Chapter 2

Methodology
of the Study
This chapter presents the rationale for the study. Divided into nine sections, section one starts with an expansion of rural market and its potentiality and introduces the research problem. Section two presents the review of literature. Section three presents the need for the study. Section four outlines the objectives while chapter 5 outlines hypothesis of the study. Section six details research methodology in terms of sample selection, data collection and analysis tools. Section seven describes the scope of the study while section eight outlines the limitations. Section nine outlines the organization of data analysis.

2.1. Introduction

For quite some time now, the lure of rural India has been the subject of animated discussion in corporate suites. And there is a good reason too. With urban markets getting saturated for several categories of consumer goods and with rising rural income, marketing executives are fanning out and discovering the strengths of the large rural markets as they try to enlarge their markets. Today, the idea has grown out of its infancy and dominates discussions in any corporate boardroom strategy session. Rural market became the hot spot to the corporate food manufacturing or marketing companies. Because of the reasons, 72 percent of the Indian population is living in its 6 lakhs villages. The consumption of food in rural is almost two times to urban. The consumption pattern of rural is from sachets to bigger packets. Adi Godrej, chairman of the Godrej group, discloses 'it is a myth that rural consumers are not brand and quality conscious'. A survey by the National Council for Applied Economic Research (NCAER), India’s premier economic research entity, recently confirmed that the rise in rural income is keeping pace
speedily with urban income. This potential of rural market has got India's big business houses rushing to enter and expand rural businesses.2.

Market structure in India is dichotomous covered by rural and urban markets. There are certain unique characteristic features which call for separating marketing strategies to be distinctly developed to suit to rural and urban market behaviours. This is especially because rural consumers differ in terms of its consumption pattern, purchasing decisions, purchasing behavior, attitudes and perceptions towards products. The dominant economic peculiarities of rural India may be also recognized in terms of the source of income (Agriculture), the frequency of receipts of income (unstable because of the dependence on monsoon) and the seasonal nature of income and consumption. These differences also affect the consumption pattern of rural consumers.

Rural consumer is a person who desires, needs and requires marketing components in his capacity as buyer. Typically marketers are defined to have the ability to control the behaviours of customers, but actually they have neither power nor information for that. Marketer may influence their buying behaviour but not control. Motives, perceptions, attitudes, experiences, self concept, values can be considered as individual factors. And not individual factors can be expressed as, culture, profession, family, reference groups.

The Rural market has been growing steadily since 1980. Rural markets are vital for the growth of most companies. For instance, more than half of HLL's annual turnover of Rs.9, 954 crore comes from rural markets. But despite the high rural share, the rural penetration rates are low, thus offering tremendous potential for growth. The proposed agricultural reforms in the Tenth Plan, easy availability of agriculture credit, the Rs. 60,000 crore village road programs, introduced recently to connect 1.9 lakh villages, and improved communication network is likely to give a huge fillip to the rural economy and income, resulting in higher penetration as also increased consumption rates in the years to come.3.
It is the spread of population in rural areas that is offering huge potential to relating industry. Six out of ten people live in the villages. According to NCAER study, there are almost twice as many “lower middle income” families in rural India as in the urban areas\(^4\).

- At the highest income level, there are 2.3 million urban Families as against 1.6 million families in rural areas.
- Middle and high income families in rural India were expected to grow from 1.11 million by 2007.
- In urban India, the same was expected to grow from 46 million to 59 million.

Recently, rural employments guarantee scheme (NREGA) worked wonders in the rural India. ‘The new government is applauded with the success of NREGA scheme and is likely to earmark Rs.30, 000 crores for the scheme in Financial Year 2009\(^5\). The government ensuring employment to 4.47 crore families and creating 215 crores person –days during the past three years are big achievements for the rural people. ‘The projects worth 27 lakhs, have already been spent, out of which projects worth 12 lakhs, are completed\(^6\). These projects have also increased rural income and have become a big factor for the companies to rush for the rural call. NREGA has also injected confidence in the rural people. ‘The opening of bank account is making many rural poor confident. They are saving money now. Also, the life insurance and health insurance products have to provide additional grounds\(^7\).

Thus the number of middle and high income Families in rural India would be many folds as compared to urban India. The market increase in the rural income is due to agrarian priority. There is large inflow of investment for rural development programs from government and other sources also.

