



# International Journal of Multidisciplinary Research and Development



IJMRD 2015; 2(2): 684-689  
www.allsubjectjournal.com  
Impact factor: 3.672  
Received: 10-12-2014  
Accepted: 05-01-2015  
E-ISSN: 2349-4182  
P-ISSN: 2349-5979

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## Evaluation of brand awareness, buying behaviour and brand loyalty for durable goods of rural Indian consumers

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### Abstract

The consumer durables industry in India is depicting a constant growth over the long term period, powered by constructive customer demographics, a complete growth in industrial sectors and services, infrastructure development etc. Due to increase in disposable income, change in the government policy for the rural development, advancement of technology, etc., a major share of growing demand is coming from the suburban and rural areas. To leverage this opportunity, several Multinational Companies and Indian players are looking to strengthen their presence in Rural India.

The country perceives the establishment of many new markets and an additional extension of the existing ones. Over 300 million people are upgrading from the class of rural poor to rural lower middle class amid 2005 and 2020. Therefore, the rural intake levels are estimated to rise to current urban levels by 2017.

The aim of this research which is based on primary field survey is to study the buying behaviour of rural customers. The Primary data was collected by holding a field survey along with a well-designed questionnaire, on random sample basis, which covered the retail customers of Unnao District of Uttar Pradesh.

The research concludes that the awareness and knowledge about the product and brand to the rural customer has an important influence over consumer behaviour. But the faithfulness towards the purchase of that specific brand plays a fundamental impact on buying behaviour of rural consumer. This research helps marketers or dealers to know how they can use the awareness of the customers about the product and brand in their marketing strategy of increasing competition in today's environment.

**Keywords:** Brand Loyalty, Unnao, Consumer Durable, Consumer Buying behaviour, Consumer awareness, rural consumer, Decision making.

### Introduction

The increase in the disposable income, advancement of technology and working women, increases the demand for the different types of consumer durable products. This is leading to a tough competition between the various consumer durable brands which are present in the nation.

The Indian consumer durables industry has perceived extensive developments especially during the last two decades. The affordability of the rural consumers is increasing due to these changing patterns. Furthermore, the increase in the advertisements has put a direct impact on the vast changes among the buying behaviour of the rural customers. Thereafter the rural consumers have become more sophisticated, that is their standard of living has changed drastically on an equal level as that of the urban consumers but sometimes much better than them. The twofold income of the nuclear families in the rural parts has brought an increase in the disposable income.

Only a few enterprises like Kelvinator, Godrej and Voltas were the chief players in the consumer durables market which covered around 90% of the market before the liberalization of the Indian economy. Various multinational companies can enter in India by an open platform presented by the recent campaign of our Prime Minister, Narendra Modi's for made in India, the changes in economic & demographic features and the LPG policy. Today the companies like LG, Samsung, Sony, and Whirlpool appear to be the chief segment of the consumer durables market.

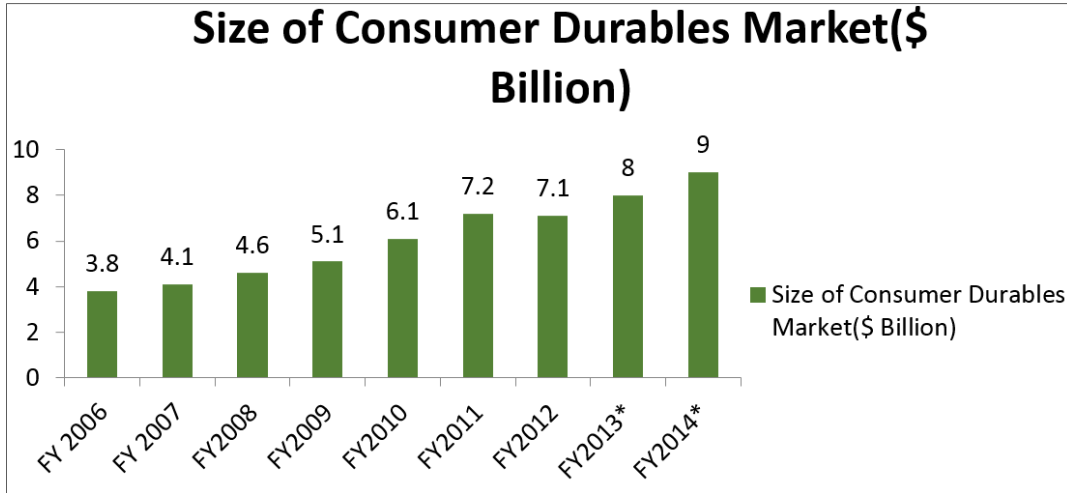
Due to increase in income levels, easy access to consumer finance, living standards,

