

**A STUDY ON CONSUMERS PREFERENCE TOWARDS FAST MOVING
CONSUMER PRODUCTS IN RURAL MARKET IN
MALNAD REGION, KARNATAKA**

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Abstract: *Consumers build a mental frame of reference in order to select or pay for a product or service from the same or different brands or producers. The momentum paper is an endeavour, remembering the specific circumstance, to investigate the components impacting customers' choices to buy Quick Purchaser Merchandise (Fast Moving Consumer Goods - FMCGs) and to recommend publicizing procedures that could be utilized to raise shopper mindfulness among provincial buyers. The study used primary data from a sample of 100 rural customers in the Malnad district of Karnataka state using a carefully designed questionnaire. It found that rural customers believed that word of mouth, print marketing, and television commercials played a significant role in their decision to purchase FMCGs. However, they are not entirely in agreement that their decision to purchase these FMCGs is influenced by beauty advice. Instead, they consider their own experiences, store displays, and incentive programs. Rural consumers, on the other hand, were of the opinion that social factors were insufficient to influence their decision to purchase these FMCGs. Producers and marketers may be advised to develop ethical advertising strategies because rural people enjoy commercials in print and electronic media.*

Key Words: Consumers preference, FMCGs, Rural Market.

Introduction

It is common knowledge that customers construct their frames of reference based on the experiences they have had. They try to accommodate the services and products within these frameworks. If the items do not fit, they reject them. Many of these reference points are subconscious because they are so deeply ingrained in the mind. It is essential to have an understanding of the assumptions and attitudes held by customers. Cost might be seen as a metric for quality by some customers. They might call a product or service "cheap" if it sells for a lot less than what other brands charge. Numerous presumptions that purchasers make about merchandise, administrations, and producers are unwarranted, for example, the discernment that brew in shaded bottles is more grounded and that lager in pastel-hued bottles is lighter. Along these lines, normal materials like fleece are liked over engineered ones, and things made in one country are believed to be better than those made in another.

Even though attitudes and beliefs are closely related, changing attributes and beliefs is more difficult. They are derived from earlier generations and are frequently implanted in young people. Similar to how members of a social class draw their assumptions and views from these connections, members of particular groups (Saravanel, P et al., 2003).

Literature Review

Hundal, 2008 stated that when their most chosen brand, for which they have already made up their minds, is unavailable or out of stock with the dealer, consumers have a preference or loyalty for a specific brand of consumer durables and are unwilling to purchase any other type of brand that is offered on the market. The consumer's preference won't alter if the brand they chose to purchase is not available.

Boyle & Lathrop, 2009 articulated that when a consumer spends more money on something, they expect more quality, but their expectations vary depending on the product. In comparison to non-durables, expectations are higher for durables. In general, consumers' general judgements of price and quality for durables are consistent with those consumers actually experience. But more crucially, consumers lack understanding of non-durables, where there was a negative correlation between their subjective perceptions and the actual market. Consumers are prone to anticipate a high positive association between price and quality for non-durables in the very product categories where it is really a negative relationship.

Sukato & Elsey, 2009 studied male consumer behavior when purchasing skin care products in Thailand. The self-image construct is added to Fishbein and Ajzen's theory of reasoned action model, which serves as the theoretical basis for this investigation. When men in Bangkok buy skin care products, the findings of the study indicate that beliefs, self-image, normative influences, and attitudes influence purchase intention and behavior. So, the modified theory of reasoned action is a good fit to explain how men in Thailand behave as consumers when they buy specific cosmetics.

Iyer, 2009 indicated that there is untapped potential in rural markets. The quest to thoroughly explore rural markets faces a number of challenges. Understanding the characteristics of the rural markets and developing supply and satisfaction strategies for rural consumers are just a few of the issues the sector faces since the concept of rural markets in India and many other nations is still in its infancy.

Sridhar & Mishra, 2010 examined that the findings of the study looked at the purpose and method of studying product adaptation in rural markets, contradict the widespread belief that various organizations operate in very different ways in rural areas. However, the results show that the contingency theory can also be used to adapt products for rural markets. As CEOs' representation of rural backgrounds increased, so did the degree to which products were adapted.

Vani, et al., 2010 examined the behavior of toothpaste band customers in Bangalore city and found that consumers there were less knowledgeable about toothpaste. The oral care market in India has enormous potential due to low product penetration and per capita use. In addition, the study found that consumers' preferences for toothpaste are influenced in large part by factors such as promotion, brand image, and offers. Customers may select the best offer from a variety of competing products in some instances. When choosing a brand, consumers look at the characteristics of the product. Customers are most likely to switch from one brand's product to another because of advertising, brand recognition, package accessibility, and price increases.

