

Rural Consumers' Factors of Influence, Place of Influence, and Decision Making Process : An Exclusive Model Based Study

* Prakash H. S.
** Mustiary Begum

Abstract

In the recent past, consumers in India have been at a point where there is a multiplicative effect in income growth, aspirations, and changed consumption patterns across income level segments. Therefore, understanding the rural consumer behavior and the process of decision-making has acquired significant attention and there has been a rise in the importance of private corporate big giants as the rural consumers started buying/consuming everything that was meant for the urban market. Keeping these changes in mind, the present paper tried to ascertain whether - there is any significant difference of opinion between the genders regarding the decision making process; the paper intended to find the different factors' (primitive) influence on the rural consumers and the places where these primitive factors influence; and also attempted to gain knowledge regarding the exclusive consumer decision making process of the rural consumer. The study took into account the opinion of 125 respondents from two taluks of Shimoga district, Karnataka. The data were analyzed with the help of SPSS v 20 software. Mean, standard deviation, chi-square, and factor analysis techniques were used to test the hypotheses, and based on the test results, an exclusive model (HSP Model) of rural consumers' factors of influence, place of influence, and decision-making process was developed.

Keywords: rural consumer, different/primitive forces, decision-making process, HSP model

Paper Submission Date : January 22, 2016 ; Paper sent back for Revision : October 10, 2016 ; Paper Acceptance Date : November 5, 2016

The rural consumer is discerning and the rural market is vibrant. At the current rate of growth, it will soon outstrip the urban market. The rural market is not sleeping any longer, but we are.

- Mr Adi Godrej, Chairman of Godrej Group

In the recent past, consumers in India have been at a point where there has been a multiplicative effect in income growth, aspirations, and changed consumption patterns across the income level segments. Therefore, the understanding of the rural consumer behavior and the process of decision-making has acquired significant attention and there has been a rise in importance of the private corporate big giants as the rural consumers started buying/consuming all consumer durables like their urban counterparts. Comparatively, the rural market for durables is much bigger than the urban market, and it accounts for 59% of the market share. Now-a-days, many big marketers are turning their radar towards rural markets because of the saturation of urban markets and the huge rural potential that has been reflected in growing demand for products, which has created a

* Research Scholar & Faculty, SDM PG Centre for Management Studies & Research, MG Road, Mangalore – 575 003, Karnataka. E-mail : prakash.hs.mba03@gmail.com

** Professor, Department of Business Administration, Mangalore University, Mangalagangothri, Mangalore- 574 199, Karnataka. E-mail : mba_begum@yahoo.com

big buzz in the market. The rural market is transforming from the stage of illiterate, scattered, and low income to literates and high-income stage. The standard of living in the rural market is going through a transformation.

Rural marketing is growing in importance day by day and the rural market can be tapped profitably only with persistent efforts in the right direction. Only if the promotional efforts are directed towards understanding the needs, wants, preferences, beliefs, and attitudes of the rural masses, the vast demand base of the rural markets can be transformed into business proportions.

Rural consumers are different from their urban counterparts in buying consumer durables as they are more value seekers than fringe benefits. Rural consumers normally take more time to take a decision, and they do make comparisons and evaluate the products based upon the price. Potential buyers are presumed to pass through a series of steps before approaching the final decision to buy. All the steps of the process are very important from the marketers' point of view in order to formulate suitable marketing strategies. The rural market has diversity in socioeconomic, cultural, geographical, and behavior factors when compared to the urban market, and these are interesting factors for anyone who is interested to enter into the rural market. The present study tries to analyze the rural consumer behavior and the consumer decision-making process with the help of different established consumer behavior models.

Review of Literature

The consumers of durables move through a sequential decision process covering identifiable stages of need recognition, information search, brand evaluation, purchase action, consumption, post consumption evaluation, and divestment. The study also revealed that the pre-purchase, purchase, and post-purchase phases of the decision-making processes revealed consistency and clarity in the decision plans made by the consumers (Sarangapani & Mamtha, 2008).

The rural consumers' decision-making process mainly depends on and is greatly influenced by communication mediums such as of TV and print media. Rural marketing has shifted its promotion mix strategies from conventional ways like puppetry, flock theaters, and *melas* to the modern promotion mix strategies of mass media and TV advertisement in influencing the buying decision of the rural consumers (Dhumal, Tayade, & Khandkar, 2008).

The responses of customers are quite mixed-up in rural India. The customers prefer some of the popular brands, but they also prefer to use local brands. The home makers and other members of the family influence the purchase decisions. Rural people have enough time to talk/discuss with their friends and social groups ; so, their decisions are also influenced by the reference groups (Ayyub & Laddha, 2012).

Swinney, Lang, and Runyan's (2009) paper demonstrated the rural and poor consumers' behavior and decision-making process towards acquiring the health care services along with the comprehensive five-stage model and wished that the fruits of globalization should also trickle down to the lowest level of the populace and the social strata, especially in countries like India, where more than two - thirds of the population still lives in the rural areas. This is also a great market opportunity for savvy marketers and their responsibility is not only looking at such markets with the perspective of business opportunity, but also for benefiting them socially.