There is increasing contact of rural people with their urban counterparts due to development of transport and wide communication network. The literary education levels have increased among rural folks, and as a result there is an inclination to lead sophisticated lives. ‘Changes in land tenure system have also resulted in structural changes in the ownership pattern and consequent changes in the buying behaviour of rural population\(^8\).
Thus a large population, rising farm income and inspiring infrastructure has translated great opportunities with a sizeable rural presence. Some impressive facts about the rural sector are:

- The number of rural super markets (Haats in India), 47,000 exceeds the total number of retail chain stores in the US (35,000).
- LIC sold 55 percent of its policies in rural India.
- Of the BSNL mobile phone connection 50 percent are in rural.
- 24 million Kisan Credit Cards (KCC) issued in rural areas exceeds the 17.7 million credit cards plus debit cards issued in urban India. As hoping Rs. 52,000 crores has been sanctioned under KCC scheme.
- The number of middle and higher income families (having Rs. 70,000 plus annual income) in rural (21 million) and urban (24.2 million) is nearly the same.
- Of the millions who have signed up for Rediffmail, 60 percent are from small towns. Of the lakhs who transact on Rediff online shopping site, 50 percent are from small towns.
- Mobile banking offers an opportunity for banks to reach out to the rural population and doing business in rural areas has become more viable. 'The global market for mobile based transactions is still in its infancy in India, is projected to be worth more than $ 500 billion by 2011. It will foster the expansion of banks’ business as well as it will cut various costs'.
- An ASSOCHAM report on rural consumption says that in three years the per capita income in rural areas will double. Considering that rural Familys form 72 per cent of the total, the rural market roughly comprises 720 million customers.

Bhatia, T.K. (2000) explained that “These villages and small towns, which were once inconsequential dots on maps, are now getting the attention of global marketing giants and media planners. Thanks to globalization, economic liberalization, IT revolution, Indian diasporas, female power, and improving infrastructure, middle class rural India today has more disposable income than urban India. Rural marketing is gaining new heights in addition to rural advertising".
The Indian rural market with its vast size and demand base, offer a huge opportunity that companies can’t afford to ignore\textsuperscript{13}. In Rural India, majority of food consumption is still at home. Nevertheless, out-of-home food consumption is increasing due to increase in urbanization, breaking up of the traditional joint family system, desire for quality, time which translates into an increased need for convenience, increasing number of working women, rise in per capita income, changing lifestyles and increasing level of affluence in the middle income group had brought about changes in food habits. In view of this, to increase the market share more and more, companies are foraying into India’s rural markets. Among those that have made some headway are HLL, Coco cola, Britannia, LG, Philips and Colgate Palmolive to name a few.

According to Khor Eng Tatt (2010)\textsuperscript{14} stated that consumer behaviour are governed by various factors which include their needs and desires, their attitudes and expectations, their understanding of what is available, their financial capacity and their decisions processes. The relationship between the consumer and the brand, consumers’ perceptions of that brand, is the key to brand acceptance.

According to Khor Eng Tatt (2010)\textsuperscript{15}, the strength of the relationship between the consumer and the brand will reflect the fit between the consumers’ own physical and psychological needs and the brands’ functional attributes and symbolic values as perceived by the consumer.

The concept of branding has been a late entrant in rural markets. Consumers have graduated to branded products with increased affordability as a result of increasing rural income in recently. A brand name in the rural context facilitates easy brand recall and in drawing any colours, visual or numerical association. But some brands are known by their names, for example, Priya, MTR, Asheervad, BSF, Haldiram, Heritage, etc.

The modern concept of branding grew out of the consumer packaged goods industry and the process of branding has come to include much more than just creating a way to identify a product or company. ‘Branding today is used to create...
emotional attachments to products and companies\textsuperscript{16}. 'Branding efforts create a feeling of involvement, a sense of higher quality, and an aura of intangible qualities that surround the brand name, mark, or symbol\textsuperscript{17}.'

The challenges in creating a brand identity in rural involvement are the need to relate the brand with the rural lifestyle, or with appropriate status symbols, or with the rural environment. As most brands are introduced in urban markets and then move to rural, creating a brand identity in rural becomes a tough challenge. Britannia Tiger biscuits created an identity associated with a smart, active and sharp child.

It is of paramount importance to understand the dynamics of culture and society of the rural audience. Along with the cultural dynamics, the needs and latent feelings of the rural people also need to be well understood. Marketers would do well to understand this and then design and launch products accordingly. For example, Cadbury's has launched Choco Bix, a chocolate flavored biscuit — the launch is on the basis of the understanding that rural mothers opt for biscuits rather than chocolates for their children. This research is aimed at to study the 'Impact of Branded Packaged Food (BPF) Products on Rural Consumers in Chittoor District'.

2.1.1. Broad Statement of the Problem

Packaged food is the food like ready to eat food, rice mixtures, instant mixtures, soups, curry soups, snack food, etc. named and established in India by the Defense Food Research Laboratory (DFRL), Mysore. It was established on 28\textsuperscript{th} December 1961 under Defense Research and Development Organization (DRDO) to fulfill the needs of varied foods of Indian Army, Navy, Air force and Paramilitary forces. Their aim is to design and engineer light weight convenient packed food with longer shelf-life under varying climatic conditions.

The convenience, sensory appeal, natural ingredients of packaged food and several benefits of these goods made urban consumers to adapt the packaged food items to consume. Now the packaged food became inevitable commodity in our
day-to-day life. In these days when almost all items are sold in readymade forms in packets, food items are no more exception.

