## Chapter 4

**CONSUMER BEHAVIOUR**

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4.1 Introduction

Consumer behavior is the study of human response to products, service, and the marketing of products and services. The very essence of marketing lies in understanding the behavior of consumers. Unfortunately, consumer behavior is extremely complex to study and understand. Understanding the Indian consumers is not an easy task, as consumer behavior in India is driven by a social-cultural milieu. Typically, an Indian consumer’s consumption pattern varies from having fast food at roadside fast food centers to having it at the posh fast food centers. There are consumers who are willing to spend on high-tech goods like mobile phones and laptops, and there are, those who think twice before they buy even the essentials.

Even from the rural areas there are scientists, IT experts, space technologists on the one hand and illiterate poor tribes and illiterate rich consumer on the other hand. The recent development related to globalization, advancement in technology like telecommunication, global media etc have further made the behavior of rural consumers more complex.

Consumer behavior in the rural markets is more perplexing because of a singular lack of consistency in groups which are homogeneous in parameters of demographics – age, occupation, education, and income. This is compounded by the influence of caste and religion and the undercurrents of power and politics of society.

Consumer behavior is the study of how people buy, what they buy, when they buy and why they buy. It blends elements from psychology, sociology, anthropology and economics. It attempts to understand the buyer decision-making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics, and behavioral variables in an attempt to understand people’s wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. (Schiffman & Kanuk 2000)
The study and knowledge of consumer behavior helps firms and organizations to improve their marketing strategies and product offerings. Following are the important issues that have significant influence on consumer’s psyche and their ability to take decisions: Schiffman & Kanuk 2000)

- The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products);
- The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);
- The behavior of consumers while shopping or making other marketing decisions;
- Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
- How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and
- How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.
- Their Age, Religion, Culture, Income, informal group and Referent Group.

Understanding these issues helps us adapt our strategies by taking the consumer into consideration.

Buying behavior according to Sargeant and West (2001) is the process in which individuals and groups are affected when they evaluate, acquire, use or dispose of goods, services or ideas. Arens (2004) stresses the importance of finding a common language for communication, where the study of consumer behavior enables marketers and companies to understand their consumers and to keep them interested in their offerings. The importance of understanding consumer behavior is more specifically attached to; opportunities in the market, selection of target, the
marketing mix, and sending appropriate messages. The aim of learning about consumer’s buying behavior is, from a business perspective; to be able to more effectively reach consumers and increase the chances for success (Sargeant & West, 2001). The area of consumer behavior touches upon a vast amount of ideas and models which makes the selection for relevant parts necessary.

**Buyer decision process**

According Kotler et al. (2005) the buyer decision process consists of five stages; namely need recognition, information search, evaluation of alternatives, purchase decision and post-purchase behavior. Consumers do not necessarily go through all five steps in every purchase situation since some purchases are less complex than others.

Typically, the purchase of a good/service by a consumer goes through the following stages (See Figure 4.1)

![Diagram of the Buyer Decision Process](image_url)

**Figure 4.1 Stages of Purchase of Goods/ Services by a Customer**

The first step of the buying process is the need recognition i.e. consumers feel a difference between their actual state and some desired state. The need can be activated by either internal or external stimuli where the internal stimuli has to do with the consumer’s normal needs (feeling hungry, thirsty etc.). The
external stimuli on the other hand could be a smell that triggers hunger, an admiration for an object and so on. The understanding of need recognition explains what kind of need is triggered by a particular product which is highly significant from a business or marketer perspective (Kotler et al. 2005).