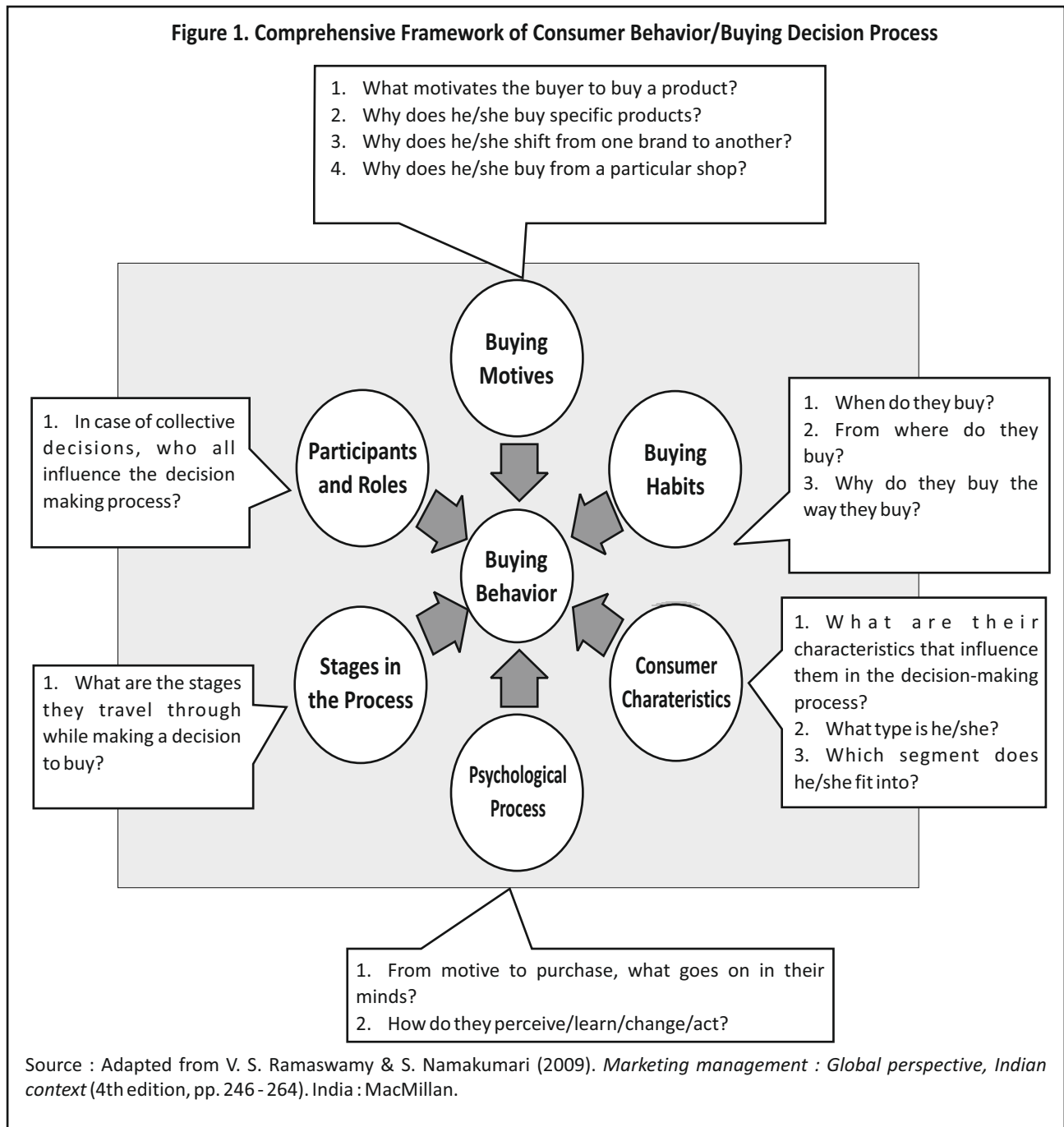
Nagaraja (2004) conducted a study on consumer behaviour in rural areas with respect to purchase decisions. The study found that purchase decisions were a joint process in the family with women and teenage children playing a major role for deciding about product and brand choice. It was found that women played the role of initiator and product evaluator, men the financier, and children as the influencer.

Prakash and Pathak (2014) observed that price, brand name, quality, availability, packaging, and so forth were the important factors influencing the rural consumers' purchase decisions. The study also focused on other

important aspects such as the effective modes of communication, reasons for switching brands, billing patterns, and satisfaction level among the rural consumers.

Consumer Decision Making Process : A Theoretical Review

Consumer characteristics and the situation in which the consumers are placed impact their buying behavior – when and how they would buy, whether they would buy from one given store or would try out buying from many



stores. The consumer decision-making process is the road map of consumers' mind and is the best expression of consumer behavior. Consumer buying behavior refers to the buying behavior of the last consumer-individual and households that buy goods and services for personal consumption (Kotler, Armstrong, Agnihotri, & Haque, 2010).

Consumers make many buying decisions every day and it could be for personal use or institutional, but the most important thing from the marketers' point of view is the buying decision. Many large-scale companies spend in crores to get answers to the questions about what consumers buy ; when they buy ; and where, how, and how much they buy and why. However, getting an exact answer to these questions is not easy as each consumer is mutually exclusive in their buying decision.

Often, rural consumers themselves do not know exactly what influences them and how they make their purchases. As some of the marketing experts opined “the human mind doesn't work in a linear way” and the reason being each rural consumer will have different factors influencing his/her decision on a given point of time. The rural consumer decision process is based on the types of goods they buy. There are some decisions they take on the spot, but some will be after a year or so. Buying decisions of consumer durables normally take a longer period than other consumer goods.

In the Figure 1, Ramaswamy and Namakumari (2009) explain briefly what is involved in and what a marketer needs to know about consumer behavior and the decision-making process. The Figure 1 exhibits different aspects like buying motives, buying habits, consumer characteristics, psychological process, stages of the process, and participants' role. Decoding consumer behavior, what a consumer would buy, and how she/he would buy it is no easy task. This is evident from the fact that though several marketing scholars and practitioners have spent enormous time and efforts on this subject and have analyzed it from different angles and different premises, there is no unified, tested, and universally established theory of buyer behavior.

Objectives of the Study

- ↳ To know the opinion between the genders regarding the consumer decision- making process,
- ↳ To investigate the different forces of influence and the place of different forces of influence,
- ↳ To evaluate the buying decision process of the rural consumer,
- ↳ To develop a unique model of factors of influence, place of influence, and the decision making process of rural consumers.

