



An in depth study to know the brand's loyalty, preference and the satisfaction levels of the urban and rural customers for each of the selected products at Vadodara city

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Abstract: *FMCG industry is very growing sector of the Indian economy. This study was undertaken to gauge the realistic differences between the Urban and Rural households for the various selected products. Here the selected products includes- Television, Refrigerator, Cell phone, Hair oil, Shampoo, Soap, Toothpaste, Edible oil and Detergent Powder. For the comparative study of the Urban and Rural customers researcher have done the survey of the 60 of urban households and 60 of rural households. Descriptive Research Design was used. Where both Primary data and Secondary data were collected and analyzed. In the collection of primary data Personal interview of urban and rural households (nearby of Vadodara) through the Questionnaire tool were used. For these selected products, in the urban area high brand diversity compared to the rural area were found. From study it was found that there are brand differences between the urban and rural households for the each selected products. The urban households give the highly importance to the Satisfaction, Value for Money and Praise from friends. Whereas rural households give the high importance to the satisfaction and value for money, while praise from friends is less important for them compared to the urban households.*

Keywords: *Brand, Brand Preference & Loyalty, Consumer Behavior, Impulsive Buying.*

I. INTRODUCTION

The Indian FMCG sector has a market size of \$13.1 billion. Well-established distribution networks, as well as intense competition between the organized and unorganized segments are the characteristics of this sector. FMCG in India has a strong and competitive MNC presence across the entire value chain. It has been predicted that the FMCG market will reach \$33.4 billion in 2015 from \$11.6 billion in 2003. The middle class and the rural segments of the Indian population are the most promising market for FMCG, and give brand makers the opportunity to convert them to branded products. The Indian economy is surging ahead by leaps and bounds, keeping pace with rapid urbanization, increased literacy levels and rising per capita income.¹

The Rural FMCG Market of India is on the verge of registering substantial expansion across the country. The Indian Rural FMCG market is mostly unorganized and it is generally dominated by small time retailers. The organized FMCG market is only confined to the urban areas of India. Rural India mostly depends on agriculture, directly or indirectly for livelihood. Further, almost 70% of Indian population lives in rural India in around 600000 villages. Rural India offers tremendous growth prospects for the FMCG industry. Facilitation of better rural infrastructure like roads, telecommunication, electricity, supply chain, and transportation would propel the growth of Rural FMCG Market of India. Further, very low per capita consumption of FMCG products also provide tremendous opportunity for the growth of Rural FMCG markets in India. The FMCG sector, which offers tremendous growth prospects are Food and beverage sector, health care and personal care. Presently, rural India accounts for 34% of total FMCG consumption, but it accounts for more than 40% consumption in major FMCG categories like as personal care, hot beverages, and fabric care.

India's consumer electronics devices market, defined as the addressable market for computing devices, mobile handsets and AV products, is projected at about US\$29.4bn in 2011. This is expected to increase to US\$50.6bn by 2015, driven by rising incomes and growing affordability. Only nine out of 1,000 people in India own a computer, one-fifth of the level in China, while Indian handset population penetration is about 57%.

Spending on consumer electronics devices is projected to grow at an overall CAGR of 14% through 2015, with the key segments including low-cost mobile handsets, colour TVs, set-top boxes and notebook computers. In 2010 demand for LED TV sets grew strongly, and touch screen phones were another growth area. Computers accounted for about 33% of Indian consumer

¹ <http://business.mapsofindia.com/fmcg/rurai-fmcg.html>



electronics spending in 2010. BMI forecasts Indian domestic market computer hardware sales (including notebooks and accessories) of US\$8.9bn in 2011, up from US\$8.0bn in 2010. Sales were up by as much as one-third in H110 compared with the same period of the previous year. With PC penetration at about 2%, the computer hardware compound annual growth rate (CAGR) for the 2011- 2015 period will be about 18%. India's domestic video, audio and gaming device market is expected to grow to a value of US\$21.1bn in 2015. TV will remain the core product in this category, with sports events such as India Premier League cricket and the 2010 Commonwealth Games in Delhi driving demand for TV set upgrades. LCD TV set sales were projected to pass 2.7mn in 2010, while vendors also reported strong growth in the LED TV set segment.

Mobile Handsets- Indian mobile handset sales accounted for about 33% of Indian consumer electronics spending in 2009. Total Indian market handset sales are expected to approach 229mn units in 2015, as mobile subscriber penetration soars towards 145%. Vendors are likely to increase their focus on semi urban rural customers, with penetration in rural areas estimated at less than 15%, far below the national level. Smart phones and touch screen models are a strong growth area, with Indian and multinational vendors competing to offer phones with perceived high-end features at affordable prices.²

II. LITERATURE REVIEW

An intensive effort has been made to find the relevant studies in brand preferences of the rural and urban households. Only a limited study is available for the comparative brands preferences of the rural and urban households for the selected products, especially in India. A summary of literature reviewed is reported here.

