CHAPTER II
REVIEW OF LITERATURE

2.1 INTRODUCTION

In the present research, the researcher identified and reviewed more influencing factors of rural consumer behaviour of selected fast moving consumer goods. To develop a thorough understanding of the empirical research in the field of buying behaviour of rural consumers, extensive review of literature related to the field of rural marketing was undertaken. In this chapter, all the reviews are grouped under five categories namely, demographic factors, product information, rural consumer behaviour before purchase, rural consumer behaviour at the time of purchase, post purchase behaviour of rural consumer and other related literature, and the same has been arranged in a systematic order.

2.2 PART I DEMOGRAPHIC FACTORS

_Baiding Hu (1997)_ stated that the success of the economic reforms in rural China has raised the living standards of rural households. This is reflected in households' consuming goods and services that were not previously part of their consumption pattern. However, because of differences in economic and demographic characteristics, not every household has been able to increase consumption. Consequently, it will be useful to investigate how the likelihood of consuming such goods and services is affected by economic and demographic factors. In this paper, the probit model is used to compute the marginal and mean probabilities of consumption of five such goods and services, namely, Food away from home, Recreation, Medical Care, Transport and Postage. The empirical results show that the estimated probabilities of
consuming the first three goods are more sensitive to changes in the underlying economic and demographic factors, while the probabilities of consuming the latter two goods are more sensitive to changes in the model structure.

**Lokhande (2003)** analysed that rural consumer has become enough aware about his needs and upgradation of his standard of living. IT, government policies, corporate strategies and satellite communication have led to the development of rural marketing. Although income is one of the major influencing factors, caste, religion, education, occupation and gender also influence the buyer behaviour in rural areas.

**Verma and Munjal (2003)** identified the major factors in making a brand choice decision namely quality, price, availability, packaging and advertisement. The brand loyalty is a function of behavioural and cognitive patterns of a customer. The age and demographic variables affect significantly the behaviour and cognitive patterns of the customers while other demographic characteristics such as gender and marital status are not significantly associated with these behaviour and cognitive patterns of the consumers.

**Emin Babakus (2004)** examining individual tolerance for unethical consumer behaviour, provides a key insight into how people behave as consumers worldwide. In this study, consumer reactions to 11 unethical consumer behavior scenarios were investigated using sample data from Austria, Brunei, France, Hong Kong, the UK, and the USA. Nationality is found to be a significant predictor of how consumers view various questionable behaviors. Gender is not a significant predictor, while age and religious affiliation are found to be significant predictors of consumer ethical perception. The study identifies distinct consumer
clusters based on their perceptions of consumer unethical behavior. Implications of the findings are discussed and future research directions are provided.

2.3 PART II PRODUCT INFORMATION

Rajeev Batra (2000). This study tested whether the brand has perceived a nonlocal country of origin especially from the West, and the consumers are attitudinally preferred to brands seen as local, for reasons not only of perceived quality but also of social status. The results, thus, suggest that in developing countries, a brand’s country of origin not only serves as a “quality halo” or summary of product quality (cf. Han, 1989), but also possesses a dimension of nonlocalness that, among some consumers and for some product categories, contributes to attitudinal liking for status-enhancing reasons.

Kevin J. Clancy (2001) has conducted research into the state of brands in America. The results demonstrate that consumers can’t see differences between major brands in most product and service categories. As a result, more people buy products based on price.

Kim et.al (2002) argues that customer values get influenced by product attributes and consumption behavior and they consider customer values as an output of culture. Advertisement can influence customer perception. Due to cultural differences, the perception may differ. Little attention has been focused on the Indian culture and their perception to global advertisement. Therefore, this can be helpful to global brands, especially when India is one of the top emerging markets.

Ganeshmoorthy, Radhakrishnan and Bhuneshwari (2003). In their aim do analyze the brand loyalty of the products and the influence of mass media in rural markets. The study revealed that mass media had a
significant role in the sales promotion of the select products. In mass media it adds that consumers wanted to buy good quality products, that too at a reasonable price; consumers give more preference to quality. The next preference was given to factors such as price and availability.

**Kuldeep Singh and Varshney (2003)** conducted a study with the objectives of determining individual purchase behavior of toilet soaps and what companies should do to enhance their sales of toilet soaps and at the same time satisfy the consumers’, various ingredients of consumer behavior like motivation, learning, perception, personality, social and psychological factors have been analyzed in depth. Changing pattern of demand and supply and also the reasons for stagnation of toilet soap market were analyzed. It was not lack of awareness but lack of affordability which restricted consumers from buying.