The second step is the search for information regarding the product that will satisfy the consumer's need. As explained above, the consumer may skip some steps due to the complexity and importance of the purchase. If the consumer already has a satisfactory product in mind, the search for more information is not likely to occur. The amount of information that is needed is directly linked to the costs and benefits of the search. Factors that play a role here would be ease of accessing information, the amount of information that is present in the beginning, satisfaction of searching and so on. The additional information can be obtained through personal sources, commercial sources, public sources and experiential sources. Personal sources are basically the people that the consumer is familiar with in a private manner, such as family, friends and so on. Commercial sources are the broad marketing messages that companies send out in various ways. Public sources are on the other hand media, organizations and such that the consumer can extract information from regarding some specific product. Experiential sources are linked to the testing of the product or previous experiences and so on. Marketers could save a great amount of resources by identifying the consumer's sources of information and their respective importance. Once this is done, marketers can easily tailor the marketing mix for the purpose of the situation (Kotler et al. 2005).

The third step concerns the evaluation of alternatives that are available to the consumer at the moment. The set of present alternatives is highly affected by the consumer's desired benefits that a certain product can provide. One aspect is the relevant product attributes that the consumer is in search of and how important each attribute is thought to be. Other aspects involve brand beliefs where some brands are preferred over other brands. There are various decision rules which can help consumers when selecting an alternative, ranging from careful calculation to impulse or intuition decision. This means that consumer's
evaluation process is often dependant on the particular situation and the individual consumer (Kotler et al., 2005).

The fourth step in the purchase decision process is mainly dependant on the results in the evaluation process, i.e. the consumer decides to buy the product which is most favorable according to the product attributes, brand preference or decision rule in the evaluation process. However, there are also some exceptions from the general purchase decision. The two factors that can affect the purchase intention are attitudes of others and unexpected situational factors. People close to the consumer can affect the purchase intention if other people's attitudes are strong and if the consumer chooses to act in accordance with these attitudes. Unexpected situational factors occur without the consumer's control and affect the purchase intention by shifting the circumstances which might force the consumer to reconsider the entire process. The purchase decision has a lot to do with minimizing the risk involved with the purchase, which is why the consumer undertake various actions such as; information search, preferring certain brands or excluding products without warranty, to mention a few (Kotler et al., 2005)

The fifth and final step is post-purchase behavior, which involves further actions based on the consumer's satisfaction or dissatisfaction after the product is bought. Satisfaction is present when the consumer's expectations match or exceed the product's perceived performance. When the opposite occurs, the consumer is likely to be dissatisfied. Keeping customers satisfied is vital for a company's existence and prosperity, since satisfied customers are in general more willing to; purchase again, spread positive word-of-mouth, exclude competing brands and offerings, and buy other products from the company. Dissatisfied customers on the other hand spread on average almost four times more word-of-mouth than the satisfied customers, although as complaints instead of praises. Negative word-of-mouth reaches far more people and has a greater effect than the positive word-of-mouth which is a clear indication that companies and marketers need to match or exceed the consumer's expectations in order to be successful (Kotler et al., 2005).
4.2 Understanding Consumer Behavior: Theoretical Framework

This chapter will also present the theories pertaining to our stated research purpose and research question.

4.2.1 Consumer Behavior: A Conceptual Framework

According to the American Marketing Association, consumer behavior is “the dynamic interaction of affect and cognition, behavior, and environmental events by which human beings conduct the exchange aspects of their lives” (Dictionary of Marketing Terms, 2007). This implies that consumer behavior is a complex process and involves thoughts and feelings. Over the past thirty years several theorists have given explanations of consumer behavior. Well known theoretical models of consumer behavior are:

2) Mc Neal, *Basic Model of Consumer Behavior* (1973)

Theoretical models of consumer behavior formally outline the economic, socio-cultural and psychological influences that affect the purchase decisions of the consumer. According to Pellemans (1971) the major advantage of these buyer behavior models is to provide general research frameworks. Findings from studies can be meaningfully integrated into them which help in theory construction.

