"Brand Awareness and Preferences towards Fast Moving Consumer Durables", An Empirical Study with Specific Relevance to Rural Consumers of Mangalore District

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Rural and semi urban markets are likely to contribute maximum to the sales of consumer durables in India. Rural consumer behavior and preferences are changing frequently. The objectives of present study is to address the issues; whether the buying behaviors of rural consumers differ based on their level of income and education; rural consumer's most preferred factor of purchase of durables and to know the level brand awareness in rural market. The empirical results reveal that, profession does not affect significantly on possession of consumer durable but income do, the level of brand awareness is increasing significantly in rural market.

1. Introduction

The Indian rural market with its vast size and demand base offers great opportunities to marketing firms. Rural India represents 50 percent of India's GDP (Paninchukunnath, 2010). India perhaps has the largest potential rural market in the world. It has as many as 47,000 Haats (Kashyap, 1998), compared to 35,000 supermarkets in the US. In India out of total FMCG market, 53% demand comes from rural market, out of 53% FMCG demand 59% of demand comes for consumer durables

As per the report "2007 Revision of World Urbanization Prospects" released on 27th February 2008 by the United Nations, India would continue to have the largest rural population in the world until 2050. Both in terms of population and potential, Indian rural markets will play a crucial role in the overall Indian economy (Paninchukunnath, 2010).

Marketing to rural and urban consumers is entirely a different ball game due to the differences in the needs, buying behavior, values and aspirations of the customers the marketing concepts have to be modified for the products to succeed in the rural market. Buying behavior is different among urban and rural customers in the same income bracket as the rural mind is troubled by uncertainties. The rural consumer is socially, psychographically, and economically different from their urban counterparts (Philip et al 2011). Therefore,companies need to understand the socio-dynamics and attitude variations with in each village though nationally there is a consistent pattern (Iyer, 2009). Rural consumers are different in terms of values, usage patterns, buying patterns, comprehension of messages, media usage and several other aspects. Rural consumers are more value-centric than urban counter parts (Ramaswamy & Namakumari, 2009). They demand value for money and not cheap products. Purchasing behavior of rural consumer is very different from their urban counterparts(Vasavada-Oza, Nagraj, & Krishna, 2012,). Rural consumers are frequent buyer than unban consumers as they look for small packs with low price per pack units.

Rural India is not so rural now. At least, many of the clichés one associates with'rural' like largely poor, illiterate, gullible, and agrarian doesn't hold good anymore. There are the developed rural areas, the developing rural areas and the underdeveloped rural areas (Sharma, 2011). A new prosperity is sprouting in rural India, with millions entering the pressure cooker and television-owning class and thousands becoming owners of premium tractors and multiple sedans, likewise many MNCs are having keen interest in enter into Indian rural market (Kumar & Bishnoi, 2007)

Last decade we have witnessed the growing demands for different consumer products (Chunawalla, 2000). Increase in demand is a result of increase in income of the people and increase in discretionary income too (Vyas, 2011). A rise in discretionary income results usually in an increased spending by consumer on those items that raise their living standards. Intense competition among the marketers of consumer durables, and the increasing awareness of consumers about their own needs, is making a major difference in marketing of consumer durables. In this context it is interesting to study how consumers will satisfy their different non-basic needs. Moreover, it is interesting to study, why they buy a particular product how they buy it, when they buy it, and from where do they buy it (Schiffman and Kanuk, 1995). It is true that "many things that were considered as luxuries till about ten years ago have become necessities for most people today." (Radhakrishanan, 1990).

2. Review of Literature

Rural markets are untapped potential. There are several difficulties confronting the effort to fully explore rural markets. The concept of rural markets in India, as also in several other countries, is still in evolving stage, and the sector poses a variety of challenges, including understanding the dynamics of the rural markets and strategies to supply and satisfy the rural consumers (Iyer, 2009)

With urban markets getting saturated, all the marketers are joining the bandwagon of exploring rural markets. Understanding the consumer remains the key for the marketers even in rural markets. Skewed understanding of rural markets and limited exposure to media in rural areas, particularly amongst women, make it entirely a different ball game (Vasavada-Oza et al., 2012)

Consumers have a preference/loyalty towards particular brand of consumer durables and are not ready to buy any other type of brand available in the market in the circumstances when their most preferred brand for which they have already decided is not available or out of stock with the dealer. The preference will not change with the non-availability of the brand which the consumer has decided to purchase (Hundal, 2008)

