

## A COMPARATIVE STUDY OF CONSUMER INVOLVEMENT AMONGST RURAL AND URBAN CONSUMERS OF FMCG PRODUCTS

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### ABSTRACT

India is one of the fastest growing economies in the world and the FMCG industry in India is also growing very fast. For consumers' FMCGs have become essential parts of personal and daily needs life. There is a continuous increase in disposable income; there has been a major shift in the attitude and aspirations of the consumers. This research is to analyze the external and internal factors which influence a consumer's decision in purchasing branded FMCGs products. Consumer behaviour involves many activities. Each consumer has thoughts, feelings, plans, decisions and purchases. Marketers should find how consumers gather information and how they apply such information in selecting competitor's products, how consumers decide to purchase and why the purchase process and purchase reasons of different consumers are varied.

Purpose of this study is to investigate the relationship between consumer involvement and purchase decision (for FMCG). Data was collected from sample of 120 consumers from rural and urban areas so that the degree of consumer involvement would be reached and described some reasons behind the consumer involvement.

**KEYWORDS:** Relationship Between Consumer Involvement, Purchase Process, Purchase Reasons, Purchase Decision

### INTRODUCTION

Rapid urbanisation of rural areas has fuelled inflow of massive population from the countryside and smaller towns into the major cities of the country. Foreign investment is also a critical factor primarily on account of the capital intensive nature of the sector. Especially after the opening up of the economy, the pace of change that India and its people are experiencing in their socio-cultural milieu is mind boggling. India, with its wide diversity, offers a fascinating scope to study the host of changes which developmental activities have brought about in its social & economical framework. Due to the advancement of IT in all areas, whether it may be urban or rural, the information about the branded and unbranded products is constantly increasing. The purpose of the study is therefore to make a comparative analysis of FMCGs in rural regions catapulted by factors like customer values, information process and consumer involvement.

As rapid socio-economic changes flourish across India, the country is witnessing the formation of many new markets and a further expansion of the existing ones. With over 300 million people moving up from the category of rural poor to rural lower middle class between 2005 and 2025, rural utilization levels are expected to rise to current urban levels by 2017. Rural consumer markets are witnessing a rapid developments and challenges to adapt to ever-changing customer

needs and wants influenced by a variety of social and economic processes, e.g. globalisation, urbanisation, shift of economy towards services, changing lifestyles and thus purchasing behaviour of rural consumers. Complex social behaviour drives purchasing behaviour and exerted both rational and subjective influence on customer choice of the brands, products or procurement channels. Marketing researchers instantaneously attempt to narrate purchasing behaviour and related dimensions such as media use to personality of the consumer. New approaches, models and concepts have been emerged with a note of success and applicable in determining the marketing strategies.

## **CONSUMER INVOLVEMENT AS DETERMINANT FOR PURCHASING BEHAVIOUR**

Consumer Involvement is defined as a state of mind that motivates consumers to recognize product/service offerings, their consumption patterns and behaviour. Involvement creates within consumers an urge to look for and think about the product/service category and the varying options before making decisions on brand preferences and the final act of purchase. It is the amount of physical and mental effort that a consumer puts into a purchase decision. It creates within a person a level of relevance or personal importance to the product/service offering and this leads to an urge within the former to collect and interpret information for present/future decision making and use. Involvement affects the consumer decision process and the sub processes of information search, information processing, and information transmission. As Schiff man has put it “Involvement is a heightened state of awareness that motivates consumers to seek out, attend to, and think about product information prior to purchase”. It is the perceived interest and importance that a consumer attaches to the acquisition and consumption of a product/service offering.

