Behavioral Intention of Rural Consumers towards Branded FMCG Products

Dr. A.Gopinath
Assistant Professor, Department of Business Administration, Annamalai University.

Abstract: Consumer behaviour is a rapidly growing field of research and teaching, in addition to considerable value of marketing managers and others, who are professionally concerned with buying activity. An important reason for studying consumer behaviour is evaluation of consumer groups with unsatisfied needs and desires. According to Oliver’s expectation-disconfirmation model, consumers have three levels of expectation about the product or service performance: equitable performance, expected performance, and ideal performance (Oliver 1980). The model states that individual’s expectations are either confirmed if a product performs as expected, negatively disconfirmed when the product performs worse than expected, or positively disconfirmed if a product performs better than expected. This applies to both agricultural and non-agricultural segments with reasonable incomes. A 13–item battery developed by Valarie A. Zeithaml, Leonard L. Berry, and A. Parasuraman (1996) was used to gauge a wider range of behavioural intentions than have been suggested in the literature. Data were collected from 500 samples and analysed through framing regression model. Result shows that there is a influence of behavioural intention towards the perceived value of the products.

I. INTRODUCTION

Marketing is consumer oriented and competitors oriented. It starts with consumers and ends with consumers by satisfying their needs. The long-term objective of marketing is profit maximization through customer satisfaction. Marketing is an integrated process which is based on strategies and models. Marketing must deliver goods and services in exchange of money. Marketing boasts a rich array of concepts and tools. The study of needs and wants of the consumer is important for a manufacturer and marketer. Based on the level of attainment of needs and wants, the consumer behaviour may reflect.

Post-purchase alternative evaluation is the assessment of whether or not and to what degree the consumption of the alternative produces satisfaction. According to Oliver’s expectation-disconfirmation model, consumers have three levels of expectation about the product or service performance: equitable performance (what the customer has to receive in return for money and effort spent), expected performance, and ideal performance (Oliver 1980). The model states that individual’s expectations are either confirmed if a product performs as expected, negatively disconfirmed when the product performs more poorly than expected, or positively disconfirmed if a product performs better than expected. A negative disconfirmation results in dissatisfaction, and consumption of the product is likely to be discontinued. Confirmation or positive disconfirmation results in satisfaction and the continued use of the product or service.

Performance

The primary importance of performance in the satisfaction literature has been a standard of comparison for which disconfirmation is assessed. Olshavsky and Miller (1972) and Olson and Dover (1976) manipulated actual product performance, but their emphasis was on how performance ratings were influenced by expectations rather than on the impact of changes in performance level on satisfaction. Though it is reasonable to assume that increasing performance should increase satisfaction, the magnitude of the performance effect vis-à-vis expectation and disconfirmation effects has not been shown. If performance judgments are assimilated toward expectations, we might expect increases in performance to have relatively little impact on satisfaction if expectations remain constant.

The magnitude of the zone of indifference will obviously vary by the type of product, by the specific product dimension being judged, by the individual, and even by use and consumption situation. Of great importance is what happens when the performance of the product or service deviates significantly from the standard of comparison and falls outside the zone of indifference. If the performance falls well short of expectations, the consumer will experience what is known as “negative disconfirmation” – the expected product performance is discontinued (the product did not meet the comparison standard goal), and the direction of the disconfirmation is negative (i.e., is significantly less than what was expected). Negative disconfirmation is critical for managers to recognize, as it represents the largest threat to customer loyalty, word-of-mouth recommendations, repeat purchases, and other desirable customer responses.
Repurchase intention

Researchers have long used repurchase intentions to help predict future purchasing behavior. While the correlation between intentions and repurchase is not perfect, a number of researchers have examined various factors influencing this relationship (Bemmaor, 1995; Chandon et al., 2005; Jamieson and Bass, 1989; Morrison, 1979; Morwitz et al., 1993; Morwitz, et al., 1997).

Recommend intention

Word-of-mouth intention has been of importance to researchers for at least the past thirty years. Early research regarding word-of-mouth tended to focus on complaining behavior (for example, Gronhaug and Kvitastein, 1991; Singh, 1988). More recently, however, the focus has shifted to recommendations and customer advocacy (for example, Brown et al., 2005; Christopher et al., 1991; Jones and Earl Sassar, 1995).

