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Exploring Consumer Behaviour Differences in Urban and Rural Settings: A Case Study of Branded FMCG Products

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Abstract:

The research study aimed to compare the perceptions of urban and rural consumers regarding various aspects of consumer behaviour—namely, buying behaviour, brand preference, willingness to pay extra for branded products, and purchase intention—within the context of branded FMCG products from companies like HUL, P&G, ITC, and Dabur. The sample size was set at 500, with 267 urban and 233 rural consumers ultimately sampled, by using adapted items on a five-point Likert scale. The analysis focused on whether significant differences exist between urban and rural consumers across these dimensions. The findings reveal that urban and rural consumers share some common perceptions, particularly regarding the value of branded products, but also show significant differences in areas such as buying behaviour and brand preference. Urban consumers are generally more influenced by convenience, promotions, and brand loyalty, while rural consumers, though less inclined towards brand-specific loyalty, exhibit similar levels of willingness to invest in quality and status through branded products. This comparative analysis highlights the nuanced ways in which residential environments shape consumer behaviour and preferences in the FMCG sector.

Keywords: Brand Preference, Purchase Intention, FMCG Sector, Rural and Urban Consumers, buying Behaviour, Parametric tests

Introduction

The Fast-Moving Consumer Goods (FMCG) sector in India is one of the largest sectors in the economy, contributing significantly to the country's GDP and employment. It encompasses a wide range of products including food and beverages, personal care, household care, and over-the-counter medicines. Fast-Moving Consumer Goods (FMCG) are products that are sold

quickly and at relatively low cost. These products typically have a short shelf life due to high consumer demand or because they are perishable. Some of the leading FMCG companies in India include Hindustan Unilever Limited (HUL), ITC Limited, Nestlé India, Procter & Gamble (P&G) India, and Dabur India. These companies have established extensive distribution networks and invest significantly in marketing and product innovation.

FMCG products are a vital part of daily life in rural areas, providing essential goods that are easily accessible to residents. The presence of these products supports local economies, influences consumer behaviour, and presents unique opportunities and challenges for businesses. Understanding the dynamics of FMCG distribution and consumption in sub-urban areas is crucial for companies looking to expand their market presence and serve the needs of these communities effectively. The future of the FMCG sector in India looks promising with continued economic growth, increasing digitalization, and a focus on sustainability. Companies are expected to leverage technology for better supply chain management and to meet the evolving demands of health-conscious and environmentally aware consumers.

Key Characteristics of the FMCG Sector in India

Market Size and Growth: The Indian FMCG sector is projected to grow at a compound annual growth rate (CAGR) of 14.9 percent to reach USD 220 billion by 2025. This growth is driven by rising disposable incomes, urbanization, and changing consumer preferences.

Consumer Demographics: India's large and youthful population, with a median age of 28 years, presents a significant consumer base. There is also a growing middle class, which is expanding the market for FMCG products.

Rural Market Potential: The rural market accounts for about 36 percent of the total FMCG spending, with companies increasingly focusing on rural areas due to their high growth potential. Improved infrastructure and increased penetration of digital technology have made rural areas more accessible for FMCG companies.

E-commerce and Digital Influence: The rise of e-commerce platforms has revolutionized the FMCG sector, allowing consumers to access a wider range of products with greater convenience. E-commerce is expected to account for 11 percent of FMCG sales by 2030.

Regulatory Environment: The Indian government has implemented various policies to support the FMCG sector, such as the Goods and Services Tax (GST) which has streamlined taxation and reduced logistics costs. Additionally, initiatives like 'Make in India' encourage domestic manufacturing.

Contribution of Rural Areas in the FMCG Sector

Rural areas in India play a significant role in the FMCG (Fast-Moving Consumer Goods) sector, contributing substantially to the overall growth and revenue of the industry. With nearly 65 percent of India's population residing in rural regions, the potential market for FMCG products in these areas is immense. The rural FMCG market is expected to grow to USD 220 billion by 2025, accounting for a significant portion of the total FMCG market in India. As of recent years, rural markets contribute about 36 percent of the total FMCG spending in India. The FMCG sector in rural areas has been growing at a faster rate than in urban areas. For instance, rural FMCG growth outpaced urban growth with a CAGR of around 12 percent compared to 8 percent in urban areas over the last few years (Nielsen Report (2020)). Additionally, The India Brand Equity Foundation (IBEF, 2020) reported that the rural FMCG market is expected to contribute 45 percent of the total FMCG market by 2025, indicating a significant shift towards rural consumption. KPMG (2016) highlighted that rural India constitutes 50 percent of FMCG sales for categories like personal care and food and beverages, underlining the importance of rural markets for FMCG companies.