4.2.2 The Howard and Sheth Model

Howard and Sheth (1969) concentrated on the individual buyer’s problem solving processes which includes psychological and environmental factors. This model outlined four distinct sets of factors in the buying process: (1) stimulus variables, inputs, (2) response variables, outputs (3) hypothetical constructs, and (4) exogenous variables. Input variables in the model are the stimuli and the
communication of information that the buyer’s social environment provides regarding a purchase decision. The five output variables are (1) attention, (2) brand comprehension, (3) attitude, (4) intention, and (5) purchase. Hypothetical constructs deal with perception (information processing) and learning (concept formation). The learning constructs are (1) motives, (2) brand comprehension, (3) choice criteria, (4) attitude (toward the brand), (5) intention (to buy the brand), (6) confidence (in judging brands), and (7) satisfaction (with purchase of brand). Perceptual constructs are (1) attention, (2) stimulus ambiguity, (3) perceptual bias, and (4) overt search. According to Pellems (1971) in the Howard and Sheth model there are three different buying situations depending upon the information needed by the buyer to make his final buying decision. The are:

a) Routinized response behavior: This deals with when a buyer is familiar with the brand and needs less information. Routinized response behavior occurs in frequently purchased items when the time period between the awareness and purchase is short enough to avoid the loss of memory about the product.

b) Limited problem solving: When a buyer is confronted with a totally new brand but the buyer is in need of an item in that familiar product class. In this case, the buyer needs more information than in routinized response behavior, there will be perceptual effects as buyer seeks more information which is often ambiguous and needs more comprehension.

c) Extensive problem solving: This happens “when the buyer is confronted with a new brand that represents unfamiliar product class” (Pellems, 1971, p.18). The buyer evaluates the choice criteria and is in a state of complete disequilibrium. Solid lines indicate flow of information; dashed lines, feedback effects.

4.2.3 McNeals’ Basic Model of Consumer Behavior

According to McNeal’s (1973) generalized model of consumer behavior, activities of consumer behavior are subject to environmental influences. One’s environment influences all the stages of consumer behavior. The social influence
which comes under environmental influences is subtle and can be subconscious, obtaining approval of others before buying products. The social influence may be elicited by the consumer such as asking a friend or family member what he/she recommends while making purchase decisions. “This influence of others is direct like mother’s saying her daughter “no” to a request for a miniskirt” (Mc Neal, 1973, p.117). Influence of others may be subtle or subconscious; people buy certain brands to obtain approval of others. The social environment has influence on consumers. This happens through the learning process, taking directions and seeking guidance of others. These influences may be direct, such as of a parent or a friend, or indirect, such as a movie star. The social environment acts as a source through which a human being obtain their values i.e., preference of one object or idea rather than the other. Social environment can influence one’s cognitive factors and degree of satisfaction obtained from consumption. Needs arise from the consumer’s environment. These needs create a tension state which is uncomfortable, the consumer starts thinking of ways to remove it. In this cognitive stage he thinks of possible solutions, evaluates them and selects the best. This action will produce either satisfaction or dissatisfaction.

4.2.4 The Engel-Kollat-Blackwell (EKB) Model

Consumer behavior is about people’s decision making about purchases and the influences on those decisions. The model of this decision making process which is most commonly cited is the Engel, Kollat and Blackwell (EKB) model, which was first outlined in 1960. It is a relatively simple model and runs through five major steps: (1) need recognition, (2) search, (3) alternative evaluation, (4) purchase, (5) outcomes. Need recognition occurs when a consumer perceives difference between an ideal state of affairs and actual state. There are two basic sources of need recognition: (1) external stimuli and (2) motive activation. New information or experience triggers the problem recognition. The model also shows that dissatisfaction also triggers need recognition. After need recognition the consumers search for information which may be internal (what a person remembers) and external (information from friends, family, internet, brochures etc.). Alternative evaluation is choosing
between different products which might meet the demand. The EKB model has four stages: (1) information input, (2) information processing, (3) decision process, and (4) variables influencing decision process.