The concept of rural market in India is still evolving and poses numerous challenges like understanding rural consumers, reaching products and services to remote locations and communicating with heterogeneous rural audience. The unique consumption pattern, tastes, different rural geographies and vast sub-cultural differences display numerous heterogeneity, calling for better understanding of pinpoint strategies.

The recent thrust of marketers into rural market is triggered by the saturated urban market and the huge rural potential which is reflected in growing demand, has created uproar in this market. The rural India has been witnessing a sea change in all sphere of life, be it enhance standard of living or adoption of new lifestyle.

In current days, the living styles of the rural consumers are similar to their urban counterparts. Material prosperity in the rural India due to the entrance of Multi National Companies (MNCs) and new marketing strategies of Domestic companies resulted in increased production, improved infrastructure and marketing communication facilities. Increased rural development investment has increased the purchasing power of the rural folks. The increased purchasing power changes the dynamics of rural consumption behavior.

Socio-economic changes (lifestyle, habits and tastes, economic status) Literacy level (25% before independence, more than 65% in 2001) Infrastructure facilities (roads, electricity, media) Increase in income, increase in expectations are the major reasons for improvement of business in rural area. The traditional food choice of a consumer is frequently changing due to certain changes occurred in internal influencing factors like customer culture, convenience, etc.

Thus; it is worth to examine how the rural consumers are motivated towards branded packaged food products, how far the socio-economic cultural factors are influencing the willingness to pay for branded packaged food products.
The leading business magazine Business World has published ‘The Marketing White Book 2007-2008’ (December 2007). There is a special chapter on ‘The Rural Consumer’ on the basis of ‘MGI India Consumer Demand Model’ they have quoted the aggregate rural consumption as given in table 2.1. The table is self-explanatory. Prof. C. K. Prahalad (2006) is also convinced about the emerging purchasing power in the rural areas.

Table 2.1: Aggregate Rural Consumption (In Rs. '000 Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>(Estimates)</th>
<th>(Projected)</th>
</tr>
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<tbody>
<tr>
<td>1985</td>
<td>449</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>609</td>
<td>968</td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td>1670</td>
</tr>
</tbody>
</table>


Jha Mithileshwar, (2007) opined ‘a complex set of factors influences rural consumers’ behavior. Social norms, traditions, caste and social customs have greater influence on the consumer behavior in rural areas than in urban areas. The seasonality of agricultural production influences the seasonality of rural consumer’s demand. Given the fact that the landless laborers and daily-wage earners get their income in installments, their purchasing is restricted to small quantities of products at a time, mostly on a daily basis or once in two or three days.

A thorough understanding of rural consumer behavior would help in identifying different market segments and to evolve suitable marketing strategies for effectively penetrating and thereby to command a respectable share in rural markets.

Research Question

Is the charming of packaged food touching the need of rural consumers’ and showing its impact on rural consumers’ food choice?
2.2. Review of Literature

At present (in 21st century) rural marketing is likely to be explored area to branded food companies when compared to urban markets. Most of the marketing theories were developed in the urban context focusing on urban consumers and urbanized products. 'Bottom of the Pyramid', writer C K Prahlad, opined that the rural potential is awesome for corporate world. Branded packaged food is no exception.

A review of available literature will help in order to develop a research work. To review the available literature is separated under three headings.

✓ Consumer attitude towards Branded Packaged Food Products
✓ Factors influencing the willingness to pay for Branded Packaged Food Products
✓ The possessions of promotion mix on rural consumers

i. Consumer attitude towards Branded Packaged Food Products

According to Ukpebor and Ipogah (2008)\(^1\), 'a powerful brand will enhance a customer's attitude strength of the product association of a brand'.

As claimed by Vranesevic and Stancec (2003)\(^2\), 'the importance of the brand can be seen primarily in its impact on consumers' choice and their loyalty through identifying and differentiating quality and origin, as well as creating additional values. One of the innovation strategies is the powerful brand can capture customers' interest'.

Ruchi Treham and Harmandeep Singh (2003)\(^3\) pointed out that Indian market is a huge market with lot of potential in it. Nearly 70 percent of the population lives in rural areas. They also pointed out that Indian markets have both urban and rural characters. Both markets significantly differ from one another while considering general and product specific factors and making their purchase decisions.
Sathya Sundaram (2002) has reviewed that a silent revolution is taking place in rural areas where the majority of the population lives. The consumption patterns and preferences of the rural consumers are changing. The rural population is being influenced by television advertisement campaigns. Moreover, the farm sector is having tremendous amount of accumulated disposable income. Of course, the real challenge lies in understanding the actual needs of rural consumers.

