P: ISSN NO.: 2394-0344 RNI No.UPBIL/2016/67980 VOL-3* ISSUE-12* (Part-1) March- 2019
E: ISSN NO.: 2455-0817 *Remarking An Analisation*

A Study of Consumer Behaviour in Backdrop of Rural Marketing System: A Demographic Perspective

Shirish Mishra
Associate Professor,
Department of Commerce,
Mahatma Gandhi Central University, Motihari, Bihar, India

Anand Kumar
Assistant Professor,
Department of Commerce,
Govt. R.M.D. Girls P.G. College, Ambikapur, C.G., India

Abstract

"In case of India's development" the rural marketing playing an important role specially in the areas of modernization, structural diversification, self-reliance (atam-nirbhar) and globalization.As per Mahatma Gandhi, "India lives in villages". Since last few decades, the growth of Indian market in general and Indian rural market in particular havewitnessed a sea change in terms of its contribution to economic and social transformations. There is also paradigm shift in the rural marketing activities in the post-independence period. In today's era of globalization, the scope and scale of rural marketing have also changed as per the changes that have taken place in the marketing environment. In particular last two decades, the active participation of Governments both at the centre and the states have resulted in the promotion of rural markets. In the WTO regime more needs to be done by all stake holders in the areas of reducing costs, bring in technological inputs, upgrade quality and export competitiveness. In Indian context, the development of rural market will help the process of attaining factors of production, leading to higher rate of economic growth, distribution of economic activities, development of rural and tribal areas, increase in employment opportunities, improvement of living standards of our rural locale by empowerment and their active participation in the process of growth. Large industry leaders and multinational companies are rushing to rural India to market their wares and tap the huge potential.

Keywords: Rural Marketing, Rural Consumer Behaviour, Rural Distribution Network

Introduction

A Hindi poet Sumitra Nandan Pant has rightly said, ***"Bharat Mata Gram Vasini",*** which means mother India lives in her villages. As per 2001 census & Review of Literature, some facts are:

1. India has 6, 38,596 villages.
2. 87% of these villages have population clusters below 2000 people.
3. With 128 million households, the rural population is nearly three times the urban
4. A rural India account for about 60% of the country's household consumption expenditure and 38% of the total national income is created in the rural sector.
5. Nearly 35% of India's villages are yet to be connected by roads.
6. The life style and thinking of a villager is simple and does not easily adapt to new practices or products.
7. Overall 72% population lived in villages of India but some states like Uttar Pradesh., Madhya Pradesh, Rajasthan, Kerala, Bihar And Orissa where the rural population varies from 80 to 90%.

Objective of the Study

The main objectives of the study are:

1. To examine the influence of significant demographic variable on rural consumers behaviour.
2. To analyses the purchasing behaviour of rural consumers related to durable and non-durable products from different marketing agencies.
3. To find out significant relationship between variables and also find out basic problems and solutions in this aspect.

Hypothesis

The major hypothesis to be tested in the present study is Ho="Rural consumers behaviour are not affected by demographic variables."

H_1="Rural consumers behaviour are affected by demographic variables."

Methods of Data Collection

This study used a self-report questionnaire to obtain information from people residing in and around Allahabad city, Pratapgarh, Bhadohi, kaushambi. Primary data is used for the purpose of the research. After establishing the reliability and validity of the interview data, coding and tabulation was done before proceeding for analysis.

Sampling

Survey Technique

The survey technique will be personal interview with the respondents during the filling up of questionnaires.

Questionnaire

Maximum information was collected through questionnaire which was filled up by the rural consumers in the Allahabad Region; the steps involved were:

1. Checking of the questionnaire;
2. filing of the questionnaire;
3. Coding;
4. Presenting the responses of consumers.

Sample Unit and Place of Study

The study consists of an opinion survey of the rural consumer for understanding the role of rural institutions in rural market. The survey broadly has been conducted in villages of Allahabad region.