Consumer expects higher quality when they pay more for an item, but their expectations depend on the product. The expectation is stronger for durables than non-durables. Generally speaking, consumer's overall perceptions correspond with the actual relationships between price and quality for durables. But importantly, consumers lack insight for non-durables, where the association between their subjective perceptions and the actual market place was negative. For non-durables, consumers are likely to expect a strong positive link between price and quality in precisely those product categories where the relationship is actually negative (Boyle & Lathrop, 2009)

Demographic features of age, education, occupation and income play a vital role in determining the attitudes towards different brands of consumer durables category (Nandamuri & Gowthami, 2012)

Objectives of the Study

- To know the important factor that influences the purchase of consumer durables.
- To know the influence of education and income on consumer buying behavior.
- To check the brand awareness of consumer durables in rural market

3. Methodology

Source of Data

The study is based on primary and secondary data. Primary data has been collected through personal interview with the help of the well-structured questionnaire and secondary collected from journals, magazines, newspaper, books and websites.

Sample

Sample of 100 respondents were selected through convenience sampling method from the rural areas of Mangaluru taluk of Mangaluru (DK) district.

Data Analysis

Both primary and secondary data have been compiled and regrouped according to the needs of the study. Statistical tools used for the interpretation of the results are percentage, mean, and chi-square.

Hypothesis

H1: There is no significant difference between occupations and possession of consumer durables

H2: The income does not affect the possession of consumer durables.

Scope of the Study

The study deals with an amount of information gathered by the rural consumers at the time of search process, and how effectively they use that information while making purchasing decisions.It also analyses the influence of educational and income factors on consumer buying decision in rural market. This study deals with the rural consumers' behavior with respect to five selected consumer durables viz. televisions, computers, refrigerators, air conditions and washing machine.

Data Analysis and Interpretation

Demographics of the Respondents

Of the 100 respondents selected for the study, the demographic profile reveals that 68% are Male and 32% are Female. The age group of the respondents ranges from 24 years to 48years , and monthly income of the families is between from Rs 10,000 to Rs 30,000 .Agriculture and family business are the main occupation of 42% and 31% of the respondents respectively. The remaining 27% of the respondents are into teaching profession/ lawyers/ engineers and doctors.

Table 1 *Percentage of the Consumers Using Different Consumer Durables*

Consumer Durables	Number of Respondents	Percentage (%)
Television	98	98
Computer/Laptop	46	46
Refrigerator	32	32
Air Conditioner	26	26
Washing Machine	19	19

Source *– Primary Data*

It is evident that, majority of the respondents' i.e. 98% own TV as it is the source of entertainment, and information. 46% of the respondents are using computer/laptop for multi-purpose, 32% of the respondents own refrigerator to preserve perishable things from the decay, The rural consumers are not so keen to own air conditions and washing machines compared to other products, the percentage of users are 26% and 19% respectively.

Table 2 *Brand Preferences of the Consumer Durables*

TV		Computer/Laptop		Refrigerator		Air Conditions		Washing Machine	
Brand Name	**% of res…**	**Brand Name**	**% of res…**	**Brand Name**	**% of res…**	**Brand Name**	**% of res…**	**Brand Name**	**% of res…**
Samsung	27	HP	19	Samsung	24	LG	25	Samsung	21
Sony	19	Dell	18	Whirlpool	13	Samsung	21	Videocon	28
Videocon	13	Lenovo	24	LG	31	Voltas	19	Whirlpool	20
LG	17	HCL	9	Godrej	20	Godrej	17	LG	22
Panasonic	20	Sony Vaio	22	Kelvinator	9	Videocon	11	IFB	3
Others	4	Others	8	Others	3	Others	7	Others	6
Total	100	Total	100	Total	100	Total	100	Total	100

Source *– Primary Data*

It is clear from the table-2 that, the Korean giant Samsung has secured considerably good market share in all consumer durables except computer/laptop brands**,** LG and Videocon brands also have their presence in rural market in all categories of products except computer/laptop. Sony has its presence in TV and computer/laptop segment only. Whirlpool brand has its market share in refrigerator and washing machine segment. But in computer/laptop segment HP and Dell are leading; Lenovo is also posing strong competition.