**Jain and Rathod (2005)** found that customers were not happy with product quality and variety available in the rural market. Promotional offers also never reached rural consumers and retailers were found selling promotional items separately. Proper marketing strategies are needed to prevent product imitation.

**Madhavi and Arulkumar (2006).** In their study pointed out that most of the rural consumers are influenced by quality of the product. So the FMCG Companies should strictly adhere to the quality standards. Price is the second factor that influences the purchase of the product in most cases and hence the product should be reasonably priced. They concluded that FMCG companies could significantly increase the market share by extending attention of rural areas. More generic product with different advertisement campaigns surely attracts non-users.
2.4 PART III RURAL CONSUMER BEHAVIOUR PRE PURCHASE

Kenneth (1980) analyzed the consumer search for information and explored that a consumer often weighs between the cost and value of search. The information does not come free. It involves costs in the form of time, psychological discomfort and financial expenditure. The value of search depends on consumer experience, urgency of making purchase, satisfaction derived from search, perceived risk and value placed on the product.

Oliver (1980) compared the pre-purchase expectations and post purchase satisfaction and found that even good performance does not ensure satisfied customers. This was because customer satisfaction typically depends on more than actual performance. According to his expectancy disconfirmation model, it was identified that satisfaction depends on a comparison of pre-purchase expectations to actual outcomes.

Kent and Allen (1994) explained that brand familiarity captures consumer’s brand knowledge structures, that is, the brand associates that exist within a consumer’s memory. Although many advertised products are familiar to consumers, many others are unfamiliar, either because they are new to the market place or because consumers have not yet been exposed to the brand. Consumers may have tried or may use a familiar brand or they may have family or friends who have used the brand and told them something about it.

Jarvis (1998) identified that a purchase decision requires a subset of decisions associated with information search. At some point in time, consumers acquire information from external sources that gets stored in long-term memory. For most consumers, usually this stored
information, referred to as internal information, serves as the primary source of information most of the time as is evident in nominal or limited decision making.

**Krishna Mohan Naidu (2004).** In his study an attempt had been made to analyze the awareness level of rural consumers. It was found from the study that awareness of the rural consumers about the consumer movements were qualitative in character and cannot be measured directly in quantitative terms. There is no fixed value or scale which will help to measure the awareness. But the awareness had been studied with the help of their responses to various questionnaires relating to consumer movements, cosmetics, banking services, drugs, food products, tooth pastes and hair oil. Awareness levels were higher in the above said segments in Ranga Reddy of Andhra Pradesh.

**Sharma and Kasturi (2004)** observed that rural consumers do experience tension due to dissonance and exhibit defensive behaviour and use attribution in support of their behaviour. They were worse hit by non-availability of quality alternatives. This forces them to accept low quality products. As advertisements were not reaching the rural sector effectively, there is need to strengthen the hands of information agents to remove the ill effect of post purchase dissonance.

**Anandan (2007)** found that quality is the major driver to prefer a particular brand in washing soaps in the rural market. Power soaps are ruling the rural market. If the preferred brands are not available, customers buy the available brands. It is found that there is a significant relationship between the age of the respondents and the factors influencing the customers’ brand preferences. It is also found that there is no significant relationship between the type of income of the
respondents and the factors influencing the customers’ brand preferences. Higher price and non-availability are the key reasons for dissatisfaction of the rural customers. Marketers should target the customers with high qualitative soaps at affordable prices. They should concentrate on distribution strategies, as non-availability had been an important factor for dissatisfaction.

John Mano Raj (2007). This paper covers the attractions for the FMCG marketers to go to rural and the urban markets and uses a suitable marketing strategy with the suitable example of companies and their experience in going rural. Thus the rural marketing has been growing steadily over the years and is now bigger than the urban market for FMCG. Globally, the FMCG sector has been successful in selling products to the lower and middle income groups and the same is true in India. Over 70% of sales is made to middle class households today and over 50% of the middle class is in rural India. But the rural penetration rates are low. This presents a tremendous opportunity for makers of branded products who can convert consumers to buy branded products. The marketers need to develop different strategies to treat the rural consumers since they are economically, socially and psycho-graphically different from each other. This paper covers the attractions for the FMCG marketers to go to rural, the challenges, the difference between the rural and the urban market and the suitable marketing strategy with the suitable customers.

