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### A STUDY ON THE FACTORS RESPONSIBLE FOR CONSUMER BEHAVIOR TOWARDS PERSONAL CARE PRODUCTS IN RURAL MARKETS OF HARYANA

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#### **ABSTRACT**

The study aimed to understand the factors that are responsible for the shopping behavior of rural consumers, particularly towards the personal care products. The area aimed in y was Haryana state. The consumer in this state are a little more established in comparison to few other states in Haryana. The applicability of this research is therefore on the state of Haryana only. The study collected a sample of 525 people from the rural areas of Haryana. The collected sample is a mixture of varied age groups, occupations and gender. The study discovered that the demand for personal care products is present in the rural market as well. The knowledge and exposure towards the products is higher than expectation. The digital marketing reach has ensured the demand or many different personal care products among the youngsters. The results depict that social, market and economic are the three major factors that cause the major impact on the decision making towards buying. The scale developed by the researcher was able to explain the variance of 68.949. The majority of the rural consumer is making their decision based on the three criteria mentioned.

#### **I. Introduction**

The consumer behavior study of the rural segment of India is really important. The rural market of India is one of the fastest growing markets in India.

Companies like Unilever and many others in the FMCG industry is deriving the majority of their profits from the rural market segment. The rural market is developing and the raising income and exposure to the products of the people is ensuring a subtle rise in demand. There were times when the demand for the products and knowledge of the same was not there. Only a handful of retailers were serving the market of many native areas as one (Ratna Kishore, 2013). That all has changed today. With the rise the infrastructure and cell phone connectivity, the exposure of marketing of product has reached to the remotest corners of the rural areas. Although there is still huge gap between the demand for the products in the urban segment and rural segment but the rural segment in past two decades have come a long way in filling that gap (Sathyanarayana and Ganesh, 2012).

The research is currently focusing on the specific area of personal care products. The personal care products are the ones that the consumer uses for taking care of the personal hygiene and health. The demand for such products was earlier absent from the rural market. The concept of personal care was not seen with high regards by the rural consumer. The reason behind the same was unaffordability, low exposure, unavailability and many cultural factors intervening from buying of the product (Behura and Panda, 2012). The consumer then started to behave differently with time. The exposure to media made it happen. The exposure to media of the consumer was an outcome of infrastructure development. The consumer behavior of the rural consumers also started developing along with the infrastructure. The consumer has now learned a lot about the fact on how to take care of them. There is a demand for personal care products in the rural segment. The impact of marketing has assured the generation of demand. But the generation of brand in particular still left. Brand loyalty is comparatively easy in the rural segment due to low competition (Karbasivar and Yarahmadi, 2011). The era of low competition in the 80s in the country resulted in monopoly in the hands of many companies in the FMCG section. Colgate is one of the biggest examples from the industry. With time new competitors with great marketing strategy metered the market and took away the majority shares from the hand of those companies which were enjoying the luxury of first mover advantage. The similar scenario is replicated in the rural segment (Jiyoung Kim and Leslie Stoel, 2010).

The rural segment of the state is doing much better than the rural segments in many other states in comparison. This has been mentioned above also. This implies that the demand for many personal care products and brands are rising. The education and awareness are the two big factors that ensure people to create demand when they have affordability. Since the villages and rural segments in Haryana are doing much better now the affordability issue is resolved. With the increased communication and literacy level in the state the exposure and awareness is also increasing. This embarks the providence of demand in the region (Lalit, 2009).

Companies in India have now started to realize that there is huge potential in numbers and masses then aiming for the classes. This is the reason why many premium brands under their umbrella have started affordable brands and their product series to serve the masses. L'oreal started the green colored brand Garnier, Tresemme started the much cheaper range in India, Loreal also started the distinguished non-professional series called Ultra Doux for the masses. This much affordable range of products ensured that the demand of masses must reach the products (Hemanth and Shruthi, 2013).