Key Factors Driving Rural FMCG Growth

Increasing Rural Incomes: Economic improvements and government initiatives aimed at increasing rural incomes have boosted purchasing power in rural areas. Programs like the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), self-employed youth, and other schemes of government which have provided financial stability to rural households.

Improved Infrastructure: Investments in rural infrastructure, including better road connectivity and electrification, have facilitated easier access to FMCG products. This improved connectivity helps companies distribute their products more efficiently in rural markets.

Penetration of Digital Technology: The penetration of smartphones and the internet in rural areas has enabled e-commerce platforms to reach these consumers. This digital inclusion has broadened the availability of FMCG products to rural customers who previously had limited access.

Government Initiatives: Government schemes aimed at rural development, such as the Pradhan Mantri Awas Yojana (PMAY) and the Pradhan Mantri Gram Sadak Yojana (PMGSY), have improved living standards in rural areas, thereby increasing the demand for FMCG products.

Consumer Awareness: Increased exposure to media and advertising has led to greater awareness and demand for branded and quality products in rural areas. Rural consumers are becoming more aspirational, seeking products that improve their lifestyle and convenience.

FMCG Consumption Patterns

Food and Beverages: This category remains the largest segment in rural FMCG consumption. Packaged foods, beverages, and dairy products are highly demanded due to their convenience and longer shelf life.

Personal Care Products: There is a growing demand for personal care products, including skincare, hair care, and hygiene products. Increased awareness about health and hygiene has driven this demand.

Household Care: Products such as detergents, cleaning agents, and disinfectants are becoming increasingly popular in rural areas, reflecting a shift towards improved household hygiene practices.

Review of Literature

This section of the article focuses on several studies specifically conducted in rural areas within the FMCG sector. We have included a selection of representative studies that align with our objectives and have been published in recent years. While numerous research papers on CBBE and consumer behaviour are available, we have not included all of them in order to manage the length of this paper.

Patel, T., & Patel, V. (2021): Focuses on the impact of digital marketing strategies on FMCG sales in rural India. Highlights the role of mobile internet and social media in enhancing brand

visibility, consumer engagement, and product awareness. Social media creates brand communities and fosters loyalty.

Gupta and Sinha (2020): Explores factors influencing rural FMCG purchase behaviour in India, emphasizing demographic variables, income, and promotional strategies. Income and affordability are key determinants, while local fairs and direct selling enhance reach. Brand loyalty is less prevalent compared to urban markets.

Chaudhary, H., & Bisht, S. (2020): This study delves into the influence of advertising on brand loyalty among rural consumers. It emphasizes how tailored advertisements in regional languages and culturally relevant messaging resonate more with rural audiences, leading to stronger brand recall and loyalty. The authors also explore the effectiveness of various media channels, including radio, television, and outdoor advertising.

Kumar and Rani (2019): Examines FMCG market penetration strategies in rural India, analyzing consumer behaviour and distribution challenges. Rural consumers prioritize value-for-money and product availability, with traditional trade channels being more effective. Word-of-mouth and local influencers significantly impact purchasing decisions.

Nayyar, R., & Bhatia, P. (2019): Explores the role of consumer trust and brand credibility in the purchase of FMCG products in rural markets. The study reveals that trust in a brand, often built through consistent product quality and positive word-of-mouth, is a crucial factor in driving repeat purchases. It also examines the impact of counterfeit products on brand credibility in these markets.

Rao, K. V., & Gopinath, S. (2018): Analyzes the impact of price sensitivity and promotional offers on the purchase behaviour of rural consumers. The study highlights that rural consumers are highly price-sensitive and respond well to discounts, freebies, and bundled offers. However, it also points out that excessive reliance on price promotions can undermine brand value in the long term.

Sharma, S., & Jha, M. (2018): Discusses distribution challenges in rural FMCG markets and strategies to overcome them, focusing on logistics, supply chain, and last-mile delivery. Poor infrastructure and logistical inefficiencies are major barriers. Suggested strategies include

collaborations with local retailers and technological interventions like mobile-based order placements.

Verma, R., & Singh, S. K. (2017): Investigates rural consumer buying behaviour towards FMCG products, focusing on decision-making, brand perception, and socio-cultural factors. Concludes that socio-cultural factors and local traditions heavily influence buying decisions, with a preference for smaller pack sizes and lower-priced items. Trust and familiarity with the brand are crucial.

Desai, P., & Mehta, R. (2017): Focuses on the role of packaging in influencing rural consumer decisions. The study finds that simple, durable, and practical packaging is preferred by rural consumers, who often use products in challenging environments. Packaging that communicates essential product information clearly, such as usage instructions and expiration dates, also positively impacts purchase decisions.