Rajesh Shinde (2007) analyzed that rural India has more than 70% population in 6.27 lakh villages, which is a huge market for FMCG products. All the income groups purchase the FMCG product but their brands differ from each other. The place of purchase, which the rural consumer prefers, is the weekly market, which is a good channel of
distribution of FMCG. Moreover the youth who visit the taluka place or district place are influenced by the city culture and it is reflected in their purchasing decision. Overall the marketer should understand the customer before taking up the road to the rural market.

Aditya Prakash Tripathi (2008) noticed that the Indian rural market has a tremendous potential that is yet to be tapped. A small increase in rural income results in an exponential increase in buying power. However, the marketing strategy for rural market has to be different from that adopted for the urban market, because of different social environment. Appropriate advertising and personal selling to meet the demand and integrated outlets have become the essential elements of the marketing strategy for the rural market. The success of marketing in rural areas depends on how effectively the marketing skills are applied in the number of complex activities of marketing, beginning with the assessment of the need of the rural consumers, organizing the production to match the demand, pricing, advertising and publicity, culminating in the sale of the product at a profit.

David Griffith (2008). This paper reports findings from a recent survey of 1115 respondents from 34 rural counties/ villages in 11 Chinese provinces. It investigates consumers’ reaction towards the advertising market by incorporating the use of information sources and perceived source credibility into the advertising effectiveness literature. The results show that rural Chinese consumers utilise a variety of information sources when making their purchase decision, and for different product categories different information sources are preferred. Although perceived source credibility is a reliable predictor for information sources use, the most trusted information source might not always be the most used source.
Sarangapani (2008) pointed out the essence of modern marketing concept is to satisfy the customer, and naturally all the marketing activities should revolve around the customers and their buying behavior. The key to ensure consumer satisfaction lies in understanding the customer, his likes, dislikes, buying behavior, buying motives and buying practices. In the light of this, rural consumer behavior provides a sound basis for identifying and understanding consumer needs. Knowledge of customer behavior is important for effective marketing efforts and practices.

Jyothsna Priyadarsini K (2009). It is understood from the study that many rural men feel delicate to use cosmetics. Rural males have a feeling that cosmetics are mainly meant for females. The social stigmas against male grooming products persist a lot. These male respondents consider their use as feminine. Now it is the job of marketers to create a cosmetic sense among the masculine breed. The present empirical study shows that a majority of the customers are unaware of the importance of male grooming and exclusive male grooming brands. Henceforth, marketers should attempt to create product awareness and drive the customers through brand awareness.

2.5 PART IV RURAL CONSUMER BEHAVIOUR AT THE TIME OF PURCHASE

Mowen (1988) found that the focus of many consumer decisions was on the feelings and emotions associated with acquiring or using the brand or with the environment in which it was purchased or used than it’s attributes. Whether consumer decision was attribute-based or driven by emotional or environmental needs, the decision process discussed helps to gain insights into all types of purchases.
Narayan Krishnamurthy (1999). In his article he has pointed out that semiotics primarily works best for products that have low involvement at the time of purchase, and had very frequent usage. Fast moving consumer goods (FMCG) such as soaps, shampoo, types goods and tea were the one that fit the bill best Mnemonics also became crucial to nurture and retain place in mind space. The shelf – life of FMCG products was short enough for most to remember those products by their symbols, colors and names, or a combination of those elements. The low level of literacy in rural India acts positively for signs and symbols along with visual looks, to succeed.

Upadhyay (1999) identified significant differences between rural and urban areas on the basis of the role played by different members of a family in purchase decision of non-durable goods. As initiators, husbands and kids are more prominent in rural areas, while wife is more prominent in the urban areas.

Leszezye, and Timmerman S (2000) analyzed that the store choice is a dynamic decision which can be conceptualized as a problem of deciding, when and where to shop. The first decision is the traditional store location choice problem where as the second is the shopping trip incidence problem relating to the timing of shopping trips. The two decision processes are correlated. Store choice is dependent on the timing of shopping trips as consumers may go to a local store for short “fill-in” trips and go to a more distant grocery store for regular shopping trips.

Keshav Sharma (2002). The study showed that rural customer in the urban analogous villages wants to acquire the urban life style but when
it comes to buying, decision making is entirely different from its urban counter part. Culture has a great influence on their buying decisions.

a) Equal status of female in buying decision making.
b) The rural customer up holds his traditions and customs in high esteem.
c) They hate the way their culture is being diluted through ads.
d) Only a very small proportion of the younger segment is willing to change and keep only the good that their culture has.