Sample Size & Methods of Sampling

The sample size is covered 1% to 5% of total no. of villages in Allahabad region. I have taken only 1.766% of total no. of villages in Allahabad region which comes 125 villages out of 7079 villages. In the non-random sampling technique, I opt convenience sampling technique for selecting villages in Allahabad region. i.e. 53 villages from Allahabad district, 17 villages from Fatehpur district, 21 villages from Kausambi district and 34 villages from Pratapgarh district.No. of total respondent is 1000. (It is also my sample size) I select 8 respondents from each village through convenience sampling technique.

Table No. 1.1
Demography of Rural and Urban Population in India

Particular	India		Uttar Pradesh		Allahabad Region	
	Figure	%	Figure	%	Figure	%
1) Number of villages	6,38,596	100	1,07,452	16.83	7,079	1.11
2) Population						
Rural	74,24,90,639	72.2	13,16,58,339	79.2	95,87,942	85.1
Urban	28,61,19,689	27.8	3,45,39,582	20.8	16,80,875	14.9
Total	1,02,86,10,328	100	16,61,97,921	100	1,12,68.817	100

(Source: Census of India, 2001)

Tools and Techniques for Data Analysis and interpretation

The appropriate analysis and interpretation of the data collected through the primary and the secondary sources will be done with the help of absolute frequency distribution and relative frequency distribution and bar diagram. Statistical tests such as correlation, probable error will be used for the interpretation of data.

Data Analysis and interpretation

Table No. 5.1
Age Distribution of Rural Consumers

Years	No. of Respondents	In % age
Up to 20	89	8.9
21-40	323	32.3
41-60	487	48.7
61 and above	101	10.1
Total	**1000**	**100**

The above table describes different composition of rural consumers according to age slabs. As the table shows, 8.9% consumers belong to upto 20 years age group, 32.3% belong to the age group of 21-40 years, 48.7% consumers fall in the age group at 41-60 and rest 10.1% consumers have their age beyond 61 years. In this table we observe that 81% of rural consumers are in between 21 to 60 year age group. It means the purchasing level of products will depend mainly on the rural consumers who lie between the ages of 21 to 60 years.

Table No. 5.2
Gender Composition of Rural Consumers

Gender	No. of Respondents	In % age
Male	894	89.4
Female	106	10.6
Total	**1000**	**100%**

As shown in the above table, 89.4% respondents are male and only 10.6% respondents are female. It means male rural consumers behaviour are more dominant in the purchasing of commodities in the rural markets.

Table No. 5.3
Occupational Structure of Rural Consumers

Occupational Class	No. of Rural Consumers	In % age
Farmer	536	53.6
Businessmen	219	21.9
Servicemen	87	8.7
Students & others	158	15.8
Total	**1000**	**100**

In the table no. 5.3 occupational structure of rural consumers has been given. As the table shows 53.6% respondents belong to farmer group, 21.9% belong to businessmen group, 8.7% belong to servicemen group and 15.8% consumers belong to the students & others group. It means farmer group is more than 50% of the total consumer and servicemen group is just 8.7% of consumers in rural areas.

Table No. 5.4
Educational Qualification of Rural Consumers

Educational Qualification	No. of Rural Consumers	In % age
Upto Matric	423	42.3
Intermediate	309	30.9
Graduation	196	19.6
Above Graduation	72	7.2
Total	**1000**	**100**

As shown in the above table, 42.3% of rural consumers belong to 'uptoMetric' group, 30.9% belong to intermediate group, 19.6% belong to graduation group and only 7.2% rural consumer belong to above graduation group. It means only 26.8% of the rural consumers are graduate & above and rest of the 73.2% of the rural consumers have qualified intermediate or less.

Table No. 5.5
The Number of Members in Rural Families

No. of Members	No. of Families	In % age
Upto 5 persons	317	31.7
6-10	593	59.3
11-15	81	8.1
16 & above	09	0.9
Total	**1000**	**100**

In the table given above, we get the idea about the size of rural families. As table shows 31.7% rural families have 0-5 members, 59.3% rural families have 6-10 members, 8.1% rural families have 11-15 members and 0.9% rural families have 16 or more members. As per the data given 91% families have 0-10 members and only 9% rural families are large.