Research Methodology

The study was conducted in Sagar and Sorab taluks in Shimoga district, Karnataka based upon non-disguised structured questionnaire. To collect the primary data, the questionnaire was designed in the regional language, that is, Kannada to make the respondents understand the questions clearly. Questions were close-ended, ranking, and rating based. Secondary data was collected from research articles, magazines, textbooks, and Internet sources. The primary data were collected in the months of January and February 2015. The sampling procedure adopted was the multistage sampling. Convenient and simple random sampling techniques were used to collect the data. The total sample size is 125 respondents.

Hypotheses

- ↳ **H01** : There is no significant difference in the opinion among the respondents regarding factors of influence and place of influence on their buying behavior.

↪ **Ha1** : There is a significant difference in the opinion among the respondents regarding factors of influence and place of influence on their buying behavior.

↪ **H02** : There is no significant difference in the opinions of men and women regarding the consumer decision-making process.

↪ **Ha2** : There is a significant difference in the opinions of men and women regarding the consumer decision-making process.

↪ **H03** : The different forces and place of influence of different forces have a direct correlation.

↪ **Ha3** : The different forces and place of influence of different forces do not have a direct correlation.

Data Analysis and Interpretation

The responses of the respondents were codified, checked for consistency of the codification, and wherever needed, were edited and errors were omitted. The data were analyzed with the help of statistical tools like standard deviation, chi square, and factor analysis through SPSS 20. The Table 1 and Figure 2 reveal the demographic data of the respondents. It can be seen that most of the respondents fell in the age group of 20 to 40 years (79%) ; 81% of the respondents were male and 19% were female. The educational profile of the respondents indicates that most of the respondents had studied in high school and below high school level (90%). In addition, the income profile of the sample indicates that 60% of the respondents had a monthly family income between ₹ 5,000 to ₹ 10,000.

Table 1. Demographic Characteristics

Variables	Characteristics	No of Respondents		Total	%
		Sagar	Soraba		
Age (in years)	20- 30	16	23	39	31
	>30 -40	21	26	47	38
	>40-50	9	14	23	18
	>50-60	4	7	11	9
	Above 60	3	2	5	4
	Total	53	72	125	100
Gender	Male	43	58	101	81
	Female	10	14	24	19
	Total	53	72	125	100
Educational Qualification	Primary School level	19	33	52	42
	High School Level	29	31	60	48
	PU Level	3	5	8	6
	Graduate	2	3	5	4
	Total	53	72	125	100
Family Income (per month in ₹)	Up to 5000	12	21	33	26
	5001-10000	34	41	75	60
	10001 and above	7	10	17	14
	Total	53	72	125	100

Figure 2. Demographic Characteristics

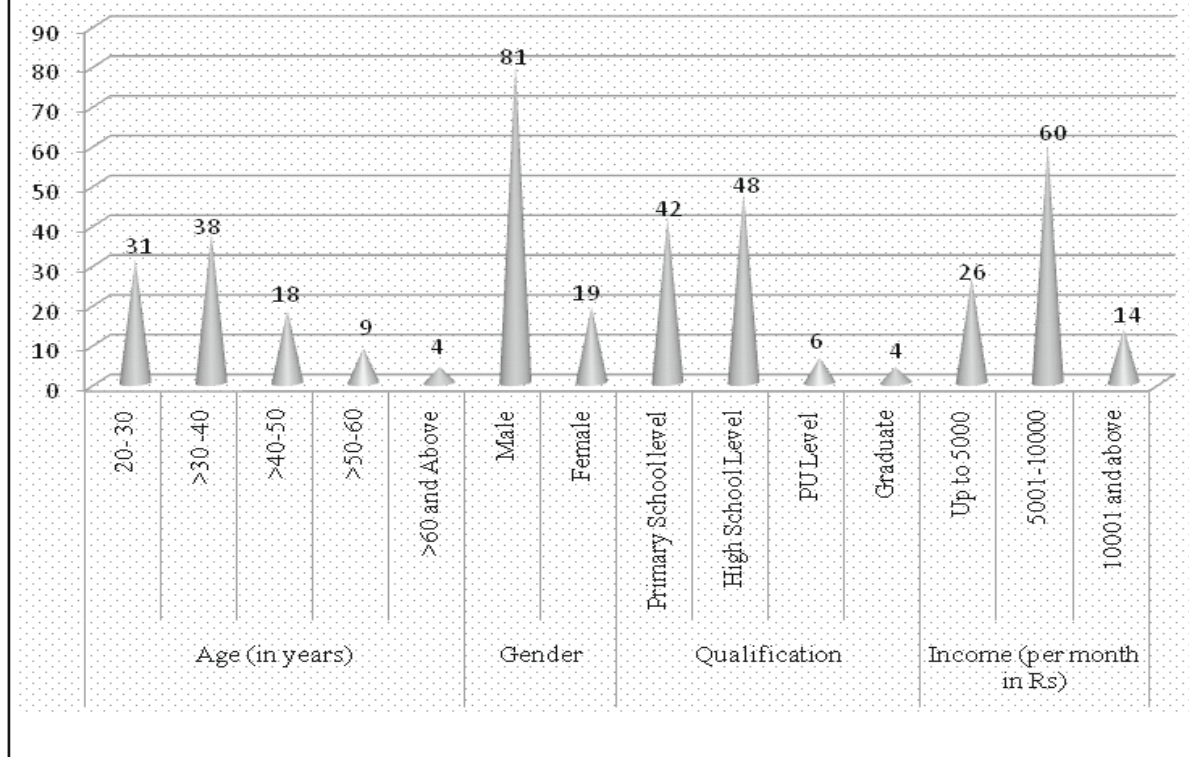


Table 2. Descriptive Statistics

Place and Factors of influence	N	Mean	Std. Deviation
1. Unstructured/informal evening meetings	125	3.8560	1.05268
2. Unintentional visit/talk	125	3.2000	1.20483
3. Yearly Festival	125	3.5600	1.10278
4. Village libraries	125	3.1520	.98420
5. Marriage and other functions	125	3.4560	1.11083
6. Exclusive village festival 'Nada habba'	125	3.6400	1.16674
7. Personal/individual	125	3.9760	.80786
8. Respective family	125	3.8960	.88740
9. Relatives	125	3.4160	1.09385
10. Friends	125	3.6000	1.01600
11. Educated class of the village	125	3.1840	1.06547
12. Richest families of the village	125	3.1040	1.08378

To test the Hypothesis -1 (H01 and Ha1), the descriptive statistical techniques have been used and considered all factors' mean and standard deviation for analysis.

