**A Study On Rural Buyer Behaviour**

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**Abstract:**

It is relatively easy to measure what rural consumers buy, where they buy from and how much they buy. Understanding why they buy is the most difficult in rural India and what factors induce them to buy. This study tries to find out the factors responsible for different buying behavior of the rural consumers and how these factors play an important role in the rural consumers buying decision making process. The factors such as family size, product packaging, age, culture, and advertising have an effect on consumers decision making process, where as price is associated to product. Rural consumers are fundamentally different from their urban counterparts. The lower levels of literacy and limited exposure to product and services are well-known, but there are also differences in consumption patterns with a direct impact on income levels and income flows, and a high level of inter-dependency affecting the dynamics of rural consumer behavior. All contribute to make rural consumer behavior dissimilar from the urban consumer. To understand this a survey was conducted and Analytical Hierarchy Process technique was applied to study the interaction of one factor over another. These factors are also prioritized to see the priority of one factor over another.

**KEYWORDS:** Attributes, Buying behavior, Culture, decision making, rural market.

**INTRODUCTION:**

**Markets:**

The concepts of exchange and relationships lead to the concept of a market. A market is the set of actual and potential buyers of a product. These buyers share a particular need or want that can be satisfied through exchange relationships.

Marketing means managing markets to bring about profitable customer relationships. However, creating these relationships takes work. Sellers must search for buyers, identify must first create a need-satisfying marketing offer (product). It must decide how much it will charge for the offer (price) and how it will make the offer available target consumers (place). Finally, it must communicate with the target customers about the offer and persuade them of its merits (promotion).

**Marketing:** Marketing is the business function that identifies customer needs and wants. Creating customer value and satisfaction are the heart of modern marketing thinking and practice. Marketing is the delivery of customer satisfaction at a profit.

Many people think of marketing only as selling & advertising but selling & advertising are only the tip of marketing. Marketing means managing markets to bring about exchanges and relationships for the purpose of creating value and satisfying needs & wants.

Today, Marketing must be understood not in the old sense of making a sale – ‘’Telling & Selling’’ – but in the new sense of satisfying customer needs. If the marketer does a good job of understanding consumer needs; develops products that provides superior value and prices, distributes and promotes them effectively, these products will sell very easily. Thus, selling and advertising are only part of a larger ‘’Marketing Mix’’ – A set of marketing tools that work together to satisfy customer needs and build customer relationships.

Broadly defined, marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging value with others. In a narrower business context, marketing involves building profitable, value – laden exchange relationships with customers in order to capture value from customers in return.

"**The future lies with those companies who see the poor as their customers**."                                                                                                       -C. K. Prahalad

In recent years, rural markets have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities.

 On account of green revolution, the rural areas are consuming a large quantity of industrial and urban manufactured products. In this context, a special marketing strategy, namely, rural marketing has emerged. But often, rural marketing is confused with agricultural marketing - the latter denotes marketing of produce of the rural areas to the urban consumers or industrial consumers, whereas rural marketing involves delivering manufactured or processed inputs or services to rural producers or consumers.

Security has been a universal desire right from the earliest civilizations. This quest for security has led to the concept of insurance. Insurance is a contact between two parties whereby one party called insurer undertakes, in exchange for a fixed sum called premium, to pay the other party an assured sum of money on the occurrence of a certain event. Life insurance protects against the economic loss in the event of death. A family is generally dependent for it’s food, clothing shelter on the income brought by the bread earner of the family. So long as he lives, that family is secure but the death of the person may put the family in a very difficult situation. Uncertainty of death is inherent in human life. It is this uncertainty that gives rise to the necessity for some from of protection against the financial loss arising from death. Life insurance substitutes this uncertainty by certainty.

**REVIEW OF LITERATURE:**

**Rakesh Kumar and Ramesh Kumar (2019**) stated the dynamic nature of consumer behaviour, which is subject to change due to various factors, especially demographic factors. It highlights the significance of understanding how demographic variables influence consumer behaviour. This paper examined the importance of demographic factors in shaping consumer behaviour and the need for business, particularly those in the electric industry, to gain insights into these factors. By understanding how demographic variables influence consumer choices, companies can tailor their marketing strategies, product offerings, and sales approaches to better meet consumer demands and remain competitive in the market.

**Reetika Gupta (2020**) the changing dynamics in consumer behaviour, where consumers have gained more control and influence over product – related decisions. The study mentioned focuses on analysing consumer behaviour with regard to branded food products in rural and urban areas with a specific focus on demographic factors. The findings from such research can be valuable for marketers and businesses aiming to tailor their strategies to meet the demands and preferences of consumers in diverse settings.

**Priyadarsini Patnaik (2020**) examined the potential and challenges of rural markets in India. It highlights the changing consumption patterns, the impact of technology, and the importance of effective marketing strategies in rural areas. The research presented in the paper aims to provide insights that can assist marketers in meeting the demand of rural consumers and contribute to the development of rural business in the liberalized market environment.

**RESEARCH GAP:**

This study can be utilised by the marketers while framing their marketing strategies with respect to rural consumers. Index Items: Rural Consumer, Buying Behaviour, Demographic Factors.

**OBJECTIVES:**

* To understand the rural buyer behavior towards life insurance policies in Hyderabad.
* To examine the preference of the policy holders towards various type the policies of Insurance.
* To probe into the reasons or the causal factors behind the insurance product purchase in rural area.
* To evaluate the factors underlying consumer perception towards investment in life insurance policies.
* To compare the differences in consumer perception of male and female consumers.

