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Exploring Consumer Psychograph and Positioning Opportunities in Urban Markets

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ABSTRACT

Formulation of a thoughtful marketing strategy is of utmost importance for the success of any industrial venture. No matter which sector of our economy we talk about, a lot depends on the marketing strategies adopted. With the ever expanding movement of man, money and machinery the concept of markets has also changed. Today, markets are not geographically-bound; rather globalization has outstretched the horizons of markets both in vertical and horizontal domains. Though there has been an exponential increase in terms of the opportunities available, the fierce competition pooling from all around the globe has also increased. Focus and adoption of innovative techniques for production is necessary but in no ways sufficient. The undertaken research focuses on the analysis of consumer's psychographic profile in Shimla district of Himachal Pradesh in resonance to the marketing strategies that are currently employed and can be adopted to yield better results to the rural producers. A sample of 100 respondents was selected randomly to map their psychographic profile and correlate various factors that influence their buying decision.

Key Words: Analysis, Consumer, Cognitive Profile, Product Positioning, Psychograph, Strategic Marketing.

INTRODUCTION

The steady growth of the Indian economy is supported by the abundant manpower available within the country, constituted of both skilled and unskilled labour. Taking into account the projected trend, it is expected that, in 2020, the average age of an Indian will be 29 yr; thus making India one of the youngest and most dynamic nation in the world.

Even the contribution of the Agriculture sector in the Indian economy is much higher than world's average (6.4 %) standing at 15.4 per cent of the country's GDP. Further, the population distribution of India indicate that there are twice as many people living in the rural parts of the country compared to the ones residing in the urban parts. According to the findings of the 2011 Census, the rural to urban population of India was roughly 68.84:31.16 per cent.

Most of the people living in the rural parts of the country earn their livelihood from agriculture, livestock, forestry, hunting, beekeeping, fishing and pisciculture. Agriculture itself plays a vital role in the Indian economy with over 70per cent of the rural households directly dependent on it. Presently, India is among the top two farm producers in the world and provides approximately 52 per cent of the total number of jobs available in the country both directly and indirectly. Agriculture is the only means of living for almost two-thirds of the employed class in India and the agriculture sector occupies almost 43 per cent of India's geographical area. Clearly a major chunk of rural India engages itself in the primary sector and contributes a lot to the country's GDP.

Today we live in the age of open markets where instead of having monopoly or oligopoly

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Table1. 2011 Census-Population distribution data (in crore).

Net Population	2001	2011	Net Change
India	102.9	121	18.1
Rural	74.3	83.3	9
Urban	28.6	37.7	9.1

we have existence of perfect competition, not only coming from within the country, but from multiple competing nations. Whether we talk about the production of rice, tea, coffee beans, almonds or any other primary sector based product, our local producers face stiff competition from multinational firms and companies. In most of the cases the foreign agriculture and farm based products that are sold in the Indian markets, are supported by extravagant financial lobbies that employ multiple strategists and marketing teams to handle the success of their products. In contrast, the domestic producer no matter how big or small whether with the availability of funds or not, fails to capture the mass market due to lack of proper marketing and positioning strategy. Grahovac (2005), Acharya and Agarwal (2006) reported that rural marketing in India is characterized by two main activities as selling of agricultural and rural items in the urban areas & selling of manufactured products in the rural regions. The selling of manufactured products in the rural areas is further categorized as the selling of urban manufactured products in rural markets & the selling of rural manufactured products in the rural markets.

The marketing and the sales of the urban products in the rural markets saw an exponential rise in the early 2000s estimated by Singh and Sharma (2012), in response to the extensive research and marketing strategies adopted by multinational giants like, Proctor & Gamble, HUL, TATA, Dabur etc. in the FMCG sector, along with companies like John Deere, Ford and Mahindra in tractor manufacturing sector; but when it comes to the marketing of rural products (whether consumables or durables) in the urban markets there is still a long uphill battle that needs to be fought.

MATERIALS AND METHODS

Exploratory research was conducted to analyze the consumer's psyche and product perception. This research is characterized by the use of questionnaire and successive responses generated by the targeted population to draw meaningful conclusion. This research is based on the primary data collected by the means of questionnaire and first hand interview. A standardized questionnaire was prepared to conduct this research focusing on the key parameters that dictates the purchase decision of buyers. Common Indian consumers and retailers were interviewed to gather reliable data. Non Probabilistic sampling strategy was followed where techniques like convenience sampling, snowball sampling and quota sampling were applied to fulfill the research objective. A sample size of 100 individuals was considered for this research.

