Chapter 6

Discussion and Conclusion

6.1 Introduction

The field of modelling of consumer behaviour of rural and urban area is fast evolving. This research focuses the different aspects of consumer behaviour of rural and urban population. The study has addressed research question of what are the brand choice factors that influence the urban and rural consumer’s choice of one brand over another. The need of comparison of rural and urban consumer behaviour is to understand changes which are driven by advances of theoretical understanding of the consumer choice process. In relation to the objective of the research the following findings are reached to.

6.1.1 Consumption values influence on the consideration set of rural and urban consumer

The study of the consideration set gives how the sizes of the consideration set of rural and urban differs. The sizes of the consideration set of urban consumers are greater than the rural consumer for the staple goods viz. Rice, salt, edible oil and tea. The following factors are identified that are found to be responsible for a brand under given category to get included in the consideration set.
(i) **Household characteristics**

In household characteristics, for the staple goods like rice, salt, edible oil and tea a brand getting included in the consideration set depends on the expenditure of the household on grocery items. The expenditure always depends on the income of the household. If income of the household is more, than it is obvious that expenditure shall be more. For the product rice and salt, size of the household is one of the important factors for getting a brand included in the consideration set. Amount of the product purchased by the household in the previous occasion is also a well defined determinant which influence the consideration set for the products rice, edible oil and tea. It indicates that prior experience of consumer on the brand is needed. Prior experience of the consumer on the brand has more chance to be include in the consideration set. Interpurchase time of buying product also influence on the consideration set of the consumers for the product salt, edible oil and tea.

(ii) **Brand Characteristics**

For the product rice and salt, feature promotion of brand of a particular product is one of the determinants of the formation of the consideration set. The promoting of the brand is always including in the consideration set. Again display of brand in the store also affect the consumer’s consideration set for the product rice, salt and tea. This indicates that display of brands in the store is much influence by the consumer consideration set. The price of the brand is one of the influential factor of the formation of consumer’s consideration set for the product
rice, salt, edible oil. This indicates that, consumers are always influenced by the price of the brand when he/she choose a brand.

Our study is based on the comparison of consideration set of rural and urban. So, it is necessary to compare the factors also. For the product rice, amount of the product purchased in the previous occasion influences the consideration set of rural more than that of the urban consumers. The prior experience of the brand of the particular product is more influence factor on the formation of consideration set of rural consumer than the urban consumers. This indicates that rural consumers are choosing that brand which they used earlier. But it is also observed that display of the brand in the store is the most determining factor for the formation of urban consumer’s consideration set. This indicates that the rural consumers are not affected by the promotional schemes of the companies where as the urban consumers are affected by such schemes. Similarly, feature promotion of the brand has a greater influence of the urban consumer’s consideration set compared to the rural consumer. Inter purchase time also effect on the formation of consideration set. Its impact is more for urban consumers than the rural consumers in the formation of consideration set. Size of the household has also effect on the consideration set of urban consumer than the rural consumer. The consumer’s consideration set much influence by the household characteristics.

The following reasons may be stated as to why the rural consumer’s consideration set is less than the urban consumer:

(i) Some of the products in the rural area have lesser number of brands.
(ii) For rural consumers, the information processing systems of different brands of the products are relatively slow.

(iii) Traditionally, the rural consumers have some prior belief related to a particular brand of the product. So, a particular brand of the product is preferred over the others.

(iv) Some local products are available in the rural stores along with the branded products. These local products suffer in terms of quality compared to the branded product.

Companies marketing strategy towards the rural area is very poor. The awareness level of the rural consumers towards the different brand is very low as compare to urban consumer.

6.1.2 Brand Switching behaviour of rural and urban consumers

The study of brand switching behaviour of rural and urban consumer revealed the switching behaviour towards brand loyalty or last purchase loyalty. It has been seen that urban consumer have a high tendency to stay with the most popular brand. But in case of rural consumer, no such prediction can be made. The rural consumers approach is towards the last purchase loyalty whereas the urban consumers approach towards brand loyalty.

Two other indices are computed, one is heterogeneity index and the other is recency index. Heterogeneity index tell us how the consumer are heterogeneous in their buying behaviour. The index value indicates that the urban consumers are more homogeneous in their buying behaviour compared to the rural consumers. The recency effects of rural and urban consumers are also
studied. The product considered for the study which are representative of the staple good shows that for some of the products the recent status of rural and urban consumer can not influence the future status much. This indicates that the improvement of the recent marketing strategy of the brand whose customers are stolen by some other brand. Improvement of marketing strategy shall definitely help the brand to get back the customers in future. Again, in some staple goods it is also observed that the recent marketing strategy and promotion of that brand need to improve in rural area.