introduction of new models and increase in consumer awareness has made the consumer durables market grow very fast. The want for consumer durables has increased in a significant way. The decreases in the values of consumer goods of diverse companies which are now available at an affordable price are the results of increasing competition. The

urban and rural market of consumer durables products has been growing at an average rate of approximately 15%.

**Size of the consumer durables market in India**

Consumer durables market is expected to double at 14.8 per cent CAGR to US\$ 12.5 billion in FY15 from US\$ 6.3 billion in FY10.



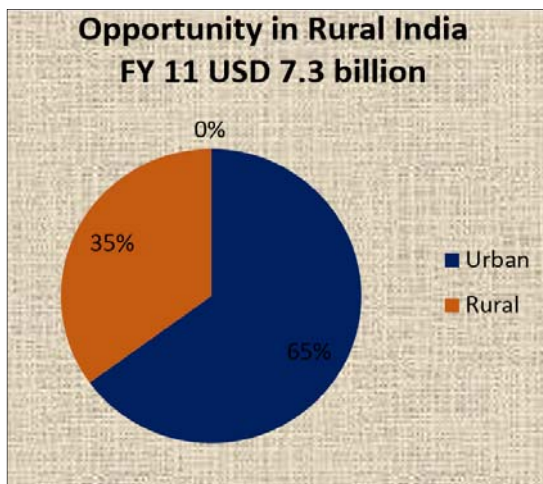
Source: IBEF (India Brand Equity Foundation)

**Rural consumer durable market in india**

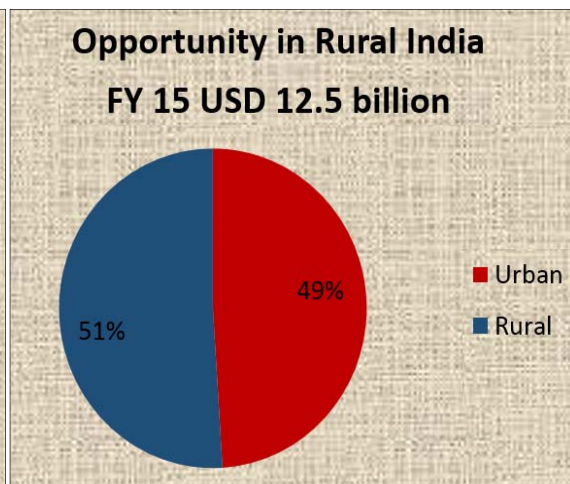
In FY11, Rural Consumer durables markets are around 30% but it is expected to increase to nearly 45% in FY15. Around 69% of the total population resides in rural India. Due to increasing rural income with higher contribution from non-agricultural income, increased distribution reach of consumer durable companies, changes in government policy for rural development, product awareness through advertising, customized products for rural consumers, etc., rural markets are expected to grow much faster than urban markets. Unlike replacement demand in urban markets, rural growth is mainly contributed by first time buyers of products. The growth of consumer durables markets can be increased by improved

rural infrastructure, power availability, agricultural reforms, etc. Entry of MNCs in rural market gave rise to the competition.