Table 2: Population distribution and income status of respondents.

Income status respondents	Number of respondents
Below Rs 20,000	19
Rs 20,000 – Rs 35,000	22
Rs 35,000 – Rs 50,000	46
Rs 50,000 & Above	13

Demography

In order to correlate the psychographic profile of the urban consumers to the sale of rural commodities in the market, it was important to look into the demographic profile of the respondents. The set of believes, values, attitude and perception of a person depends on multiple factors like the level of education, age of a person, his/her corresponding exposure to the outside world along with the location where he/she lives. Since the targeted population for this research pertained to the Shimla urban area (H.P), most of the correspondents were either graduate or above belonging to different age groups and varying professions.

Table 3: Population distribution according to the age group of respondents.

Age groups of respondents	Number of respondents
Below 20	17
20 -35	32
35 – 50	23
50 & Above	28

The varying income status of the respondents provided a deep understanding of the key factors that consumers consider before buying any commodity viz. packaging, quality and price etc.

RESULTS AND DISCUSSION

Product packaging and presentation

Based on the survey 81per cent of the respondents considered seal-packed agro products like dairy products, soya bean nuggets etc. to be of superior quality when compared to the unpacked sales of the same products at various kiryana stores. Simply put, air tight packaging of agro products inspires more confidence in urban population. Also correlating to previously conducted research by Pawan Kumar & Neha Dangi in 2011, focusing on Rural Marketing in India, Challenges and opportunities

Product quality assurance and certification significance

Product quality and authenticity plays a very vital role in the sale of any commodity hence 93 per cent of the surveyed population considered buying only those agro products that carry certification by agencies like FSSAI and AGMARK.

Online market and its significance

Technological development and growth of online shopping sites has made life easier for lots of people. Shimla, not being a big metro city doesn't enjoy facilities of online mega grocery retailers like Grofers, Godrej Nature's Basket, Big Basket etc.

but E Commerce giants like Amazon and Flipkart do carter the needs of the urban population. Thirty eight per cent of respondents agreed buying agro-products like honey, chia seeds, fruit jams and juices etc. directly from E Commerce websites.

Significance of branding

Seventy three per cent of the surveyed population considered brand name as an important factor that influences their purchase decision. A brand promoted by a famous public figure or one which has been there in the market for a considerable duration of time promotes trust in buyers and helps in the acceleration of sales for that product.

Price and quality perception

The asking price for a commodity can create a make or break situation for that particular product, especially when there are multiple competing brands in the market. In rural regions where earning per person is on the lower side people prefer to buy products that require minimum expenditure but interestingly when the urban surveyed population was asked to rank the quality of three competing almond brands based only on their perception the results were eye opening. Apart from the brand name the only information provided to the respondents was the MRP of the three competing brands. In absence of any other parameter for judgment, 92 per cent respondents considered the most expensive almond brand to be of superior quality when compared to the other two brands; but shockingly even with that perception only 12 per cent of the respondents considered buying it in future. Whereas the most affordable brand that was considered inferior to the other two brands by 79 per cent of the people, still had higher consideration for buying, voted by 21 per cent respondents. On the other hand the brand that existed in the middle of the price spectrum was ranked 2nd by 82 per cent respondents and more importantly was considered by maximum 67%

Table 4. Quality perception with respect to price.

Brand Name (500g)	MRP	No. of Respondents Ranked 1	No. of Respondents Ranked 2	No. of Respondents Ranked 3	Consideration for Buying
Solimo Almonds	705	3	82	15	67
Wonderland Premium Almonds	1399	92	3	5	12
Saptrishi Almonds	530	5	16	79	21

Table 5. Monthly earnings and buying choices of urban population.

Monthly Earnings (in Rupees)	Branded Agro-Product Buyers	Unbranded Agro-Product Buyers	Row Total
Below Rs 20,000	7	12	19
Rs 20,000 –Rs 35,000	13	9	22
Rs 35,00 –Rs 50,000	29	17	46
Above 50,000	8	5	13

Calculating the expected value

people for future purchase. It simply suggested that knowingly or unknowingly people do associate the quality of a product with its price but that does not necessarily mean that they would definitely buy it. What people look for, is the balance between good quality and reasonable price for that commodity.

In order to understand the current status and performance of rural-agro products in the urban market, specific questions were added to the questionnaire targeting urban retailers and whole sellers. Based on the feedback from the whole sellers and retailers, locally produced commodities like soya-badi, pine nut, dried lentil badi, spices etc. face stiff competition from seal packed branded commodities. 68 per cent respondents agreed to the fact that urban households prefer to buy branded packaging instead of going for the locally produced commodities, vegetables being the exception.