Sathyanarayana. S, 2011 stated that the study focuses on the purchasing habits of rural customers, who tend to make purchases on a daily or weekly basis and whose family's disposable money is determined collectively rather than by the actions of individual family members. Ingenuity and inventiveness are needed to properly implement the distribution methods needed to reach these underserved markets. The methods used to identify or recognise the products differ from those used by the metropolitan populace. This presents a legitimate chance for promoting fake goods, which needs to be managed. Rural merchants have different credit policies, shelf space allocation, purchasing habits, stock replenishment, and product suggestions in response to customer inquiries than metropolitan retailers. In contrast to urban FMCG marketplaces, where the role of a retailer is essentially non-existent, retailing is more prevalent in rural areas. The places from which the things are acquired differ from urban markets as well. The study's findings can be used as a roadmap for creating and running rural markets, particularly in the Karnataka region. Based on the study, marketers can create efficient and successful marketing plans that take into account the behaviour of rural consumers. With the use of this study, it would be possible to comprehend the media habits and lack of light that are common in rural India and offer excellent rural-specific media planning to create strong and potent rural brands that satisfy the needs of

the rural populace by forging enduring connections.

The responsibility of a remarketer is to recognise the enormous potential for rural marketing in Karnataka and work to capitalise on it. As a conclusion, it may be claimed that a broader perspective needs to be taken when examining the nature of rural income distribution and their spending pattern. Understanding rural consumer psychology, including usage patterns, shopping behaviour, emotions, and value systems, is crucial for reaching the rural market. Long-term dedication, cost re-engineering, and persistent innovation to address the requirements of rural masses are key components for success in rural markets. Once the essential research is completed, the mirage will undoubtedly become a tangible fact.

VasavadaOza et al., 2012 expressed that due to saturation of urban markets, all marketers are jumping on the bandwagon to investigate rural areas. Even in rural markets, understanding the consumer is still crucial for marketers. It's a whole different game due to skewed perceptions of rural markets and low media exposure, especially among women.

Nandamuri & Gowthami, 2012 stated that age, education, occupation, and income are important demographic factors that influence sentiments towards various brands in the consumer durables sector.

Abbas et al., 2012 indicated that the factors impacting rural South Indian consumers' purchases of FMCG. Data were gathered from 1080 respondents who are FMCG buyers and consumers who live in rural. According to the study's findings, the elements that have the most impact on rural South Indian consumers' decisions to buy fast-moving consumer products are promotion, lifestyle, trust, value, and product.

Chandrasekhar, 2012 looked at brand loyalty for several brands in rural areas and discovered how brands affected the purchasing habits of these consumers. In the villages of Satanapalli, Tadipattri, and Mallapur, 60 respondents provided the data. He came to the conclusion that pressures from sociocultural norms, customs, and traditions affect rural consumers. Consumer brand loyalty is very low in rural areas. Rural consumers are more cost-conscious and just want simple, inexpensive products.

Franco et al., 2012 examined and focused on the application of modern portfolio theory to price promotions, which have emerged as an essential component of the marketing mix for increasing sales, particularly in the FMCG industry. The hypothesis of this study is that

modern portfolio theory in marketing can overcome its previous limitations by employing price promotion brackets. Analysis of FMCG data demonstrates this, demonstrating how price promotions can be tailored to boost return without increasing risk.

Hitesh & Pratibha, 2013 observed at customer attitudes towards buying toilet soaps and identified the variables that affect those purchases. Data were gathered using proportionate sampling from 10 villages in Utrakhand. The researcher discovered that consumer purchasing decisions for toilet soap are significantly influenced by promotional strategy.

Jha. M, 2013 identified the variables influencing rural customers' varying purchasing patterns and the critical significance these variables play in their decision-making. In the rural districts of Bihar, a survey of 300 people was undertaken, including both males and females. The study investigated if price is related to product and whether characteristics like family size, product packaging, age, culture, and advertising had an impact on consumers' decision-making processes. The study found that family size and structure had a significant impact on rural consumers' purchase patterns. However, the ultimate decision was influenced by the product's perceived risk as well as by important decision-makers like opinion leaders, family, and friends. Rural consumers had a high perception of risk because it is challenging for them to obtain and absorb pertinent information.