Shukla, R., & Tiwari, A. (2016): Investigates the effect of retail environment and in-store promotions on rural consumer buying behaviour. The study shows that rural consumers are influenced by the store's layout, product placement, and in-store promotions like discounts and free samples. The authors suggest that improving the retail environment can significantly boost sales in rural markets.

After reviewing recent studies related to rural areas in the context of FMCG, it is essential to conduct a more comprehensive study comparing the perceptions of urban and rural consumers regarding consumer buying behaviour, brand preference, purchase intention and willingness to pay extra for branded FMCG products.

Research Methodology

Objective of the Research Study

The main objective of this study is to compare the perceptions of urban and rural consumers regarding Buying behaviour, Brand Preference, Willingness to Pay Extra for Branded Products and Purchase Intention in the context of branded FMCG products from four selected companies: HUL, P&G, ITC, and Dabur. Based on the mentioned objectives the following hypothesis is formulated and in analysis part the hypothesis is delineated for each dimension of brand equity.

Null Hypothesis (H₀): “There is no significant difference between the perceptions of urban and rural residents regarding the indicators of buying behaviour, brand preference, willingness to pay extra for branded products, and purchase intention concerning branded FMCG products”. The level of significance for the rejection of hypothesis is at 5 percent and 1 percent.

Data collection and Measurement Items: To achieve the mentioned objective primary data was required for analysis, hence a questionnaire was developed and used. The scales to measure Purchase Intention, Buying Behaviour, Willingness to Pay Extra price, and Brand Preference are taken from Shadi, Mahnaz and Rasoli, (2016). The survey for FMCG products was conducted during November 2023 to April 2024, capturing consumer behaviour and preferences during the festive season offers. Hindi Translation was also done for questionnaire to increase the understanding level of respondents. The sample size was set at 500 (finally sampled 267 Urban and 233 Rural). Sampling units included individuals making purchase of branded products in the selected districts and small retailers selling the mentioned FMCG branded Products. Further some retail outlets were also tapped to survey the urban respondents. Non-random sampling techniques (convenience sampling) were employed to collect data from respondents.

Reliability and Validity Results: Before finalizing the questionnaires, reliability needed to be assessed due to their customized nature tailored to the research objectives and intended for testing on a specific population within a specific geographical area. Reliability was evaluated using the Alpha reliability method in SPSS software, and the detailed results are presented in the table 3.

Data Analysis Technique: The collected data analysed by employing suitable statistical methods. Descriptive statistics, are used to meet the specified objectives. Various statistical methods have been chosen and applied for analyzing the data collected. Initially, responses were coded by assigning numerical codes or other character symbols. Coding sheets were utilized to store survey data, and responses to questions were coded accordingly. To ensure precision, every 20th coded questionnaire underwent scrutiny for accuracy. Following coding, primary data was transcribed and edited. Subsequently, a diverse range of statistical approaches was employed for further exploration.

Descriptive Statistics: Sample characteristics were examined using descriptive statistical techniques including frequency distribution, percentages, mean and standard deviation.

Inferential Statistics: Independent Sample t-test (Parametric test) is used to scrutinize the significance of variations in the means of dependent variables based on area of residence.

Data Analysis and Interpretations

This section presents the analysis part. In total 25 statements (Lickert scale) were used to represent 4 dimensions of consumer behaviour. The statement-wise comparative analysis is presented for an improved and in-depth understanding.

The mentioned hypothesis seeks to inspect whether residence area (urban vs. Rural) influences FMCG buying behaviour. It examines various factors such as preference for convenience and availability, the influence of price promotions, reliance on familiar brands due to habit and trust, the role of brand loyalty, openness to trying new products, and the tendency to purchase in bulk during offers. The hypothesis aims to determine if there are significant disparities in these behaviours between urban and Rural residents.

Buying Behaviour

The data presents (table 4) findings on buying behaviour regarding Fast-Moving Consumer Goods (FMCG) based on respondents' residence areas (Urban and Rural). The mean, S.D., t-value, and significance level (Sig.) are provided for each statement.

Urban respondents (N=267) tend to purchase FMCG products based on convenience and availability significantly more than rural respondents (N=233), with a mean of 3.318 and 3.107 respectively ($t=2.032$, $p=0.043$). Price promotions significantly influence the buying decision of Urban respondents (mean=3.389) compared to Rural respondents (mean=3.094) with a t-value of 2.794 and p-value of 0.005.

Urban respondents (mean=3.355) exhibit a stronger tendency to stick to familiar FMCG brands out of habit and trust compared to Rural respondents (mean=3.030) with a t-value of 3.251 and a significant p-value of 0.001. Brand loyalty significantly influences the FMCG buying behaviour of Urban respondents (mean=3.408) more than Rural respondents (mean=3.133) particularly for items like toiletries and household cleaners, with a t-value of 2.788 and a significance level of 0.006.