4.2.5 Peter and Olson’s Flow of Influence

According to Peter and Olson (1993), three major elements of consumer behavior are (1) affect and cognition, (2) behavior and (3) the environment. Affect includes relatively intense emotions, feeling states, moods and evaluations. Cognition refers to the mental processes and knowledge structures involved in peoples’ responses to the environment. Behavior refers to the overt acts or actions of consumers that can be directly observed. It deals with what consumers actually do. “Environment refers to the complex of physical and social stimuli in the external world of consumers. It includes things, places, and other people that influence consumers’ affect and cognition and their behaviors” (Peter & Olson, 1993, p. 27). Social environment which includes social interaction with very large groups of people, face-to-face social interaction with smaller groups such as family have powerful influence on the values, belief, attitudes, emotions, and behaviors of individual consumers in those groups. The model illustrates the flow of social influence from the macro social environments of culture, sub-culture, and social class to the micro environments of organization, reference groups, family and media and then to the individual consumers. “The influence of families can continue for years as some adult consumers purchase the same brands, patronize the same stores, and shops in the way their parents did” (Peter & Olson, 1993, p. 383). Different subcultures may reflect the same cultural values in different ways, just as different social classes may respond to sub cultural values in different ways (Peter & Olson, 1993).

4.2.6 Solomon’s Wheel of Consumer Behavior

Solomon (2002) provides a model in the shape of a wheel to outline consumer behavior. In the wheel, ‘consumers as individuals’ relates to how individuals receive information from the immediate environment, how the learned material is stored in memory and how the learned material is used to
form individual attitude towards the product. The wheel focuses on problem recognition and considers different aspects of the individual that are 'invisible' to others which includes the influence of consumer perception, consumer motivation and consumer self-concept, consumer life style and consumer attitude on consumer decisions. Marketers communicate with consumers by creating relationships between their products or services and desired attributes.

According to Solomon (2002), the four steps of decision making are (1) problem recognition or need for a product, (2) search for product information, (3) evaluating alternatives, and (4) product choice. Section IV of the wheel is “consumers and subcultures”- consumers function as part of a larger social structure which includes social class, ethnic groups, and age groups. Also ethnic, racial, and religious identifications stamp an individual’s social identity. Finally, section V, “consumers and culture”, examines the relationship between the cultural values, lifestyle and consumer behavior. This section relates to the myths and rituals of culture that exert influence on ‘modern’ consumers. In other words, a consumer’s culture determines the overall priorities that the consumer attaches to different activities and products.

A great deal of research has been conducted on consumer psychology and consumer behavior over the years. Much of this research has led to the development of various models of consumer behavior. Five of the most prominent models in the last thirty years have been explained above. These models represent theoretical explanations of the processes by which consumers decide to buy a product or a service. Although there are differences among these models, there are remarkable similarities also. The models start with the recognition by the consumer between the desired state and the reality, searching for alternatives, making a choice, and finally the purchase and dealing with outcomes.

As demonstrated by the studied consumer behavior models, environmental influence i.e. culture (Howard & Sheth model, 1969; McNeal model, 1973; EKB model, 1990; Peter and Olson’s model, 1993; and section V in Solomon’s wheel of consumer behavior); parental influence (family as a medium of flow of
influence in social environment to individual consumer in Peter and Olson’s model, 1993; the EKB model, 1990; and section III in Solomon’s wheel of consumer behavior) and ethnic identity (consumer and subcultures, section IV of Solomon’s wheel of consumer behavior) influence the consumer decision making process.

4.3 Factors that Generally Influence Consumer Buying Behavior.

There are several factors that direct the consumer buying behavior. The factors vary from case to case and product to product. However, in general the following factors influence the buying behavior. Those aspects in the broader sense include Demographic factors, Economic Factors, Marketing Mix factors, Psychological Factors and the Socio Cultural factors. The following figure shows how systematically the influences exercised generally on the behavior of consumers.