Thus far, there is very little scientific research relating recommended intention to actual recommendations. In an analysis of actual conversations in numerous discussions forums on the Internet, Andreassen et al. (2006) documented recommendations as one of four unique dialogues taking place. As noted earlier, loyalty expert Fred Reichheld (2003) argues that recommend intention is the best metric at predicting not only customers’ recommending behavior, but also their purchasing behavior.

Customer retention

Customer retention is defined as customers’ stated continuation of a business relationship with the firm. For Internet service providers (ISPs), it is continuing to use the same provider. For retail banks, it is continuing to maintain an account relationship with the bank. And for discount retailers, it is the continued repeat shopping with the retailer.

Much of the research regarding customer satisfaction and customers’ actual behavior has focused on the relationship between satisfaction and retention. This emphasis is largely the result of early research, which identified customer retention as a key driver of firm profitability (Reichheld, 1993, 1996; Reichheld and Kenny, 1990; Reichheld et al., 2000; Reichheld and Earl Sassar, 1990).

II. INDIAN FMCG INDUSTRY

FMCG sector is the cornerstone of Indian economy. It has been in existence for quite a long time, but it began to take shape only during the last fifty odd years. FMCG, the fourth largest sector of Indian economy which had an estimated market size of US$ 74 billion in 2018 from US$ 30 billion in 2011 is a significant direct and indirect employer.

Out of the total expenditure of Rs 89,000 crores, more than Rs 53,000 crores was attributable to rural areas. In a second trend, the proportion of non food to total consumption expenditure rose steadily year after year from 36.2 per cent in 1987 – 88 to 40.6 per cent in 1999 – 2000 to 46 per cent in 2013. Demand for quality goods and services have been going up in rural areas of India, on the back of improved distribution channels of manufacturing and FMCG companies.

The fast moving consumer goods (FMCG) sector in rural and semi-urban India is estimated to cross US$ 100 billion by 2025.

Literature review

Priscilla A. LaBARBERA and David Mazursky (1983) investigated the role of satisfaction in determining repurchase intentions and overt behaviour within the context of a longitudinal study. Researchers investigated the direct and indirect effects of satisfaction / dissatisfaction on the formation of revised intentions and overt behaviour and tested a simplified cognitive model over two consecutive purchase periods for five different product classes and tested the extent to which reported satisfaction/dissatisfaction and the appropriate intention levels directly predicted repeat behavior in the context of multiple consecutive purchases. The asymmetric effect found demonstrates that repurchase of a given brand is affected by lagged intention whereas switching behavior is more sensitive to dissatisfaction with brand consumption.

Michael Tsiros, et al. (2004) studied the role of disconfirmation, responsibility, and stability attributions in the formation of satisfaction judgments. Questionnaire was used to collect data. Disconfirmation and responsibility jointly determined the valence component, and stability determines expectancy component on the satisfaction evaluation and this is consistent with the three-way interaction among stability, responsibility, and disconfirmation.

Kathleen Seiders, et al. (2005) studied the relationship between satisfaction and repurchase behaviour. They developed a conceptual framework that proposes satisfaction and customer, relational, and market place characteristics as antecedents to repurchase intentions and behaviour. Involvement, household income, satisfaction, relationship age, convenience, competitive intensity, repurchase intentions, repurchase visits, repurchase spending and participation were measured. Correlation and regression analyses were
employed to test the model. The results suggested that the relationship between customer satisfaction and repurchase behaviour is contingent on the moderating effects of convenience, competitive intensity, customer involvement, and household income.

**Behavioral Intention**

Cronin and Taylor (1992) focus solely on purchase intentions and measure the construct with a single – item scale. In the first of two studies by Boulding, et al. (1993), repurchase intentions and willingness to recommend were the only two behavioral intentions measured. In the second study, involving service quality of an educational institution, they used a six item scale comprised largely of education – specific items, such as intent to contribute money to the class pledge and intent to recommend the school to employers as a place to recruit.