Consumer involvement refers to a degree of information processing that a consumer attaches to a product. When more expensive products are to be purchased, the consumer gets more involved in process but he less concerned with the low price products. There are three types of involvement. These are:

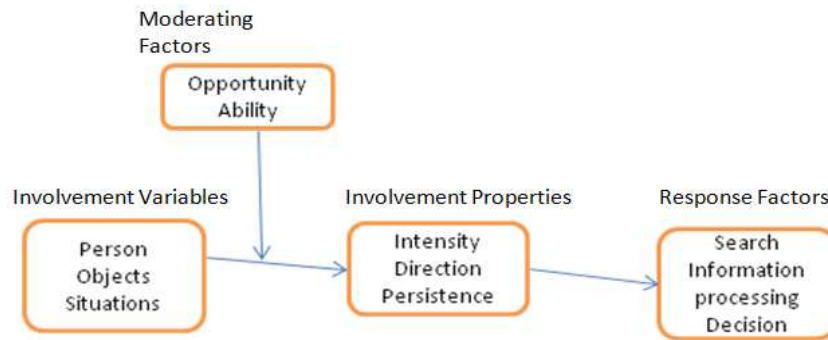
Low Involvement: includes habitual decisions-purchases are not really important to consumers, have little relevance and need very limited information processing.

Some Involvement: including simple decisions-purchases are of little bit importance to customers. It includes some evaluation of alternatives.

High Involvement: Lengthy decisions-purchases are those which are important to consumers. Complex, ego-intensive, expensive products require extensive information processing.

## **CONCEPTUAL FRAMEWORK OF CONSUMER INVOLVEMENT**

**Factors influencing level of Involvement:** Personal Factors: needs, importance, Interest, Values, Object Factors: Differentiation of alternatives, content of communication and Situational Factors: Purchase, use, occasion.



**Figure 1: Major Dimensions of Involvement**

It has been revealed from the above conceptual figure, that moderating factors limit the opportunity and the ability to process the information and influence the level of involvement. Involvement variables include person objects and situations. It refers to products that consumer perceives to be closely related to his or her values, interests needs. Involvement properties refer to the severity of involvement as experienced by the consumer and is generally categorized as high or low involvement. Then consumer responds after the information searching and takes a decision.

Involvement of consumers while making purchase decisions varies across persons, across product/service offerings in question as well as purchase situations and time at hand. Some consumers are more involved in purchase processes than others. For example, a person who has a high level of interest in an expensive category would expend a lot of time making a decision with regard to the product and the brand. He would compare brands across features, prices etc. Another example is a person who is risk averse; he would also take a longer time making a decision. Involvement also varies across product/service offerings. Some products are high involvement products; these are products that are high in value and expensive, possess sufficient amount of risk, are purchased infrequently, and once purchased, the action is irrevocable, i.e. they cannot be returned and/or exchanged. On the other hand, there are low involvement products, which are moderately expensive or generally inexpensive, possess little risk and are purchased regularly on a routine basis. Further, such consumer involvement based on their personal traits or on the nature of product/service offering is also impacted by the buying situation and time in hand for making purchase decisions. Very often, due to time constraints or emergency situations, a consumer may expend very little time on the purchase decision and buying activity in spite of the fact that the consumer is highly involved or risk averse or the product is a high involvement one.

Consumer Involvement is defined as a psychological state that motivates people to be more aware and careful about persons/objects/situations. It also indicates a level of personal importance that the person attaches to such persons/objects/situations. As Schiff man has put it “Involvement is a heightened state of awareness that motivates consumers to seek out, attend to, and think about product information prior to purchase”. It is the perceived interest and importance that a consumer attaches to the acquisition and consumption of a product/service offering.

Involvement seems to be a indistinct concept since it is interrelated with diverse purchasing mode of computers. The concept of involvement is used in attitude theories and its changes towards the products. It claims that people are involved with more or less social issues. In this study, involvement of customer is related to cognitive conditions which are stimulated by two noteworthy aspects of importance and personal attachment of purchase. However, in marketing, consumers are considered to be people involve with different advertisements and advertising media, products and products

range and purchase decision as well. Although there is no precise definition of involvement in marketing, there is a consensus that involvement is a personal level and intrinsic variable which returns to the importance and personal attachment of goals or events. (Abdolvand & Nikfar, 2011).

This variable has been studied with many dimensions in this study and concluded that involvement is an intrinsic value which motivates the consumers to purchase. So, on this factor, hypothesis has been framed to examine the impact of involvement on computer purchase.

