

Full Length Research Paper

Shopping behavior of rural consumer migrated to urban area in the Indian context - An emerging market

Anuradha Devadas^{1,2*} and Hansa Lysander Manohar¹

¹Anna University, Chennai, Tamil Nadu, India.

²Veltech High-tech Engineering College, Chennai, Tamil Nadu, India.

Accepted 11 November, 2020

The urban- rural inequality in market, as well as customer characteristics bring a major difference in shopping behavior and consumption pattern of the two communities. In India, a sizeable number of persons migrate from rural to urban in search of job opportunities, work, education, marriage and personal reasons. From the marketing perspective, migration leads to new market opportunities. And so, marketers have to come out with appropriate strategies to attract and retain migrants. In India a limited research studies has been done in this regard. Convenient sampling technique is used in this study. The survey was conducted among 74 students who have migrated from rural to urban region. They were selected from 3 different engineering colleges. The results reveal that the migrated consumers consider the following dimensions when shopping in the urban environment: they are shopping conscious, enjoy urban shopping environment, price and quality conscious, and compare different shops when buying. They want shopping to be recreational, price worthy, perfect and buyer oriented. They are unhappy with poor shopping environment, if any. These dimensions describe the factors to which the migrant rural consumers give importance in the urban shopping environment.

Key words: Rural, urban, buying behavior, migration, migrants.

INTRODUCTION

The major portion of Indian population resides in rural India. According to the Indian recent census report, there are 638,365 villages in India and about 74% of Indian population lives in these villages. The main occupation of the Indian rural population is agriculture and related occupations. The scenario is changing, as the economic development in the urban area is much faster due to industrialization such as IT, automobile, and the like. The rural-urban migration exists in India as the rural population seeks to make use of the opportunities in the urban environment for job, work, education, marriage and personal reasons. As per the census report, 39 million people migrated in rural- urban patterns of which 54% were female. As a result of this migration the literacy rate among rural India is 65% (Source: Indian Census Report)

Indian market is heterogeneous one. The urban market comprises of urban consumers and migrants (people who have migrated from rural to urban). The rural customers are likely to differ in terms of their responsiveness towards marketing mix as well as retail shopping behavior.

Researchers addressing emerging market issues have often targeted urban consumers in those countries (Maheswaran, 1984). Little attention has been paid to rural consumers' buying behavior (Home, 2002). Rural consumers probably represent the more enduring cultural traditions of those emerging economies and may provide unexplored cultural perspectives on economic development (Maheswaran and Shavitt, 2000). An understanding of migrants' behavior would enable the marketers to draw appropriate strategic marketing decisions to attract and retain migrated customers. India is fast emerging as one of the biggest consumer markets. And so, various MNCs that deal with consumer products are aiming to have a major share in India. Hence this type of study assumes

*Corresponding author. E-mail: anu4d@hotmail.com.

prominence.

LITERATURE REVIEW

Intensive efforts have been made to find the relevant studies in consumer behaviour of Rural –urban migrants. Only a limited study is available in this field especially in India. A summary of literature reviewed is reported here.

Lumpkin et al. (1986) have contributed a study on examining the shopping orientation profiles of rural consumers. The purpose of the study is to determine whether or not there exist segments of rural consumers that have unique shopping orientations. The findings indicate that there are three shopping-orientation segments such as Inactive Inshoppers (High level of loyalty towards local merchants), Active Outshoppers (favourable attitude towards large city shopping) and Thrifty Innovators (Economic shoppers). These shopping segments are relatively unique with respect to attitudes toward various shopping-area attributes and patronage behavior. Although each of the three shopping-orientation groups of rural consumers represents a market segment, the "Active Outshoppers" and "Thrifty Innovators" seem to be the more viable segments for urban retailers attempting to attract outshoppers from rural areas. Therefore for rural consumers, cleanliness is the most important factor in deciding where to shop and the other factors are convenience-related attributes followed by attractive décor and entertainment facilities.

Rogers et al. (1988) have focused on the socio-economic aspect of the urban and rural populations and the expenditure pattern of the two populations. The income and expenditure pattern in terms of transportation, food, apparel, automobile and housing were compared with rural and urban population. The urban counterparts had the higher level of expenditures on food, housing and apparel where as the rural population average income was spent on transportation, health care, tobacco and other personal insurance. Therefore there are differences in the way that urban and rural consumers allocate their expenditures budgets as regard to socio-economic changes.

Schopphoven (1990) has identified the relationships between consumption patterns and values of different subcultures (a comparison between rural and urban consumers in western Germany). The ownership of selected products, the intent of purchase and the importance of these products for the individual consumer in rural and urban segment were explored in this study. The results reveal that there is not much of differences between the urban and the rural sub cultures, but some demographics such as marital status, professional status, the children in the household tend to have discriminating power on the value variables.