The complication of the rural segment is another issue. The design of rural segment is always troubling for the distribution part for the company. The distribution of population is in clusters. The cluster of people in a small amount ranging from 500 to 2500 is living in the in small area. The clusters have a good difference among them, unlike the urban population high in number in one huge cluster, evenly distributed in the urban living area. It makes the distribution for the company easy in the urban area. The bigger problem is that the majority of population in the state is residing in this format in the rural area (Amarnath and Vijayudu, 2009).

**Table 1.1 Haryana Population Census (Urban and Rural)**

Description	Rural	Urban
<b>Population (%)</b>	65.12 %	34.88 %
<b>Total Population</b>	16,509,359	8,842,103
<b>Male Population</b>	8,774,006	4,720,728
<b>Female Population</b>	7,735,353	4,121,375
<b>Population Growth</b>	9.85 %	44.59 %
<b>Sex Ratio</b>	882	873
<b>Child Sex Ratio (0-6)</b>	835	832
<b>Child Population (0-6)</b>	2,285,112	1,095,609
<b>Child Percentage (0-6)</b>	13.84 %	12.39 %

Description	Rural	Urban
<b>Literates</b>	10,158,442	6,440,546
<b>Average Literacy</b>	71.42 %	83.14 %
<b>Male Literacy</b>	81.55 %	88.63 %
<b>Female Literacy</b>	51.96 %	65.98 %

The table 1.1 makes it easy to understand the complication is there for what reason. The depiction of the table above shows that the complexity in the population distribution. The population residing in the rural segment of Haryana is twice the size of the population in the urban segment. The good part is the literacy level in the rural segment is not bad in comparison to the urban segment.

## II. Literature Review

There are researches that have been conducted in the field of consumer behavior in the rural segment that proves the demand for the FMCG has risen. The demand for such products has continued to rise as the people in the rural areas started to understand the value of self care. The self care concept required proper direction and marketing to motivate the people of rural segments. To the consumers in the rural areas, the personal care product use is life alteration and creation of new habits (Cullen and Kingston, 2009). In order to introduce the new habits, there is always the problem of rigidity. Every consumer has created a comfort zone for themselves and they don't want to step out of that comfort zone. The personal care product use will require extra expenditure and efforts. Selling to a non-user who is not much in agreement to the benefits of the product will require change in the subconscious of the consumer (Phanindra and Swamy, 2013). The benefit approach is used and it is exaggerated and amplified to gain positive response.

The companies have successfully done the work and the adaption of many new products in the area of oral care, skin care and hair care has been started. But there is so much more in the area of personal care. The adaption of those and understanding of the fact that the hygiene maintenance and beautification is not a waste of time is to be inculcated in the mind set of many. In order to successfully do that the researchers have developed scales in order to understand the buying pattern and reasons (Rachna, 2011). There are several

factors and variables that are pointing towards, how the consumer is utilizing the value of their money and time. Many researchers have aimed to reveal the factors that are driving the rural consumer to switch from non user or use of non certified methods to products for personal care (Saini, 2014).

The researcher in this research have developed a scale that is aiming to resolve the issue and find out that what are the major factors which are driving the consumer in buying of the products. There are social factors that make the consumer adapt a product. The consumer behavior is varied. From risk takers to late majority, the product starts with the risk takers and innovators adopting the product in its early stage and causing a social wave that makes the product reach the end so f the chain of late majority (Meremadi et al., 2013). The biggest driving factor for any habit and product in the market is social factor. Then comes the other factors that help the social factor to grow and give it a nudge or a push. This factor is the supporting element to causing the social wave to happen is the market factor. The market factor ensures the availability and exposure of the product to the consumer. The market factor is another responsible factor (Tripathi, 2012).