It can be inferred from the Table 2 that (first six factors are places and the remaining factors are of influence) all the factors have the mean value above three, and in the scale value, three has been taken as neutral value and anything above three means positive and vice versa. So, based on mean value, since all factors score more than

three, we can conclude that the largest number of respondents agreed that place and factors of influence will significantly influence their buying behavior. However, the standard deviation of all the factors deviates between 0.80 to 1.20, which means the opinion will not differ much. Factors like personal factors and respective family has very less deviation. Therefore null hypothesis Ho1 is accepted and Ha1 is rejected.

Overall, we can conclude that apart from the common factors like product, price, place, promotion, the various factors mentioned in the Table 2 will act as influencers exclusively for rural consumers. This is an interesting find from the marketer's point of view. Understanding of this could help organizations to frame suitable marketing strategies for the rural consumers.

Next, we move on to test the Hypothesis 2 [Ho2 and Ha2] with the help of the chi-square technique. The cross-tabulation Table 3 shows observed as well as expected count of males and females, and the expected count is what we would expect to observe under males and females with respect to two different models. We can see that the observed count is different from the expected count ; the chi-square test helps to decide if those observed counts are different enough for the test to be significant for the association to be significant.

In the Table 4, the chi-square test reveals that the Pearson chi-square p - value is 0.631, which is bigger than 0.05, so the test is statistically not significant at the 5 % level. Therefore, we accept the null hypothesis Ho2 and conclude that there is no statistical significant difference in the opinions of men and women regarding the consumer decision-making process.

To test the Hypothesis 3 [Ho3 and Ha3], we have used the principal component analysis method to test the correlation between the factors and to test the possibility of reducing the factors. KMO Bartlett's test has been used to find the adequacy of the data for the factor analysis. KMO is calculated using correlation and partial correlation to test whether the variables in the sample are adequate to correlate. A general rule of thumb is that the KMO value should be greater than 0.5 for a satisfaction factor analysis to proceed. By observing the results from

Table 3. Cross-Tabulation of Gender of the Respondents and Consumer Decision Making Process

	Types of Consumer Decision Making Process		Total		
	Kotler model	HSP model			
Gender of the respondents	Male	Count	39	62	101
		Expected Count	38.0	63.0	101.0
	Female	Count	8	16	24
		Expected Count	9.0	15.0	24.0
Total	Count		47	78	125
	Expected Count		47.0	78.0	125.0

Table 4. Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.230	1	.631		
Continuity Correction	.060	1	.806		
Likelihood Ratio	.233	1	.629		
Fisher's Exact Test				.815	.408
Linear-by-Linear Association	.229	1	.633		
N of Valid Cases	125				

Table 5. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.934
Bartlett's Test of Sphericity	Approx. Chi-Square	2947.357
	Df	66
	Sig.	.000

the Table 5, it can be inferred that the KMO value is 0.934, which is adequate, and therefore, the data can be analyzed by using the factor analysis technique. Bartlett's test of sphericity is used to find out the relationship between the variables. A p - value < 0.05 indicates that it makes sense to continue with the factor analysis. We observe the $p < 0.000$, therefore, it is concluded that there is a relationship between the variables.

It is clear from the Table 6 (correlation matrix) that correlation is present between the first six factors and the remaining six factors as the first six factors are places of influence and the remaining six factors are factors of influence. We tried to verify the extent of correlation between these factors. The respondents were asked to rate on the 5-point rating scale to check their level of consent towards the place of influence and level of importance towards the factors of influence. The result shows that the correlation is significant at the 0.01 level (2 tailed). Hence, we accept the null hypothesis Ho3 and conclude by saying that the factors of influence and the place of influence have perfect correlation.

Rural customers are influenced by the factors mentioned in the Table 6 along with price, product, place, and promotion scheme of the companies. Places of influence are unique with respect to rural customers. Marketers could consider these prominent advantages to create a buzz about their company or products so that they can reach many customers without spending additional money and time.

The HSP Model

Based on the overall outcome of the analysis here, we have coined a new exclusive model to understand the rural consumer decision process, factors of , and places of influence. This model is truly based upon the outcome of the defined sample. It may vary based upon a different set of sample size. After developing the model, we conducted face-to-face interviews with some people of the rural area in Shimoga district, and the overall opinion will gel with the model we developed. This model can be used to analyze exclusive rural consumer buying behavior, factors of influence, and places of influence. *The model is named as the HSP model.*

As is depicted in the Figure 3, the heart of this model is the rural consumer, and all variables in this model are revolving around the rural consumer. The present model encompasses four circles in it :

- (1) Rural Consumer**
- (2) Primitive Forces**
- (3) Place/Location of Influence**
- (4) Decision Making Process**