Over all the study reveals that, brands like LG, Videocon, Whirlpool, Godrej and Panasonic have less market share when compared the overall market potential.

Hypothesis 1

H0: There is no significant difference between occupations and possession of consumer durables
H1: There significant difference between occupations and possession of consumer durables

Tables 3 *Occupation and Possession of Durables*

Consumer Durables	**Occupations**				**No of respondents**
	Agriculture	**Business**	**Profession**	**Service**	
Television	41	30	14	13	98
Computer/Laptop	15	21	6	4	46
Refrigerator	9	16	5	2	32
Air Condition	6	12	7	1	26
Washing Machine	4	9	6	0	19

Source *– Primary Data*

Chi-Square Analysis

Durables	**Occupations**				
	Agriculture	**Business**	**Professional**	**Service**	**Row Totals**
Television	41 (33.26) [1.80]	30 (39.02) [2.09]	14 (16.85) [0.48]	13 (8.87) [1.92]	**98**
Computer/Laptop	15 (15.61) [0.02]	21 (18.32) [0.39]	6 (7.91) [0.46]	4 (4.16) [0.01]	**46**
Refrigerator	9 (10.86) [0.32]	16 (12.74) [0.83]	5 (5.50) [0.05]	2 (2.90) [0.28]	**32**
Aircondition	6 (8.82) [0.90]	12 (10.35) [0.26]	7 (4.47) [1.43]	1 (2.35) [0.78]	**26**
Washing Machine	4 (6.45) [0.93]	9 (7.57) [0.27]	6 (3.27) [2.29]	0 (1.72) [1.72]	**19**
Column Totals	**75**	**88**	**38**	**20**	**221**

Interpretation

The chi-square statistic is 17.2357. The P-Value is 0.140945. The result is not significant at $p < 0.05$. Therefore we accept the H0 and conclude that there is no significant difference between occupation and possession of consumer durables.

The rural consumers, irrespective of their occupation are buying consumer durables; which signifies that marketer shouldn't consider rural consumer's occupation as a hurdle to market their products. But it is very much evident from the data that the market penetration level is very low especially in the product categories such as refrigerator, air-conditions and washing machines.

Hypothesis 2

H0: The income does not affectthe possession of consumer durables.
H1: The income does affect the possession of consumer durables.

Table 4 *Income Wise Number of Users*

Consumer Durables	**Levels of Income in Rs (per month)**				**No of respondents**
	Up to 10,000	**10001 to 20000**	**20001 to 30000**	**30001 and above**	
Television	25	41	21	11	98
Computer/Laptop	2	13	19	12	46
Refrigerator	5	11	13	3	32
Air Condition	2	5	12	7	26
Washing Machine	0	3	9	7	19

Source *– Primary Data*

Durables	**Level of Income in Rs (per month)**				
	Up to 10000	**10001 - 20000**	**20001 - 30000**	**30001 and above**	**Row Total**
Television	25 (15.08) [6.53]	41 (32.37) [2.30]	21 (32.81) [4.25]	11 (17.74) [2.56]	**98**
Computer/Laptop	2 (7.08) [3.64]	13 (15.19) [0.32]	19 (15.40) [0.84]	12 (8.33) [1.62]	**46**
Refrigerator	5 (4.92) [0.00]	11 (10.57) [0.02]	13 (10.71) [0.49]	3 (5.79) [1.35]	**32**
Air condition	2 (4.00) [1.00]	5 (8.59) [1.50]	12 (8.71) [1.25]	7 (4.71) [1.12]	**26**
Washing Machine	0 (2.92) [2.92]	3 (6.28) [1.71]	9 (6.36) [1.09]	7 (3.44) [3.69]	**19**
Column Total	**34**	**73**	**74**	**40**	**221**

Interpretation

The chi-square statistic is 38.1951. The P-Value is 0.000143. The result is significant at $p < 0.05$. Therefore alternative hypotheses is accepted and concluded that the income level of the respondents do affect thepossession of consumer durables.

Income is one of the major forces which drive consumer to buy the durables.This factor could be input for the marketer to decide on the pricing policy and to target for the right customer.

The study also reveals that all levels of income holders own the consumer durables, but the number is negligible.From this we can imply that even rural consumers are buying/using consumer durables, but number of users are very less when compared to total sample/market size.