Bronnenberg et al (1996) in their article observed that it is becoming increasingly evident that consumers' brand decision in low involvement categories dies not involve full search, evaluation and comparison of price of all brands available at the point of purchase. The authors proposed a two-stage choice in which consumer first identifies a subset of brands within the universal set of brands called the choice set and then evaluates only those brands that are in the choice set relative to one another to select a single brand.

According to Denford Chimboza and Edward Mutandwa (2007), four factors were identified as critical in brand choice, according to study findings: promotion, brand price and availability, packaging and product quality. However, promotion of dairy products was the most important determinant of brand choice. They highlight the importance of promotion in determining consumer behaviour. In an environment characterized by declining product supply, consumers may be mostly concerned with what and where to get the product.

Renuka Hirekenchanagoudar (2008), while studying the extent of popularity and nutritional contribution of processed fruit product among different socio-economic groups observed that consumption of processed fruit products like jam, squash and juice showed an increase with education of women.

ii. Factors influencing the willingness to pay for Branded Packaged Food Products

Vijay Kumar S (2005) found that the age group of people is an important criterion to determine the consumption pattern of packaged food. It is also pointed
out that age, marital status, occupation and family income were significantly related to the monthly spending on packaged food.

Polegato and Zaichkowsky (2004) observed that husbands are seen increasingly willing to take on food shopping and revealed that 25 to 45 percent of husbands share family food shopping role with their wives.

According to Singh and Singhal (1986) a well designed packaging acts as the main identifying feature for quality and quantity and make the consumers’ more informative and price, the package is worth off.

Venkateshwarlu et al (1987) in their study on factors influencing consumer decision making process towards biscuits found that sample consumers mostly purchased biscuits at least once in a week. Consumers preferred packed biscuits to loose ones and small packets to big ones. Parents and children were more or less equally involved in decision making. Consumers’ perceived quality and taste were important influencing variables that determined brand loyalty.

Kramar (1988) stated that the recent trends appeared motivated by nutritional food safety perceptions and health concerns were not the only factors. He also observed that taste, price, convenience, variety and quality were also important. He found that the consumers were increasingly demanding sake and nutritious food appropriately processed, labeled and certified.

Xavier (1991) in his study to determine the chief influence in the family decision process found that the college going children influence the decision process highly. He also determined the major factors which have a bearing on the television purchase decision process such as picture sharpness, sound, quality, appearance and brand reputation.

Raka and Arora (1997) who examined the buying the behavior towards processed fruits and vegetables products, identified taste as the most important factor which influences the purchase decision followed by price and quality.
Kempt and Smith (1998)\(^3^5\) observed that consumers' first usage experience with a brand is a critical factor in determining brand beliefs, attitudes and purchase intention.

Subhalakshmi (1999)\(^3^6\) observed that rural consumers in general were influenced by the packing of the product whereas urban consumers by the promotion and product features like taste of the product.

Gupta and Verma (2000)\(^3^7\) focused on the influence of socio-economic variables like age, education, income and employment in the decision dimensions and found that income of the family and women employment is the major factor influencing family decision making. In the purchase decisions, husbands tend to concern themselves with relatively important and functional product attributes like price while wives concentrate on relatively minor aesthetic product attributes like colour. He also pointed out that financial resources that husband or wife brings to the family also influence family decisions.

Kumar (2003)\(^3^8\) revealed that the majority of consumers are highly enlightened and are concerned of quality of the products. He also revealed that the consumers uniformly, both in urban and rural areas, desire to have quality of products at reasonable price and trust more the advice of the retailers.

Thanulingam and Kochadai (1989)\(^3^9\) while studying the awareness of consumers towards food products, drugs, cosmetic and certain services like banking services, life insurance etc. found that consumers make purchase demand product information at the time of purchase and give importance to trademarks and quality.

Venkateswaralu and Rao (2000)\(^4^0\) in their study opined that the role of women in decision making for consumer non-durables is high and in the case of durables both husband and wife decide together.
iii. The possessions of promotion mix on rural consumers

Rodge (2001)\textsuperscript{41} finds that the rural consumers give more importance to the advertisements compared to urban consumers. Both rural and urban groups found that all the advertising media are equally important and effective.

Verma and Isaraney (2000)\textsuperscript{42} conducted a survey to find out the consumers attitude towards the advertisement messages revealed that the general attitude of the majority of consumers is favourable towards advertisement messages. They also pointed out that it is not easy for advertisers to persuade adult consumers to shift their brand preferences based on product advertisement alone.

Raut (1987)\textsuperscript{43} in his study on consumer's attitudes towards advertising pointed out that 89 per cent of the respondents believed that advertising is useful to the consumers for giving convenient information about the products and to increase consumer awareness, it also provides an opportunity to the consumers to make comparison and make shopping easier to the consumers.

Etzel et al., (2004)\textsuperscript{44} Advertising, sales promotion and public relations are mass-communication tools available to marketers. As its name suggests, mass communication uses the same message for everyone in an audience. The mass communication tools trade off the advantage of personal selling. This opportunity is to tailor a message to each prospector for the advantage of reaching many people at a lower cost per person.