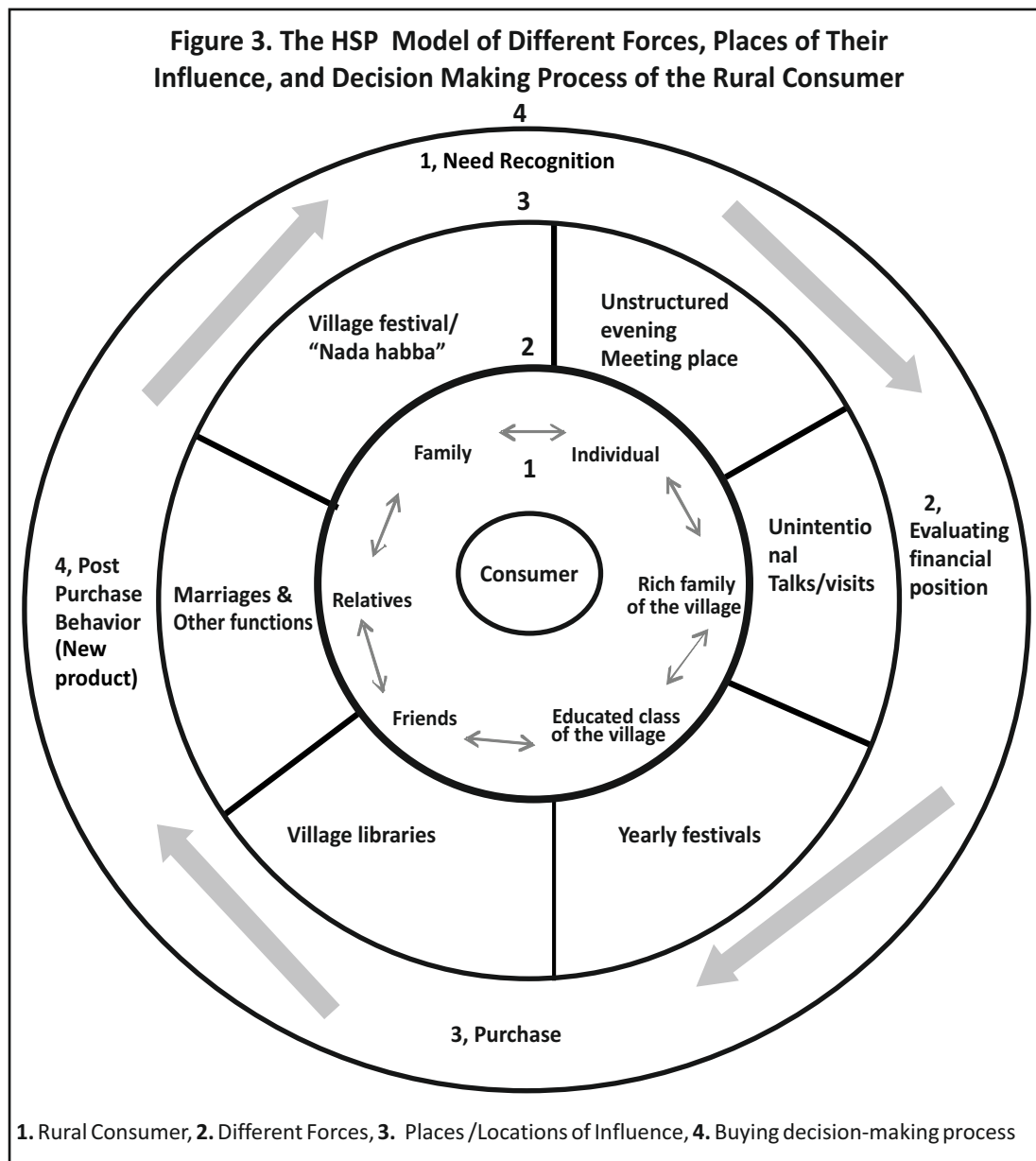
(1) Rural Consumer : A consumer is a person or organization that uses economic services or commodities. He/she is the one that consumes, especially one that acquires goods or services for direct use or ownership rather than for resale or use in production and manufacturing (Consumer [Def. 1 and Def 1], n.d.).

A rural consumer is one who resides in rural areas, and who transacts within the rural area, or between rural to urban or urban to rural. Characteristically not well versed with new things, little skeptic towards new things,

Table 6. Correlation Matrix

	Unstructured evening meetings	Unintentional visits/talks	Yearly Festival	Village libraries	Marriage and other functions	Exclusive village festival 'Nada habba'	Personal/ individual	Respective family	Relatives	Friends	Educated class of the village	Rich families of the village
1. Unstructured/informal evening meetings	1.00	.919	.911	.901	.829	.936	.935	.856	.893	.843	.815	.918
2. Unintentional visits/talks	.919	1.00	.917	.919	.895	.912	.875	.797	.940	.850	.869	.941
3. Yearly Festival	.911	.917	1.00	.872	.896	.948	.884	.818	.949	.914	.818	.896
4. Village libraries	.901	.919	.872	1.00	.836	.877	.907	.785	.877	.795	.850	.953
5. Marriage and other functions	.829	.895	.896	.836	1.00	.881	.785	.719	.918	.806	.794	.858
6. Exclusive village festival 'Nada habba'	.936	.912	.948	.877	.881	1.00	.915	.851	.933	.871	.826	.904
7. Personal/individual	.935	.875	.884	.907	.785	.915	1.00	.863	.860	.823	.802	.887
8. Respective family	.856	.797	.818	.785	.719	.851	.863	1.00	.801	.893	.848	.808
9. Relatives	.893	.940	.949	.877	.918	.933	.860	.801	1.00	.862	.833	.909
10. Friends	.843	.850	.914	.795	.806	.871	.823	.893	.862	1.00	.866	.814
11. Educated class of the village	.815	.869	.818	.850	.794	.826	.802	.848	.833	.866	1.00	.856
12. Rich families of the village	.918	.941	.896	.953	.858	.904	.887	.808	.909	.814	.856	1.00

a. Determinant = 1.81E-011



he/she always looks for economical products with user friendliness. Normally, rural consumers are less experimental oriented, because they are scared of the results. Unless something is proven worth buying, they would never buy such products. By and large, rural consumers are less educated and their level of understanding of the new products is limited. They prefer/believe word-of-mouth communication more than general advertisements.

(2) Different/Primitive Forces of Influence : It is a proven fact that rural consumer behavior is not consistent with urban consumer behavior, and it changes very frequently and quickly. Rural consumer buying behavior greatly gets influenced by external factors than internal. In this survey, the respondents were asked to select the various unique/primitive factors which influenced them greatly along with common factors (product, price, place, and promotion) upon their buying behavior. The respondents selected the following factors :

(i) Internal Factors : (a) individual factor, (b) family, (c) relatives.

