

“A study on the implication of consumer buying behavior for product distribution in Rural Market”

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ABSTRACT: In this study focused on the implication of consumers buying behavior of product distribution in rural market. Motive of this study looked the distribution of the product in rural market and implication for the consumer for the product availability because distribution not deliver product on the time in rural market. Objective of this study the implication of consumer buying behavior to distribution in rural market and the largest rural brand growth rate. The study was exploratory in nature. Sample size of the study 100 respondent's shopkeeper in rural market particular from Utter Pradesh district, random sampling method. Statistical tools in this study percentage analysis and gap analysis. With distribution many problems facing on product delivery like poor road connectivity, large number of small markets in rural areas, poor availability for suitable dealer for the particular products, poor communication of offer and schemes due to poor reach of media, leading to poor visibility of retail outlets etc.

KEY WORDS: Product distribution, consumer buying behavior, Rural Marketing and distribution channel.

Date of Submission: 20-02-2019

Date of acceptance: 05-03-2019

I. INTRODUCTION:

Consumer: consumer is a buyer of goods and services in retail. Consumer is a on end user of product and services, not compulsory a buyer in the distribution chain of goods and services.

Consumer Analysis: consumer analysis is starting step in the marketing research that take information and identify on the focused market's needs, profits, and consumer behavior in other to establish market segmentation.

Consumer Awareness: consumer awareness the understanding by an individual of their correct as a consumer concerning available products and services being marketed and sell. In consumer awareness the four concepts involve categories including, information, safety, the right to be heard and choice. In year 1992 the first declaration of consumer rights was started in U.S. consumer activity Ralph Narder is referred to as the father of the consumer movement.

Consumers Buying Behavior: consumer buying behavior is process by which singles search for, use, select, dispose and selection of goods and services. Which in providing satisfaction of their needs and wants. In other way we can say that is also consumer's decision making. Consumer decision making process by which **A)**, collect information, **B)**, Evaluate alternatives, **C)**, Consumers identify their needs, and **D)**, make the buying decision. All these activities are determined by psychological and economic factors, and are increased by environment factors such as a cultural group and social values.

The Consumer Buying Process

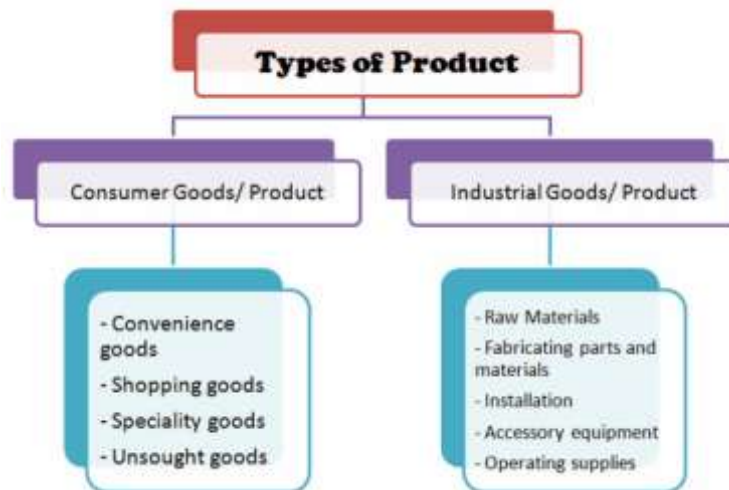


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Product: A product is the item offered for sale. Product is an item or a services. It can be physical or in vertical or cyber form. All products price and varied depend on the market, the quality, the marketing and segment that is focused. It is useful life after which it needs replacement, and a human life cycle after which it has to be re-invented. Needs of the products to be relevant: the consumer must have an immediate use for it. A product needs to be functionally able to do what it is supposed to, and do it with a good quality of the product.

“According” to Philip Kotler –“A product is anything that can be affected to a market for attention, acquisition, use or consumption that might satisfy a want or needs.”

“According “ to Peter D. Benett-“ A product may be an Idea, a physical entity or a services, or any compensation of three. Its exists for the purpose of exchange in the satisfaction of individual and organizational objective”



Distribution: Distribution is one of the six element of marketing mix. Distribution is the process of making a goods and services provided for the consumers or business user who needs of product. It can done directly by the manufacturer or service provider, or using indirect channels with intermediaries or distributor. It is fundamentally concerned with ensuring that goods available focused customers in the most direct and cost efficient manner. Distribution is principally concerned with access in the case of services. Distribution, as a concept, is relatively simple. But in practice distribution and activities including, logistics details, warehousing, transportation, storage, inventory management as well as channel management involving section of channel members and rewording distribution.