Figure 4.2 Factors Influencing Consumer Behavior
For some authors, cultural and social factors are defined and explained like only one group. For this reason the main theory is going to be explained taking into account this second definition. So, there are three groups of factors that can influence the consumer behavior. This process is categorized by three aspects: environmental influences (culture, social class, personal influence, family, and situation), individual differences (consumer resources, motivation and involvement, knowledge, attitudes, personality etc. In each group there are different characteristics that are going to be explained in this theoretical part. Those different characteristics are:

4.3.1 Personal or individual factors

Personal factors are unique to a particular person. Some of them can be family situation, marital status; age, demographic, sex or the experiences on one’s life and all of them can influence the decision of the purchase. It is also important to know, who in the family is responsible for the decision making, because sometimes only one member in the family make the decisions but in some other occasions the decisions can be made on consensus.

4.3.2 Psychological factors

This group can be divided in different categories like: motive, perception, attitudes (positive or negative feelings) or personality and lifestyle.

1) Motive:- It is the internal feeling that make the people buy a certain product in order to satisfy a necessity. This can be connected with Maslow’s hierarchy of needs theory.

2) Perception:- This can be related with different concepts like taste, smell or touch. People have a sensation when they try a certain product, this perception is developed based on the experiences people had with the products and also of the knowledge.(G. Armstrong. 2001)

3) Attitudes and feelings:- People can have a positive or negative feeling about a product. This feeling can be consequence of their personal experiences or because of the interaction with other people. For
example; you try a hamburger and if you have a successful experience (taste good, good price) the next time you are probably going to buy the same hamburger. (J. Saunders 2001)

4) Personality and lifestyle: Many a time the personality of an individual direct the usage or non usage of a particular product. Personality variables also influence a consumer towards paying attention or not paying attention to particular marketing stimuli. The psychological aspects like attitude, perception, learning etc has a direct link with the personality of an individual. Therefore it is very important to know different dimensions of personality that direct the buying behavior.

4.3.3 Social or environmental factors

Consumer wants, values or beliefs are influenced by the opinion leaders, head of family, reference groups, social class and culture. Reference groups and opinion leaders have a large influence in the consumer’s behavior.

According to Bearden, some criteria that companies can use to divide the population in the different social class can be; occupation, education, income, wealth, race, ethnic groups and possessions. Social class determines to some extent, the types, quality, and quantity of products that a person buys or uses. Culture refers to the set of values, ideas, and attitudes that are accepted by a homogenous group of people and transmitted to the next generation. Culture also determines what is acceptable with the product advertising. Culture determines what people wear, eat, reside and travel. In short, it is very important for the marketers to know all of this factors that influence the consumers behavior. (Bearden, 1992)

4.4 Group influence

Consumers are influenced by a number of social factors in their buying behavior, such as family, groups, social roles and status. Primary groups are family, friends, neighbors or other groups that the consumer has regular yet informal interaction. Secondary groups on the other hand are less frequent but more formal gatherings like religious groups, organizations, professional
associations and so on (Kotler et al., 2005; Sargeant & West, 2001). Groups influence consumers behavior in various ways and Kotler et al. (2005) argues that group influence is highest for conspicuous purchases. The similar notion is stated by Sargeant and West (2001), where the authors argue that the greatest group influence is present for high-risk products.

The weakest group influence is within private necessities since these products are both publicly noticeable and owned by a majority of consumers. The strongest influence on the other hand is for the public luxuries (Bearden & Etzel, 1982). Additional groups can be reference and aspirational groups, where reference groups influence consumers’ attitudes by comparing or referring to the group’s attitudes about a product or brand. In the case with reference groups, consumers are influenced by their own need to “fit in” the group’s beliefs and attitudes. This need simply comes from valuing and feeling concern for the members of the group, and whose opinions and approval means a lot (Arens, 2004). The high influence of reference groups is strong since consumers regard members of their group as credible (Sargeant & West, 2001). Aspirational groups influence consumers indirectly by acting on their affection for their favorite artist or athlete (Kotler et al., 2005).