Urban respondents (mean=3.464) are more open to trying new FMCG products if they offer unique features or benefits compared to Rural respondents (mean=3.188), with a t-value of

2.769 and a significance level of 0.006. There's no significant difference between Urban (mean=3.670) and Rural (mean=3.729) respondents in preferring to buy FMCG products in bulk during offers to save time and money, as indicated by a non-significant t-value of -0.760 and a p-value of 0.448.

Overall, the data suggests that there are notable differences in buying behaviour concerning FMCG products between Urban and Rural respondents, particularly regarding factors like convenience, price promotions, brand loyalty, and openness to trying new products, while the preference for bulk buying during offers remains relatively consistent across both residences.

Purchase Intention

This explanation aims to explore whether residence area (urban vs. rural) influences the purchase intention for FMCG items. It considers factors such as the impact of past satisfactory experiences, brand reputation, promotional offers and discounts, health and safety certifications, environmental sustainability, price and feature comparison, and alignment with lifestyle and values on purchase intention. The hypothesis seeks to determine if there are significant variations in purchase intention between urban and Rural residents based on these factors.

Table (5) presented examines various statements regarding purchase intentions for fast-moving consumer goods (FMCG) across different areas of residence, specifically urban and Rural areas. For individuals residing in urban areas, past satisfactory experiences with a brand moderately increase their likelihood of repurchasing FMCG items, with a mean score of 3.535 and a S.D. of 0.528. However, this relationship does not reach statistical significance, as indicated by the t-value of -1.848 ($p = 0.065$). Similarly, in urban areas, brand reputation significantly influences purchase intention for FMCG items, with a mean score of 3.449 and a S.D. of 0.527. However, like the previous statement, the relationship is not statistically significant ($t = -1.920$, $p = 0.056$). Conversely, promotional offers and discounts significantly influence decision-making for purchasing FMCG products among urban residents, with a mean score of 3.412 and a S.D. of 0.529. The t-test value calculated is -3.255, indicates a statistically significant relationship ($p = 0.001$). Health and safety certifications also significantly influence purchase decisions among urban residents, with a mean score of 3.528 and a S.D. of 0.563, resulting in a statistically significant t-value of -3.685 ($p = 0.000$).

Urban consumers show a moderate inclination towards purchasing FMCG items from environmentally sustainable brands, as designated by a mean score of 3.528 and a S.D. of 0.529. This relationship is statistically significant ($t = -2.121$, $p = 0.034$). Furthermore, actively comparing prices and features significantly influences the purchase intention of urban consumers, with a mean score of 3.528 and a S.D. of 0.563, resulting in a statistically significant t-value of -3.685 ($p = 0.000$).

Lastly, urban residents express a strong inclination towards purchasing FMCG items that align with their lifestyle and values, with a mean score of 3.468 and a S.D. of 0.550. This inclination is statistically significant, with a t-value of -4.154 ($p = 0.000$). Overall, the data suggests that while past satisfactory experiences and brand reputation may moderately influence purchase intentions, factors such as promotional offers, health and safety certifications, environmental sustainability, price and feature comparisons, and alignment with lifestyle and values significantly impact the purchasing decisions of urban consumers regarding FMCG items.

Brand Preference

The data explores (table 6) brand preference among individuals residing in urban and Rural areas, focusing on their choices and loyalty towards specific brands. In urban areas, individuals tend to consistently choose a particular brand over others due to its perceived quality, with a mean score of 2.471 and a S.D. of 0.837. However, this preference does not grasp statistical significance ($t = 0.151$, $p = 0.880$). When it comes to a specific product or service, urban residents exhibit a stronger preference for a particular brand, considering it their first choice, with a mean score of 2.94 and a S.D. of 0.725. This preference is statistically significant ($t = 2.536$, $p = 0.012$).

Similarly, urban consumers express a preference for a brand based on its reliability and performance, with a mean score of 3.07 and a S.D. of 0.703. While the preference is moderately strong, it does not reach statistical significance ($t = 1.867$, $p = 0.063$). Urban residents perceive a specific brand as unmatched in meeting their needs and expectations, with a mean score of 3.026 and a S.D. of 0.777. However, this preference does not reach statistical significance ($t = 1.433$, $p = 0.153$). Positive experiences with a particular brand contribute to solidifying individuals' preferences for its products or services in urban areas, with a mean score of 2.898

and a S.D. of 0.850. However, this preference is not statistically significant ($t = 1.185$, $p = 0.237$).