The product to fit in to the pocket of the consumer is another thing. The economic factor ensures that the product is designed in such a manner that it fits in to the pocket and affordability of the consumer. The companies saw that the bulk buying is not a feasible option for the consumer in rural area. There problem buying together costs heavy on the pocket and also the storage of the product might create a problem (Sabura Et. Al., 2012). To solve the issue the company made the smaller packing of the product so that the consumer can afford it easily. The added attraction to the above factors is when the consumer reaches the store. The store if is designed properly and displayed the maximum of the product can escalate the sales of the products. The store attributes makes the consumer to buy more or less than the planned purchase (Purohit, 2011).

### **III. Research Methodology**

#### **Research Gap**

The study is filling the void of understanding the consumer behavior towards the personal care products. The rural consumer is rigid on accepting the use of personal care products and the concept of self care. The beautification and self care concepts were unacceptable to some extent in the lifestyle rural consumers. May companies with their marketing and marketing research have established grounds for many personal care products, but there are still many products which are yet to make their presence hold in the rural grounds. The study is aiming to generate primary data to check the variables that contributes the maximum in decision making of the rural consumer to fill the gap for understanding the same.

### Aim and Scope of the Study

The aim of this research like many before is to find out the factors responsible for the decision making of the consumer towards the buying of personal care products in rural areas of Haryana. The application of it will be on the rural segments of Haryana and nearby northern rural areas, where the cultural similarities and the level of development is similar. The study is also helpful in developing a better model for the product sale and establishment in the rural area. From the marketing to the distribution of the products, the study can guide to design a better selling point.

### Data collection

To research the aim the study has utilized a tool of questionnaire predesigned for the purpose with 27 variables. The questionnaire was well defined and divided under the factors that were found in the similar studies to be most contributing to the decision making phenomenon. The variables were recorded on a 5 point Likert scale ranging from 1 to 5. 1 stands for strongly disagree and 5 stands for strongly agree.

### Sampling

This study was conducted in the rural area of Haryana and the Multistage sampling technique was used for the collection of sample from the 4 divisions from Haryana. The sample of 135 was collected from nearby villages of Ambala, Gurgaon, Rohtak and Hisar. The total of 540 was collected from which due semi filled or wrong filled questionnaire were around 15 and eliminating those, a sample size of 525 was retained.

### Research tools and techniques

The study used EFA (Exploratory Factor Analysis) technique to draw the factors out from the sample. The 27 variable data extracted 7 factors which are shown in the table below. The EFA was run on Varimax rotation method under the Principal Component Analysis. The main aim for using EFA was to find out the variance explanation of each factor. This tool will also help in analyzing the contribution of the factors in the decreasing order by sorting in accordance to variance explained. The total variance explained will also be achieved with the help of EFA. Other than that the mean and standard deviation of all factors are calculated by using the mathematic average of the variables under particular factor that was extracted from EFA.

## **IV. Analysis and Interpretation**

**Table – 1.2, Factor Analysis**

Name and Construct	Measure of the construct	Factor	Eigen	Variance	$\alpha$	Mean
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of the source	Loading	Value			
<b><u>Social Factor</u></b>		8.359	28.825	.836	3.911
I buy Personal care products on my thinking towards the product	.840				
My self-esteem affects my buying decision on Personal care products	.809				
My religion plays a role in determining what products I purchase	.767				
My culture plays a role for buying personal care products	.740				
I buy personal care products which are of my social class	.722				
I usually look to my peers advice when buying Personal care products	.709				
I buy personal care products which my role models use	.658				
My Spouse /friends usually affect buying decision	.595				
<b><u>Market Factor</u></b>		3.285	11.327	.775	4.357
I only buy personal care products which have a branded name	.789				
I only buy personal care products with a good image/image that I like.	.747				
I only buy personal care products which I consider high quality	.740				
Promotion and ads of products affect my buying decisions.	.721				
I buy personal care products which can be delivered to my doorstep	.682				