Table No. 5.6
Monthly Income of Rural Families

Monthly Income (in Rs.)	No. of Families	In % age
Upto 5000	486	48.6
5001-10000	269	26.9
10001-15000	152	15.2
15001 & above	93	9.3
Total	**1000**	**100**

As the above table shows income of 48.6% rural families falls into the slab of upto Rs. 5000, income of 26.9% rural families falls into the slab of Rs. 5001 to Rs. 10000 income of 15.2% rural families falls into the slab of Rs. 10001 to Rs. 15000 and income of merely 9.3% of rural families is Rs. 15001 or more.

Table No. 5.7
Income Spent on Consumption by Rural Families

%age Income spent on Consumption	No. of Families	In % age
Upto 25	41	4.1
26-50	157	15.7
51-75	323	32.3
76 and above	479	47.9
Total	**1000**	**100**

As shown in the above table, 4.1% of rural families belong to upto 25% consumption group, 15.7% belong to 26%-50% consumption group, 32.3% belong to 51%-75% consumption group and 47.9% rural families belong to 76% and above consumption group.

Table No. 5.8
Purchase of Non-Durable Products by Rural Consumers From different Marketing Agencies

Marketing Agencies	No. of consumers	In % age
Unorganised Retailers	1000	100
Organised Retailers	53	5.3
Haats& Melas	573	57.3
Mandi Parishad	36	3.6
Fair Price Shop (FPS)	461	46.1
Co-operative Organisations	27	2.7

As shown in the above table, unorganized retailers have approach to all rural consumers i.e. all rural consumers make purchase of non-durable products from retailers. Organised retailers are approached by 5.3% of rural consumers for purchase of non-durable products, Haat&Melas are approached by 57.3% of rural consumers, Mandi Parishad have approached to just 3.6 % of rural consumer, Fair Price shops (FPSs) are approached by 46.1% of rural consumers and co-operative organization are approached by 2.7% of rural consumers for purchase of non-durable products.

It is clear from the table that unorganized retailers dominate the rural market in the sale of non-durable products and are fol lowed by Haat&Melas and FPSs. These three together make 90% rural markets captures for non-durable products.

Table No. 5.9
Purchase of Durable Products by Rural Consumers from Different Marketing Agencies

Marketing Agencies	No. of Consumers	In % age
Unorganised Retailers	502	50.2
Organised Retailers	260	26.0
Haats& Melas	196	19.6
Mandi Parishad	0	0
Fair price shop (FPS)	0	0
Co-operative Organisations	41	4.1

As shown in the above table, 50.2% of rural consumers make purchase of durable products from unorganized retailers; organised retailers are approached by 26% of rural consumers for purchase of durable products. Haat& Melas are approached by 19.6% of rural consumers, Co-operative Organization are approached by 4.1% of rural consumers for purchase of durable products. Mandi Parishad and Fair Price shop have not approached to rural consumers for sale of durable products. It is clear from the above table that Unorganised& organized Retailers (50+26) are dominated the rural market by 76% of rural consumers for purchase of durable products.

Now we find out relationship betweenvariables and examine the influence of significant demographic variable on rural consumer's behaviour.

Qualification & Income

Qualification & Income group of rural consumers are given below

Qualification group(X) (Source: Table No.5.4)	423	309	196	72
Income group (Y) (Source: Table No.5.6)	486	269	152	93

Find out co-efficient of correlation between qualification & Income:

$$r = \frac{\sum dxdy}{\sqrt{\sum dx^2 . \sum dy^2}} = \frac{75187}{\sqrt{(68010)(90310)}} = \frac{75187}{78370.805}$$

$$r = +0.959$$

Probable Error

$$\text{P.E.} = \frac{2(1-r^2)}{3\sqrt{N}} = \frac{0.6745\ [1-(0.959^2)]}{2} =$$

0.6745 (1-0.9197)/2

$$= \frac{0.6745\ (0.0803)}{2} = \frac{0.054163}{2} = 0.02708$$

Interpretation

6 x PE=6 x 0.02708 = 0.16248

Hence r > 6 P.E. = 0.959 > 0.16248

Result

After calculating the coefficient of correlation between qualification group (x) and income group (y) of rural consumers; comes to +0.959. It means, there is positive relation between qualification and income of rural consumers. Positive sign shows that there is highly direct relate between these two i.e. if qualification of rural consumers increases then income of rural consumers also increase and vice-versa. Degree of correlation is + 0.959 with represent

very high degree of correlation between them i.e. only education is affecting factor of income. After calculating the correlation between qualification and income and rural consumers for significant test it is necessary to calculate the probable error.