Furthermore, urban consumers feel a connection with a specific brand and prefer to support it over competitors, with a mean score of 3.071 and a S.D. of 0.703. Like previous statements, this preference does not reach statistical significance ($t = 1.867$, $p = 0.063$). Overall, the data suggests that while urban consumers exhibit varying degrees of brand preference, factors such as perceived quality, reliability, positive experiences, and emotional connection influence their choices. However, not all aspects of brand preference reach statistical significance, indicating potential variability in individual preferences within urban areas.

Willingness to Pay Extra Price for Branded Products

This explanation aims to explore whether residence area (urban vs. rural) influences the “willingness to pay extra for branded products”. It considers factors such as beliefs that the quality and reputation of branded products justify the extra cost, the peace of mind and assurance associated with branded products, perceived status and prestige, prioritization of reliability and consistency, the superior quality and customer satisfaction offered by branded products, and the perception of branded products as a reflection of personal style and taste. The hypothesis seeks to determine if there are significant disparities in the “willingness to pay extra for branded products” between urban and Rural residents based on these factors.

The provided data (table 7) delves into consumers' attitudes towards paying extra for branded products in both urban and Rural settings, highlighting various factors influencing their willingness to incur additional costs. Urban and Rural consumers alike believe that the quality and reputation associated with branded products justify the extra cost, with mean scores of 2.925 and 2.909, respectively. However, this belief does not significantly differ between the two groups ($t = 0.175$, $p = 0.861$).

Both urban and Rural residents express that the peace of mind and assurance accompanying branded purchases are worth the higher price, with mean scores of 3.059 and 3.042, respectively. This sentiment does not significantly vary across the two demographics ($t = 0.203$, $p = 0.839$). Similarly, the perceived status and prestige linked with branded products are considered worth the extra expense by both urban and Rural consumers, with mean scores of

3.052 and 3.038, respectively. This perception remains consistent across both groups ($t = 0.174$, $p = 0.862$).

Urban and Rural individuals prioritize the reliability and consistency of branded products, even if it entails paying a premium, as indicated by mean scores of 3.030 and 3.012, respectively. This prioritization does not exhibit significant divergence between urban and Rural demographics ($t = 0.209$, $p = 0.835$). Both urban and Rural consumers perceive that branded products typically offer superior quality and customer satisfaction, justifying the higher price tag, with mean scores of 3.059 and 3.042, respectively. This perception remains consistent across both urban and Rural settings ($t = 0.203$, $p = 0.839$).

Urban consumers perceive branded products as a reflection of their personal style and taste, making them worth the extra expenditure, with a mean score of 3.026. However, this perception does not significantly differ from that of Rural consumers ($t = 0.103$, $p = 0.918$). Overall, the data suggests that both urban and Rural consumers exhibit similar attitudes towards paying extra for branded products, valuing factors such as quality, assurance, status, reliability, and personal expression. These findings indicate a consistent consumer mindset regarding the perceived value of branded products across different residential areas.

Table 8 presents data comparing various factors (aggregated from statements) related to consumer behaviour among urban and rural respondents, including their buying behaviour, purchase intention, brand preference, and willingness to pay extra for branded products.

Buying Behaviour: Urban respondents exhibit a significantly higher mean score for buying behaviour ($\bar{X} = 3.434$, S.D. = 0.965) compared to Rural respondents ($\bar{X} = 3.213$, S.D. = 0.888), as evidenced by the t-value of 2.659 ($p = 0.008$). This suggests that urban consumers may demonstrate a more active or engaged approach to purchasing decisions compared to their Rural counterparts.

Purchase Intention: Interestingly, urban respondents demonstrate a slightly lower mean score for purchase intention ($\bar{X} = 3.492$, S.D. = 0.393) compared to Rural respondents ($\bar{X} = 3.642$, S.D. = 0.418). This difference is statistically significant, with a t-value of -4.090 ($p = 0.000$), indicating that Rural consumers may be more inclined towards purchasing compared to their urban counterparts.

Brand Preference: Urban respondents exhibit a significantly higher mean score for brand preference ($\bar{X} = 3.793$, S.D. = 0.445) compared to Rural respondents ($\bar{X} = 3.478$, S.D. = 0.298), as indicated by the t-value of 9.384 ($p = 0.000$). This suggests that urban consumers may have stronger preferences for specific brands compared to Rural consumers.

Paying Extra Price: There is insignificant difference in the calculated mean scores for willingness to pay extra for branded products between urban ($\bar{X} = 3.025$, S.D. = 0.843) and Rural ($\bar{X} = 3.010$, S.D. = 0.899) respondents, with a non-significant t-value of 0.190 ($p = 0.850$). This indicates that both urban and Rural consumers have similar attitudes towards paying extra for branded products.