In FY 11, total demand of consumer durable was 7300 million USD and 35% (2550 million) was from the rural sector, as per IBEF (India Brand Equity Foundation). By FY 15, the total demand of consumer durables is expected to be 12500 million USD and 51% (6370 million) will be from the rural sector. Such great deals of demands will certainly attract more and more companies towards potential unexploited rural market.



Source: IBEF (India Brand Equity Foundation)



Source: IBEF (India Brand Equity Foundation)

### Literature review

Priyanka Sharma (2014) <sup>[14]</sup> with Special Reference to Eastern Rajasthan In her research theory, Marketing of Consumer Durables in Rural India, she has tried to explain that the rural Indian market has attained importance in the current times because the complete economic growth of the country has led to an upgradation in the standards of living of the rural people. As an individual, every consumer differs from others. The rural consumer buying behaviour, across the world, is significantly different from the urban consumer. Rural consumers differ not only in their practices and behaviour but also in their beliefs and conviction. As compared to the urban consumers, their thought process is easier. The rural market is quite different in terms of the product usage pattern and price-value equation, etc. as the meaning of convenience differs with market sections.

Dr. N. Ratna Kishor (2013) The rural consumer behaviour towards consumer durable products in India explains the several reasons of durable industry growth which are due to disposable income, the changing economy, etc.

Ganesamurthy (2003) in his research, he observed the awareness and impact of mass media on rural customers and the brand loyalty. The area of research was Erode district of Tamil Nadu where a simple random survey was conducted and the theory of the sample taken was of 50 respondents. He resolved it by predicting that now day's goods are flowing from urban to rural areas and rural to urban areas. In the rural bastions premium brands are gaining wide recognition. Increase in the awareness of consumers has led to noteworthy changes in their consumption habits and buying behaviour. The urban market is getting competitive and saturated at an increasing rate. The established categories have less scope for growth in the urban markets, specifically. Today, the rural market is prospering with the increase in the disposable incomes of the households sector.

Kent and Allen (1994) described that familiarity with a brand helps to understand a consumer's brand awareness structures, which means, the brand acquaintances that are inside a consumer's memory. Although many consumers are familiarised with the advertised products but many consumers are still unfamiliar, either because the consumers have not yet been exposed to the brand or because they are new to the market place. Consumers may have either used the products of that brand or may be familiar to the brand. Consumers may either be recommended by relatives or friends who have used the brand and have attained feedback about it.

Chestnut and Jacoby (1978) have emphasised the brand loyalty by highlighting it as an outcome of the decision making process. For the association of brand loyalty which should be referred to in order to explain the decisions consumers take or their choices of alternatives, they have tried to find a theoretical justification. Thus, Brand loyalty signifies a combination of optimistic approach and constant and repeated buying of a specific brand over a specified period of time.

### Rationale of study

In India, the consumer durables industry is set for continuous growth for a long period, along with the inputs by total growth in industrial sectors and services, positive consumer demographics and development of infrastructure in rural and suburban areas. The literature reviews depicts that a major portion of the study was made to examine the several reasons of increase of demand in the rural areas. The increase in demand from the rural sector forces to examine and to know the consumer buying behaviour of the rural sector, their wants for the reputed goods and the faithfulness for it. This study helps to know the relation aimed rural consumer buying behaviour, brand loyalty and awareness.

### Statement of the problem

Rural consuming system and its advancement vary from that of urban consuming system. Due to the influence of liberalization and globalization, material propensity in the rural part of India, resulted in increase in production and improvement in transportation and communication amenities. An increase in the investment for the development of the rural sector enhanced the purchasing power of the rural people. The dynamics of consumption behaviour of the rural people changes with an increase in the purchasing power of the rural consumers, awareness of the brand and loyalty for the brand. Thus we can analyse how the rural customers are being encouraged, how far these factors of determinants provide urban customers and how far the cultural factors as well as the socio-economic factors are putting a significant impact on the rural folks. A detailed analysis of rural customer behaviour would help in recognizing the different market segments and bringing in advancement by making suitable marketing plans and policies for effective penetration and in that way to grasp a reputable share in the rural marketplaces.