**RESEARCH METHODOLOGY:**

**Need For The Study**

The need of this study is to understand the rural buyer behavior. The present study of buying behavior examines how individuals make decisions in spending their available resources, viz. time, money and effort on various aspects such as where to buy, how often they buy and how often to use it. This study will help insurance companies to understand the profile of rural customers and their nature. By knowing this, companies can improve their products, and can use various distribution channels to tap the market in a better way.

**Scope Of The Study:**

The scope of the study is wide the research conducted from the customer perceptions and opinions about the life insurances in rural segment has been done by gathering the customer’s feedback for the marketing aspects of insurance policies.

The study program was conducted with the help of questionnaire and personal interview in rural areas of Rangareddy district. The present study focuses on rural buyer behavior towards life insurances.

**Methodology**

**SOURCES OF DATA**

**PRIMARY DATA: -**Data collected from customers through questionnaires, Interviews and discussions with policy holderswith open ended and close ended questions.

**SECONDARY DATA: -**

The data include information obtains from the other external sources like magazines, other publications and internet, reference books, journals, information brochures andother literature of the company.

**SAMPLE DESIGN**

Data is collected in the form of survey method with the help of questionnaire.

* Taking the sample size as 140 customers.
* Sample technique: convenience sampling.
* Questionnaire: open ended and closed ended questions.

**SAMPLE SIZE: -**

Selected sample size of 140 customers.

**DATA ANALYSIS & INTERPRETATION:**

**Customer awareness rate on life insurance:** Customer awareness rate is useful to know the insurance policies awareness rate in rural segment. This data has tabulated below.

|  |  |  |
| --- | --- | --- |
| **Awareness level** | **No of respondents** | **Percentage (%)** |
| Low | 44 | 31.42 |
| Low-medium | 69 | 49.28 |
| Medium | 20 | 14.28 |
| Medium-High | 7 | 5 |
| High | \_ | \_ |
| Total | 140 | 100 |

**INTERPRETATION:**

The study found that majority of the customers has the awareness at low to medium level next majority level belongs to low level, because rural education level, knowledge and environmental conditions show the impact on their awareness.

**Customer knowledge about their policies:** The need of customer knowledge about their insured policies is to understanding the customer knowledge about their policies and company service to rural market. This data has been tabulated below.

|  |  |  |
| --- | --- | --- |
| **Customer response** | **No of respondents** | **Percentage (%)** |
| Know about details | 82 | 58.57 |
| Don’t know about details | 58 | 41.4 |
| Total | 140 | 100 |

**INTERPRETATION:**

The sample is dominated by the respondents, who don’t know details about their insured policies due to their lack of knowledge on life insurances and environmental conditions.

**Plan to take new policies:** There is a need to know the customer plan to take policies in future, to know the potential market in rural segment. This data obtain from questionnaire has been tabulated as below.

|  |  |  |
| --- | --- | --- |
| **Response** | **No of respondents** | **Percentage (%)** |
| Yes | 72 | 51.42 |
| No | 68 | 48.57 |
| Total | 140 | 100 |

**INTERPRETATION:**

It clearly Indicate that 51.42% respondents are interested to taking life insurance policy in near future and 48.57% of the respondents are not interested taking policies in near future. It understands that the present rural policy holders also provide a potential market.

**Source of buying insurance policy:** There is a need to know the source of buying insurance policies, to understanding the source is works effectively in rural insurance market for motivate to buy the insurance policies. This data has tabulated below.

|  |  |  |
| --- | --- | --- |
| **Name of source** | **No of respondents** | **Percentage (%)** |
| Agents | 134 | 95.75 |
| Development officer | 6 | 4.28 |
| Total | 140 | 100 |

**INTERPRETATION:**

The survey shows that 95.5%rural customers have insured their policies through agents and 4.28% through development officers. There fore, it is clear that the main source is agents of company and the reason is the availability of the agent’s service to the customers at their doorstep.

**8. Media help to know about life insurance:** The need of knowing the media is help to know the insurance policies understands the communication gap in rural segment. This data is collected through questionnaire has been tabulated below.

|  |  |  |
| --- | --- | --- |
| **Media** | **No of respondents** | **Percentage (%)** |
| T.V | 2 | 1.42 |
| Radio | - | - |
| News paper | - | - |
| Word of mouth | 118 | 84.28 |
| Others | 20 | 14.28 |
| Total | 140 | 100 |

**INTERPRETATION:**

The majority of rural people, they know information about Insurance through word of mouth media (from friends, neighbors and colleagues). Other media vehicles, such as T.V, Radio, News papers ads are not reaching effectively to the rural segment.

**CONCLUSION**

* Insurancecompanies should concentrate on 31-40 age group people through introduce different type of innovative policies especially attracting to this age group people for maximizing your market share in rural segment.
* The women segment is still untapped in rural areas. So, if insurance companies create empowerment to women through self employment programs then companies will capture rural women market segment.
* The insurance companies, who want to expanse their market to rural they have to create awareness on their policies, provide details of policies and explain benefits of policies through conduct awareness programs in rural areas and through the agents.
* The rural people have less faith on private players. so, insurance companies who want to skim the rural market they should create credibility and reliability in rural segment through conduct social welfare programs like awareness program of information right, environmental and health and program of tips for formers. They are very helpful for tap the market in rural segment.

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