A 13 – item battery developed by Valarie A. Zeithaml, Leonard L. Berry, and A. Parasuraman (1996) was used to gauge a wider range of behavioral intentions than have been suggested in the literature. This tool was adopted for the study. The battery included items to capture several facets of behavioral intentions incorporated in previous studies: Loyalty, Switching Behaviour, Pay More, External Response and Internal Response.

**Objective of the Study**

1. To identify the loyalty of rural consumers towards branded toilet soap with respect to their satisfaction level.
2. To identify the switching behavior of rural consumers towards branded toilet soap with respect to their satisfaction level.

**III. ANALYSIS AND INTERPRETATIONS**

The table 1.1 and 1.2 shows the effect of perceived value on product features with loyalty and switching behavior of rural consumers towards usage of branded fast moving consumer goods by considering the factors neutralization, attraction, value for money, quality, specialty, promotion value, availability, and information.

<table>
<thead>
<tr>
<th>R – value</th>
<th>R- square value</th>
<th>Adjusted R square</th>
<th>Std. error</th>
<th>F – value</th>
<th>P - value</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.571</td>
<td>0.326</td>
<td>0.304</td>
<td>0.548</td>
<td>14.655</td>
<td>0.000*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factors</th>
<th>B – value</th>
<th>Std. error</th>
<th>Beta</th>
<th>t – value</th>
<th>P - value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.029</td>
<td>0.304</td>
<td></td>
<td>3.387</td>
<td>0.001</td>
</tr>
<tr>
<td>Neutralization</td>
<td>0.056</td>
<td>0.058</td>
<td>0.064</td>
<td>0.964</td>
<td>0.336(NS)</td>
</tr>
<tr>
<td>Attraction</td>
<td>0.032</td>
<td>0.090</td>
<td>0.028</td>
<td>0.350</td>
<td>0.727(NS)</td>
</tr>
<tr>
<td>Value for money</td>
<td>0.157</td>
<td>0.064</td>
<td>0.168</td>
<td>2.445</td>
<td>0.015**</td>
</tr>
<tr>
<td>Quality</td>
<td>0.329</td>
<td>0.078</td>
<td>0.323</td>
<td>4.213</td>
<td>0.000*</td>
</tr>
<tr>
<td>Specialty</td>
<td>0.007</td>
<td>0.065</td>
<td>0.007</td>
<td>0.101</td>
<td>0.920(NS)</td>
</tr>
<tr>
<td>Promotion value</td>
<td>0.077</td>
<td>0.066</td>
<td>0.080</td>
<td>1.179</td>
<td>0.240(NS)</td>
</tr>
<tr>
<td>Information</td>
<td>-0.019</td>
<td>0.070</td>
<td>-0.017</td>
<td>-0.274</td>
<td>0.785(NS)</td>
</tr>
<tr>
<td>Availability</td>
<td>0.109</td>
<td>0.054</td>
<td>0.114</td>
<td>2.021</td>
<td>0.044**</td>
</tr>
</tbody>
</table>

**IJSRCSAMS**

**Volume 7, Issue 5 (September 2018)**

www.ijsrcsams.com
Source: Primary data computed, * significance at one percent, ** significance at five percent.

The above table shows the effect of perceived value of product features on loyalty.

Ho: The perceived values of product features do not influence loyalty.

In order to test the related hypothesis multiple linear regressions has been employed. Here loyalty was considered a dependent variable and perceived factors namely neutralization, attraction, value for money, quality, specialty, promotion value, information and availability were treated as independent variables. The purpose of this model is to find the effect of independent variables on the dependent variables. From the regression model, it has been noted that the dimensions of perceived value of product attributes significantly influence on loyalty. From the adjusted R² value, it is inferred that the perceived value have influenced at 30.4 percent level. This is significant at one percent level. Hence, the hypothesis is rejected. The influencing factors on the weight age given by the respondents on loyalty are expressed by the equation.

\[
\text{Loyalty} = 1.029 + 0.157(\text{value for money}) + 0.329(\text{quality}) + 0.109(\text{availability}).
\]

The equation is explained by value for money, quality and availability which have positive impact on loyalty. Here to have one unit increase in weight age criteria, value for money has to be increased by 0.157. Similarly, quality and availability have to be increased by 0.329 and 0.109 respectively while other factors remain constant. From the result it has been identified value for money, quality and availability significantly influenced on weight age criteria for loyalty. P – Values are observed to be 0.015, 0.001 and 0.044 respectively; hence the hypothesis is rejected for the dimensions of value for money, quality and availability. So these perceived values of product attributes influence the loyalty level of respondents.