The Rural customer is simple and virgin. Upholding the dictum that customer is the king, if marketers try to approach him through his culture, he will feel respected and honored and will be forever yours

**Nillo Home (2002).** This study focuses on the relationship between consumers and grocery stores in the countryside. More attention must be paid towards retailing and consumer behaviour in rural areas since a lot of studies have focused on urban consumers’ buying behaviour while paying rather little attention to that of rural inhabitants, especially in sparsely populated areas. The buying behaviour of rural consumers and the positive and negative features connected with the product and service supply of rural stores are examined. The study ideates the most relevant store choice factors of an ideal grocery store and the most important features which best describe the rural store. Factor analysis revealed the dimensions according to which rural consumers evaluate grocery purchasing, and homogeneous customer groups with different shopping orientation and were formed using cluster analysis.

**Sarwade (2002).** In his study attempted to analyze marketing and consumer behavior aspects in rural areas with reference to three villages
namely Adul, Paithan and Sangri (s) from the marathwada region. The study revealed that the role of a husband in the family purchasing decisions in various items was comparatively less than of a housewife. It was found in the study that most of the consumers from rural area developed brand familiarity with brand names such as Lipton, international Lux, Keo karpin, Brahmi Amla, Pantene which were heavily used in urban areas. An interesting finding of the study was that overall consumption pattern of the rural consumers had changed. Consumption expenditure for non–durable items had increased considerably during the study period. Farmers should like risk bearing capabilities and self-dependence.

Keshav Sharma et al., (2002) found the rural consumers believed in joint buying decision making in consultation with the elders and the ladies of the house for their personal use according to their own independent buying decisions. Advertisement with rural culture and regional/local language attracted the audience. The entire respondent felt strongly about their customs and traditions. The respondents were aware of the availability of the products. They preferred quality to price.

Rajnish Tuli and Amit Mooherjee (2004) found that the rural consumer prefers to meet his immediate and day-to-day needs from village shops and avoid a comparatively higher transportation cost at the same time; bulk purchase will drive them to the periodic markets to avail the “bargain” and promotional incentives which will negate the impact of shopping cost incurred. Rural consumers patronize village shops to meet their credit-based impulsive requirements. On the other hand, cash rich consumers with no urgency, prefer to purchase from periodic markets to avail the benefits of low prices, discounts and varieties etc, which in turn motivate rural consumers
Archana Kumar (2009) This study of Indian consumers examines the effects of individual characteristics (i.e., consumer's need for uniqueness and attitudes toward American products) and brand-specific variables (i.e., perceived quality and emotional value) on purchase intention toward a U.S. retail brand versus a local brand. A total of 411 college students in India participated in the survey. Using Structural Equation Modeling (SEM), this study finds that Indian consumers' need for uniqueness positively influences attitudes toward American products. Attitudes toward American products positively affect perceived quality and emotional value for a U.S. brand while this effect is negative in the case of a local brand. Emotional value is an important factor influencing purchase intention towards a U.S. brand and a local brand as well. Implications for both U.S. and Indian retailers are provided.

Estiri (2010). In this study, we have tried to evaluate and compare the effects of packaging elements on consumer behavior in the pre-purchase, purchase and post-purchase stages. The questionnaires filled by participants (n=175) which were analyzed qualitatively to examine the importance of different packaging elements on consumer behavior in the three stages of purchase decision. Results show that all packaging elements are highly important for food products buyers and these elements can highly influence their purchasing decision.

Joyce Xin Zhou (2010) China is rapidly becoming an important market for consumer goods, but relatively little is known about variations in consumer shopping patterns in different regions of China. We employ a cultural materialism perspective in understanding decision-making styles of inland and coastal shoppers. Our findings reveal that consumers in the two regional markets do not differ in utilitarian shopping styles but they do in hedonic shopping styles. Marketers need
to understand these differences to be able to market effectively to consumers in different regional markets within China.

2.6 PART V POST-PURCHASE BEHAVIOUR OF RURAL CONSUMERS

Venkatesan (1973) found that the result of satisfaction to the consumer from the purchase of a product or service was that more favorable post purchase attitudes, higher purchase intentions and brand loyalty are likely to be exhibited that is, the same behavior was likely to be exhibited in a similar purchasing situation. Thus, as long as positive reinforcement takes place, the consumer will tend to continue to purchase the same brand.

Kapoor (1976) made an attempt to define the emerging lifestyles of 47 rural families living in the villages of Delhi, Haryana, Punjab and Uttar Pradesh. It revealed that rural consumers were not satisfied with the services rendered by village retailers. This includes product availability, price charged, after sale service and credit availability.