### Research objectives

- To research on the consumer buying behaviour of durable goods
- To know the brand loyalty of customers for durable products.
- To spot the brand awareness between the customers of durable goods.

### Hypothesis

H1: There is no significant difference in the consumer buying behaviour of durable products.

H2: There is no significant difference in brand awareness between the consumers of durable products.

H3: There is no significant difference in brand loyalty between the consumers of durable products.

### Research methodology

#### Research Design

Research design for the research is grounded on primary field survey which is computable and the conclusions drawn are

made on the basis of the analysis of the information by using SPSS tools.

**Coverage of the Study**

The study investigates the durable goods market and includes the rural consumers of Unnao District of Uttar Pradesh.

**Universe, Sample Design, Sample Size and Sources of Information**

The data and information was collected from the primary sources by holding a field survey along with a well-designed questionnaire, on random sample basis, which covered the

retail customers of Unnao District of Uttar Pradesh. The sample was collected by 100 respondents. The research studies published in journals, books, newspapers and other websites were included in the secondary data sources. They are used for theoretical reference and literature review.

**Survey Instrument**

A well-defined questionnaire was designed to know about the trade consumer respondents’ demographic attributes, brand awareness, consumer buying behaviour and brand loyalty.

**Results of the study**

**Table 1:** Demographic Profile of the Respondents

Demographic Profile		No. of Respondents	Cumulative Frequency(in %age)
<b>Gender</b>	Male	64	64%
	Female	36	100%
<b>Age(in years)</b>	Less than 30	23	23%
	31-40	48	71%
	41-60	25	96%
	More than 60	04	100%
<b>Marital Status</b>	Married	73	73%
	Unmarried	27	100%
<b>Occupation</b>	Agriculture Activities	58	58%
	Self Employed	21	79%
	Housewife	14	93%
	Professional	07	100%
<b>Income(Annual)</b>	Less than 1 Lakhs	11	11%
	1-2 Lakhs	27	38%
	2-5 Lakhs	42	80%
	More than 5 Lakhs	20	100%

Source: Primary Data

As per the sample data collected from respondents, around 36% were female and the left over were male. Approximately 48% of the respondents were in the range of 31-40 age group. Just about 73% of the respondents were married. Around 58%

of the respondents were from the agricultural segment. Nearly 07% of the respondents included professionals. The Yearly Incomes of 62% of the respondents was more than Rs. 2 Lakhs.

**Table 2:** Consumer Buying Behaviour of Durable Goods

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	F Value	Sig
Do you identify the need of the product or brand before buying?	70	25	05	0	0	12.165	0.01
Do you examine and search information from various sources before buying?	32	58	05	03	02		
Do you compare the brand or evaluate the number of alternatives before buying.	41	45	10	02	02		
Do you select the product by Its price?	45	30	10	10	05		
Do you purchase the product continually once satisfied with the product or brand.	33	51	13	02	01		

Source: Primary Data

The consumers who identify the need of the product or brand before buying it are 70 strongly agree followed by 25 who simply agree and 05 who are neutral. Consumers who examine it and collect information from alternative sources

before buying it are 32 who strongly agree followed by 58 who simply agree, 05 who is neutral and 03 who disagrees and 01 who strongly disagrees. The consumers who will choose the product by its price is strongly agreed by 45 which

are followed by 30 who simply agree, neither agreeing nor disagreeing are 10 in evaluation and 05 of them who strongly disagree. It is observed that 51 customers agree that they will purchase the product repeatedly once they are contented with the product or brand. It was then followed by 33 who strongly agree 13 who neither agree nor disagree, 02 who disagree and 01 of them who strongly disagree.

At one per cent level, the F-value of 12.165 is important. Hence, the null hypothesis states that there is no significant difference in consumer buying behaviour of durable goods is rejected. Therefore the outcome is that there is a significant difference in the consumer buying behaviour of durable goods.