## REVIEW OF LITERATURE

**Neshat Choubtarash, Omid Mahdieh and Ahmad Barati Marnani (2013)** in their study pointed out that consumer behaviour involves many activities. Each consumer has thoughts, feelings, plans, decisions and purchases. The purpose of this study is investigating the relationship between consumer involvement and purchase decision. The result of the study indicates a significant statistical relationship between consumer's involvement and purchase decision. As a result, consumer's involvement must be taken into account by marketers who want to increase their profit by boosting consumers' purchasing tendency and purchasing behaviour as well.

**Malviya et.al., (2013)** in their study focused on the factors Influencing Consumer's Purchase Decision towards FMCGs products in Indore. The major objective of this research is to identify the key factors which have a dominating effect on the consumers' minds while making a purchasing. It was found that data is reliable for factor analysis. The measurement model suggested four factors price, brand preference, social influence and features having a dominant influence on the purchase decision of consumers in Indore.

**Pinni Vasantha Lakshmi (2011)** examined that marketers are interested in understanding how purchasing involvement influences consumer behaviour because such knowledge enables them to better understand consumers and to segment and target those consumers who are likely to respond positively to their product or service communications. This study investigated the relationship between purchasing involvement and influence of women in the family purchase decision making of durable goods. Segmentation of women was done based on the factors influencing their purchasing involvement. The study has assessed eight key purchasing involvement factors of women namely prudence, shrewdness, price consciousness, triviality, hassle-free, coolly, apathy and brand insignificance.

**Das (2012)** conducted an empirical research based on survey method on factors influencing buying behavior of youth consumers towards mobile handsets in coastal districts of Odisha located in India. According to the study, a handset of reputed brand, smart appearance, and with advanced value added features, pleasurability and usability; is the choice of young consumers; females in gender-group, post-graduates in level of education-group, students in occupational group, urban residents in geographical area group plays most prominent role in buying decision of a mobile handset.

**Malasi (2012)** examined the influence of product attributes on preference among undergraduate university students in Kenya. The study indicated that varying the product attributes' has an influence on the undergraduate students' preferences on mobile phones. Various aspects of product and brand attributes were considered such as color themes, visible name labels, and mobile phone with variety of models, packaging for safety, degree of awareness on safety issues, look and designs.

## OBJECTIVES OF STUDY

- To study customer Involvement amongst rural urban consumers on purchase decision.
- To suggest some measures for positioning the products in minds of consumers.

## SAMPLING PLAN

**Sampling Unit:** For the research total 120 respondents were selected, 60 from rural and 60 from urban areas.

**Sampling Techniques:** For the study convenience sampling technique was used. In this sampling method, the researcher has collected the data as per their convenience in terms of location, cost, time, etc.

The secondary data for this particular study were collected through national and international journals, periodicals and other existing reports that were based on the subject. Secondary data helped the researcher to create better comprehension of consumer behaviour towards computer purchase. Thus the study conducted and analysed primary data with the significance of the secondary data.

The study depends mainly on the primary data collected through a well-framed and structured questionnaire to elicit the well-considered opinions of the respondents. Close-ended questions were asked to analyse the pre-determined objectives.

## STATISTICAL ANALYSIS OF DATA

The data coded in excel using Ms-Office package. The coded data was then analyzed using SPSS version 20.0. The data was analyzed using descriptive statistics. First all questions were subjected to frequency analysis and item total correlation to check whether the scale is measuring any variation or not. Thereafter, the reliability and validity of the scale were done using Cronbach's Co-efficient Alpha. MANOVA was applied to examine the variables which are important for measuring the factors for consumer involvement. The reliability of the questionnaire was **.89**.

$H_{01}$ : There is no significant difference in the consumer involvement of rural and urban consumers.

The purpose of this study was to investigate the relationship between purchasing of FMCGs and consumer involvement attributing to social, emotional, consumption patterns and knowledge.

MANOVA was used to uncover group of rural and urban consumers' differences across multiple variables in a design with one factor (consumer involvement). MANOVA was used to investigate the effect of different factors of consumer involvement on purchase decision of FMCGs. The dependent variables are emotional values, social values, knowledge and consumption pattern and the independent variable the purchase decision of rural and urban consumers. The results of the MANOVA was presented in the following tables.