Arens, (1996)\textsuperscript{45} today, definitions of advertising abound. We might define it as communication process, a marketing process, an economic and social process, a public relations process or information and persuasion process

Dunn et al. (1987)\textsuperscript{46} viewed advertising from its functional perspectives, hence they define it as a paid, non-personal communication through various media by business firms, non-profit organization, and individuals who are in some way
identified in the advertising message and who hope to inform or persuade members of a particular audience.

Morden (1991) is of the opinion that advertising is used to establish a basic awareness of the product or service in the mind of the potential customer and to build up knowledge about it.

Kotler (1988) sees advertising as one of the four communications to target buyers and public noting that "it consists of non-personal forms of communication conducted through paid media under clear sponsorship". According to him, the purpose of advertising is to enhance potential buyers' responses to the organization and its offering, emphasizing that "it seeks to do this providing information, by channeling desire, and by supplying reasons for preferring a particular organization's offer.

While writing on advertising nature and scope, Etzel et al. (1997) succinctly capture all advertising as having four features:

(i) A verbal and or visual message
(ii) A sponsor who is identified
(iii) Delivery through one or more media
(iv) Payment by the sponsor to the media carrying the message

Summarizing the above, they conclude that "advertising then consist of all the activities involved in presenting to an audience a nonperson, sponsor-identified, paid-for message about a product or organization".

Those views of Etzel et al. (1997) coincide with the simple but all-embracing definitions of Davies (1998) and Arens (1996). For instance, while Davies states that "advertising is any paid form of non-personal media presentation promoting ideas/concepts, goods or services by an identified sponsor". Arens expressing almost the same view describes advertising as "the personal communication of information usually paid for and usually persuasive in nature about products (goods and services) or ideas by identified sponsors through various media".

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From the foregoing, it could be concluded that the purpose of advertising is to create awareness of the advertised product and provide information that will assist the consumer to make purchase decision, the relevance of advertising as a promotional strategy, therefore, depends on its ability to influence consumer not only to purchase but also to continue to repurchase and eventually develop brand loyalty. Consequently, many organizations expend a huge amount of money on advertising and brand management.

A brand is a name given by a manufacturer to one (or a number) of its products or services. Brands are used to differentiate products from their competitors. They facilitate recognition and where customers have built up favorable attitude towards the product, may speed the individual buyers through the purchase decision process. Individual purchasers will filter out unfavourable or un-known brands and the continued purchase of the branded product will reinforce the brand loyal behaviour. Without brands, consumer couldn’t tell one product from another and advertising then would be nearly impossible.

Advertiser’s primary mission is to reach prospective customers and influence their awareness, attitudes and buying behaviour. They spend a lot of money to keep individuals (markets) interested in their products. To succeed, they need to understand what makes potential customers behave the way they do. The advertisers goals is to get enough relevant market data to develop accurate profiles of buyers-to-find the common group (and symbols) for communications this involves the study of consumers behaviour: the mental and emotional processes and the physical activities of people who purchase and use goods and services to satisfy particular needs and wants51.

Proctor et al. (1982)52 noted that the principal aim of consumer behaviour analysis is to explain why consumers act in particular ways under certain circumstances. It tries to determine the factors that influence consumer behaviour, especially the economic, social and psychological aspects which can indicate the most favoured marketing mix that management should select. Consumer behaviour analysis helps to determine the direction that consumer behaviour is likely to make
and to give preferred trends in product development, attributes of the alternative communication method etc. consumer behaviours analysis views the consumer as another variable in the marketing sequence, a variable that cannot be controlled and that will interpret the product or service not only in terms of the physical characteristics, but in the context of this image according to the social and psychological makeup of that individual consumer (or group of consumers).

2.3. Need for the Study

Branding has emerged as a top management priority in the last decade due to the growing realization that brands are one of the most valuable intangible assets that firms have. Driven in part by this intense industry interest, academic researchers have explored a number of different brand-related topics in recent years, generating scores of papers, articles, research reports, and books.

This thesis identifies some of the influential work in the branding area. Impact of branded packaged food products on rural consumers in Chittoor District is an empirical study is aiming at measuring how the consumer attitudes are affected by branded packaged food products and to find the impact of branded products advertisements on rural consumers'. What are the influencing factors behind this, how a rural consumer is tapped by branded packaged food products? Finally the research is aiming at to find following promotional activities and consumption of Branded Packaged Food Products of rural consumers. There are many researches on consumers' attitude to food products. Most of them paid attention to some kind of products like milk products or nutritious. Some of them researched and compared attitude of consumers' of rural to urban. But there is a paucity of focusing on specific food like Branded Packaged Food Products to figure out the specific characters affect consumers attitude especially in rural market.