Overall, the data suggests that while urban and Rural consumers may exhibit differences in buying behaviour, purchase intention, and brand preference, their attitudes towards paying extra for branded products are largely similar. These findings provide valuable insights into the nuanced variations in consumer behaviour across different residential areas.

Major Findings

The research study aimed to compare the perceptions of urban and rural consumers regarding various aspects of consumer behaviour. The analysis focused on whether significant differences exist between urban and rural consumers across these dimensions.

Buying Behaviour: Urban consumers prioritize convenience, availability, price promotions, and brand loyalty significantly more than rural consumers. This suggests that urban residents are more influenced by ease of access and promotional strategies. Both urban and rural consumers exhibit similar tendencies to purchase in bulk during offers, reflecting a common strategy to save time and money across residential areas.

Purchase Intention: Factors such as promotional offers, health and safety certifications, environmental sustainability, and alignment with lifestyle and values have a significant impact on the purchase intentions of urban consumers. Rural consumers, while influenced similarly, show slightly different levels of sensitivity to these factors. Past satisfactory experiences and brand reputation have a moderate influence on purchase intentions for both groups, but these factors did not reach statistical significance in differentiating urban and rural consumers.

Brand Preference: Urban consumers show a stronger preference for specific brands based on perceived quality, reliability, and positive past experiences. However, not all aspects of brand preference are statistically significant, indicating that while urban consumers may lean towards certain brands, there is variability in their choices. Rural consumers exhibit similar preferences but with slightly less emphasis on brand loyalty and perceived quality, suggesting a potential openness to alternatives.

Willingness to Pay Extra for Branded Products: Urban and rural consumers exhibit similar attitudes towards paying extra for branded products, with both groups valuing quality, assurance, status, reliability, and personal expression. This indicates a consistent perception of value associated with branded products across different residential areas.

The findings reveal that urban and rural consumers share some common perceptions, particularly regarding the value of branded products, but also show significant differences in areas such as buying behaviour and brand preference. Urban consumers are generally more influenced by convenience, promotions, and brand loyalty, while rural consumers, though less inclined towards brand-specific loyalty, exhibit similar levels of willingness to invest in quality and status through branded products. This comparative analysis highlights the nuanced ways in which residential environments shape consumer behaviour and preferences in the FMCG sector.

Implications for Current Study

On the bases of the finding of this study some implications are also suggested in relation to Urban Consumers. The significant influence of convenience, availability, price promotions, and brand loyalty on urban consumers' buying behaviour suggests that companies should emphasize these factors in their marketing strategies. Urban consumers are also more open to trying new products, so brands should leverage this by introducing innovative products and features tailored to urban markets. For rural markets, where price sensitivity might be higher, companies should focus on promoting value-for-money products and offering consistent quality to build trust and brand loyalty. Marketing campaigns could emphasize the reliability and cost-effectiveness of branded products.

Customized Promotional Offers: The data indicates that promotional offers and discounts significantly influence purchase intentions, particularly in urban areas. Companies should

design region-specific promotional strategies that cater to the unique preferences of urban and rural consumers, ensuring that the offers are relevant and appealing to each segment.

Brand Loyalty Programs: Given the stronger brand loyalty observed among urban consumers, companies should invest in loyalty programs that reward frequent purchases and brand advocacy. For rural consumers, loyalty programs could focus on building trust and long-term relationships by offering additional benefits, such as extended warranties or personalized customer service.

Emphasizing Quality and Assurance: The willingness of both urban and rural consumers to pay extra for branded products that offer quality, assurance, and peace of mind highlights the importance of maintaining high product standards. Brands should continue to emphasize these attributes in their communication strategies to reinforce their value proposition.

Sustainability and Ethical Practices: The finding that urban consumers are inclined towards environmentally sustainable brands suggests an opportunity for companies to integrate and communicate their sustainability initiatives. Brands that emphasize ethical practices and sustainability in their products and operations can attract environmentally conscious consumers and enhance their brand image.

Future Research Directions

Future research could involve longitudinal studies to track changes in consumer behaviour and brand preferences over time, especially as market dynamics evolve and new trends emerge in the FMCG sector. With the rise of digital platforms and e-commerce, future research could explore how these channels influence buying behaviour, brand preference, and willingness to pay extra among urban and rural consumers. Understanding the impact of online reviews, digital marketing, and social media on consumer decision-making would be valuable.

Future studies could compare urban and rural consumer behaviour across different regions or states to identify regional variations in preferences, brand loyalty, and purchase intentions. This could provide deeper insights for companies operating in diverse markets.