## HYPOTHESES TESTED

**Table 1: Multivariate Tests<sup>a</sup>**

	Effect	Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power <sup>c</sup>
Intercept	Pillai's Trace	.984	1785.615 <sup>b</sup>	4.000	115.000	.000	.984	7142.459	1.000
	Wilks' Lambda	.016	1785.615 <sup>b</sup>	4.000	115.000	.000	.984	7142.459	1.000
	Hotelling's Trace	62.108	1785.615 <sup>b</sup>	4.000	115.000	.000	.984	7142.459	1.000
	Roy's Largest Root	62.108	1785.615 <sup>b</sup>	4.000	115.000	.000	.984	7142.459	1.000
Group	Pillai's Trace	.156	5.321 <sup>b</sup>	4.000	115.000	.001	.156	21.283	.967
	Wilks' Lambda	.844	5.321 <sup>b</sup>	4.000	115.000	.001	.156	21.283	.967
	Hotelling's Trace	.185	5.321 <sup>b</sup>	4.000	115.000	.001	.156	21.283	.967
	Roy's Largest Root	.185	5.321 <sup>b</sup>	4.000	115.000	.001	.156	21.283	.967

a. **Design:** Intercept + Group

b. Exact statistic

c. Computed using alpha =.05

In the above mentioned table, it is evident that Pillai's Trace value ( $p-.001<.05$ ), Wilks Lambda value ( $p-.001<.05$ ), Hotelling's Trace value ( $p-.001<.05$ ), Roy's largest Root value and ( $p-.001<.05$ ), all values are significant at 5% level. So it is concluded that there is a significant effect of consumer involvement on the purchase decision of rural and urban consumers.

**Table 2: Tests of Between-Subjects Effects**

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power <sup>a</sup>
Corrected Model	F1	112.133 <sup>a</sup>	1	112.133	7.932	.006	.063	7.932	.798
	F2	124.033 <sup>b</sup>	1	124.033	12.979	.000	.099	12.979	.947
	F3	50.700 <sup>c</sup>	1	50.700	2.729	.101	.023	2.729	.374
	F4	56.033 <sup>d</sup>	1	56.033	8.655	.004	.068	8.655	.831
Intercept	F1	57465.633	1	57465.633	4064.746	.000	.972	4064.746	1.000
	F2	39096.300	1	39096.300	4091.070	.000	.972	4091.070	1.000
	F3	36331.200	1	36331.200	1955.696	.000	.943	1955.696	1.000
	F4	12772.033	1	12772.033	1972.816	.000	.944	1972.816	1.000
Group	F1	112.133	1	112.133	7.932	.006	.063	7.932	.798
	F2	124.033	1	124.033	12.979	.000	.099	12.979	.947
	F3	50.700	1	50.700	2.729	.101	.023	2.729	.374
	F4	56.033	1	56.033	8.655	.004	.068	8.655	.831
Error	F1	1668.233	118	14.138					
	F2	1127.667	118	9.556					
	F3	2192.100	118	18.577					
	F4	763.933	118	6.474					
Total	F1	59246.000	120						
	F2	40348.000	120						
	F3	38574.000	120						
	F4	13592.000	120						
Corrected Total	F1	1780.367	119						
	F2	1251.700	119						
	F3	2242.800	119						
	F4	819.967	119						

a. R Squared =.063 (Adjusted R Squared =.055)

b. R Squared =.099 (Adjusted R Squared =.091)

c. R Squared =.023 (Adjusted R Squared =.014)

d. R Squared =.068 (Adjusted R Squared =.060)