Coming to the marketing part, almost all the retailers confirmed constant efforts on part of big FMCG companies like ITC, MDH, Dabur etc. for the promotion of their agro products by the means of free gift schemes, installation of advertisement hoarding in shops, festivity offers etc. On contrary local rural producers do not involve themselves with any kind of product promotional activity as stated by 84% retailers.

Market coverage and dispersed presence of the rural products is another important factor that determines the success of product sales as stated by marketer Semenik J Richard, in his research work based on product promotion and integrated marketing . Out of 25 surveyed shops and shopping complexes local soya nuggets brand “A-1 Soya Chunks”, had market presence of just 8% in contrast to brands like Fortune and Saffola with over 80% cent market presence. Clearly with all the data and seller’s response, it would not be wrong to say that the current marketing strategies adopted by the local rural producers were not up to the mark with 86 per cent of the sellers confirming the fact themselves.

Effect of income level of urban respondents on the purchase decision of unbranded rural products:

Table 6. Calculation of expected values.

Monthly Earning (in Rupees)	Branded Agro-Product Buyers	Unbranded Agro- Product Buyers	Row Total
Below Rs 20,000	57x19/100 = 10.83	43x19/100 = 8.17	19
Rs 20,000 – Rs 35,000	57x22/100 = 12.54	43x22/100 = 9.46	22
Rs 35,000 –Rs 50,000	57x46/100 = 26.22	43x46/100 = 19.78	46
Above Rs 50,000	57x13/100 = 7.41	43x13/100 = 5.59	13

Computation

Monthly Earnings (in Rupees)	Branded Agro-Product Buyers (O-E)	Unbranded Agro-Product Buyers (O-E)	Branded Agro-Product Buyers $(O-E)^2/E$	Unbranded Agro-Product Buyers $(O-E)^2/E$
Below Rs 20,000	-3.83	3.83	1.35	1.79
Rs 20,000 – Rs 35,000	0.46	-0.46	0.01	0.02
Rs 35,000 –Rs 50,000	2.78	-2.78	0.29	0.39
Above Rs 50,000	0.59	-0.59	0.05	0.06

Calculation of Probability value (P value)

Therefore Chi square = (Observed frequency-Expected Frequency)^2 Expected Frequency 1.35 +0.01 +0.29 +0.05 +1.79 +0.02 +0.39 +0.06 **= 3.96**

From the Chi^2 table for the value **3.96,** with **the** degree of freedom, **df** = 3 & level of significance **(α) = .05,** the **P Value** comes out to be **.2632**

Interpretation:

Since the Chi^2 value is > P value therefore the result is not significant at $p < .05$

This implies: Buying of unbranded rural commodities by the urban buyers is independent of their income status. Hence we accept the Null hypothesis.

Based on cumulative responses for the asked questions, it can be easily understood that the urban buyers not only buy agro products rather they focus on buying brands, which simply means buying products from a reputed company that has been around for a considerable duration of time and has positive buyer's opinion so as to ensures proper quality and safety of the consumers. Urban buyers do acknowledge and support the use of indigenously produced agro products but when it comes to making the purchase decision, the origin of the products doesn't carry much weightage as long as the products meet the quality standards and are marketed at a reasonable price.

More or less, all human beings are judgmental by nature. Urban buyers being no different, make the buying decision even before trying out the other products just on the basis of how the product and its packaging looks. As a result in case of agro products, packaging and presentation does play a crucial role.

CONCLUSION

The Indian urban market with its vast size and heterogeneous demand base offers great lucrative opportunities to marketers. In India there are twice as many people living in the rural parts of the country compared to the ones residing in the urban parts, most of which directly or indirectly depend on agriculture for their livelihood. Agriculture is the only means of living for almost two-thirds of the employed class in India and provides approximately 52% of the total number of jobs available in the country. With all the necessary potential and available opportunities, there also exists stiff competition, pooling into the Indian markets from all around the globe. As a result to tackle this competition, it becomes absolutely necessary for the rural Indian producers to adopt various positioning strategies in order to make a mark for themselves in the urban markets. The Urban consumers of present day India are very informed and expect nothing less than perfection. They have access to a wide variety of products, produced both nationally and internationally. Hence to satisfy their needs, and to help the small rural producers of India earn well, it is very crucial to share the importance of incorporating marketing strategies along with focusing on the production process.

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