(ii) External Factors : (a) village friends, (b) rich families of the village, (c) educated class of the village.

All the primitive factors further can be categorized as internal and external based upon their nature. Under each, three factors are identified. Explanation of each factor is as follows :

(i) Internal Factors

(a) Individual Factors : Individual factors influence to the maximum extent. Consumer needs, wants, desires, motives, attitudes, perceptions, and lifestyle will exert the greatest influence on consumer buying behavior. Each person is mutually exclusive and any generalized marketing strategy may not yield the expected results. Individual motives will surely depend upon their income level, educational level, and the overall nature of the person. It is observed from the survey that there are introvert and extrovert consumers, very aggressive and mild consumers, highly fashion oriented and normal consumers, well-educated and uneducated consumers. Likewise, different types of internally motivated consumers exist in the rural market. So, their behavior is the replica of their personality. So, understanding these internal factors would be the greatest challenge for marketers to cut through the rural market.

(b) Family : The second most important internal factor is family ; 78% of the respondents agreed that family did influence - to the maximum extent - their buying behavior. Type of family, upbringing, number of people in the family, income and educational level of the family, and celebrations in the family - all these characteristics have a great influence on consumer buying behavior. In many families, the decision-making power mainly lies with the head of the family and fulfilling the entire family's goals will be the first priority than fulfilling the individual needs and wants. In most of the families, an individual is economically, emotionally, and socially dependent on the family. Accordingly, their buying behavior too, in many instances, is directed towards family targeted products than looking for individual products.

(c) Relatives : Seventy two percent (72%) of the respondents agreed that relatives also influenced their buying behavior. According to the opinion of the respondents, when their relatives bought any new things/products like, two wheeler, four wheeler, television, washing machine, cooker, refrigerator, or smart phone, etc., they received attention, and the products' look, brand name, and company name will make other relatives think of buying/owning such products.

(ii) External Factors

(a) Village Friends : The highest percentage of respondents, that is, 82% agreed that their buying behavior is often greatly influenced by their day-to-day meetings with village friends. They met each other quite often or on a regular basis on different occasions and shared their day-to-day experiences, good news, bad news, if any, and overall, it was like unstructured and informal like-minded people daily evening meeting. The respondents agreed that it is like modern days '*Chai pe charcha*' concept, but they don't call it with exact jargon, but they truly agreed that the flow of the meetings is synonymous with that concept. Respondents opined that many-a-times, their preferences towards certain brands in buying mobile phones, agricultural machinery, and two wheelers, etc., will be decided in such meetings. Each of them shared their experiences with respect to the products of their choice, and if they were happy with the products, they will promote the same ; if not, they will spread negative messages [negative word of mouth] about such products.

(b) Rich Families of the Village : Fifty eight percent (58%) of the respondents opined that their buying behavior also got influenced by visits to the rich families of the village. It was observed that every village has different classes of people based upon their income and education. Low income group people cannot afford to buy what the high - income group people buy. Whenever an occasion comes, or for various reasons, village people go to each other's houses without any barrier, and during such visits, low-income people will get an opportunity to witness/experience costly consumer durables or any products for that matter, and at that moment, they will get influenced, and they will feel that if their financial position allows it, then they also must own similar kinds of products. Unlike an urban consumer, in a village, very few people use expensive and branded products and when a non-user sees those products, they get influenced automatically.

(c) Educated Class of the Village : The study reveals that 49% of the respondents agreed that the educated class has a role to play in their buying behavior. Respondents opined that normally, educated people stay outside the village and many-a-times it could be in metros, and they will be exposed to the modern life. Because of their knowledge, the educated class would be knowing the best brands that are also economical, and as and when they come back to the village on different occasions, they closely deal with rural friends and share their opinions on different electronic gadgets/products ; whereby, rural people will surely be influenced by them.

(3) Places/Occasions of Primitive Forces' Influence : According to the opinion of the respondents, the following are the exclusive places/occasions where primitive forces influence their buying behavior :

- (i) Unstructured/informal evening meetings,
- (ii) Unintentional talk/visits,
- (iii) Yearly festivals,
- (iv) Village libraries,
- (v) Marriages & other functions,
- (vi) Exclusive village festival 'Naada habba'.

(i) Unstructured/Informal Evening Meetings : Out of the total respondents, 92% opined that the most happening places in a village are evening meetings. It is a kind of meeting where there are no common goals and no common membership; it is a totally unstructured and purely informal meeting. As the respondents opined, it can happen on any time schedule as well. In the evening meeting, whoever participates because of their nativity and closeness to each other share all possible matters and seek ideas or suggestions on various issues. As the meeting will not have any particular agenda, they can discuss from personal to family matters, their day-to-day experience in working with different machines, using new vehicles and buying something new; they openly discuss all these matters without any inhibitions. A happy customer will truly endorse the products with which they are happy and give adverse comments on the products with which they are not happy/satisfied. So these kinds of informal and unintentional talks and endorsements will influence a lot of prospective customers.

(ii) Unintentional Talk/Visits : With reference to the question about the occasions where there is an influence of different unique factors, 78% of the respondents agreed that unintentional talks/visits influenced them to buy certain products for domestic or personal use. The meaning of unintentional talk according to the respondents is that it could happen at any point in time such as when they are walking to the workplace, when they are free from all work and go to any neighboring house to spend some time, when they go to another house on different occasions, and meeting their own village people who stay away from the village. On these occasions, they talk

about various matters and issues, and exchange their feelings and thoughts. That is how they will get to know about many new things - new products and new services.

(iii) Yearly Festivals : Yearly festivals are the most important occasions according to the opinion of the respondents where normally people gather at one place for the sake of conducting fun games, visiting a nearby temple at the time of yearly festivals like Gowri Ganesha festival, Deepawali, Christmas, etc. During these festivals, they get to meet different people of their village and spend good time with them, sharing their happiness and sorrows.