2.4. Objectives of the study

The research question is designed and found in some aspects to measure the 'impact of branded packaged food Products on rural consumers' which can give
much support to the marketers also. This study aims at analyzing the following aspects:

1. To study the attitudinal behaviour of rural consumers towards Branded Packaged Food (BPF) products
2. To distinguish Affect, Behaviour and Cognition attitudes of rural consumers towards Branded Packaged Food products
3. To find factors influencing the willingness to pay for Branded Packaged Food products in rural consumers
4. To study the impact of promotion mix of Branded Packaged Food products on rural consumers

2.5. Hypotheses for the study

1. Demographic profiles of the rural consumers influence the affect, behavior & Cognition attitudes towards Branded Packaged Food (BPF) Products.
2. Demographic profiles of the rural consumers influence the willingness to pay for branded packaged food products.
3. Preferences for Sales promotions of rural consumers influence the usage of branded packaged food products.

2.6. Research Methodology

The methods and procedures adopted in conducting the research are presented under the following heads.

i. Sampling Procedure

Chittoor district is basically a rural oriented district about 78 percent of population living in villages. The sample selection made from these villages of Chittoor District which comprises of three revenue divisions namely 1) Chittoor Revenue Division (CRD), 2) Tirupati Revenue Division (TRD) and 3) Madanapalle Revenue Division (MRD) and divided into 66 Mandals. To select sample size, Multi stage sampling procedure is followed for this study. Sample selection can see in figure 2.2 which determines the sample size for this study.
**Figure No. 2.2. Determine Sample Size**

**CHITOOR DISTRICT**

- Chittoor Revenue Division (CRD)
- Madanapalle Revenue Division (MRD)
- Tirupati Revenue Division (TRD)

Three Mandals from each revenue division were selected randomly.

- Three Mandals from CRD
- Three Mandals from MRD
- Three Mandals from TRD

Four villages from each mandal were picked up on random.

- Four villages from each mandal and ten to twenty respondents from each village

**Targeted Sample Size:**

1) Total Villages for the survey = $3(R) \times 3(M) \times 4(V) = 36$ Villages

($R = Revenue \ divisions, M = Mandals, V = Villages$)

2) Targeted Sample Size = 550 (2% of total population of selected villages approx.)

3) 10 to 20 respondents (based on the population size of the villages) from each Village are selected proportionately for this survey.

*Source: Hand Book of Statistics, (2007-08), Chittoor District, Govt. of India.*
The targeted Sample Size for this study is 550 which are around 2 percent (approx) of population of the selected villages of Chittoor District of Andhra Pradesh as per the Census 2001. After scrutiny it is found that among collected questionnaires 510 questionnaires only are valid.

ii. Selection of Packaged Food Products for the survey

Some specific product items in one sector are categorized for the survey. We can see the categorization of Branded Packaged Food Products in table 2.3

Table 2.3: Categorization of Packaged Food Items

<table>
<thead>
<tr>
<th>No</th>
<th>Type</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Soup Mixtures</td>
<td>Rasam Powder, Sambar Powder, Chicken Masala,</td>
</tr>
<tr>
<td>02</td>
<td>Rice Mixtures</td>
<td>Pulihogare, Vegetable rice mixtures,</td>
</tr>
<tr>
<td>03</td>
<td>Instant Mixes</td>
<td>Noodles, Rava Idli, Gulab Jomun,</td>
</tr>
<tr>
<td>04</td>
<td>Edible Oils</td>
<td>Sunflower oils, Groundnut oils,</td>
</tr>
<tr>
<td>05</td>
<td>Milk Products</td>
<td>Milk, Curd, Ghee &amp; Sweet packs</td>
</tr>
<tr>
<td>06</td>
<td>Snacks</td>
<td>Kurkure, Lays, Biscuits, Moongdal, Honey &amp; Dates</td>
</tr>
</tbody>
</table>

Source: Primary Data Source (Through Observation)

The survey conducted by using projective techniques of selected Branded Packaged Food Products (twenty products in six categories) which are mostly regular selling brands/products in all over Chittoor District. Around one to five companies/brands were chosen in each product category (like Soup Mixtures, Rice Mixtures, Instant Mixes, Edible Oils, Milk Products and Snacks) which are producing similar categorization of products and popular in urban & rural parts and also having mass media communications (advertisements in electronic media, print media, etc.), publicity, distribution network, sales promotions & Word of Mouth (WOM). List of products and companies used for this survey can see in table 2.4.
Table 2.4: List of Packaged Food Products and Company/ies / Brands