Further research could investigate the role of socioeconomic factors, such as income level, education, and occupation, on consumer behaviour and brand preference in both urban and

rural settings. Understanding these factors could help brands tailor their strategies to different consumer segments more effectively.

By addressing these implications and exploring the suggested research directions, companies can enhance their understanding of consumer behaviour in the FMCG sector, leading to more effective marketing strategies and improved brand performance.

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Table I: Consumer Behaviour Constructs

S.N.	Statements	Indicator Name	Scale/items Adapted
Buying Behaviour			
1	I tend to purchase FMCG products based on convenience and availability.	BB1	Vyas, H., & Raitani, S. (2014)
2	Price promotions heavily influence my decision when buying FMCG products.	BB2	Ailawadi, K. L., Harlam, B. A., César, J. C. P., & Trounce, D. (2006)
3	I often stick to familiar FMCG brands out of habit and trust.	BB3	Erdem, T., & Swait, J. (2004)
4	Brand loyalty influences my FMCG buying behaviour, especially for items like toiletries and household cleaners	BB4	Chaudhuri, A., & Holbrook, M. B. (2001)
5	I'm open to trying new FMCG products if they offer unique features or benefits	BB5	Rogers, E. M. (2003)
6	I prefer to buy FMCG products in bulk during offers to save time and money	BB6	Bell, D. R., Ho, T. H., & Tang, C. S. (1998).
Purchase Intention			
1	Past satisfactory experiences with a brand increase my likelihood of repurchasing FMCG items	PI1	Oliver, R. L. (1999)
2	Brand reputation significantly influences my purchase intention for	PI2	Keller, K. L. (1993)

	FMCG items		
3	Promotional offers and discounts influence my decision to purchase FMCG products.	PI3	Blattberg, R. C., & Neslin, S. A. (1990)
4	Health and safety certifications influence my decision to buy FMCG products	PI4	Vecchio, R., & Annunziata, A. (2015)
5	I am more likely to purchase FMCG items from environmentally sustainable brands	PI5	Gleim, M. R., & Lawson, S. J. (2014)
6	I've been actively comparing prices and features, and I'm inclined to buy *	PI6	Zeithaml, V. A. (1988)
7	I am more inclined to purchase FMCG items that align with my lifestyle and values	PI7	Aaker, J. L. (1997)
Brand Preference			
1	I consistently choose [Brand] over other options because of its quality.	BPF1	Zeithaml, V. A. (1988).
2	When it comes to [product/service], [Brand] is always my first choice.	BPF2	Aaker, D. A. (1996)
3	I have a strong preference for [Brand] due to its reliability and performance	BPF3	Keller, K. L. (1993)
4	No other brand compares to [Brand] in terms of meeting my needs and expectations	BPF4	Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985)
5	My positive experiences with [Brand] have solidified my preference for their products/services.	BPF5	Oliver, R. L. (1999)
6	I feel a connection with [Brand] and prefer to support them over competitors	BPF6	Fournier, S. (1998)
Willingness to Paying Extra Price			
1	I believe the quality and reputation of branded products justify the extra cost.	PEP1	Zeithaml, V. A. (1988)
2	For me, the peace of mind and assurance that come with buying a branded product are worth the higher price	PEP2	Erdem, T., & Swait, J. (2004)
3	The perceived status and prestige associated with branded products make them worth the extra expense.	PEP3	Vigneron, F., & Johnson, L. W. (1999)
4	I prioritize the reliability and consistency of branded products,	PEP4	Aaker, D. A. (1996)

	even if it means paying a premium.		
5	Branded products typically offer superior Quality and customer satisfaction, which justifies the higher price tag for me.	PEP5	Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J., & Bryant, B. E. (1996).
6	I perceive branded products as a reflection of my personal style and taste, making them worth the extra expenditure	PEP6	Solomon, M. R. (1983)

Source: Authors Compilation

Table II: Sample Characteristics

Variables	Categories	Counts	Percentages
Gender	Male	274	54.8
	Female	226	45.2
Marital Status	Single	239	47.8
	Married	261	52.2
Residence Area	Urban	267	53.4
	Sub- Urban	233	46.6
Family Type	Joint	228	45.6
	Nuclear	272	54.4
Age Group	Up to 20 years	87	17.4
	21-40 years	259	51.8
	41-60 years	112	22.4
	Above 60 years	42	8.4
Education Level	Under Graduate	57	11.4
	Graduate	135	27.0
	Post Graduate	211	42.2
	Others	97	19.4
Occupation	Salaried class	248	49.6
	Business Class	122	24.4
	Homemakers	130	26.0
Income Level	Up to 5 Lakhs	30	6.0
	500001 to 10,00000	218	43.6
	10,00001 to 1500000	120	24.0
	Above 15 Lakhs	132	26.4