(iv) Village Libraries : In the recent past, the government has taken an initiative to start libraries at the village level based on population. In the villages where there are such libraries, people go in leisure time to read newspapers, magazines, and books. After reading, it is a habit for them to have a casual talk with the people who come regularly to the library. This is also a great moment to get to know about many new products or to share information.

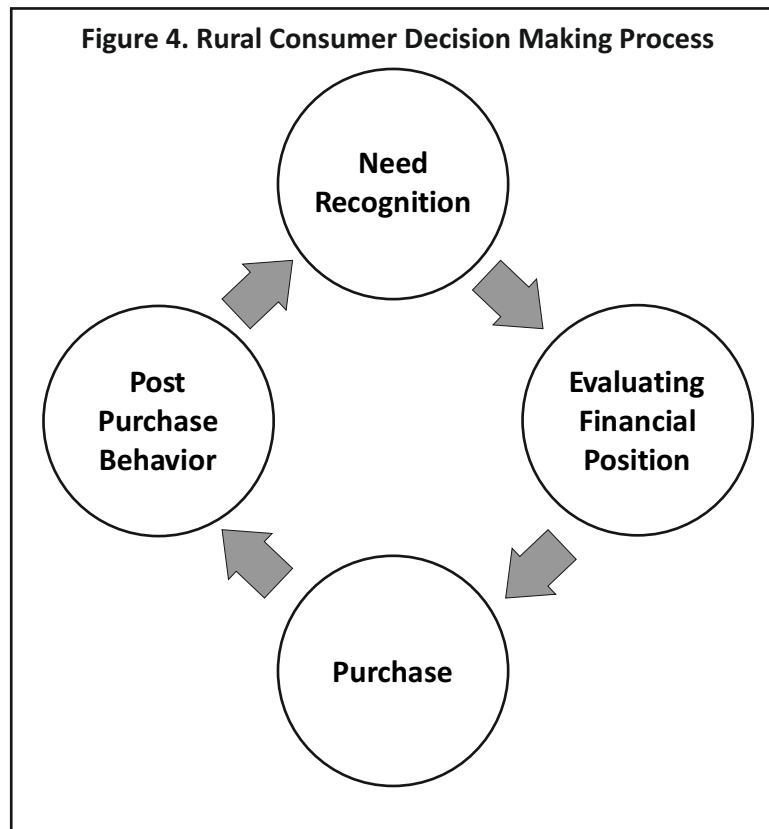
(v) Marriages & Other Functions : According to the respondents, marriage is another most important occasion where they will get influenced by various products. On such occasions, they meet different people and mingle with them. Now-a-days, marriages have become status symbols. During such marriages, organizers as well as the guests use the occasion to portray their status by wearing jewellery, costly dresses, and bringing their four wheeler or two wheeler. These new costly items attract the persons who don't own them. That is how some consumers get influenced by different products or lifestyles.

(vi) Exclusive Village Festival 'Nada habba' : Exclusive festivals are the festivals of a certain village. Some such festivals are Goddess Maarihabba fair, Goddess Chowdeshwari habba fair, Goddess Durgamba fair, Goddess Annamma fair, etc. As the respondents revealed, the specialty of these festivals is that the village people who celebrate will invite all their kith and kin and purchase many new items including simple home appliances to expensive consumer goods for the occasion. As many invitees come to grace the occasion, they get influenced by the new things at their respective relative's home. As Nada habba will be celebrated at different times at different villages, the gathering will be more compared to common/yearly festivals. Since Nada habba will be celebrated once in a while, the villagers will keep and spend a great deal of money during the occasion. People who stay at far away places will also take part in these celebrations. During the occasion, a lot of information will get exchanged with various people, that is how rural people get to know about many new things/products.

(4) Rural Consumer Decision Making Process : The study reveals that the rural consumer buying decision process slightly differs from the standard consumer behavior demonstrated by Kotler et al. (2010). It has five stages, but the rural consumer decision process passes through only four stages. The decision making process is presented in the Figure 4.

In the Figure 4, we have demonstrated the new rural consumer decision making process. The process is having four stages in it, and the details of the process are as below:

(i) Need Recognition : A buying process starts when a consumer recognizes that there is a substantial discrepancy between his/her current state of satisfaction and expectations in a consumption situation. Need is an internal state of felt deprivation. A consumer must have a countless set of needs, but he/she becomes aware about a few of them when a feeling devoid of certain experiences of products or services, whose existence would have otherwise made him/her satisfied, is felt. Need can be activated through internal or external stimuli. The basic



needs of a common man rise to a particular level and become a drive to fulfill those. However, according to the opinion of the respondents, a need of owning consumer goods will be aroused by external stimulus such as whenever they meet village friends, when they go to other people's houses for some family functions, village fairs, or festivals. During these occasions, the rural people get to mingle with different sets and classes of people, and when they are exposed to different people, situations, or circumstances, they start making a comparison, and this is how they realize their needs.

(ii) Evaluating Their Financial Position : After need arousal, the behavior of a consumer leads towards collections of available information about various stimuli in the standard consumer decision process. But from our survey, we observed that for the rural consumers, realizing their needs is not an end of the process, it is just a beginning, as after realizing their needs, they will not pursue fulfilling those needs unless their financial position allows it. They will start making financial position analysis by considering all other possible expenses and their expected income during that period/year. As many respondents opined, normally, their purchasing happened in the months of March, April, or May as these months are considered to be the harvesting season, where rural consumers will have more money on their hands to spend. As per the opinion, it is found out that financial analysis is a crucial stage in their decision-making process, and the rural consumers take a long time to take a decision to purchase/not purchase a product depending upon their financial condition.

(iii) Purchase Decision : After making a thorough analysis of their financial status, if they find it to be stable, then they will move to the purchasing decision stage. Purchase is a consumer commitment for a product. It is the terminal stage in the buying decision process, and that completes a transaction. The respondents opined that they did not give significant importance to the alternatives/different brands as brand awareness is moderately less

among rural consumers as compared to what it is in their urban counterparts. So, after evaluating their financial status, if they find themselves in a healthy financial position, immediately they might take up the final call. At the time of buying a product, they will be accompanied by their own friends or relatives or well educated people of their village, and in turn, they will play a significant role in convincing them to buy a certain brand from which they are satisfied. Hence, the reference group plays a vital role in influencing rural consumers to make purchases of certain brands.