<table>
<thead>
<tr>
<th>No.</th>
<th>Product</th>
<th>Brands/ Company/ies</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Rasam Powder</td>
<td>MTR/ Aachi/ Madras Bombino</td>
</tr>
<tr>
<td>02</td>
<td>Sambar Powder</td>
<td>MTR/ Aachi/ Priya/ Madras Bombino</td>
</tr>
<tr>
<td>03</td>
<td>Chicken Masala</td>
<td>Aachi/ Priya/ BSF/ Swastik.</td>
</tr>
<tr>
<td>04</td>
<td>Pulihogare</td>
<td>MTR/ Priya/</td>
</tr>
<tr>
<td>05</td>
<td>Vegetable Rice Mixtures</td>
<td>MTR/ Priya/ Aachi</td>
</tr>
<tr>
<td>06</td>
<td>Noodles</td>
<td>Magi/ Foodles</td>
</tr>
<tr>
<td>07</td>
<td>Rava Idli</td>
<td>Priya/ Bambino/ MTR</td>
</tr>
<tr>
<td>08</td>
<td>Gulab Jomun</td>
<td>MTR/ Aachi/ Madras Bombino</td>
</tr>
<tr>
<td>09</td>
<td>Sunflower oils</td>
<td>Fortune/ Nature/ Gold winner/Sundrop</td>
</tr>
<tr>
<td>10</td>
<td>Groundnut oils</td>
<td>Fortune/ Nature/ Priya/ Gemini</td>
</tr>
<tr>
<td>11</td>
<td>Milk</td>
<td>Heritage/ Tirumala/ Vijaya/ Murra/</td>
</tr>
<tr>
<td>12</td>
<td>Curd</td>
<td>Heritage/ Tirumala/ Vijaya</td>
</tr>
<tr>
<td>13</td>
<td>Ghee</td>
<td>Nandi/ Krishna/ Heritage/ Balaji</td>
</tr>
<tr>
<td>14</td>
<td>Sweet Packs</td>
<td>Heritage/ Tirumala/ Haldiram</td>
</tr>
<tr>
<td>15</td>
<td>Kurkure</td>
<td>Kurkure</td>
</tr>
<tr>
<td>16</td>
<td>Lays</td>
<td>Lays Potato/ Lays/Sweet &amp; Spicy/ Lays Salt</td>
</tr>
<tr>
<td>17</td>
<td>Biscuits</td>
<td>Good Day/ Parlay/ Tiger/Sunfeast</td>
</tr>
<tr>
<td>18</td>
<td>Honey</td>
<td>Dauber/ Lion</td>
</tr>
<tr>
<td>19</td>
<td>Dates</td>
<td>Lion</td>
</tr>
<tr>
<td>20</td>
<td>Moongdal</td>
<td>Haldiram</td>
</tr>
</tbody>
</table>

Source: Primary Data Source (Through Observation)

2.6.1. Data Source

As part of the literature review and research design, data collection was made during the years 2009, 2010 & 2011. A structured questionnaire is prepared after extensive review of literature and discussions with experts in the area. Based on the review, modifications are made and the resulted schedule was pre tested among the sixty non sample respondents at Chittoor Revenue division and based on that final interview schedule was prepared.
The Primary Data is collected through the structured questionnaire and personal interview.

**a. Secondary data**

Any data, which have been gathered earlier for some other purposes, are secondary data. It acts as a reference for the present study and also acts, as a benchmark against which are findings of study.

**Sources of Secondary Data**

It can be classified as:

- *Published Sources*
  
  These are annual Report Survey, journals, handbooks, news papers, directories, websites, and magazines.

- *Unpublished Sources*
  
  Records of Banks, personal records, letters, etc

The Secondary Data is collected through the published articles in national and international publications, printed/ e- journals, published books, e-books, news papers, television channels, expert lectures, conferences, etc.

**2.6.2. Data Analysis Tools**

The data is analyzed by using the Excel Spread Sheets and Statistical Package for Social Sciences (SPSS) software, version 15.0. The study used a good number of statistical tools and hypotheses testing procedures.

Appropriate statistical tools and techniques viz Mean, Chi square, One Way ANOVA, ANOVA DMRT (Duncan’s Multiple Range Test) and Logistic Regression are used with the help of SPSS 15.0

**2.6.3. Questionnaire Design**

This research is aimed at to study the ‘impact of Branded Packaged Food Products Rural Consumers in Chittoor District’. The time and object are all different
from the previous researches. Firstly, with the globalization and development of different aspects of our world, people’s lives are changing in every minute. It is unsuitable to copy the Food Choice Questionnaire (FCQ) produced fifteen years ago. Secondly, this research focus on the attitude to food from a specific region, in other word, the factors contained in the questionnaire should reflect characteristics distinguishing Branded Packaged Food from others or general food products.