6.1.3 Compare the customer retention of the grocery stores of rural and urban

Customer retention i.e. probability that a customer is alive at a particular store is studied in this section. Here, the rural customer has more chance to stay with the same store from where he/she purchased earlier while urban customer has more chance to switch to the another store in different purchase occasion. This study focuses the heterogeneity of consumer in their buying behaviour in different discrete time points. The urban consumer has tendency to leave the store from where he/she purchased last. The rural consumers remain attached with the same store as the rural consumers vary not only in their buying behaviour but also in conviction and belief. The thought process of rural consumers is very simple compared to the urban consumers. Another reason is that in rural area there are very less number of grocery stores as compared to the urban counterpart. In today’s world, the term customer retention is the key to success in any store. As long term relation with the customer has a positive impact on the
business. The customer retention of the rural store is higher than the urban store. This gives new insight to the research world that if anyone makes an enterprise in the rural area he/she must succeed in his/her business in terms of customer retention in the urban area.

6.1.4 Store switching behaviour and queue at the grocery stores

The study of store switching behaviour of rural and urban consumer gives new insight to market researchers. This study enquires if the rural consumer are more store loyal than the urban consumer, or not. This study finds that the rural consumers are more store loyal where as the urban consumer are more likely to switch to another grocery store. The different factors that are responsible for store switching behaviour of rural and urban consumer are evaluated. In rural grocery store, there are not many brands from which the consumer can choose as compared to urban store. So, the companies as well as government shall make special strategies for the rural market. They must penetrate to the rural market to develop the market. In rural store, the owner of the store shall provide some facilities like home delivery etc that consumer of rural are attracted to the store.

Different characteristics of queue are studied which is formed in the grocery stores of rural and urban area. This study investigates that rural stores are less busy as compared to the urban stores. This indicates that urban store has more servers, so that the consumer of urban can be provided with necessary service which he/she wants within a short period. But, in case of rural store, it is observed that customers wait for long time to get the service. To improve the performance in the rural grocery store, the owner of the store should optimize the
number of servers in the store so that the customers of rural area get the service in a short period of time.

6.2 Practical Significance of the Study

The present study focus on the comparison of rural and urban consumer behaviour like consideration set formation, brand switching behaviour, customer retention and store switching behaviour for some selected staple goods. It has been investigated that there are vast differences between the rural and urban consumer behaviour. Some of the contributions of the current research that may be of practical importance to the stake holders are summarized below:

- Most of the rural consumers are found to consider for the purchase of low priced brands where as the urban consumers are just the opposite. The low priced products are mostly unbranded and manufactured locally and placed in the stores without proper quality checks. The companies manufacturing the different staple goods should make special policies to increase the awareness level of the rural customers about the branded products in contrast to the adulterated local products. These policies should change the buying attitude of rural consumer from purchasing the local poor quality products to the branded products.

- The manufacturer of branded products in order to penetrate into the rural markets need to produce lower priced products of the same brand either by compromising with the quality or by changing the packaging pattern of the product. This shall make such branded products available in the rural market at a lower price.
The study of consumer behaviour has been recognized as a driver of the corporate marketing. As consumerism is rising, rural market is also changing into more of the urban market. Heightened competition in all product sectors is also increasing. When a new entrepreneur or company penetrate into the market, this study shall help them to understand the present scenario of the rural and urban market. So that they make their best strategy to compete against their rivals.

The study explores the behavioural proposition of the consumers of rural and urban area. The brands penetrate to the urban area is more than the rural places. Due to brand stickiness, the rural consumer generally stays with the brand he/she purchased last. So, it indicates that even if the rural consumer awareness level is high, yet they can consider only a few brands while purchasing. So, the rural stores should develop some policies for the rural consumer so that they can consider more brands before purchasing. It is seen that the number of household in rural area is more than the urban area. So, there is a chance for marketers to get maximum profit in rural area. This study focuses the new insight for the marketers. The marketers penetrate to the rural area with minimum price they shall get maximum profit.

The urban population for the purchase of staple goods generally prefer those stores which have several brands of the same product, provide home delivery and improved service quality. While in rural area credit facility, discount on purchase along with improved service quality and availability in store are the features that attract rural customers to a given store. Thus,
a grosser shall accordingly plan the store facilities depending on the location (rural/urban) where he/she fix up the store.

### 6.3 Future Research and Conclusion

In assessing the gap in the knowledge of consumer buying behaviour of rural and urban area, still there exists a need for future research into this area. There are other behaviour of the consumer that need to be studied in future research works. Different purchasing behaviour of rural and urban consumer in the different product categories need to be studied. This study concentrates on the convenience goods with the reference to staple goods. But, this study also identified a lack of research into the other type of goods viz. Impulsive goods, speciality goods and unsought goods. An extension of the study researcher may increase the geographical area and perform the same investigation with the bigger sample size. In this study, different stochastic model of consumer behaviour has been attempted. So, there is an option to develop a model of consumer behaviour which shall be more flexible and closely attuned to the modern data sources.

This study establishes the consumption values as a moderator of brand choice as well as store choice. The findings of the study have practical importance regarding different aspects of consumer behaviour which shall lead to culminating in the enhancement of organization assess.