Sullivan and Savitt (1997) have conducted a study on store patronage (grocery patterns) of rural shoppers. The

objective of the study was to determine the proportion of outshopping for groceries and to identify the store patronage and psychographic factors associated with rural grocery shoppers and to determine if such factors correspond with the proportion of grocery expenditures spent elsewhere. Nine store factors were identified such as shopping environment (location, assortment, breadth and services), Price (advertising), leisure activities, convenience, shop around work, family shopping, good shopping, credit and name brands. Results indicate that each group has different store patronage practices, psychographic profiles, and income levels, suggesting that grocery retailers should work with communities to organize retail mix that appeal to different shopping groups. Results of this study also suggest that the community and individual retailers in partnership can provide rural customers with an optimal merchandise mix and shopping experience.

Miller (2001) has conducted a study on examining the determinants of rural consumers' inshopping behaviour for the product categories of apparel and home furnishings. The study was carried out among the consumers living in two rural Iowa communities. It examines whether reciprocal actions exist between community members as consumers and retailers and if these actions are persuasive in predicting the economic activity regarded as consumer inshopping. The results support the social capital theory evidence that consumers' level of satisfaction with reciprocity was a significant determinant of rural consumer level of shopping with local retailers. Overall the study revealed that community attachment has a significant indirect effect on inshopping behavior.

Home (2002) has observed the rural consumers patronage behaviour in Finland, which is done by finding out the relations between consumers and grocery stores in the countryside. The study identifies the most relevant store choice factors of an ideal grocery store and the most important features which best describe the rural store. The objective of the study was to find new consumer buying behaviour information that can help to improve the competitive capabilities of rural grocery stores. The study identifies the most relevant store choice factors of an ideal grocery store such as friendliness of sales people, findings of goods easily, cleanliness and neatness of the store and reliable shop keeper and the most important features which best describe the rural store. This study also identified the factors that have an impact on the store choice of rural consumers and to identify the three different homogeneous buyer groups: supermarket customers, rural store loyalists and price conscious consumers on the basis of consumers shopping orientation. The consumers in each group have different criteria to evaluate grocery stores.

Broadbridge and Calderwood (2002) have uncovered the factors and attitudes that influence the customers' store choice decision and their attitudes towards their local shops. The study has explored grocery shopping

behavior of rural inhabitants in Scotland. The survey reveals that the trading future for small rural shops is difficult with the majority of the consumers using them only for supplementary shopping. Also that the study concluded, if local shops provide a differentiating and unique offer than supermarkets then it may increase the customers visit to local shops. Local shops need to have commitment and willingness to cater for the local community wants and needs. The relative proximity of alternative shopping facilities and the quality of local shopping provision combine to influence the degree of food outshopping from a community.

Sun et al. (2004) have identified the impacts of economic development on consumer lifestyles. The objective of this study is to understand the Chinese rural and urban consumers who are in the two levels of living standards (poor and rich) are different in terms of their attitudes toward the whole marketing mix. The results suggest that there still exists a big difference in terms of ideal material possessions between urban and rural consumers. Rural consumers were more price-conscious, less product-innovative, and suspicious about mass-advertising and not brand conscious when compared with urban consumers. Due to the disparate attitudes of the rural and urban consumer they were found to use different products to reflect the improvement of their living standards. The lifestyle differences between rural and urban consumers might suggest the impact of economic development on consumer behaviour. On the whole the study reveals that there is huge marketing potential in china's rural markets for MNCs and other investors.

Tuli et al. (2004) have explored the Indian rural consumers' patronage aspects of shopping behaviour regarding two major retail formats i.e. village shops and periodic market in the rural market. The study also covers the factors which influence the decision of rural consumers in the selection of a particular retail format, from which a large part of their goods are purchased. The study concluded that rural consumers prefer and patronize village shops to meet their day-to-day needs and for their credit-based impulsive or unplanned requirements. At the same time they prefer periodic markets for bulk purchases, to avail "bargain", and promotional incentives such as low cost, discounts, variety etc., which in turn motivate rural consumers. In case of village shops consumers look for low transactional cost on account of shopping activity cost and the credit facility provided to meet day-to-day needs.

Shukla (2004) has addressed on understanding the effect of product usage, satisfaction and involvement level on the brand switching behaviour in several categories of products associated with different product usage, performance and satisfaction levels. Five categories of products were considered in this study they are: vehicles, television, soap, hair oil and ice cream. The results reveal that product usage and related satisfaction has very moderate impact on brand switching behavior.

Also that there does not exist a simple relationship between product satisfaction, involvement and brand switch; rather, different facets of the customers' involvement have different influences on brand switch. Hence the marketers will have to understand the product usage pattern and the satisfaction derived and also how customers involve themselves with the product should be studied to lessen the brand switching behavior.