Since probable error 0.02708 and correlation is +0.959. For significant test we compare r with 6 times of P.E. i.e. 0.959> 0.16248. Hence the correlation in between qualification and income is significant. It means income is dependent of qualification and vice-versa.

Family Members & Income Group

Family members & income group of rural consumers are given below

Family members group (X)(Source: Table No.5.5)	317	593	81	09
Income group (Y) (Source: Table No.5.6)	486	269	152	93

Find out co-efficient of correlation between family members & income:

$$r = \frac{\sum dxdy}{\sqrt{\sum dx^2 . \sum dy^2}} = \frac{75714}{\sqrt{(266861)(90310)}} = \frac{75714}{155243.68}$$

$$= +0.488$$

Probable Error P.E. = $\frac{2(1-r^2)}{3\sqrt{N}}$ = 0.6745 (1-0.2381)/2=0.25695

Interpretation

6 x P.E. = 6 x 0.25695 = 1.5517

Hence: r<6P.E. = 0.488<1.5417

Result

Positive Correlation (r =+0.488) between family members and income group shows family members affect the income. Moderate correlation shows that only family members are not affecting to income some other factors like qualification, occupation are also affecting to the income. Normally +ve r shows that if family members increase then income of rural consumers family income also increase and vice-versa.

After calculating the correlation between family members and income of rural consumers for significant test, it is necessary to calculate the probable error.

For significant test we compare r with 6 times of P.E. i.e. +0.488<1.5417. Hence the correlation between family members and income is not significant. It means some other factors are responsible for income.

Family Members & Consumption

Family members & Consumption group of rural consumers are given below

Family members group (X)(Source: Table No.5.4)	317	593	81	09
Consumption Group (Y) (Source: Table No.5.7)	41	157	323	479

Find out co-efficient of correlation between family members & Consumption group :

$$r = \frac{\sum dxdy}{\sqrt{\sum dx^2 . \sum dy^2}} = \frac{113428}{\sqrt{(266861)(110100)}} = \frac{113428}{171411.38}$$

$$r = +0.662$$

Probable Error P.E. = $\frac{2(1-r^2)}{3\sqrt{N}}$ =

$$\frac{0.6745(1 - 0.4382)}{2} = 0.18947$$

Interpretation

6 x P.E. = 6 x 0.18947 = 1.13682

Hence: r < 6 P.E. = 0.662<1.13682

Result

Positive Correlation (r = + 0.662) between family members and consumption shown family members affect the consumption. Degree of correlation is + 0 .662 which represent moderate degree of correlation between them i.e. only family members is not a affecting factor of consumption, but +ve sign with moderate degree of correlation shows that it is one of other factors who affect the consumption. Other factors are income, occupation, qualification etc. which affect consumption. After calculating the correlation between family members and consumption for significant test, it is necessary to calculate the probable errors.

For significant test we compare r with 6 times of P.E. i.e. +0.662<1.13682. Hence the correlation between family members and consumption is not significant. It means some other factors are responsible for consumption.

Consumption & Income

Consumption & Income group of rural consumers are given below:

Consumption group (X)(Source: Table No.5.7)	41	157	323	479
Income group (Y) (Source: Table No.5.6)	486	269	152	93

Find out coefficient of correlation between consumption & income group.

$$r = \frac{\sum dxdy}{\sqrt{\sum dx^2 . \sum dy^2}} = \frac{-937360}{\sqrt{(110100)(90310)}} = \frac{-93760}{99715 .189}$$

$$r = -0.94$$

Probable Error

$$P.E. = \frac{2(1-r^2)}{3\sqrt{N}} = \frac{0.6745[1 - (-0.94)^2]}{2} = \frac{0.67845 (1 - 0.8836)}{2} = 0.03926$$

Interpretation

6 x P.E. = 6 x 0.03926 = 0.23556
Hence: r > 6 P.E. (Because sign + or - are not considered, only value is considered) = 0.94>0.23556.