### Table 1.2 Effect of Perceived Value of Product Features on Switching Behavior.

<table>
<thead>
<tr>
<th>Factors</th>
<th>B – value</th>
<th>Std. error</th>
<th>Beta</th>
<th>t – value</th>
<th>P - value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.908</td>
<td>0.425</td>
<td></td>
<td>4.489</td>
<td>0.000</td>
</tr>
<tr>
<td>Neutralization</td>
<td>-0.098</td>
<td>0.081</td>
<td>-0.093</td>
<td>-1.201</td>
<td>0.231(NS)</td>
</tr>
<tr>
<td>Attraction</td>
<td>-0.008</td>
<td>0.127</td>
<td>-0.006</td>
<td>-0.062</td>
<td>0.951(NS)</td>
</tr>
<tr>
<td>Value for money</td>
<td>0.087</td>
<td>0.090</td>
<td>0.078</td>
<td>0.967</td>
<td>0.334(NS)</td>
</tr>
<tr>
<td>Quality</td>
<td>-0.010</td>
<td>0.109</td>
<td>-0.008</td>
<td>-0.091</td>
<td>0.928(NS)</td>
</tr>
<tr>
<td>Specialty</td>
<td>0.118</td>
<td>0.091</td>
<td>0.106</td>
<td>1.296</td>
<td>0.196(NS)</td>
</tr>
<tr>
<td>Promotion value</td>
<td>-0.040</td>
<td>0.092</td>
<td>-0.035</td>
<td>-0.437</td>
<td>0.662(NS)</td>
</tr>
<tr>
<td>Information</td>
<td>0.286</td>
<td>0.098</td>
<td>0.216</td>
<td>2.926</td>
<td>0.004**</td>
</tr>
<tr>
<td>Availability</td>
<td>0.020</td>
<td>0.076</td>
<td>0.017</td>
<td>0.260</td>
<td>0.795(NS)</td>
</tr>
</tbody>
</table>

Source: Primary data computed, * significance at one percent, ** significance at five percent.

The above table shows the perceived value of product features influencing switching behavior.

Ho: The perceived values of product attributes do not influence switching behavior.

IJSRCSAMS

Volume 7, Issue 5 (September 2018) www.ijsrscsams.com
In order to test the related hypothesis, multiple linear regressions has been employed. Here switching behavior level was considered as dependent variable and perceived factors namely neutralization, attraction, value for money, quality, specialty, promotion value, information and availability treated as independent variables. The purpose of this model is to find the effect of independent variables on the dependent variables. From the regression model, it has been noted that the dimensions of perceived value of product attributes significantly influence on switching behaviour. From the adjusted R2 value, it is inferred that the perceived value of product attributes has influenced at 4.9 percent level. This is significant at one percent level. Hence, the hypothesis is rejected. The influencing factors on the weight age given by the respondents on switching behavior are expressed by the equation.

\[
\text{Switching behavior} = 1.098 + 0.142 (\text{information}).
\]

The equation is explained by information which has a positive impact on switching behavior. Here to have one unit increase in weight age criteria, information has to be increased by 0.142 while other factors remain constant. From the result it has been identified that attraction and information significantly influenced weightage criteria for switching behavior. P – Value is observed to be 0.004. Hence, the hypothesis is rejected for the dimension of information. So these perceived values influence the switching behavior.

IV. CONCLUSION

Behavioural intentions like loyalty and switching behaviour of rural consumers were tested by using regression model and result shows that there is an influence of behavioural intentions towards branded fast moving consumer goods by referring the factors neutralization, attraction, value for money, quality, specialty, promotion value, information and availability. By referring the behavioural intentions, if they feel satisfied with the attributes they will be a loyal to the existing brand otherwise they can switch the brand. Therefore marketers have to give importance for the factors.

REFERENCES