4.5 Dissonance-reducing buying behavior

In situations where consumers carry out a dissonance-reducing buying behavior, the same factors constitute an important role as for the complex buying behavior, except here we only find few differences among brands. Consequently, consumers are highly involved, but tend to make quick decisions after learning what choices they have, and price often becomes the primary factor of importance (Kotler et al., 2005).

4.6 Habitual buying behavior

Habitual buying behavior are undertaken when consumer involvement is low. Also here differences among brands are recognized as insignificant, and price is low. The products are bought on a regular basis, and the choice of brand is made by routine (Kotler et al., 2005).
4.7 Variety-seeking buying behavior

Here highly perceived differences among brands often result in brand switching. Consumers have a low-involvement, and often hold a belief about the product before the purchase. Evaluation of the product is instead made during the consumption (Kotler et al., 2005). Communication and persuasion are not synonymous but consumers can be persuaded to some extent with thought-out and well-aimed communication. Two ways of persuading consumers can be by using the central and the peripheral route to persuasion. When consumer’s involvement is high, the central route would be more suitable for persuasion. On the other hand, when consumer’s involvement is low, the peripheral route would be a better alternative (Arens, 2004). The steps of the central route to persuasion begin with consumer’s high-involvement for a product or message where the attention should be on the central product-related information. The peripheral route to persuasion sets off with lower involvement and the attention is put on peripheral non-product information. The comprehension accents short elaboration on shallow and non-product information. Persuasion acts upon non-product beliefs and attitudes towards the communication instead of the product (Arens, 2004). For high-involvement purchases and when a product has a distinct advantage, the focus should be on product superiority and comparative information. Although, the key to persuasion is to repeat the message in order to penetrate consumers perceptual screens (Arens, 2004).

4.8 Rural Consumer Behavior

As defined in the beginning of this chapter, ‘Consumer Buyer Behavior’ refers to the buying behavior of final consumers, individuals and households who buy goods and services for personal consumption. All of these final consumers combined make up the consumer market.

The consumer market in this case is Rural India. About 70% of India’s population lives in rural areas. There are more than 600,000 villages in the country as against about 300 cities and 4600 towns. Consumer behavior in rural markets is more perplexing than that of urban because of a singular lack
of consistency in groups which are homogeneous in parameters of demographics like age, occupation, education and income. This is compounded by the influence of caste and religion and the undercurrents of power and politics in the society. Consumers in this huge segment have displayed vast differences in their purchase decisions and the product use. Villagers react differently to different products, colors, sizes, etc. in different parts of India. Thus utmost care in terms of understanding consumer psyche needs to be taken while marketing products to rural India (Kashyap Pradeep & Siddhartha Raut 2007).

With regards to the low-involvement products there is a definite homogeneity among people with similar demographics and psychographics because of common perceptions of messages, content and imagery of brands and therefore identification with fulfillment of wants and needs rather than be influenced by the choice of others. (Kashyap Pradeep & Siddhartha Raut 2007).

Rural consumer behavior therefore, unlike its urban counterpart must take into account of the various factors that are particular to any geographical region, community and society.

Thus, it is important to study the thought process that goes into making a purchase decision, so that marketers can reach this huge untapped segment.

4.9 Factors Influencing Rural Buying Behavior

There are number of factors that direct the buying behavior in rural India. Many of these factors are common among urban areas, but several of them apply more meaningful to rural areas. (Kashyap Pradeep & Siddhartha Raut 2007) The various factors that direct the buying behavior of consumers in rural area are:

4.9.1 Environmental factors of the consumer

The environment or the surroundings, within which the consumer lives, has a very strong influence on the buyer behavior, Eg. Electrification, water supply etc. affects demand for durables.
4.9.2 Geographic influences

The geographic location in which the rural consumer is located also influence the thought process of the consumer. For instance, villages in South India accept technology quicker than in other parts of India. Thus, HMT sells more winding watches in the north while they sell more quartz watches down south. (Kashyap Pradeep & Siddhartha Raut 2007)

4.9.3 Family

It is an important buying decision making organization in consumer markets. Family size & the roles played by family members exercise considerable influence on the purchase decisions. Industry observers are increasingly realizing that at times, purchase of durable has less to do with income, but has more to do with the size of the family & that’s where rural India with joint family structures, becomes an attractive proposition.