Johnson et al. (2006) have conducted a study on identifying whether any changes had occurred between 2000 and 2003 in the use of retail channel among the rural consumers for searching the product information and for purchasing food and fiber products and to investigate whether differences existed between channel use groups (that is, store only shoppers, store and catalog shoppers, and multi-channel shoppers). The results reveal that the rural consumers are shifting from use of store and a catalog for product information has decreased while the usage of internet for purchasing food and fiber products has increased. Especially to search for information on apparel, food, or home furnishing products, internet use increased slightly as did use of the internet to purchase apparel and home furnishings. The multi channel shoppers usage of new channels, being they are time-pressed, dissatisfied with the local offerings, unattached to their community and unconcerned with financial security while shopping.

Multichannel retailing strategy is the dominant format for the apparel retailing industry. Lee and Kim (2007) have investigated the effect of consumers' shopping orientations as a consumer characteristic on their satisfaction level with the product search in a multi-channel environment. The authors had also investigated the influence of multi-channel shoppers' shopping orientations on their satisfaction level with the apparel product purchase made in a multi-channel shopping environment. The consumers were overall satisfied with the multi-channels for information search about price, promotion, style/ trends and merchandise availability of apparel products. The findings suggest that consumers adopt and utilize various channels for searching different types of product information and in turn they purchase apparel products via the channel of their choice.

The factors contributing rural consumers' inshopping behavior and its effects on institutional environment and social capital (Kim and Stoel, 2010). The objectives of this research are to investigate rural customers' in shopping behavior by looking at both social environmental factors and retailers' social activities. The results revealed that location and proximity of the store did not have any significant influence on the rural consumers' inshopping behavior. This study also found that when a retailer gains legitimacy, the retailer can justify its existence to community. The consumers' decision about whether or not to support the local retailer depends on their first evaluation about the institutional actions of the retailer, and if the retailer is a legitimate entity for the

community. This study reveals that when a high level of social capital exists, local retailers can focus on their institutional activities and gain legitimacy from local shoppers

The above review gives an understanding that only limited systematic attempt has been made across the world on the select dimensions of the shopping behavior of migrants. This is so in India, where no study that focused directly on the issue, rural migrants shopping behavior.

Research problem identified

As reported already, in India a sizeable number of rural populations is moving towards urban area. And the retailing has undergone a revolutionary change in major cities in India like Delhi, Mumbai, Bengaluru, Kolkata, Hyderabad, Cochin, Chennai and the like are flooded with retail shopping malls of global standards. Many multinational players such as subway, KFC, Adidas, Puma, Nike, Couton, etc. have started operating in a bigger way. The urban consumers are exposed to multiple media of communication like press, television, radio, web marketing and different state-of-the-art sales promotion techniques. And this retail environment is totally new to the migrants. The study is on finding whether the new retail atmospherics change the shopping behavior of the migrants, if so, what are the key drivers associated with the change. And this has been identified as the problem for the study.

Objectives of the study

The study has the following objectives:

1. To study the profile of the migrants.
2. To find out if the migrants have a brand switching behavior, if so, the nature and key drivers influencing the brand switching behavior.
3. To understand the satisfaction with the present brand of products.
4. To know the factors influencing migrant consumers shopping behavior in urban retail shopping environment.

METHODOLOGY

The migrants refer to college students who have migrated from rural area to urban area within the period of three years. The city where the study was conducted is Chennai. The product considered for the study is personal care products such as: Detergent hair oil, perfume, shampoo, talcum powder, toilet soap, tooth paste.

A specially designed interview schedule consists of questions relating to objectives of the study was used. The questionnaire was distributed among 135 students; out of this 74 completed questionnaires have been received. As such, the total sample size is 74. The collected data has been processed using percentage,

cluster and factor analysis. Likert's scaling technique was used wherever necessary (*a copy of the interview schedule is enclosed*). The institutions from where the survey was conducted was conveniently selected in such a way that they were geographically close to the researcher and represented rural migrants population.

RESULTS AND ANALYSES

Profile of students

The profile of the sample respondents is summarized in Table 1.

Brand switchover behavior

To understand the brand switchover behavior the migrants were asked to mark their current brand and the previous brand of personal care products. This was done to analyze whether there is any change in the usage of personal care products. The findings are presented in Table 2.

The reasons for brand switch over behavior is also due to the reasons that there are certain brands of personal care products marketed only in rural area, that may be one of the reason for the change in usage of brand after the migration. The key drivers influencing the change in the previous brand of products are listed in the order ranked by the migrants, they are: Self image, Outdoor display, Attractive Package, influence of sales people, Features of the product, New habit, Awareness about the product, Brand image, perceived quality, Advertisement, Friends influence, Availability of the product, price of the product, Health related reasons, dissatisfied with the previous brand.