Types of distribution:



Implications of Consumer Purchase Behavior for Distribution:

In the past, rural consumers purchased most of their requirements from nearby towns. But in recent times, a shift towards purchasing locally has been seen. This change in consumer purchase behavior has important implications for the rural marketer. There is a need to access retailers in town and larger villages and

promote products there, so that the products that are purchased locally can reach smaller retail outlets in villages. Gillette, for instance, ensures that their products are well distributed all over the country. They expect this marketing and distribution effort to also result in their products reaching rural areas through rural retailers. Consumer loyalty can be to the brand or to the retailer. It follows that the type of consumer loyalty exhibited by the target group has implications for the marketer. The influence of the retailer is perceived to be high in rural - market, more so in the case, of durables. In rural areas, loyalty to the shop rather than to the brand is higher, but not significantly so. It has been observed that the retailer's influence is greater in rural markets however it is the consumers' knowledge of the brand that influences choice.

The consumer loyalty pattern also suggests that promotion by the retailer is more important in the rural markets. Studies suggest that promotion by the retailer supplements the efforts at creating brand knowledge in rural markets. A promotion announcing the benefits of a product or brand along with distribution efforts is observed in rural markets in the FMCG category.

Evolution of Rural Distribution Systems

Historically, the rural distribution system has included wholesalers, retailers, mobile traders vans and weekly haats,

There is seldom a clear-cut distinction between wholesalers and retailers, particularly in feeder markets where often retailers act as wholesalers and vice versa to sell to small who come from surrounding villages. In some cases, dealers have been able to build up wholesale business to a substantial level. Some town retailers send their book orders and supply goods to these small retailers.

Objectives of the Study

- 1. To examine the implication of consumer buying behavior to distribution in rural market.**
- 2. Study on the largest rural brand growth rate in utter Pradesh district.**

II. REVIEW OF LITERATURE

Kumar and Mohonty (2012): Both are studies on 'Public distribution system in rural India: Implication for food safety and consumer protection'. They said that pervasiveness of corruption in public distribution system at small level and implication at big level effecting some problems about food security of the country. In year 2007 the justice Wadhwa Committee recommendation to the public distribution are being implemented in shil's pave. In study showed that the pertinent to mention that perception about the notion's governance system, be it public distribution or other system is negative due to corrupt parties. It is playing important role in education the rural about the public distribution system and in reinsuring their food security and welfare.

'According to Kutlar and Keller (2008)' Distribution channel strategies affect many other aspect of marketing strategies, distribution affects sales, if customers will not wait until it can be reached, delivery is seen as a part of the product that influences customer satisfaction.

Coughal et al. (2006): Thy defined a distribution channel as a set of non-independent organization included in the process of making a goods and services a available for use or consumptions. Then main objective of the distribution channel is to bridge the difference between producers and consumer by adding value to goods and services. Intermediaries of manufacturing who retailer, specialized, wholesaler) and final users are perceived as the main factors of distribution channel. Behalf of these definitions, it is not simply determine where the distribution channel actually starts, there might be many produces involved in the manufacturing the end product a different levels. Few of these manufactures are close to the final at which raw material is supplies, while others are nearly to the final that deal with end buying behavior.

Implication of Retail Development

Nordas (2008): In this study researcher said that retailer play a very active role towards manufactures by setting goods and services, promoting goods. Obtaining and sharing information an consumer behavior about the product in distribution channels, retailer are also networking organization, the fact that they coordinate goods from different suppliers. They said giant retailer always have a big market demand in the retail market and are frequently the maximum number of buyers for the manufactures. It is also increase demand. Stimulating services to influence manufacture's products. In market small retailer taken larger portion of the market share. Consequently the "gate-keeping" role of retailer is becoming obvious due to the fact that their location in distribution channels in proved to have become improvingly significant.

III. RESEARCH METHODOLOGIES

The study explore the extent to which implication of consumer buying behavior for product distribution in rural market. The population for this study were the shopkeepers and customers. Simple random sampling methods was used to select the total sample size of 100 respondents both shopkeepers. Both the primary and

secondary data collection methods were considered. Primary data was complemented with secondary data sources such as publication, on the topic from journals, writer's books and internet. The measurement items of the variables were created based on the literature review, percentage analysis and gap analysis, study are in Uttar Pradesh.