<u>Economic Factor</u>			3.085	10.638	.817	4.322
	My personal income determines the personal care products I buy	.879				
	My family income affects my buying decision on Personal care product	.873				
	Price of the product affects my buying decision	.839				
	Time of buying affects my buying decision	.719				
<u>Store Attribute 1</u>			1.662	5.732	.780	4.27
	I always buy my personal care product from the same store	.790				
	I always buy from the same salesperson because of knowledge	.747				
	Sales staff behaviour impacts my buying process	.706				
	I buy from the store that gives the best promotional plans	.637				
Name and Construct of the source	Measure of the construct	Factor Loading	Eigen Value	Variance	$\alpha$	Mean
<u>Store Attribute 2</u>			1.555	5.364	.614	4.11
	I buy from the store the ambience of which I like the most	.810				
	The window display of products attracts me to buy	.793				
	I buy from the store that offers me most variety	.785				
<u>Personal Factor 1</u>			1.034	3.565	.785	3.36
	I buy Personal care products for personal hygiene	.841				
	I buy personal care product for beautification	.666				



	I buy Personal care products for personal wellness	.624				
<b><u>Personal Factor 2</u></b>			1.014	3.498	.766	3.31
	I buy after considering the price of the product	.570				
	I buy Personal care product for building confidence	.556				

Table 1.2 is the clear depiction of the fact that social factor alone is a very big contributor to the explanation of the buying habit of the rural consumer. The table above carried the factor's Eigen value and Variance explained. These two values are the explanation of the factor's contribution towards the explanation of the phenomenon. The first factor's Eigen value is 8.359; it means that the Eigen value is the highest of the social factor. The table is sorted on the basis of Eigen value decreasing order. The variance explanation of the first factor is 28.825. This means that the social factor is the most important factor. The mean value of the factor on a five point scale is 3.911. the value shows that the agreement of the rural people on the social variables have been on a higher side more. The standard deviation is .836 which is showing that the variation was present among the answers but the range of the variation wasn't very high. The more number of people are agreeing to the factor.

Followed by the Market factor with the Eigen value of 3.285 and the variance explained under this Eigen value is 11.327. The contribution of the market factor is considerably lower than the social factor. The market factor but is the reason of instigating the social factor. The exposure and the product and its awareness are a gift of market factor which is an instigator to social factor. The mean value is very high 4.357, the respondents seem to be agreeing to the statements of market factor and the low standard deviation value .775 is a proof to the same. The next in the row is the economic factor. The Eigen value and Variance is closer to the market factor which is 3.085 and 10.638. The economic factor is the one that has improved its situation and place in the rural area. The affordability to buy the product has increased. The development in rural areas has ensured that the rural population gets work and earns money. The mean value towards the economic factor is also high at 4.322, this shows high agreement to the variables and the standard deviation shows that variation was quite low.

The Eigen value after this takes a sudden drop in the next four factors, the contribution also remained low. The store attribute and personal factor combined contributes about 18 percent variance explanation. This can be thought of as the two factors play a role in decision making but not as vital as the above three. The above three factors together contribute almost 50 percent variance explanation.

## V. Conclusion

The study is able to shed some light on the fact that the social factor is a big contributing factor to decision making in personal care buying. The companies need to understand the power of referral marketing. Going by traditional advertising is only good to catch the exposure for the product. AIDA model Attention can be gained with advertising but the right way to proceed for Interest, Desire and Action is the referral marketing. All the companies that are able to pursue the talks among the socialites about the product are capable of creating a huge market space for their brand. The market place will move and function according to the need of the buyer, the need will be generated with the marketing of the product but the fulfillment of the gap will be done by that product that people will refer to each other. The social circles in the rural areas are small and extremely close. The social interactions high understand the fact can help the companies to manipulate the consumer in to the buying of their product. The social market and economic factors together control half of the narrative towards the decision making. Understanding the factor will help the marketer to design a marketing plan that can help the product gain higher social acceptance. The economic variable has been decoded by the companies as since past one and half decade the small packing to make the product easily available and affordable has been done by the companies. The study has highlighted that store attribute and personal factor are not that strong factors, the availability of the product is must, which can be seen, major factors are social, market and economic. Paying proper attention to these three can help the company in gaining the correct momentum.

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