Satisfaction with the present brand of products

Migrants' satisfaction with the present brand of personal care products is indicated. Satisfaction with respect to Toothpaste (58%), Talcum powder (47%), Perfume (45%), Toilet soap (41%), Shampoo (38%), Hair Oil (31%), Detergent (29%). Further it was also probed to the migrants whether they will stick to the present brand of personal care products after they get back to their native. The results revealed that 61% of the respondents will use the same brand, based on the availability of the brand in their native.

Urban retail shopping environment

Factor analysis was used to find out the dimensions according to which the rural consumers' evaluate the urban retail shopping environment and homogeneous customer groups with different shopping orientations were formed using cluster analysis. It is presented in

Table 1. Profile of student.

| Demographic | Number | % |
|-----------------------------------|---------------|----------|
| Age (years) | | |
| 17-20 | 27 | 37 |
| 21-24 | 34 | 45 |
| >25 | 13 | 18 |
| Gender | | |
| Male | 49 | 66 |
| Female | 25 | 34 |
| Number of years in Chennai | | |
| 0-1 | 19 | 26 |
| 1-2 | 22 | 30 |
| 2-3 | 33 | 44 |
| Stay in Chennai | | |
| College Hostel | 34 | 46 |
| Individual accommodation | 8 | 11 |
| Staying with Friends | 29 | 39 |
| Staying with family | 3 | 04 |

Table 2. Brand switchover behavior.

| Item | Change in brand preference (%) |
|---------------|---------------------------------------|
| Detergent | 47 |
| Hair oil | 50 |
| Perfume | 61 |
| Shampoo | 55 |
| Talcum powder | 64 |
| Toilet soap | 58 |
| Tooth paste | 65 |

Table 3.

The dimensions according to which the migrant rural consumers evaluate the urban shopping environment are: they are shopping conscious, enjoy urban shopping environment, price and quality conscious, and compare different shops when buying. They want shopping to be recreational, price worthy, perfect and buyer oriented. They are unhappy with poor shopping environment, if any. These dimensions describe the factors to which the migrant rural consumers give importance in the urban shopping environment.

CONCLUSION AND DIRECTIONS FOR FUTURE STUDY

The study enables to conclude that there appears to be change in the shopping behavior of migrants from rural-to-urban. Thus the finding is in supportive of similar

studies across the world. Most of previous studies focused on urban consumers in metropolitan areas this study enables to understand the shopping behavior of rural consumers in the urban area. The study has identified seven factors such as: Recreational and Shopping Conscious, Favourable attitude towards urban shopping environment, Enjoy Shopping, Price Conscious, Comparison shopping/ Complainer, Perfectionist, High quality conscious. Marketing strategists has to concentrate on the seven factors so as to attract the migrant population. At all India level migrants account for 24.68% of the population. In case of rural population the share of migrants is 22.74% where as the corresponding share in urban population is 30.65% (NSSO Report). The study revealed that brand switchover behavior was higher in tooth paste followed by Talcum powder, perfume, Toilet soap, Shampoo, Hair Oil and detergent. The brand switch over was high in case of Tooth paste and very less with Detergent.

Table 3. Factors influencing migrant consumers shopping behavior in urban retail shopping environment: Seven factor model.

| Factor and Item | Loading |
|---|----------------|
| Recreation and Shopping conscious | |
| The store I buy is colorful | 0.78 |
| The store makes me buy more | 0.84 |
| Favorable attitude towards urban shopping environment | |
| The shopping environment ambience is good | 0.61 |
| I visit the store frequently | 0.91 |
| The shopping environment is a meet point | 0.80 |
| Enjoy shopping | |
| I find lot of choices in the stores | 0.65 |
| The shopping place is entertaining | 0.75 |
| Visiting the stores is informative | 0.84 |
| It is worth experience | 0.68 |
| Price conscious | |
| It adds to my self-image | 0.81 |
| I think the price is too high | 0.84 |
| Comparison shopping / Complainer | |
| It is difficult to reach | 0.92 |
| Perfectionist, high quality conscious customer | |
| It is prestigious to visit | 0.62 |
| I feel it is time consuming | 0.86 |
| I doubt the quality of service | 0.81 |

The study has the following limitations in terms of one location considered for the study that too with a limited sample size. Therefore generalization of the findings requires enough caution. The researcher recommends that the study may be extended in the following lines: by including large number of samples; covering all the major cities in India; the sample may also include migrants on job/ business related reasons, marital reasons and others. Attempts can be made to analyze the relationship between demographic, psychographic profile and brand switching behavior in a cross-cultural environment.

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