Result

Negative Correlation (r = - 0.94) between income & consumption shows that they are inversely related to each other i.e. if income increases then consumption decreases and vice-versa. Degree of correlation is -094 which represent very high degree of correlation between them i.e. income is one of the best affecting factor of consumption.

After calculating the correlation between income & consumption for significant test, it is necessary to calculate the probable error after calculation of probable of error it is compared to r with 6 times of P.E. i.e. 0.94>0.23556. Hence the correlation between income & consumption is significant. It means they are inversely affected to each other. High income group has low consumption expenditure and high saving whereas low income group has high consumption expenditure and low saving.

Conclusion

On the behavioural aspect rural consumers are not satisfied from rural marketing system. Rural marketing has to be taken as an essential aspect of the wider problem of rural development in general, and industrialization of rural economy in particular. It is marred by many problems these could be cured by evolving a well-knit strategy. This is important, as the rural market serves as: (i) the first contact point for rural residents, (ii) the means of distributing local products and exchanging rural surplus, (iii) the source for buying daily necessities as well as farm supplies, and equipment, and (iv) a place for political, social and cultural contacts.

If thrust the areas of the rural marketing system are duly detected, and the challenges faced with a suitable strategy, we shall be able to develop a rural marketing system which will build a society, in which every person will have the opportunity to live, develop, and extend his capabilities to the full, in which, the older people can still continue with dignity, in which, the caliber had potential of youth are recognized and every segment of society can contribute equally.

The challenges are many, but strategies to overcome them successfully have to be worked out. Some Key points are as follows:

1. Appropriate information on the likely price, and transport and other market facilities is basic to their rational design.
2. Good quality data is the key to developing a sound information base. It must be relevant, reliable, complete, consistent, and timely.
3. Good quality data by itself does not guarantee that it will result in sound economic analysis to transform the data into appropriate policy information.
4. The study has indicated that opportunities to make money by becoming better informed exist.
5. Collection of reliable production and marketing statistics of crops like sunflower, soya bean, important fruits, and vegetables and other minor crops, for which data are not available at present, is necessary.
6. Finally, there is a need for analytical work to evaluate the rural marketing information system.

References

1. *Gupta, S.L.: Rural Marketing-Text and Cases, Wisdom Publications, Delhi, Ist Edition, 2004.*
2. *Kohli, S.L, and Resutra N.K: Rural Marketing (Jammu University Syllabus), Kalyani Publishers, Noida, 1998.*
3. *Sham Bhat, K.,: Indian Economy Under Globalaisation Process,Serial Publications, New Delhi, Ist Published (2003).*
4. *Gopal, Raj,: Rural Marketing: Development, Policy, Planning and Practice, Rawat Publications, Jaipur & New Delhi 2003.*
5. *Acharya, S.S., : State of the Indian Farmer: A Millennium Study, Agricultural Marketing, Academic Foundation, New Delhi, Published in association with Departmentof Agriculture and Co-operation, Ministry of Agriculture, Govt. of India, New Delhi, Ist Published 2004.*
6. *Krishnamacharyulu, C.S.G., and Ramakrishnan, Lalitha : Rural Marketing Text and Cases, Pearson Education/Singapore Pvt. Ltd., Indian Branch Delhi, India, 2nd Print 2003*
7. *Badi, R.V. and Badi, N.V.,: Rural Marketing, Himalaya Publishing House, Gurgaon, Mumbai, Ist Ed., 2004*

Websites

8. *http//www.google.com*
9. *http//www.censusindia.gov.co.in*
10. *http//www.msn.com*
11. *http//www.mandiparishad.com*