Source: Survey

Table III: Reliability of Constructs

Description	Indicators	Alpha value	Reliability	AVE
Buying Behaviour (BB)	06	0.916	0.935	0.709
Brand Preference (BPP)	06	0.923	0.940	0.723
Purchase Intention (PI)	07	0.798	0.843	0.479

Paying Extra Price (PEP)	06	0.934	0.950	0.791
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Source: Researchers Calculations

Table IV: Comparison of Urban and Rural Respondents about Buying Behaviour

S.N.	State ments	Area Residence of	N	Mean	S. D	t value	Sig.
Buying Behaviour							
1	BB1	Urban	267	3.318	1.226	2.032*	0.043
		Rural	233	3.107	1.075		
2	BB2	Urban	267	3.389	1.240	2.794**	0.005
		Rural	233	3.094	1.102		
3	BB3	Urban	267	3.355	1.158	3.251**	0.001
		Rural	233	3.030	1.080		
4	BB4	Urban	267	3.408	1.128	2.788**	0.006
		Rural	233	3.133	1.076		
5	BB5	Urban	267	3.464	1.141	2.769**	0.006
		Rural	233	3.188	1.082		
6	BB6	Urban	267	3.670	.8561	-0.760	0.448
		Rural	233	3.729	.8807		

Source: Researchers Calculations

Table V: Comparison of Urban and Rural Respondents about Purchase Intention

S. N.	Statement s	Area Residence of	N	Mean	S. D	t value	Sig.
Purchase Intention							
1	PI1	Urban	267	3.535	.528	-1.848	0.065
		Rural	233	3.626	.566		
2	PI2	Urban	267	3.449	.527	-1.920	0.056
		Rural	233	3.545	.579		
3	PI3	Urban	267	3.412	.529	-3.255**	0.001
		Rural	233	3.575	.583		
4	PI4	Urban	267	3.528	.563	-3.685**	0.000
		Rural	233	3.716	.577		
5	PI5	Urban	267	3.528	.529	-2.121*	0.034
		Rural	233	3.630	.550		
6	PI6	Urban	267	3.528	.563	-3.685**	0.000
		Rural	233	3.716	.577		
7	PI7	Urban	267	3.468	.550	-4.154**	0.000
		Rural	233	3.682	.596		

Source: Researchers Calculations

Table VI: Comparison of Urban and Rural Respondents about Brand Preference

S.N	Statements	Area of Residenc	N	Mean	S. D	t value	Sig.
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Brand Preference							
1	BPF1	Urban	267	2.47	.837	0.151	0.880
		Rural	233	2.45	1.01		
2	BPF2	Urban	267	2.94	.725	2.536*	0.012
		Rural	233	2.75	.941		
3	BPF3	Urban	267	3.07	.703	1.867	0.063
		Rural	233	2.93	.935		
4	BPF4	Urban	267	3.03	.777	1.433	0.153
		Rural	233	2.91	.947		
5	BPF5	Urban	267	2.89	.850	1.185	0.237
		Rural	233	2.80	.953		
6	BPF6	Urban	267	3.07	.703	1.867	0.063
		Rural	233	2.93	.935		

Source: Researcher’s Calculations

Table VII: Comparison of Urban and Rural Respondents about Paying Extra Price

S . N .	Statem ents	Area of Residence	N	Mean	S. D.	t value	Sig.
Paying Extra Price							
1	PEP1	Urban	267	2.925	.926	0.175	0.861
		Rural	233	2.909	1.01		
2	PEP2	Urban	267	3.059	.903	0.203	0.839
		Rural	233	3.042	.959		
3	PEP3	Urban	267	3.052	.843	0.174	0.862
		Rural	233	3.038	.920		
4	PEP4	Urban	267	3.030	.892	0.209	0.835
		Rural	233	3.012	.930		
5	PEP5	Urban	267	3.059	.903	0.203	0.839
		Rural	233	3.042	.959		
6	PEP6	Urban	267	3.026	.947	0.103	0.918
		Rural	233	3.017	.999		

Source: Researcher’s Calculations

Table VIII: Comparison of Mean Values (Urban and Rural Respondents)

Factors	Area of residence	N	Mean	S. D.	t value	Sig.
Buying Behaviour	Urban	267	3.434	.965	2.659**	0.008
	Rural	233	3.213	.888		

Purchase Intention	Urban	267	3.492	.393	-4.090**	0.000
	Rural	233	3.641	.418		
Brand Preference	Urban	267	3.793	.445	9.384**	0.000
	Rural	233	3.478	.298		
Paying Extra Price	Urban	267	3.025	.843	0.190	0.850
	Rural	233	3.010	.899		

Source: Researcher's Calculations