Geva and Goldman (1991) discussed possible inconsistencies in consumer’s post-purchase attitude when faced with disconfirmed expectations. The main argument, based on an extension of cognitive dissonance theory, was that post-purchase attitude may be characterized by duality. Satisfaction with post purchase may not be closely related to intentions to repurchase because of the different functions they may fulfill. Whereas satisfaction reflects the need to justify post purchase behavior, intentions to repurchase, which are of instrumental importance, reflect learning from experience. This approach contrasts the prevalent satisfaction- intention paradigm which
assumes a causal link from satisfaction with the purchase, to intentions to repeat it.

**Vasudeva (1999)** observed that the proportion of households, which are brand loyal to one or more brands, are similar in urban market and rural markets. Toothpaste is the only product for which rural market shows greater brand loyalty than the urban market. The rural brand loyal consumers were found to be comparatively more price conscious than the urban brand loyal for detergent powder and toilet soaps.

**Lokhande (2004)** observed illiteracy to be a major hindrance in rural marketing and thus audio-visual aids can enable the marketers to take their message effectively to rural areas. It was found that brand does not matter to the rural consumers; they just want to fulfill their needs. Some consumers were brand loyal also and didn’t make brand shifts. Thus, marketers should focus on brand value. Distribution channel should be made effective so that rural retailers are not deficient of necessary goods. Although barter system was found to be prevalent notably in the rural areas, daily wage earners were purchasing commodities on payment basis only.

**Archna Shukla (2006).** In her article states that residents of at least four villages visit saunda Heat in Meerut district of Uttar Pradesh every Thursday, as do merchants from the same villages. There are around 60 stalls in Haat selling everything from groceries to apparel to kitchenware to fresh produce. Few of the brands which are familiar are parlea, Tiger, Parachute and lifebuoy she further adds that saunda Haat is one of 47,000 that is serving the needs of 742 million. She concludes that despite constraints, the rural market especially for Fast Moving Consumer Goods (FMCG), apparel, footwear and fuel is bigger than the urban market.
Yuping (2007). It was found that consumers who were heavy buyers at the beginning of a loyalty program were most likely to claim their qualified rewards, but the program did not prompt them to change their purchase behavior. For light buyers, the loyalty program broadened their relationship with the firm into other business areas.

Wen-bao Lin (2008). This study is attempted to combine the decomposition theory of planned behavior with the theories of relationship quality and product involvement to establish a complete model for the explanation of factors influencing online investment and post-purchase behavior. The SEM causal model was used to verify the capability of the model to explain the online investment and post-purchase behavior of consumers. Consumers in the top four largest cities in Taiwan who invest in financial products via banks were selected for the study. In the preliminary fit, the financial support of family members has the highest influence on the decision of consumers (subjective norm), the incorrectness of product information announced by service providers is perceived by consumers as the highest risk (perceived risk), and the attractiveness of products is the most important variable to arouse the interest of consumers to buy (product involvement). As for the internal fit, the subjective norm to actual behavior, perceived risk to actual behavior, subjective norm to post-purchase behavior, and gap of perceived service quality to post-purchase behavior reach the significant level and the overall goodness-of-fit of the research model was satisfactory.

2.7 OTHER RELATED LITERATURES

Udo Weiss (1978). This analysis of China's rural marketing structure begins with an exposition of the theoretical background to the distribution of commodities in a socialist economy. Citing the paucity of
up-to-date information, the author assumes a degree of continuity and
draws on earlier material for his description and analyses of the Chinese
rural market. The historical development of market structures is traced
from the early 1950s — specific policies are discussed in relation to the
evolution of broader Chinese development goals. These policies relate
to: planned buying and distribution of rural produce, establishment of
supply and market cooperatives, rural-urban trade and the renewed
importance of village markets. Finally, the author draws some
implications from the Chinese experience for other developing
countries.

Hans Baumgartner (1996). This paper proposes a two-factor
conceptualization of exploratory consumer buying behavior in which
exploratory acquisition of products is distinguished from exploratory
information seeking. A scale for measuring individual differences in
consumers' tendencies to engage in exploratory buying behavior is
developed based on this conceptualization, and the instrument is
related to several other constructs and actual exploratory behaviors. The
results of six studies with subjects from two different countries show
that the scale has good psychometric properties and that its
relationships with other constructs and actual exploratory behaviours
conform to theoretical expectations.