Table 5 *Brand Awareness of FMCD Products in Rural Market*

Categories of Products									
Television		**Computer/Laptop**		**Refrigerator**		**Air Conditioner**		**Washing Machine**	
Brands Name	**No of respondents**	**Brands Name**	**No of respondents**	**Brands Name**	**No of respondents**	**Brands Name**	**No of respondents**	**Brands Name**	**No of respondents**
Samsung	85	HP	23	Samsung	28	LG	24	Samsung	18
Sony	83	IBM	17	Whirlpool	23	Voltas	16	Whirlpool	23
LG	76	Wipro	27	LG	34	Samsung	23	Videocon	25
Videocon	66	HCL	22	Videocon	24	Hitache	11	IFB	11
Panasonic	60	Dell	28	Godrej	28	Blue Star	16	Onida	10
Philips	73	Lenovo	21	Kelvinator	21			Godrej	14
BPL	59	Acer	18						

Source *– Primary Data*

Television – The data reveals that in the Television segment most of the brands have considerably good consumer awareness, but the brands like Samsung, Sony and LG have the highest percentage i.e. 84%, 83% and 76% respectively of brand awareness compared to other brands.

Computer/Laptop – Dell is the major brand under computer/laptop segment, having highest brand awareness in rural market. 28% out of 100 respondents are aware of Dell brand, Wipro, HP, HCL and Lenovo follow Dell in popularity. But the overall brand awareness is very less in the computer/laptop segment. This proves that major chunk of the market is not aware of the brand names so marketer has to consider this point for their marketing strategy.

Refrigerator –The overall brand awareness under refrigerator segment is less, however among the brands considered for the study LG has the maximum brand awareness. 34% of the respondents are aware of LG brand; remaining brands Samsung, Godrej, Whirlpool, Videocon and Kelvinator almost have same level of brand awareness.

Air Conditioner – The survey reveals that Air conditionsare not much preferred durable in the rural market, and the users are also less and brand awareness too. Maximum awareness is only 24% for LG brand. Brands like Samsung, Voltas, Blue star have very less brand awareness.

Washing Machine –Whirlpool and Videocon are major brands and good number of respondents aware of these brand names i.e. 23% and 25% respectively. Brands like IFB, Onida, Samsung have not yet created any buzz in the market.
The overall conclusion is that, the Korean giant Samsung is emerging as a leading brand which has considerably good brand awareness in the rural market, but the percentage of awareness is still very low. Brands like Sony, LG, Videocon and all are trying themselves to establish in the rural market, but still they have to do lot of marketing to increase their visibility in the rural market.

Table 6 *Table Shows the Attributes Based Attitude towards the FMCD*

Attributes	Television		Computer/Laptop		Refrigerators		Air Conditions		Washing Machine	
	No of respondents	%	No of respondents	%	No of respondents	%	No of respondents	%	No of respondents	%
Technology	14	14	6	13	3	9	3	12	1	5
Quality	15	15	9	20	5	16	4	15	3	16
Brand Image	21	21	11	24	10	31	8	31	5	26
Price	27	28	12	26	9	28	6	23	6	32
After Sale Service	9	9	4	9	2	6	1	4	1	5
Product Availability	12	12	4	9	3	9	4	15	3	16
Total	98		46		32		26		19	

*(**Source** – Primary Data)*

Table No. 6 exhibits the attributes based attitude towards the fast moving consumer durables. Six major factors were considered for the study in order to check the level of influence on consumer.

The study found that “price” ranked first as the factor affecting the purchase of consumer durables by the respondents. While, “brand image” ranked second, “quality” ranked third. and remaining all factors are least considered. It indicates that consumers are well aware about their choice. Gone are the days when customers were buying brands only for low price, but now they will consider brand image, quality, and technology too.

4. Conclusion

The market for consumer durables is becoming more competitive now-a-days. Therefore, the producer of durable products should understand consumer interest to drive sales of their products.This study has outlined the various facets of consumer likes/ dislikes and also different attitudes/ brand preference were brought out.

The study concludes that the competitive market provides opportunity at one side and also poses threats on the other side to both the consumers and the producers; it has become quite important to improve core products with value addition to enrich customer satisfaction in the similar price range. Not only quality improvements but improvement in other factors too viz. brand image, advance technology, and after sales service can change the attitudes of the customers.

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