**Table 3.** Brand awareness of consumer on durable goods

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	F Value	Sig
Are you familiar with the brands?	52	41	05	02	01	31.687	0.01
Could you recognize the brand quickly among other competing brands?	38	46	11	04	01		
Is your mind already set for which consumer durable products to buy?	20	58	15	03	04		
When you think about consumer durable products, you always remember the brand or product.	36	49	10	02	03		
How many times you heard of these brands	45	39	10	03	03		

Source: Primary Data

Consumers who are familiar with the brand are 52 in number who strongly agree followed by 36 consumers who disagree. Consumer's Awareness about the product's features and brand are around 78 who agree 03 and 04 disagree and strongly disagree. Consumers who remember the brands are around 85.

The F-value of 31.687 is important at one per cent level of significance that there is a significant difference in brand awareness between the consumers of durable goods. Hence, the null hypothesis states that there is no significant difference in brand awareness among the consumers of durable goods is rejected.

**Table 4.** Brand Loyalty of Consumer on Durable Goods

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	F Value	Sig
Are you loyal to this brand	47	42	09	01	01	30.164	0.01
In future, If you buy this durable goods this brand would be your first choice	22	56	12	06	04		
Would you love to recommend this brand to your friends?	19	42	25	09	05		
Do the price of the product influence your buying(Increases or Decreases)	18	51	21	05	05		
When buying different durable product will you go for the same brand	25	53	14	04	04		
If your brand is not available in the store will you buy another or not?	31	49	11	05	04		

Source: Primary Data

The Consumers who want to purchase the same brand are around 89, whereas consumers who would like to suggest it to relatives and friends are roughly 61, on the other hand consumers who would even like to buy the same brand are around 78 and who will not purchase the other brand is 80. This depicts the faithfulness of consumers towards the particular brand.

significance difference in brand loyalty among the consumers of durable goods is rejected.

The F-value of 30.164 is important at one per cent level of significance representing that there is a significant difference in brand loyalty between the consumers of durable goods. Therefore, the null hypothesis states that there is no

**Suggestion**

The consumer durables market in the rural sector in India is very huge in size and has a lot of opportunities. To capture the rural markets, the companies which are manufacturing/marketing the consumer durables have to follow the different forms of innovative strategies in the rural markets. The consumer behaviour is a very important factor and it can be understood by getting into the rural markets.

- The product modification should be such that it is apt for the requirements or usage conditions of the rural customers.
- Completely new goods must be produced for the rural markets.
- The companies have to take into action the pull and push strategies in the rural market.
- To choose the best pricing means for durables, by taking into consideration the infrastructural amenities, demand of the product, competition prevailing in the market, economic or financial conditions of a specific rural area.
- By organising exhibitions, campaigns and trade fairs to create the awareness about the brands and its products.
- The companies have to start or open new sales outlets by taking into consideration the population of the people.
- To motivate social activities for the expansion of rural sectors for the brand loyalty.
- In the rural parts, consumer-seller relationship will help in classifying the factors responsible for increasing the sales and consumption in the rural parts.

### Conclusion

The demographic profile of Indian consumers is altering with rising personal income, large young population, advancement in technology, increase in education class, rural development offering a huge space for consumer durable market. The desire of increase in standard of living and ease in work measures up the product demand of Refrigerator, TV, washing machine, computer, kitchen appliances, etc. in the market.

Ease of accessing data and information across all consumer segments has brought essential changes in the Indian consumer behaviour. This research reveals that shifting of economic and social attributes has placed a great influence on the consumer buying behaviour. They are completely aware about the brand and the product with their prices and features. Durable firms must look into these trends and implement their plans and policies for a constant growth.

Success in the long run will need companies to develop an extensive and healthy distribution network, bring innovations in the areas of promotion, product financing, by differentiating their products in the relevant areas to the consumer, etc. To suit the unique needs of the Indian Rural market, the product and the approach to the market needs should be modified.

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