Harish Kumar (1999) Managing Director, Maharaja Appliances LTD.,
reveals that, as of now, very few players were actually tapping its
potential in rural markets. Since branded and quality products were
unavailable, rural folk had to be satisfied with sub-standard or illegal
products. Moreover, the difference between the process of gray
products and legal branded products was also a major deterrent. He
brought out the reason that with a rise in rural per-capita income,
“The tendency to move towards easy lifestyle will be a boob to the consumer durable industry”.

Maithli Ganjoo (2000) of ORC examines in his analysis that the size of the pack helps the rural consumers pick the product at a price that they can afford. Certain products like detergent and paste were bought in larger quantities, whereas shampoos, toilet soaps, eatables were bought in smaller pack sizes, the products were common to family members who bought in large pack sizes, whereas individuals preferred smaller packs. The storage life of a product also has a bearing on the decision. Edibles for example, cannot last long unless preserved and kept under ideal conditions. The affordability, storability and availability along with usage are reasons for rural consumers to look towards smaller pack sizes.

Pradeep Lokhande (2000) Director on a Pune based rural research agency observed in his article the effectiveness of sampling in rural markets. He says that the effectiveness of rural promotions and their results could mean more than just plain numbers. There was a need to demarcate brand registration and brand sale, and adds that brand registration was vital in the rural perspective, because it may then spread to other products under the same umbrella. As more products were identified in rural India, conversion to a better brand in the same category was a rather difficult proposition. So sampling was perhaps the only way to achieve this conversion.

Upadhyaya et al. (2000) suggested that top management’s commitment to serve the rural market already exists, but lower level that looks after implementation, have exposure mostly to urban markets. Rural marketing is a network of relationships and although, rural buyers take
a long time to make-up their minds to decide, once they decide, they do not change their decision in a hurry. Therefore marketers’ need patience and persistence in dealing with non-educated rural traders and consumers.

**Ziauddin Khariroowala and Sait Siddiqui (2000)** conducted a survey in five weekly haats of villages in western Uttar Pradesh among 200 rural consumers. The survey revealed that the people with lesser monthly earning prefer to buy from Haat. Rich people avoid purchasing from small Haats because they look for branded and quality products. They concluded that Haats have lot of potential which needs to be exploited. Haats can come out to be an answer to all marketing problems faced in rural India.

**Kannan S (2001)** pointed out that many companies take different routes to reach rural consumers, FMCG used the weapon of sachets to modify and motivate rural consumers to try their products and it is reaping good results as the recent survey clearly indicates that 80% of the companies’ revenue comes from small stock keeping units.

**Sarvan (2002)** examined and revealed about four important projects launched by it is in rural India. (1) Project streamline (1998) addressed the problems of the rural distribution system to enhance HLL’s control on the rural supply (2) Project Bharat (1999) was a direct marketing exercise undertaken to address the issue of awareness, attitudes and habits of rural consumers (3) Project millennium (2000) where in it targeted at increasing its share in the Tea market (4) project Shakthi Sought to create a sustainable partnership between HLL and its low income rural consumers by providing then access to micro – credit into investment opportunities as enterprise through sharing profits.
**Ashish Neogy and Soumyo Sinha (2003).** In their article pointed out that the concept of rural retailing is not new. In fact in India there were 36 lakh rural outlets in 1999 in India’s Six-lakh-plus villages. The study highlighted that rural retailing offers a great chance for selling different branded goods. Hindustan lever estimates that only one lakh villages have been tapped effectively so far. The study concluded that literacy rates in villages have increased considerably, thus bringing about a shift in consumer tastes. This change has led many companies to tap this new breed of customers.

**Pradeep Kashyap (2003)** examined and revealed that rural people evolved systems of selling and communication that served there well for centuries. Haats could serve as both sales outlets and redistribution points as village shopkeepers also frequent them to replenish stocks. He had also examined that the army of mobile traders who go from house to house in rural India to sell a variety of FMCG (mostly takes) could be motivated so that at least some could be converted to sell genuine company brands. He also revealed that advertising agencies should entrust development of rural communication packages to professionals hailing from small towns as they could have a better connect with rural mindsets.

**Raman and Suganthi (2003)** analysed factors that enabled the MNCs to have their own foot hold in rural India. Success of MNCs in rural market depends on how they adopt different marketing strategies for the rural markets over a period of time. These strategies are to be based on cultural, sociological, economic and psychological background along with a factor of 4ps for consumers in that area.
Ruchi Trehan (2003) found that the Indian rural market is very big it’s twice the size of the entire market of USA and it differs significantly from their urban counterpart. But these differences stand reduced due to increased penetration of TV and other communication channels in rural India. Rural India is different from urban, but it is catching up to its increased mobility of rural to urban consumers and increased level of literacy and credit availability in rural areas.