IV. FINDINGS

Table 1.1
Rural Retail Penetration

Product category	Penetration (%)
Toilet soap	86
Washing powder	80
Shampoo	77
Biscuit	75
Razor blade	70
Battery	69
Tea	61
Toothpaste	59
Iodized salt	51
Soap cake/bar	46

It was observed from the table in terms of brands, Clinic- Plus shampoo, Vi-John shaving cream and Taazate are the leading brands in their categories, with a presence in 35 per cent to 77 per cent outlets, like urban retail shelves, rural retail shelves are flooded with local and regional brands as these promise higher margins and longer credit periods.

Retail premises

A village shopkeeper operates under a number of infrastructural constraints (lack of sufficient space, inadequate power supply, lack of proper storage system) and financial constraints (inadequate funds and unwillingness of banks to extend loans). Rural shops in India have the lowest retail space per capita in the world; nearly three out of four shops have less than 100 sq. ft. area

Table 1.2
Brand Penetration in Rural Retail

Category	Brand	Penetration
Tea	Taaza	35
	Tata	22
	Lipton Tiger	17
	3 Roses	13
Shampoo	Clinic	77
	Chic	23
Skin Care	Fair & Lovely	11
	Ponds	14
Shaving cream	Vi-John	62
	Palmolive	23

It was observed from the table on an average, the number of product categories stocked by rural and urban stores does not vary significantly (19 vs. 27). But what does vary is the number of companies / brands (42 vs. 92). This difference in stocking patterns is because of poor reach and difficulty in servicing rural stores. The number of brands per product category decreases as we move deeper towards smaller villages.

Table 1.3

Largest Rural Brands

Brand	Category	Growth (%)
Parle - G	Biscuits	8.2
Lifebuoy Active	Toilet soap	6.4
Lux	Toilet soap	5.6
Ghari	Washing powder	21.5
Nirma	Washing powder	-13.1

It was observed from the table the growing share of a large number of FMCG brands shows the dominance of branded products in rural markets. Some of the biggest urban brands such as Parle-G, Lifebuoy Active and Lux are also big draws in rural India.

Table 1.4
Rural Brand Penetration (% of households)

Toilet Soap		Washing Powder	
Lifebuoy	31.9	Surf	6.7
Breeze	10.3	Wheel	15.0
Lux	2.4	Nirma	45.7
Pears	1.2		

It was observe from the tablelow levels of literacy and awareness make rural people less likely to switch brands as they do not have the required knowledge or information to exercise a choice. They feel more comfortable in purchasing tried and tested brands. They are, therefore, 'brand sticky' rather than 'brand loyal' as is often but erroneously believed by most marketers. For a brand to establish itself, the company needs to educate rural consumers, develop their interest through interactive communication, encourage their desire to own/use new products and deepen their confidence in the brand through live demonstrations.

Building a meaningful and long-term relationship with rural consumers helps them identify and associate with the company brand and develops an emotional connect, leading to a positive brand perception.

Another reason for brand stickiness is that many rural consumers are still discovering the core benefits of the product. Marketers have often observed that one brand seems to dominate the category in a particular village. This is a result of an early-mover advantage. Whichever brand enters a village market first seems to gain acceptance in the community through 'word of mouth' communication (provided, of course that the early users are satisfied with the core; benefits) and thereafter many prefer to 'stick' to this particular brand. A new brand then finds it difficult to gain entry into people's homes in that village.

This phenomenon of stickiness is more visible among consumer groups of older people who are low on literacy and exposure levels, whereas the more educated younger generation, which has considerable exposure to the media, is experimenting with new brands.

V. CONCLUSION

The high distribution cost due to geographical spread and low volumes per outlet act as a deterrent to the entry of the product in rural markets. To build volume companies need to invest in distribution infrastructure. They should consider this expenses and investment become rural market and nee to viewed from a long –time perspective rather than from a perspective of short-term gain.In rural market product distribution facing many problems including- large number of small markets, poor road connectivity, large number of intermediaries leading higher cost, poor availability of suitable dealers for the particular products, poor visibility and display of product on rural shop shelves, poor communication of offer and schemes due to poor reach of media, inadequate bank and bank credit facilities for rural retailers, leading to poor viability of retail outlasts, highly credit drive market and low investment capacity stocking of product. All these reasons are create implications of consumer buying behavior for products distribution in rural markets.

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Dr. Kaustav Shyamal Mukherjee “A study on the implication of consumer buying behavior for product distribution in Rural Market” International Journal of Business and Management Invention (IJBMI), vol. 08, no. 03, 2019, pp 01-05