4.9.4 Economic factors

The quantum of income & the earning stream are one of the major deciding factors, which determine to a great extent, what the customer will be able to buy. Many people in the rural market are below poverty line & for large number of people, agriculture is the primary occupation. More than 70% of the people are in small-scale agricultural operation. These factors affect the purchase decision.

4.10 Influence of Culture & Sub Culture directing Consumer Behavior

Culture, especially in rural India is one of the most influential factors directing individual behavior. As a child grows up in rural area, the surroundings influence him to develop a set of values, perceptions, and preferences both from his family and surroundings. Culture is the characteristics of a total society influenced by factors like language, knowledge, laws, religion, food customs, music, art, technology, work pattern and other artifacts that give a society its distinctive flavor. (Dogra Balram & Ghuman Karminder 2007) In short, it is the personality of the society. Leon G Shifman defines it as “the
Consumer (Behaviour) is the sum total of learned beliefs, values and customs that serves to direct the consumer behavior of members in a particular society. 'Sub Culture' is defined as a 'distinct cultural group that exists as an identifiable segment within a larger or more complex society'. Rural India with lot of regional blocks has its own regional influence on spoken dialects, preference for food, style of food preparations, the attitude towards availing luxury or modern facilities etc.

4.11 Influence of Social Class

In urban scenario the classification of social class is done on the basis of education and occupation. Whereas in the case of rural areas it not possible to do so as the rural people get involved in multiple occupations depending on the season, opportunities etc. Therefore, it is very difficult for any one to calculate their annual income. However, based on the literacy levels, type of house owned and their behavior, aspirations & lifestyles the following classification is made in the rural area.

Table 4.1 Socio Economic Classification - Rural

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<th>Socio Economic Classification</th>
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<tr>
<td>R1</td>
<td>Landlord, Farmers, Educated, Exposed to Urban Environments, Children in Schools and Colleges in near by towns, aspiring to match urban life style, technology adaptors, socially and politically well connected owns durables like Tractor, Two Wheeler, TV, LPG, Refrigerator, Mixer Grinders.</td>
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<tr>
<td>R2</td>
<td>Rich farmers with about 5 acres of land, may not be educated, but wants children to get educated, with friends and relatives in urban area, consults them for technology adoption, conscious of status, owns Tractor, Two Wheeler, TV, LPG, Refrigerator, Mixer Grinders.</td>
</tr>
<tr>
<td>R3</td>
<td>Average land holding 2-5 acres manages small savings, children sent to village schools, opts for time tested technology, low risk taker, owns durables like TV, Tractor (Self and Rental)</td>
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<td>R4</td>
<td>Has little or no land, agriculture labour, living below poverty line, a major purchaser from public distribution system</td>
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(IRS-2003-04)
4.12 Social Factors Influencing Buying Behavior

The emerging social factors that happen in rural area has a direct link with the improved economic conditions, women empowerment, and improved general information and awareness on various fields. The various social institutions being emerged in India under the initiatives of government and other NGOs have brought a drastic change in the living conditions of rural India. For example: The Self Help Groups (SHGs), Agricultural Co-operative Societies etc. The recent schemes of central governments like Mahatma Gandhi Rural Employment Guarantee Scheme (Thozil Urappu) has improved the economic condition and purchasing power of rural poor to a greater extent which has a direct effect on product usage and brand choice. (Kuriakose Saji & Asokan T, 2010)

4.13 Influence of Technological Factors on Rural Consumer Behavior

The advancement in technology which is taking place at a rapid pace has brought sea changes in the rural countryside. The explosion of products and information has really touched the rural consumer, making him think just like his urban counterpart. The activities of marketing have changed a lot today due to the disruptive changes in information and communication technology. Technology is one of the important and strategic factor responsible for bringing changes in the way people consume and hence also the way they shop.