Deepak Halan (2003) mentioned that many rural customers are daily wage earners. So, it makes sense to package products in smaller units or other low-priced variants for rural markets. In rural markets, many brands have to compete with goods from unorganized sectors. These goods are generally very low priced; often there are cheap substitutes available. The rural consumers are ready to pay higher prices for better quality or more featured products at the harvest season. This is the time when chances of selling expensive brands are seen and when money is received it also shows how it is used and what the priority order of the needs.

Malini Reddy (2004). In her study points out that a marketer had to face an entirely different set of conditions and problems when marketing in rural areas as compared to urban areas. Rural marketers need to have an open mind, and sensitize themselves to understand the rural consumer. Apart from understanding the consumer, communication in the language that the rural consumer comprehends was a challenge that the marketer had to face. Creative approaches to providing a satisfactory offering, in terms of adaptation to consumer needs of the rural market reflected in products offering as well as message used, were absolute essentials to achieve success in the Indian market.
Nagaraja (2004) found rural consumers as different type of consumers with whom clever and gimmicky advertisement do not work well. Quality of product and its easy availability were observed as primary and vital determinants of rural consumers’ buying behavior. ‘Touch and feel’ promotional activity has a quite high influence on rural consumers.

Shukla (2004) portrayed that if HLL’s clinic plus was market leader in shampoo market on an all India basis, then Cavinkare’s Chik was market leader in the rural areas, where clinic plus was only distant second. Regional brands and niche players, with better understanding of rural market and rural specific business models and strategies; are emerging clear leader in the rural market.

Bishmupriya Mishra and Sakkthivel (2005). In their survey aimed to find out the quantity and frequency of purchase of FMCG Products by rural consumers. The study revealed that majority of the products were not used by the rural consumers but they become a part of their lives, due to sachets and cheaper prices. It is very evident that small packets have really modified the buying behavior of rural consumers to a large extent. It adds that shampoo is fancy among the rural followed by spices, toothpaste, washing powder, fairness cream and so an. It vividly portrays the consumers’ preference to buy FMCG products in sachets. They also observed that toilet soap is yet another product as it is consumed regularly and may be preferred by travelers. The study concluded that sachets facilitated rural consumers to try new products and also played a vital role in modifying their buying behavior and above all, a major change in their lifestyles. Hence, sachets may be viewed as a sales promotion tool for modifying buying behavior rather than a yet another innovative from of packaging.
Hyllegard (2005). The study focused that specialty retailers’ success in international consumer decision making and impacts acceptance of products and services. It was found that perception concerning quality, product assortment, and quality of customers service etc differed from person to person.

Jamal (2005). The present study overcomes some of this shortcoming by specifically evaluating whether consumer within the Arab world differ from each other with respect to their ethical beliefs, ethical ideologies, and degree of Machiavellianism. Utilizing a sample of 683 consumer from four Middle Eastern countries (Saudi Arabia, Egypt, Kuwait and Oman), the findings suggest that Arab consumer differ significantly in their ethical beliefs and ideologies. Specific results are discussed and managerial implications are offered.

Kanjila Abir, Das Indranil and Srinvatva Rohitash (2005) while rural markets present a great opportunity to companies, they also impose major challenges. The unique features of rural India call for social attention and thus, subsequent changes in the application of marketing concepts. if the Indian advertising industry is to tap rural India, it has to be firmly grounded in rural perception, values and traditions. It has to draw itself in local colors and modes of communication to make it relevant to the rural masses. It has to gain the trust of the masses by undercutting existing dependency on conventional advertisement on the one hand and deceptive and manipulative claims on the other hand.

Mishra and Sakkthivel (2005) observed that majority of rural consumers prefer products like shampoo, spices, fairness cram and mosquito repellants, which are purchased on weekly basis in sachets. But other products like talcum powder, toilet soaps, biscuit, and shaving
creams are expected in medium container, sachets in these categories only provided an opportunity of trial. Thus, sachets need to be used as a promotion tool, rather than as a packaging strategy. Packing strategy needs to be changed according to the consumption pattern.

**Ranganathan (2006)** Chairman and Managing Director, Cavin Kare, India (Pvt) Ltd, in his article pointed out that in the last dead, increased competition has driven down margin for all the FMCG players. He further added that it is time for FMCG players to innovate not just in products, but in distribution, packaging, pricing, consumer promotion, communication and supply chain to gain a distinct advantage over competition and fuel their growth. He concluded that the future for the FMCG sector is very bright.

