



## A Comparative Study on Importance of Place of Purchase in Urban and rural Indian Market for Selected Consumer Durable Products<sup>1</sup>

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### **Abstract:**

Consumer behaviour is the buzzword now. Firms who underestimate their consumers will have no chance to serve them. Competition is intensifying day-by-day and the firms have to evolve their strategies based on the behaviour of the consumer, on a continuous basis, to stay ahead and win the race. Consumer behaviour as a discipline is quickly gaining new ground over the years. This has become even more relevant in the present day world, marked up by rapid changes and explosion of information technology. It holds great interest for marketers, consumers and students of human behaviour.

**Keywords:** Consumers, Urban, Rural, Durable Products, Rural Market, Retailer.

### **Introduction:**

Customers are the buyers of products and services. They also might be the final consumers of the products and services. Marketers need to identify these end users and frame marketing plans rather than considering the wholesalers and retailers who actually are the intermediaries in the process of purchasing. Although these channel members are important for a marketer; yet it is wise on their part not to dissipate their energies toward these as the ultimate users decide the fate of the firm's products and services. Marketers, therefore, should consider the consumers and then develop their plans of action. Here lies the essence of marketing – the consumer is the king and all actions should start with this notion in mind.

Consumer behaviour is the buzzword now. Firms who underestimate their consumers will have no chance to serve them. Competition is intensifying day-by-day and the firms have to evolve their strategies based on the behaviour of the consumer, on a continuous basis, to stay ahead and win the race.

Consumer behaviour as a discipline is quickly gaining new ground over the years. This has become even more relevant in the present day world, marked up by rapid changes and explosion of information technology. It holds great interest for marketers, consumers and students of human behaviour. Consumer behaviour is influenced by a variety of variables and it

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is important to understand the nature of these variables, and draw inferences out of these. Marketers use this knowledge to come out with new products and services that satisfy their consumer's needs and wants. So researching on consumer behaviour is a very vital exercise and the results got, could be used by people for a variety of purposes. The rationale behind the study was to highlight the findings of consumer behaviour towards place of purchase on selected consumer products carried out in urban places of Hyderabad city and in rural areas of Telangana region in Andhra Pradesh. It is expected that this study will help the researchers to contribute and throw more light on this topic.

### **Scope of the study:**

The scope of the study was restricted to selected consumer products. The study covered four consumer durable products as shown below:

#### **Consumer Durable Products**

1. Television
2. Fans
3. Watches
4. Refrigerators

The study has been carried out in rural areas of Telangana region and urban areas of the capital city of Telangana i.e., Hyderabad. Telangana State is situated in the central stretch of the eastern seaboard of the Indian Peninsula. Telangana State has the largest area, with 114,800 square kilometers (44,300 sq mi)

**Sample Design:** The buyers of the urban and rural areas of Telangana State and aged 18 years and above constituted the universe for the purpose of study. The primary data were collected from the buyers in rural areas of Telangana State i.e., Karimnagar, Nizamabad, Adilabad, Nalgonda, Warangal,

Mahabubnagar, Medak, and Khammam and urban area of Hyderabad. (Primary data formed the core of the research study) The sample design for the study is as follows: In all respondents have been requested to fill in the structured questionnaires for the purpose of the study. The study used the convenience sampling method for collecting necessary primary data. In the convenience sampling method, the researcher selects the most accessible population numbers from whom to obtain information.

**Data Processing and Analysis:** The questionnaires collected from the respondents were examined for the completeness in all manners. Later a code book was prepared in order to enter the data in the statistical package for social sciences (SPSS v17). Data were processed using the same statistical package.



Firstly, frequency tables were prepared for the personal background variables which include gender, age, Income, educational qualifications, Occupation. Secondly, means and standard deviations were computed for the independent and dependent variables in order to present the results pertaining to the perceived buyer behaviour. Period of the Study: The primary data for the study were collected between January 2018 and December 2018

**Limitations of the Study:** The study was carried out to understand the place of purchase behaviour of buyers in urban and Rural Areas. However, only one State was covered and hence this is a limitation of the study. The findings of the study are entirely dependent on the sample and hence cannot be generalized. In spite of the above limitations, the study throws some light on the understanding of place of purchase of Buyer behaviour. Since the study was exploratory in nature, it is expected that this will pave the way for further research in the area.

**Place of Purchase (Television):** The questionnaire given to the consumers requested them to answer the place of purchase of their Television and the recorded observations are indicated in table 01.

Table 01 shows that 76% of urban consumers and only 3% of rural consumers prefer going to company's show room 10% of urban consumers and 11% of rural consumers go for exclusive dealers for purchasing Television. However a majority of the rural consumers i.e., 86% of them make a visit to the retailer stocking more than one brand and buy from him. In context, it's only 14 % with the urban consumers.

Two things are very clear here. A majority of urban consumers shop at company's show room for Television, while in rural the majority goes to the retailer stocking more than one brand.