e. Computed using alpha =.05

**Table 3: Parameter Estimates**

Dependent Variable	Parameter	B	Std. Error	t	Sig.	95% Confidence Interval		Partial Eta Squared	Noncent Parameter	Observed Power <sup>b</sup>
						Lower Bound	Upper Bound			
F1	Intercept	22.850	.485	47.073	.000	21.889	23.811	.949	47.073	1.000
	[Group=1.00]	-1.933	.686	-2.816	.006	-3.293	-.574	.063	2.816	.798
	[Group=2.00]	0 <sup>a</sup>	.	.	.	.	.	.	.	.
F2	Intercept	19.067	.399	47.775	.000	18.276	19.857	.951	47.775	1.000
	[Group=1.00]	-2.033	.564	-3.603	.000	-3.151	-.916	.099	3.603	.947
	[Group=2.00]	0 <sup>a</sup>	.	.	.	.	.	.	.	.
F3	Intercept	18.050	.556	32.439	.000	16.948	19.152	.899	32.439	1.000
	[Group=1.00]	-1.300	.787	-1.652	.101	-2.858	.258	.023	1.652	.374
	[Group=2.00]	0 <sup>a</sup>	.	.	.	.	.	.	.	.
F4	Intercept	11.000	.328	33.487	.000	10.350	11.650	.905	33.487	1.000
	[Group=1.00]	-1.367	.465	-2.942	.004	-2.287	-.447	.068	2.942	.831
	[Group=2.00]	0 <sup>a</sup>	.	.	.	.	.	.	.	.

a. This parameter is set to zero because it is redundant.

b. Computed using alpha =.05

These cells (the shaded one) reveal that groups had a significant effect on the results of emotional values ( $p=.006$ ), the results of the social values ( $p=000$ ), the results of the knowledge ( $p=.101$ ) and the results of the consumption pattern ( $p=.004$ ). The findings revealed that in the factor knowledge the value is insignificant as there is a difference between rural and urban consumers knowledge in terms of purchase decision. Hence, all the estimated values of the groups of rural and urban have less than .05 so it is disclosed that alternate hypothesis is accepted at 5% level of significance.

## CONCLUSIONS

This research is to analyze the consumer involvement (emotional values, consumption pattern, knowledge and social values) which influence a consumer's decision in purchasing a FMCGs Product. The research also focuses on consumer attitude for FMCGs and the influence brand name has on consumer buying decisions. The recent growth of FMCGs usage is an observable fact that crosses all geographical boundaries. Hence, this research explores through quantitative analysis some of the key factors believed to affect consumer involvement. It is also true that both rural and urban consumers use FMCGs, but urban consumers are more prone towards branded products in comparison with rural consumers where they are well satisfied with the unbranded products depending on the capacity of purchasing. Regarding the emotional values, consumers are being attached to the products and they are more involved in the same.

Rural customers trust retailers in their villages. As price influences rural purchase of FMCG, it is recommended to pursue the low-price strategy in rural marketing to determine the consumption pattern. For rural customers, value for money results when the purchased FMCG meets the intended benefits. As the study revealed that the rural customers (along with price) also think about quality, performance, reliability, brand and other critical aspects, it is recommended to promote FMCG in lines of rationality rather than just making low price appeals. It is recommended to offer FMCG that lasts long.



## RECOMMENDATIONS

A number of brands of FMCGs branded products are existing in the both rural and urban market but each FMCG manufacturer should carefully re-think its strategy when producing, marketing and distributing these devices and focus on product design and differentiation segmented to both markets.

Rural consumers associate long lasting feature with bigger size and/or hardness of the product. Hence, it is suggested to promote FMCG products in these lines. Quality is important in the context of rural purchase and consumption of FMCG products as rural customers prefer popularity, hygienic packaging and easy availability for buying FMCG products.

For the improvement and development of rural marketing, a holistic approach aiming at removing all weak links of the marketing chain is essential. Marketing research programs should be oriented to developing an orderly and efficient marketing system.

### Limitations of the Study

- Due to time constraint, the sample size was in small.
- Misunderstanding of the question can also contribute to inaccuracies in the data.
- The whole population of consumers is not considered in sampling and only a segment is considered. Limited generalizability of the study exists, because the findings were limited to only few areas (and may vary if the area of study is changed).
- Some of the respondents have attempted to fill the questionnaires as an act of formality. Some of the respondents might have been biased in their responses and as such the analysis and conclusion based on it could vary to some extent.

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