1. Sun et al. (2004) have identified the impacts of economic development on consumer lifestyles. The objective of this study is to understand the Chinese rural and urban consumers who are in the two levels of living standards (poor and rich) are different in terms of their attitudes toward the whole marketing mix. The results suggest that there still exists a big difference in terms of ideal material possessions between urban and rural consumers. Rural consumers were more **price-conscious, less product-innovative**, and suspicious about mass advertising and **not brand conscious** when compared with urban consumers. Due to the disparate attitudes of the rural and urban consumer they were found to use different products to reflect the improvement of their living standards. The lifestyle differences between rural and urban consumers might suggest the impact of economic development on consumer behavior. On the whole the study reveals that there is huge marketing potential in china's rural markets for MNCs and other investors.¹
2. This paper presents that a consumer prefers a particular brand based on what benefits that brand can offer to him/her. Because of such consumer preferences, the brand can change a higher price and command more loyalty. In this study, it was observed that in forming the tendency of customers to prefer a particular brand, the marketing variables like Advertisement, Quality of the product, Brand name and Brand Image plays as essential role. So, a marketer must understand how the customer made his purchase decision towards the Brand. The outcomes of this study was like thus, the important key factors which were influencing the customers to go for specific brands were Quality [Ranked 1], Brand name [Ranked 2] and Brand Image.[Ranked 3], socio economic variables have a strong association with the selection of a particular brand. Annual family income was strongly associated with advertisement influence to prefer a particular brand. [2010, BY P.S. Venkateswaran, N.Ananthi, K.Binith Muthukrishnan: "A Study on Consumers' Brand Preference for Selective Household Brands at Dindigul, Tamilnadu", *Journal of Indian Marketing*, pp.9-22, October, 2011]
3. The main purpose of the paper is to measure and compare the awareness set, consideration set and choice set of rural and urban population. The brand categorization process in an important aspect of consumer behavior and is useful in understanding how a consumer chooses a particular brand. The focus of this work is to compare the brand categorization process of rural and urban consumers. The consumer's choice process, on some selected staple goods viz. rice, salt, edible oil and tea for rural and urban customers are considered. The study reaches the conclusion that the awareness set size and the consideration set size does not differ significantly for urban and rural consumers but the choice set size differs for rice. For salt and edible oil the rural customers seems to be more aware though there consideration set size and choice set size do not show any significant difference. However, for tea the urban folk have a bigger consideration set and choice set compared to the rural population.
[By] Manash Pratim Kashyap*, 2Dibyoyoti Bhattacharjee 1,2Department of Business Administration, Assam University, Silchar,, Assam, India: "Brand Categorization Process for Staple Goods: Comparison between Rural and Urban Customers", *Journal of Information Management and Business Review* Vol. 2, No.4 , pp. 162-172, Apr 2011]

III. RESEARCH METHODOLOGY

Primary objective of the research is to study the comparative buying behavior of urban & rural customers with respect to brand preference and loyalty for the selected products. Some of the secondary objectives are To identify that which selected products are possess or used by the urban and rural customers at present, To know that for how long period the urban and rural customers use the each of the selected product, To identify the advertising medium through which urban and rural customers aware about the

²<http://www.businesswire.com/news/home/20110309005191/en/Research-Markets-india-Consumer-Electronics-Report-Q2>



various brands and To know the brand's loyalty and the satisfaction level of the urban and rural customers to the present brand choice for each of the selected products.

This study was undertaken to gauge the realistic differences between the Urban and Rural households for the various selected products. Here the selected products includes- Television, Refrigerator, Cell phone, Hair oil, Shampoo, Soap, Toothpaste, Edible oil and Detergent Powder. For the comparative study of the Urban and Rural customers researcher have done the survey of the 60 of urban households and 60 of rural households in nearby area of Vadodara city. Descriptive Research Design was used. Where both Primary data and Secondary data were collected and analyzed. In the collection of primary data Personal interview of urban and rural households through the Questionnaire tool were used.

