accepted
Age	5.768	9	Accepted
Marital Status	1.324	3	Accepted
Educational Status	18.742	15	Accepted
Family Monthly Income	10.846	9	Accepted
Family Type	5.215	3	Accepted

Table 4 reveals the computed chi-square value for socio-economic factors. It is inferred that the computed chi-square value is less than five per cent critical value for the socio-economic factors, viz. gender, age, marital status, educational status, monthly income and family type. Hence, the null hypothesis is accepted. So, it is concluded that there is no association between the socio-economic factors of Peraiyur taluk consumers and the period of buying of fast moving consumer goods.

Table 5 exhibits the chi-square analysis in respect of Vadipatti taluk. The hypotheses framed are given below:

Null Hypothesis: There is no association between the socio-economic factors of Vadipatti taluk consumers and the period of buying of fast moving consumer goods.

Alternative Hypothesis: There is association between the socio-economic factors of Vadipatti taluk consumers and the period of buying of fast moving consumer goods.

TABLE– 5: SOCIO-ECONOMIC FACTORS AND THE PERIOD OF BUYING OF FAST MOVING CONSUMER GOODS – CHI-SQUARE ANALYSIS FOR VADIPATTITALUK

Socio-Economic Factors	Computed Chi-square Value	Degree of Freedom	Result of Null Hypothesis
Gender	2.176	3	Accepted
Age	21.696	9	Rejected
Marital Status	5.434	3	Accepted
Educational Status	23,385	15	Accepted
Family Monthly Income	5.362	9	Accepted
Family Type	1.803	3	Accepted

It is also understood from Table 5 that the calculated chi-square values are less than the table values except for the 'age' factor at five per cent level of significance. It means there is significant relationship exists between the age of Vadipatti taluk consumers and the period of buying of fast moving consumer goods. But in respect of other socio-economic factors such as gender, marital status, educational status, income and family type, there is no significant relationship exists between these factors and the period of buying.

KNOWLEDGE ABOUT FAST MOVING CONSUMER GOODS

Knowledge is necessary for buying each and every product. There are certain sources through which consumers can obtains knowledge. How the rural consumers get knowledge about the fast moving consumer goods has been attempted. The important source of knowledge may be family members, friends and relatives, neighbours, media, stores, agents and so on. Table 6 shows the source of knowledge for rural consumers.

TABLE – 6: SOURCE OF KNOWLEDGE FOR FAST MOVING CONSUMER GOODS

Source of Knowledge	Peraiyur Taluk		Vadipatti Taluk	
	No. of Respondents	Rank	No. of Respondents	Rank
Family Members	41	V	22	VI
Friends and Relatives	34	VI	44	IV
Neighbours	45	IV	37	V
Media	101	I	116	I
Shops / Stores	72	II	90	II
Salesmen / Agents	60	III	66	III

It is evident from Table 6 that the majority of consumers, both in Peraiyur and Vadipatti taluk, are obtained knowledge through the source 'media' for buying fast moving consumer goods. Hence, first rank has been placed to this source. Following this, the source 'shops/stores' secures the second place. The third place goes to the source 'salesmen/agents', through which the sample respondents have obtained knowledge. Regarding other source of knowledge, the ranks assigned are differed, i.e. the source 'neighbour' has been ranked as fourth by Peraiyur taluk respondents whereas it is ranked as fifth by the Vadipatti taluk respondents.

MAKING DECISIONS BEFORE BUYING FAST MOVING CONSUMER GOODS

An attempt is made by the researcher regarding decision making before buying fast moving consumer goods. In the sample survey, all the respondents are making decisions before buying the fast moving consumer goods. So, how decisions are carried by the sample respondents are attempted and the obtained opinions are presented in Table 7.

TABLE – 7: MODE OF DECISION MAKING

Mode	No. of Sample Respondents		Total
	Peraiyur Taluk	Vadipatti Taluk	
Solely	16 (10.7%)	15 (10.0%)	31 (10.3%)
Jointly	134 (89.3%)	135 (90.0%)	269 (89.7%)
Total	**150 (100.0%)**	**150 (100.0%)**	**300 (100.0%)**

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT   102
A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

It is evident from Table 7 that a vast majority of respondents, say 89.7 per cent, make decisions jointly before buying the fast moving consumer goods. But, 10.3 per cent make decisions solely. The overall analysis result is also reflected in each taluk.

Further, the researcher has applied chi-square test for identifying the relationship exists between the mode of decision making and the taluk-wise respondents. The computed chi-square value is 0.036 which is less than table value (i.e. 3.84) at five per cent level of significance. Hence, the researcher concluded that there is significant relationship exists between the mode of decision making and the taluk-wise respondents.