**Shawn Thelen (2006).** This research assesses the impact of consumers’ regional affiliation, within a single country, on relationships among various marketing constructs. Secondary qualitative and quantitative data support the premise that decision-making models differ across regional societies in Russia. This implies that consumer choice models can vary in effectiveness and behave differently across regions within a single country. This research underscores the importance of recognizing regional affiliation within a country and its potential impact upon consumer behavior.

**Tapankpanda (2006)** observed that the rural market is in for a transformation. The dismantling of the “middle-class” myth as proved by the forgetful experiences of the MNCs and as substantiated by a recent NCAER study has led the majors like ITC and HLL to do a rethink to understand the rural market, establish the market potential there, and undertake rural marketing initiatives. The significant
differences between the characteristics of the urban and the rural consumers in terms of the source of income, distribution of income, and allocation of expenditure have necessitated this. Also, the availability of marketing infrastructure, in terms of media reach, distribution network, and retail infrastructure varies quite significantly and is relatively underdeveloped in rural India. These factors make a sound network and a thorough understanding of the village psyche a sine qua non for making inroads into the rural markets.

**Upchurch (2006).** This article evaluates the linkages between product and services offerings in relation to consumer expectancies and satisfaction with intent to purchase additional timeshare products and services. The findings of this study support the general notion that timeshare developer services are integrally related to consumer satisfaction, and in turn influence future decisions to maintain usage patterns or to purchase additional vacation time.

**Anil Chandhok (2007)** suggested that many companies have attempted multiple segmentation approaches in the rural market but it is clear that one cannot rely on a specific segmentation approach. Rather, one needs to explore and understand customers through behavioral research or by undertaking pilot projects in rural areas to identify well-defined segments. The greatest problem is that the rural market is still evolving in efficient dissemination of information and there is no set format to understand consumer behavior. A lot of research is still to be carried out in order to understand the rural market. The future is certainly bright for the Indian rural market through the effective implementation of STP strategy, which will create more room for all players, including consumers, marketers and investors.
Lopamudra Ghosh (2007) identified key challenges for FMCG companies who are penetrating the rural markets, which include infrastructure issues like poor distribution system, improper logistics and the fragmented rural market, given the heterogeneity of the Indian population. The companies who understand these challenges and tune their strategies accordingly will surely be the winners in the years to come, taking advantage of this economic boom in the rural sector of India.

Selvaraj (2007) identified that the rural market is blooming, with increase in the disposable incomes of the households. By nature rural marketing is complex oriented and study of perception of rural consumers is always a difficult task unlike urban consumers. Rural consumers vary not only in their behavior, practices but also in conviction and belief, yet, the general tendency has not changed widely between rural and urban consumers as regards to aiming on superior quality products, and branded products etc. it is essential that an effective communication is information about products but also educating them regarding the use of products. though , rural consumers’ behavior remains constant at least for a particular period, it cannot be taken for granted that they will not change when better opportunities are given to them, thus, rural consumers may resort to change and hence their behavior will not remain inactive in the changing market environment. therefore it is necessary, that rural consumers have to be thoroughly studied so as to have better knowledge on rural marketing and work out appropriate marketing strategies for the success not only in the short run but also in the long run.
Pawan Garga (2009). It is understood from the study that rural market has its own set of challenges. Therefore, organizations need to unlearn and then relearn the marketing strategies and tactics that will enable harnessing the immense rural potential. The approach, strategies and marketing mix needs to be modified and examined from rural consumer’s perspective to be successful in the rural market.

Sushash B (2009) has discussed about the share of rural areas in total FMCG products consumption in India, factors influencing sale in rural markets, ways of market penetration, problems and limitations. He has finally concluded that with the increasing competition and saturation of urban markets the future prospects in rural markets are high.

2.8 RESEARCH GAP

The review of related literature regarding the rural consumer behaviour are analysed from different sources. From the analysis of the review of literature, it is found that all the studies have attempted to examine the rural consumer behaviour of various product categories with the study of only the pre-purchase behaviour or at the time of purchase or post purchase behaviour. But no attempts have been made to study all the three constraints jointly. So this was identified as research gap after analyzing all the review of related literature. Hence, in this study a serious attempt have been made to study the rural consumer behaviour on FMCG with different stages namely, pre-purchase behaviour of rural consumer, rural consumer behaviour at the time of purchase and post-purchase behaviour of rural consumer.
REFERENCES