Today, the majority of the changes that have come are not because of the drastic product innovations, but because of the revolutions in information technology and communication. ‘Technological shock will completely reshape the way marketing is done’ (Deighton 1997). Rural India is not an exemption to these developments. The advancement of technology in media has virtually educated the rural consumer. The Doordharshan TV has the maximum reach in Rural India. The advancement in technology and its impacts on consumer behavior will continue to grow stronger with the time and rural consumers will be the highly influenced lot by these changes.
4.14 Perception and Brand Belief

One of the important factors that direct the selection of a product by any consumer is perception. The perception is directly related to the level of acceptance and satisfaction of the consumers present way of life and the role played by existing products in that life. Quality and value as attributes integral to a new product are always related to the improvement they bring to consumers lives in terms of productivity and prices. Prices for such products are judged in the same manner rather than on a comparative scale. Familiar and known sources such as a retailer, act as strong spokesperson for low involvement FMCGs. Being present in the rural market is an important factor for creating brand belief. Superlatives in brand communications are not as effective as straightforward enumeration of performance. Repetition, consistency of packaging, colors, brand messages and imagery, all reinforces brand belief leading to brand loyalty. Any deviation in any of the parameters unsettles that loyalty. (Dogra Balram & Ghuman Karminder 2007)

4.15 Stages in Buying Behavior

Consumers pass through five stages while making a purchase decision. In low involvement purchases rural and urban consumers may skip some of these stages. A woman buying her regular brands of daily use groceries will identify the need and purchase from the shop skipping two stages. It is in the purchase of high involvement products that a rural consumer displays different motives relating to problem recognition, source of information, evaluation procedures, collective decision and different post purchase behavior. This creates the need to treat each stage of the marketing process differently for rural and urban consumers.

4.16 Buying Roles

For many products the buying roles are similar in rural and urban. Men choose their personal care products like shaving cream, underwear etc. Women choose utensils and other things of use in the home. Purchasing a high involvement or a costly product is a collective decision. As far as the products
for this research study is concerned, the products (soaps and detergents) has both the characteristics of personal care as well as home products. Hence it was interesting to know who plays what role in the rural context of North Kerala market.

4.17 The emerging Groups

The young married and hassle free group, which has been emerging post-independence, is the group whose segmentation can be done according marital status, age, income and family life cycle. The next group is that with young working parents whose buying patterns includes products from personal care, furniture and housing to leisure spending. The emergence of this group can be ascertained to the boom in the software sector. This can be an emerging segment in Indian consumer market scenario. (Agrawal Meenu 2009)

4.18 Consumer Behavior in Soaps & Detergents.

Within the broad framework of marketing, consumer behavior is the most interesting area and one concerned with understanding why an individual consumer acts in certain consumption related ways. The complexity of behavior, however, varies with the nature of the products and the need. Toilet soap is part and parcel of man's life. Detergents in these days have become another important product like soap, switching from traditional oil soaps and cleansing products. The normal day of a person starts with using toilet soap like starting from going to toilet, taking bath, before sitting on a dining table for a breakfast, lunch or dinner. Thus toilet soap may look small and low priced product, which people often ignore, but its needs are innumerable and we cannot manage without it even a single day. Although cleaning is the primary function of toilet soap, there are number of other functions performed by soap. It does the function of freshness, moisturizer for skin, a skin toner, and also a skin beautifier. It is also marketed in such a way that it kills harmful germs, which come in contact with body in daily work. It also protects from foul body odor and works as a deodorant. It is also projected as a fairness product to improve complexion, hair care & hair wash product.
Reference


[33]. Survey of Indian Industry 2003