SOCIO-ECONOMIC FACTORS AND THE MODE OF DECISION MAKING

An attempt is also made to find out whether there is any association between the socio-economic factors and the mode of decision making. Chi-square test has been administered. The socio-economic factors such as gender, age, marital status, educational status, family monthly income and family type have been taken for analysis. The result of chi-square test is exhibited in Table 8

TABLE – 8: CHI-SQUARE ANALYSIS FOR SOCIO-ECONOMIC FACTORS AND THE MODE OF DECISION MAKING

Socio-Economic Factors	Peraiyur Taluk		Vadipatti Taluk	
	Commuted Value	Result	Computed Value	Result
Gender	0.337	Accepted	0.129	Accepted
Age	1.800	Accepted	7.758	Accepted
Marital Status	1.138	Accepted	0.018	Accepted
Educational Status	7.501	Accepted	0.940	Accepted
Family Monthly Income	1.706	Accepted	1.952	Accepted
Family Type	2.148	Accepted	0.267	Accepted

From Table 8, it is understood that all the computed chi-square values are less than the table value at five per cent level of significance. Hence, it is presumed that "there is no significant relationship between the socio-economic factors and the mode of decision making".

FINDINGS

From the study, the following findings were found out:

1. The study constitutes around 25 per cent of female.
2. Respondents having the age group '31 to 45 years' dominate more in the study unit.
3. 48 per cent of respondents 'education is Primary and secondary level.
4. Casual workers account for 40 per cent in sample unit.
5. Around 63 per cent of family monthly income is between Rs.5,000 and rs.10,000.
6. The majority of family (80.7%) surveyed have more than four members.
7. Much variation is found in the period of buying the fast moving consumer goods in '6 to 9 years' and 'above 9 years' category.
8. The chi-square result shows that there is no association between the socio-economic factors of Peraiyur taluk and the period of buying of fast moving consumer goods. But in Vadipatti taluk, there is relationship between the age and period of buying.
9. It is found that the 'media' is the main source of knowledge for the rural consumers.
10. Joint decisions are carried out in decision making and there is no relationship exists between the socio-economic factors and the mode of decision making.

SUGGESTIONS

Based on the study, the following suggestions are offered for further improvement of FMCG market:

- The volume growth in all India rural witnessed in food and beverage products only. However, the household care products show a decline in volume both in rural as well as in urban India. In order to improve it, manufacturers should reduce price or offer free gifts to attract more consumers.
- Even though the rural people shifting to urban areas, there is no improvement in personal and household care products in all India urban. So, equal concentration should be provided by the manufacturers for rural and urban while marketing goods.

CONCLUSION

The Indian market has witnessed, tremendous social changes and trends, with women, to a great extent, being actively involved in the decision making process. Women, whether they are working or housewives have emerged as a potent for in the market place changing the way companies, design, position and sell their products. Although women may earn less than men, they are making buying decisions in their homes mostly.

REFERENCES

1. 4Ps Business and Marketing. Vol. V, Issue 3, Feb.12-25, 2010, pp.36-37.
2. Amanor-Boadu, V. "In Search of a Theory of Shopping Value: The Case of Rural Consumers". Review of Agricultural Economics. Vol. 31, Issue 3, Fall 2009, pp.589-603.
3. Devadas, A. and H.L. Manohar. "Shopping Behavior of Rural Consumer Migrated to Urban Area in the Indian Context - An Emerging Market". African Journal of Business Management. Vol. 5, Issue 6, March 18, 2011, pp.2276-2282.
4. Ergin, E.A. "Compulsive Buying Behavior Tendencies: The Case of Turkish Consumers". African Journal of Business Management. Vol. 4, Issue 3, March 2010, pp.333-338.
5. Keller, Kevin L. Strategic Brand Management. Prentice Hall, New Jersey, 2nd Edition, 2003, pp.76-77.
6. Lee, J.A. and J.J. Kacen. "Cultural influences on consumer satisfaction with impulse and planned purchase decisions". Journal of Business Research. Vol. 61, Issue, 3, March 2008, pp.265-272.
7. Muraliselvam, K. "Hindustan Lever Limited – A SWOT Analysis". Kisan World, Vol.34, No.12, Dec. 2007, pp.57-58.
8. Ramalingam, L.P. "Attitude of Rural Consumers towards ISI Mark on White Goods". Monthly Public Opinion Survey – The Indian Institute of Public Opinion. Vol. LVII, No.4, Issue 676, January 2012, pp.20-28.
9. Samidhs Sharma. "Rural Consumption drives FMCG Growth". The Times of India, January 13, 2012, p.18.
10. Sanjeev Sanyal. "Consumer Behaviour – Changing Profile". The Hindu Survey of Indian Industry 2005, pp.327-335.
11. Sundar Pandian, P. "Potential and Prospects of Indian Rural Market". Kisan World, Vol.32, No.5, May 2005, pp.31-32.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT   103

A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories

www.ijrcm.org.in

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail **info@ijrcm.org.in** for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT   104
A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT   III

A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories

www.ijrcm.org.in