Hemanth & Sheuthi, 2013 examined the distinctive traits of rural customers, the size of rural marketplaces, and the factors that influence the purchasing decisions of rural consumers. The researcher came to the conclusion that India's market system was dichotomous, with markets in the rural and urban areas. Certain distinctive characteristics need the development of separate marketing plans tailored to rural and urban marketers. This was mostly due to the fact that rural consumers have different consumption habits, buying habits, attitudes, and product perceptions. Regarding the source of income, the frequency of receiving income, and the seasonality of income and expenditure, it is possible to identify the key economic features of rural India. The consumption habits of rural customers are impacted by these variances as well.

It's clear from looking at the literature that the aforementioned study gave a lot of thought to different issues. But these studies didn't look at how people bought things in rural areas. The current study, titled "A study on Consumers Preference towards Fast Moving Consumer Products in Rural Market in Malnad Region, Karnataka," may therefore be feasible.

Gajendra. K et al., 2020 stated that village life is the primary mode of habitation for more than 60% of Indians. These settlements might only have a few hundred or a few thousand households. The number of stores, a small post office, the panchayat (village council) office, and a school may vary depending on the size of the hamlet. Weddings, neighbourhood festivals, and religious holidays lend excitement to rural living. Food, clothes, and shelter are the three fundamental requirements of the rural population. The requirements have been progressively more expensive over time due to the migration of people from rural to semi-urban or metropolitan areas. This exchange of knowledge has increased demand for basic necessities among rural residents while also encouraging them to buy supplemental goods and services. Demand for additional goods and services has also increased as a result of rising literacy rates. In India, there is a lot of debate over whether rural areas have advanced in terms of infrastructure, income, and consumer mindset. We frequently hear about the wealth of rural residents. The rural areas next to cities cannot be the sole determinant of whether development has occurred. Little of what we hear about rural India is distinct from the reality. Numerous settlements lack even the most basic conveniences. For many rural consumers, owning durable items is a pipe dream due to the seasonal nature of their income. There are still rural families who make less than Rs. 3000 per month.

Thiyagarajan. R et al., 2022 observed that modern marketing has changed the way that business functions. While consumers are acquiring more knowledge, there are also more rivals on the market. Markets must deal with fresh issues daily and test out new strategies in order to widen their circle of impact. Businesses are being forced to look into rural areas since urban markets are at capacity and there is a chance for big growth there. The expansion of rural markets has been steadier than that of urban markets over the past few years. Since the vast majority of Indians prefer fresh foods, they typically purchase smaller quantities of food more frequently. Contrast this with the situation in the majority of western nations, where purchasing food in bulk and storing it for a longer period of time is becoming more commonplace. In actuality, the end users of the market are principally responsible for the fast-moving consumer goods (FMCG) industry.

Kumar. R et al., 2023 stated that the FMCG sector is a vital part of the Indian economy. The Fast Moving Consumer Goods (FMCG) business in India has begun to take shape during the past fifty years or so. This sector of the economy has an impact on every aspect of human life. The Indian FMCG market has historically been divided into an organised sector and an

unorganised sector. A tiny number of multinational corporations dominate the FMCG industry in the US, while the Rs. 460 billion Indian market is still quite fragmented, with unbranded, unpackaged, home-made products accounting for around half of sales. This opens up a tonne of opportunity for brands who can convince consumers to buy their products. Due to the increase in rural customers' ability to buy goods and services as a result of the economy's overall expansion, the rural market markets have become more significant in recent years. Rural communities are consuming a significant amount of produced goods from both urban and industrial sources as a result of the green revolution. The Indian rural market has enormous potential. And it's undeniable that India is home to a significant number of businesses. Marketers are hesitant to participate in these sectors, yes. due to their lack of familiarity with rural locations. Based on this knowledge, they create a variety of myths in their thoughts. The main objective of this study is to inform FMCG firms on the current state of rural areas. Based on actual data, the bulk of FMCG companies will enter this sector. Development in rural areas would then be guaranteed. Marketers will also benefit in this way.

Objective

The main objective is to study on consumers preference towards fast moving consumer products in rural market in Malnad region, Karnataka.

Methodology

This study focuses solely on descriptive data. The current study aims to identify the factors that influence consumers' decisions to purchase FMCGs and to suggest which factors should be prioritized in these decisions. A well-thought-out questionnaire was used to gather the primary data for the study. In order to analyze and comprehend the frequency distribution of the data, standard deviation, correlation, the F-test (ANOVA), and factor analysis were utilized for confirmatory data analysis. Additionally, the mean, mode, and percentage were utilized for exploratory data analysis. It was hypothesized, in accordance with the preceding objective, that there are no discernible demographic differences between urban and rural consumers regarding the factors that influence their decision to acquire fast-moving consumer goods. Between October 2022 and March 2023, 100 male and female rural purchasers in 50:50 ratio are examined from Malnad, Karnataka, are taken into consideration in this study.