(iv) Post Purchase Behavior : The post-purchase behavior refers to the behavior of the consumer after his/her commitment to a product has been made. It originates out of consumer experience about a product and is indicated in terms of satisfaction. Rural consumers' post purchase behavior is quite unlikely to urban consumers, in the sense if the consumers are happy with certain products, they themselves will become the brand ambassador of such brands and vice versa is also true if they are dissatisfied. However, the research outcome reveals that the rural consumers are not as aggressive as the urban consumers in the instances of complaining about product misfits or any dissatisfaction. Their level of tolerance is much more than it is in case of an urban consumer. They never mind giving extra/additional days to repair the products when it is required, but they desperately want the product to be delivered repaired, and if it is not done, then they don't mind getting into fights as well.

Managerial Implications

The practical applications of rural consumer behavior findings in Indian markets have often posed problems for marketers for two reasons. First, most consumer research studies in the rural markets have used a piecemeal approach. Second, there has been no comprehensive framework to integrate the findings in a meaningful manner. The paradigm is an attempt which provides a comprehensive framework that will enable marketers to understand, integrate, and apply consumer behavior in the rural market. Much of the discussion in this article has noted the possibilities of establishing a foothold in the rural market. First, these kinds of markets are heterogeneous; hence, the marketers should frame different strategies to sell their products. However, it must be noted that it is possible to capitalize on the similarities among the rural markets. The most important difference between rural and urban markets is in the degree of sophistication of the consumers. Urban consumers are generally familiar with such products, their attitudes and values related to purchase and consumption are different. However, the marketers may have to work harder to sell their goods in rural areas because of the diversity of values and attitudes present in these regions.

The HSP model is an outcome of the primary data analysis, which may work as a navigator for the marketers. The factors which are discussed are exclusive and powerful factors too. Unfortunately, most of the marketers may not give due importance to the factors included in the model. The model would also help marketers to know the exclusive rural decision making process, since the presented decision making process is quite different from the established consumer decision making process.

Conclusion

The research outcome proves that the rural consumer gets influenced by various new factors apart from product, price, place, and promotion, that is, he/she is influenced by individual, family, village friends, relatives, rich classes of the village, and educated classes of the village. These factors influence them at various places like village evening meetings, neighbouring house visits/talks, yearly festival, village libraries, marriages and other functions, and exclusive village festival 'Nada habba' celebrations. After different factors influence them at different places, the consumers will start their decision-making process, and their decision-making process will

not pass through the standard (Kotler) demonstrated process. Their decision-making process starts with need recognition, then financial status analysis, purchase, and at last, they exhibit post-purchase behavior. Based on these unique outcomes, we have demonstrated the new model, which we have named as the HSP model, that is, a model of different/primitive forces, places of their influence, and decision making process of the rural consumer. An exclusive model is purely based on the present study. The model can be tested with different samples and in different markets.

Limitations of the Study and Scope for Further Research

The study is not free from limitations; apart from time and money limitations, the study also suffers from various other limitations like sample size and area of research. In spite of due care taken in the methodology, still there are some limitations which we could find. The sample selection is limited to only two taluks of Shivamogga district in Karnataka and the sample size is also limited 125 respondents. So, these factors may have direct implications on the findings. Understanding the entire rural diaspora itself is a complex task. The opinions may also vary if we select different sets of sample sizes and variables. There is a huge scope for further research in the area of rural consumer behavior. The demonstrated model in the paper can be tested with a new set of sample respondents. The factors and places of influence may also vary with respect to different geographical areas.

References

- Ayyub, A., & Laddha, A. (2012). Marketing to rural India: A changing paradigm. *International Journal of Management Research and Review*, 2 (1), 154 - 163.
- Consumer [Def. 1 and Def 1]. (n.d.). In *The Free Dictionary*. Retrieved November 5, 2016, from <http://www.thefreedictionary.com/consumer>
- Dhumal, M. N., Tayade, A., & Khandkar, A. (2008). Marketing in rural India: The innovative selling mantra. *Abhinav National Monthly Refereed Journal of Research in Commerce & Management*, 11(9), 77 - 84.
- Kakati, R. P., & Ahmed, S. (2016). Dynamics of family role structure in consumer behavior. *Indian Journal of Marketing*, 46 (6), 51-61. DOI: 10.17010/ijom/2016/v46/i6/94846
- Kotler, P., Armstrong, G., Agnihotri, P. Y., & Haque, E. (2010). *Principals of marketing : A South Asian perspective* (13th ed., pp. 116 - 133). Manipal, India : Dorling Kindersley (India) Pvt. Ltd.
- Nagaraja, B. (2004). Consumer behaviour in rural areas: A micro level study on buying behaviour of rural consumers in Kavali Mandal. *Indian Journal of Marketing*, 34 (11), 30-39.
- Prakash, G., & Pathak, P. (2014). Understanding rural buying behaviour: A study with special reference to FMCG products. *Indian Journal of Marketing*, 44(8), 43-55. DOI: 10.17010/ijom/2014/v44/i8/80132
- Ramaswamy, V.S., & Namakumari, S.(2009). *Marketing management : Global perspective, Indian context* (4th edition, pp. 246 - 264). India : MacMillan.

- Sarangapani, A., & Mamtha, T. (2008). Rural consumer behavior with regards to selected FMCGs consumption patterns and brand usage: A study. *The ICFAI University Journal of Brand Management*, 5 (3), 161 - 165.
- Swinney, J., Lang, C., & Runyan, R. (2009). An exploration of rural community branding efforts from the perspective of community residents. *International Journal of Rural Management*, 8 (1&2), 35 - 47.