IV. DATA ANALYSIS

Television, Cell phone, Hair oil, Soap, Edible oil, Toothpaste and Detergent Powder these are the products which are used by all the Urban and Rural households. For the Television, Sony and LG are the brands which mostly used by the urban households and LG is also the most preferred brand in the rural area, whereas Conic, Aiwa, Salora and Philips, these brands are generally present in the rural area only. For the Refrigerator, Samsung, LG and Whirlpool are three most preferred brands at present in the urban area, while in the rural area, LG, Voltas and Samsung have the high market coverage compared to the other brands. Nokia, Blackberry and Apple these three brands are highly using by the urban households, i.e.30%, 16.67% and 13.33% urban households are using these three brands. Nokia is highly using by the rural households, it is 12.37% high compared to the urban households. The usage of the Samsung is high in rural compared to the urban area. Whereas Apple and Blackberry are the brands which are highly using by the urban households compared to the rural households. Jasmine, Navratna and Parachute are using by the 11.37% urban households, which is high compared to the other brands. The usage of the "Home Made" oil is 6.67% more in the urban area, compared to the rural area. VLCC and Bhrami oil and Mahabhungraj are the brands which are using by the 5% urban households, while at present; the rural households are not using these brands. In the urban area, Dove, Loreal, Pantene and Garnier are using by the 18.97%, 17.24%, 13.79% and 10.34% by the urban households. Whereas, Clinic Plus, Chick, Pantene and Head & Shoulders are using by the major, Dove, Life buoy and Cinthol, these three brands are highly using by the urban households. Dettol, Santoo and Lux, these three brands are highly using by the rural households. In the urban area, Park Avenue, Yardley, Camay, Fiama Di Walls, Margo, Rexona, Chandrika and Godrej No.1 are using by the only urban households, while at present, rural households are not using these brands. Dove and Cinthol are less using brands in the rural area compared to the urban households, whereas Dettol, Santoor and Lux are using by the less urban households compared to the rural households. In both the areas, the Colgate is the brand which are highly using by the households. 45% urban and 53.33% rural households are using it. Sensodyne is the brand which are using by the only 5% urban households and Vicco and Cibaca are using by the rural households. In the urban area, Tirupati and Sundrop are using by the 21.67% and 16.67% urban households; it is high compared to the other brands. Avsar is the brand, which is more using by the rural households compared to the urban area. Fortune is less using by the rural households compared to the urban households. Saffola is the brand which is less used in both the areas. Ariel, Surf Excel and Active wheel are more using by the rural households compared to the urban households. Rin and Tide are more using by the urban households compared to the rural households. Henko and Mr.White are the brands which are not using in the rural areas, while 10% urban households are using it. In the urban area compared to the rural, more urban households are using the two different television brands for their family.

For television, the range of Rs.5000 to Rs.20000, it is more preferred by the rural respondents compared to the urban households, while for Rs.20001 to more than Rs.40000, the preferences of urban households are higher compared to the rural households. For the refrigerator, 50% urban households and 22.03% rural households preferred the range of Rs. 15001 to Rs.20000, there is a difference of the 27.97% between the urban and rural for this range. For cell phone, from the range of Rs.3000 to Rs.15000, for each of the price range, rural household's preferences are very high compared to the urban households, whereas beyond the Rs.15000 to more than Rs.25000, each range is highly preferred by the urban households compared to the rural households. For the hair oil, 70.69% urban and 28.33% rural households prefers the range of more than Rs.50. For soap, the range of Rs.26 to Rs.30, Rs.31 to Rs.50 and Rs.51 to Rs.70 are highly preferred by the urban households, for these ranges the preferences of the rural households are very less. For shampoo, the range of Rs.16 to Rs.20 and Rs.21 to Rs.30 are highly preferred by the rural households compared to the urban households. For toothpaste, the range of Rs.31 to Rs.50 is highly preferred by the rural households and the range Rs.71 to Rs.100 is highly preferred by the urban households. For edible oil, there is less differences between the urban and rural households for the range of Rs.1001 to Rs.1500, thus it indicates that this is the range of the edible oil which are consumed high in both the areas.

V. SUGGESTION & CONCLUSION

Television: For the television, the Sony, Samsung and LG have high consideration for both the areas, so these brands should give the more attentions in both areas, so it can grab the major market share. Refrigerator: For the refrigerator, the LG and Samsung have high consideration for the next purchase, so these brands should provides the various promotional activities to grab the high market share compared to the consideration market. Cell Phone: Apple, Blackberry and Samsung have high consideration for the next purchase, so these brands should gives the more attention, so that the potential customers are converted into the real buyers. Hair oil: Livon, Hair & Care, and Bajaj Amla have high consideration for the next purchase in the rural area, so these brands provide promotional schemes. Shampoo: Chick and Pantene have the less consideration for the next purchase, so these brands should give the promotional schemes to raise the market share. Soap: Lux and Pears have the very low consideration for



the next purchase, so these brands should make some changes in the promotional schemes. Toothpaste, Edible oil, Detergent Powder: For the toothpaste, Vicco and Babbol and for, Edible oil, Ankur and Saffola and for Detergent powder, Active wheel and Ariel have less consideration, so these brands should make changes according to the brand expectation of the urban and rural households.

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