Analysis and Interpretation

TABLE 1: SHOWING DEMOGRAPHIC PROFILE OF RURAL BUYERS

DEMOGRAPHIC BASIS		GENDER		
		MALE	FEMALE	TOTAL
AGE (YEARS)	10 TO 20	12	13	25
	20-30	13	12	25
	30-40	9	10	19
	40-50	10	9	19
	50 AND ABOVE	6	5	11
TOTAL		50	50	100
EDUCATION	ILLITRATE	2	5	7
	BELOW MATRIC	7	15	22
	MATRIC	18	16	34
	10+2	11	7	18
	GRADUATE	7	4	11
	POST GRADUATE	3	2	5
	ANY OTHER	2	1	3
TOTAL		50	50	100
MARITAL STATUS	UNMARRIED	20	18	38
	MARRIED	30	32	62
TOTAL		50	50	100
INCOME (Rs.)	LESS THAN 5,000	2	1	3
	5,000 - 10,000	4	4	8
	10,000-15,000	9	8	17
	15,000-20,000	16	19	35
	20,000-25,000	11	12	23
	MORE THAN 25,000	8	6	14
TOTAL		50	50	100
OCCUPATION	STUDENT	17	18	35
	HOUSEWIFE	1	28	29
	OWN BUSINESS	5	0	5
	EMPLOYEE(PRIVATE SECTOR)	7	2	9
	EMPLOYEE(PUBLIC SECTOR)	10	1	11
	FARMER / LABOURER	8	0	8
	ANY OTHER	2	1	3
TOTAL		50	50	100

Source: Primary Data

TABLE 2: SHOWING TOTAL VARIANCE OF COMPONENTS

COMPONENTS	INITIAL EIGENVALUES			EXTRACTION SUMS OF SQUARED LOADINGS			ROTATION SUMS OF SQUARED LOADINGS		
	TOTAL	% OF VARIANCE	CUMULATIVE %	TOTAL	% OF VARIANCE	CUMULATIVE %	TOTAL	% OF VARIANCE	CUMULATIVE %
1	6.293	17.48	17.48	6.293	17.48	17.48	4.453	12.368	12.368
2	3.569	9.914	27.394	3.569	9.914	27.394	4.094	11.371	23.739
3	2.972	8.257	35.651	2.972	8.257	35.651	3.652	10.145	33.884
4	2.786	7.74	43.391	2.786	7.74	43.391	3.12	8.666	42.55
5	2.68	7.444	50.835	2.68	7.444	50.835	2.982	8.284	50.834

EXTRACTION METHOD: PRINCIPAL COMPONENT ANALYSIS, Source: Primary Data

To remove distortion and account for an unrepresentative gender ratio, the sampling quota for the current study required that rural buyers be sampled in a 50:50 ratio (Table 1).

In Table 2, five factors that best characterise the relationships between variables have been extracted based on prior knowledge. According to the cumulative percentage of variance accounted for, the first component, which contributed 17.480, is followed by the second, which contributed 9.914 percent, the third, which contributed 8.257 percent, the fourth, which contributed 7.740 percent, and the fifth, which contributed 7.444 percent of the variance overall.

The most popular technique, the varimax approach, was utilised to create the rotation. By reducing the number of variables with strong loadings on a factor, this orthogonal approach of rotation improves the factors' interpretability. Finding the variables that have significant loadings on the same factor helps with interpretation. The variables that place a heavy pressure on that factor can be used to understand it. Each component was made up of variables with a loading of 0.30 or greater for the purpose of interpretation. Each variable was assigned to the factor with the highest loading when it had a loading of 0.30 or higher on two factors.

Conclusion

It was discovered that rural consumers believed that word-of-mouth and print and TV marketing played a significant part in their decision to buy these FMCGs. However, they do not entirely agree that the advice of a specialist influences their decision to buy these FMCGs. Instead, they take into account their personal experience, displays in stores, and incentive programmes. However, rural consumers believed that social influences were not powerful enough to have an impact on their decision to buy these FMCGs. Given that rural people enjoy commercials in electronic and print media, it may be advised that producers or marketers develop ethical advertising tactics.

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