The questionnaire of this study is designed based on the FCQ. Considering the topic, there are 31 items contained in 11 factors which are marked with health, mood, convenience, sensory appeal, natural content, price, familiarity, weight control, brand image, culture and safety. Compared with the original FCQ, the dimension “ethical concern” is eliminated from the list. There are two main reasons. On the one hand, there is no special taboo on Branded Packaged Food Products in rural consumers’ food choice. On the other hand, factors reliability was checked through Confirmatory Factor Analysis (CFA) which is performed to confirm and validate the factorial pattern by Fotopoulos et al (2009). They found all the nine motivational dimensions showed moderate to good reliability, with the exception of the “ethical concern” factor. That means people do not care about ethical issues very much when they choose food products. To distinguishing the attitude of specific packaged food with general food choice study, three more dimensions, brand image, culture and safety are added into the questionnaire.

i. Selection and measurement variables/factors

To assess the socio economic profile the demographic factors like age, gender, education, occupation, income, Family size, etc. were included in the first part of the questionnaire. To find consumers attitude towards branded packaged food products the factors sensory appeal, mood, convenience, natural content, price, familiarity, health, weight control, brand image, culture and safety were selected in the second part of the questionnaire. The second part of the questionnaire is also included a dichotomous question to find factors influencing the willingness to pay for branded packaged food. The third part is to study the impact of sales promotions and ad affect on rural consumers. And the fourth part is to measure the brand loyalty of rural consumers towards branded packaged food products.
2.7. Scope of the Study

Place-wise the study is limited to Chittoor District and focused on 20 branded packaged food items experiencing high sales in Chittoor District. The rural market of India is fascinating and challenging and it offers a large scope on account of its sheer size and it is growing steadily. Even a small growth can push up the sales of a product substantially, despite the fact that there are enormous problems. In fact, for certain products, it is totally a new market. Economic reforms in India have brought about major changes in the whole market environment. With these changes, rural marketing will become an important playground for our marketers. So there is a wide scope to study the impact of branded packaged food on rural consumer.

2.8. Limitations of the Study

This study has certain limitations. They are

- Chittor District is having tri-culture (Telugu, Tamil & Kannada). Food habits of rural consumers are varied from one place to another place. Availability of same branded packaged food in all other places of chittoor District is also difficult. So, only the regular moving brands in all places are considered for this study.

2.9. Organization of Data Analysis

To measure the impact of branded packaged food products on rural consumers, this study followed certain objectives. Each objective explains about a specific task. Objective one is concentrated on attitudinal behavior of rural consumer while objective two is to distinguish the attitudinal behavior towards branded packaged food. The third objective is planned to collect the data regarding their Willingness to pay for Branded Packaged Food and objective four is to know the affects of brand promotions on rural consumers'.

This objective based analysis made to clearly know about each individual objective which denotes a clear representation to consumer attitude, factors influence the willingness to pay for Branded Packaged Food and the effects of promotion mix.
Consumer behaviour is deeply influenced by cultural factors such as: buyer culture, subculture, and social class. Basically, culture is the part of every society and is the important cause of person wants and behaviour. The influence of culture on buying behaviour varies from literate to illiterate, high income to less income, employee to daily wager therefore marketers have to be very careful in analyzing the culture of different groups, regions or life styles.

Consumer attitude towards packaged food will tell his or her food culture. There are several reasons which will influence the people food culture. For example; (1) Both wife and husband are so busy with their employment, they may not spend much time for food preparation. (2) People can taste varieties of food with a small preparation time through packaged food. So, it is useful to corporate to find potential customers in rural market. At the same time, it is useful to understand the rural consumers’ pulse towards Branded Packaged Food. Chapter III will analyse the consumers’ attitude towards Branded Packaged Food Products and it also distinguishes the consumers’ behavior levels such as Information processing, Behavioral learning processes and Hedonic consumption.

Though there is big benefit of a product, it is very difficult to get ready a rural consumer to buy that product. Because they are so particular about value return on investment. What the price they invest on each purchase, will compare with the value return in the form of product. Rural consumers may give high priority to the product rather than the Brand. For rural consumers both quality and quantity are important, sometimes, quantity will be given high priority rather than quality. In this regard it is very important to measure the willingness to pay of rural consumers for branded packaged food products. It will benefit to the corporate to understand the consumers’ priority to Branded Packaged Food Products. Chapter IV will disclose the rural consumers’ Willingness to Pay for Branded Packaged Food.

Promotion is an important ingredient of marketing mix as it refers to a process of informing, persuading and influencing a consumer to make choice of the product to be bought. Promotion is done through means of personal selling, advertising, publicity and sales promotion. Chapter V will present also presents the
affects of promotion mix on rural consumers. It is useful to corporate to know the promotion style to attract the rural consumers.

The questionnaire built up on the affects of promotion mix which influences the customers’ choice in Chapter 5 titled “The Affects of Promotion Mix on Rural Consumers”.

Chapter wise Analysis made for this study. Chapter 3, Chapter 4 and chapter 5 carried out the objective based analysis for this study. Chapter 6 will present ‘Summary, Conclusions & Recommendations’.
References


15) Ibid, p.5


47) Ibid, p. 11


55) Hand Book of Statistics, Chittoor District, ‘Table 1-9 Villages classified according to size of the Population, Mandal-wise’, published by Government of India, 2007-08, pp.20-21