Table 1:

Sl.No.	Place of purchase of Television	Urban % Consumers	Rural % Consumers
1.	Company's Show room	152 (76%)	06 (03%)
2.	Exclusive dealer	20 (10%)	22 (11%)
3.	Retailer stocking more than one brand	28 (14%)	172 (86%)
	<b>TOTAL</b>	<b>200 (100%)</b>	<b>200 (100%)</b>

**Place of Purchase (Fans):** A question was thrown to the consumers about their place of purchase of fans and the answers are placed in table 02. Table 02 indicates that 74% of urban and 14% of rural consumers prefer buying from a company's show room. From the exclusive dealer it is 19% in urban and 29% in rural, preference for the retailer stocking more than one brand is very much seen among the rural consumers (67% of them), while in urban it's only 7%. Show



rooms are preferred by consumers in urban and retailers stocking more than one brand are favoured by rural consumers and this is the main point one can note from this table

Table 2:

Sl.No.	Place of purchase of Fans	Urban % Consumers		Rural % Consumers	
1.	Company's show room	148	(74%)	8	(4%)
2.	Exclusive dealer	38	(19%)	58	(29%)
3.	Retailer stocking more than one brand	14	(07%)	134	(67%)
<b>TOTAL</b>		<b>200</b>	<b>(100%)</b>	<b>200</b>	<b>(100%)</b>

Place of Purchase (Watches): The consumers were requested to reveal the source of place of purchase of watches and the disclosed information is highlighted in table 03. Table 03 throws light on the place of purchase of watches by urban and rural consumers. A majority of urban consumers (87% of them) prefer to shop at the company's show room for making the purchase and in case of rural it's only 11%. Regarding the purchase at the exclusive dealer only 12% in urban and 8 % in rural are inclined to do so. However, a great majority of them in rural (81%) go for the retailer stocking more than one brand in making watch purchases.

A look at the below table given an idea of the preferences of urban and rural consumers in making watch purchases. A great majority in urban go for company show room while in rural it's the retailer stocking more than one brand, so places of purchase are different.

Table 3:

Sl.No.	Place of purchase of Watches	Urban % Consumers		Rural % Consumers	
1.	Company's show room	174	(87%)	22	(11%)
2.	Exclusive dealer	24	(12%)	16	(08%)
3.	Retailer stocking more than one brand	02	(01%)	162	(81%)
<b>TOTAL</b>		<b>200</b>	<b>(100%)</b>	<b>200</b>	<b>(100%)</b>

Place of Purchase (Refrigerator): A query on the place of purchase of refrigerator was posed to the consumers in both urban and rural and the findings are listed in table 04. Table 04 reveals that 84 % of urban consumers and only 7% rural consumers prefer going to a company's showroom. Incase of an exclusive dealer, it is 15% of urban and 79% of rural. The retailers stocking more than one brand are preferred by only 1% in urban and 14% in rural.



From the above, it can be concluded that company's show room are the preferred places of purchase in urban and exclusive dealer in case of rural consumers.

Table 4:

Sl.No.	Place of purchase of Refrigerator	Urban % Consumers		Rural % Consumers	
1.	Company's show room	168	(84%)	14	(07%)
2.	Exclusive dealer	30	(15%)	158	(79%)
3.	Retailer stocking more than one brand	02	(01%)	28	(14%)
<b>TOTAL</b>		<b>200</b>	<b>(100%)</b>	<b>200</b>	<b>(100%)</b>

This study reveals that majority of consumers are now-a-days a highly enlightened lot. The products should be made available at various outlets for the consumers to purchase or procure. Hence, the marketing distribution systems or marketing channels should be well-established. This helps the consumers to purchase items with minimum of efforts. Retailers, on their part should try to help the consumers in picking up quality products. i.e., they should recommend quality items for their consumers, at a price they can afford.

As the consumer behaviour involves understanding the acquisition, consumption, and disposition of the products and services those involved in analysing it - be it the consumers, marketers, middlemen, or regulatory agencies should continuously make sincere and necessary efforts and take periodic measures to strengthen the body of knowledge that is already existing.

The best place of purchase can increase brand visibility, Place of purchase can also influence a business's ability to market itself, the competition it faces from businesses, the total cost of operation, taxes the business owner has to pay and the regulations they must follow. Place of purchase also matters for marketing. The importance of place of purchase goes beyond your business' physical place of purchase and your website rank in Google search results. It extends to the placement of your advertisements.

**Easy Access Is A Huge Advantage:** Basically, you just want to be wherever your customers are and make it as convenient as possible to visit you. Place of purchase is of utmost importance especially to businesses that sell goods or services directly to customers at brick-and-mortar establishments. Some customers choose to buy from certain companies because of the perception they have about them. A business in the commercial area of a city gives the perception that the business is successful and can afford a good place of purchase.

Your business should also consider if parking is available for prospective customers. Many customers will choose to go somewhere else if it's too hard to find parking.

**Think about Importance of Place of Purchase:** Depending on your business, suppliers could influence your place of purchase. Price and quality are pre-requisites in choosing a supplier, but the speed of delivery has a huge impact on productivity. For better and quicker business operations, it's important

to consider the place of purchase of your company to make it easy for your suppliers to reach your premises on time to deliver goods and provide the necessary service for your business to run smoothly. And the closer you are to your suppliers, the quicker your product can be on the market. Place of purchase will always be important especially for many businesses despite the rise of remote work, collaboration, telecommuting and virtual offices. If your business is conveniently located at the best place to attract customers, you can be certain of growth, an increase in sales and brand visibility.

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