

A Study on Rural Consumer's Satisfaction towards Selected Fast Moving Consumer Goods

Himanshu Bhusan Mishra^{*}

Pallabi Mishra^{**}

Abstract

Fast-moving consumer goods (FMCG) demand is increasing by the day. In the Indian market today, we see a plethora of FMCG product names. Corporate sectors have already recognized the tremendous prospects available in the rural sector and are attempting to capitalize on them through strategies focused specifically on rural markets. However, the concern is how well these brands are addressing customers' needs in the Indian market. Keeping this in mind, the article seeks to demonstrate how satisfied consumers are with FMCG product brands. According to existing research, product quality, service quality, packaging of the product, and product price all impact consumer happiness. So, in this article, an analysis is performed to determine the relationship between customer satisfaction and other chosen independent variables. This article examines overall customer satisfaction with household care goods in Odisha state in terms of the rural market environment.

Keywords: Customer Satisfaction, Service Quality, Product Quality, Price of Product, Packaging of the Product

How to cite: Mishra, H. B., & Mishra, P. (2022). A study on rural consumer's satisfaction towards selected fast moving consumer goods. *Journal of Management & Entrepreneurship*, 16(1), 47–54
DOI 10.70906/20221601047054

^{*} Research Scholar, Department of Business Administration, Utkal University.

^{**} Assistant Professor, Department of Business Administration, Utkal University.

Introduction

The FMCG (Fast Moving Consumer Goods) sector plays a vital role in the Indian economy. This industry has an impact on every element of human life. Customers in rural India are becoming more prosperous, and their lifestyles are evolving. Rural areas have the same number of middle-income households as cities. As a result, Rural marketing has grown significantly over the years and has now surpassed the urban FMCG market in size. Rural India has become a marketing priority because of the enormous potential for all types of products and services. Statistics suggest a significant wealth shift in rural India, and the aspiring middle class, with increased purchasing power, is the focus of all corporate marketing efforts. The rural Indian population is massive and quickly rising. Over 627,000 villages in rural areas house more than 70% of India's one billion-plus population. This becomes a motivating element for FMCG corporations to enter rural areas.

According to the Indian census, rural is any habitation with a population density of fewer than 400 persons per square kilometre. Agriculture employs at least 75 per cent of the male working population. There is no municipality or board. Village marketplaces, also known as "Haats," have existed in Indian communities since ancient times and are essentially gatherings of local consumers and sellers. The barter system was widely used and is still in use in many places today. Village 'mandis' and seasonal dinners are also crucial events for marketers to capitalize on. While the rural market offers greater prospects for marketers, it is difficult for any firm to enter and gain a large market share. In actuality, the rural market faces various challenges, including distribution and marketing communications. Companies have tried a range of creative approaches to solve these challenges. Whether ITC's "e-choupal" effort or HLL's "Project Shakti," the goal is to get closer to the rural consumer. Businesses must develop strategies that address consumer psychographics and an acceptable marketing mix to capture the enticing rural market. With increased rural literacy and media exposure, rural regions become more aware of their purchasing decisions. This makes it even more difficult for businesses to grasp rural consumers' purchasing behaviour, consumption patterns, needs, and

desires. The marketer must understand that there is no quick way to gain a piece of the rural market.

Companies must always remember that the needs of the rural markets are vastly different. Companies must develop one-of-a-kind items and strategies for rural consumers. People in rural India are becoming more cognizant of their purchase decisions as a result of rising rural literacy and media exposure. The general public's awareness of brands has grown dramatically. As a result, they are becoming pickier and more demanding than ever before. As a result, any company entering the market must conduct extensive studies on psychographics. According to research, people's brand choices have shifted noticeably. People are shifting away from the use of tooth powder towards toothpaste. There is also a shift away from low-cost brands and towards semi-premium brands. This is one of the most common misconceptions regarding the rural market. On the other hand, rural consumers seek value for money, and if a brand falls into this category, they are willing to pay for it. Customer satisfaction measures how well a company's products and services fulfil its customers' expectations. Client happiness remains one of the most powerful determinants of customer retention. It is more expensive to acquire new clients than to retain the existing ones. Understanding customer service and evaluating consumer satisfaction are critical in a world of declining brand loyalty.

Customer happiness and customer retention are obviously inextricably linked. The success of a product or a service in the market will be determined by the customer's opinion of service and product quality.

Companies can decide the steps needed to address the wants of their consumers if they have a better understanding of their customers' views. They may recognize their strengths and shortcomings, stand in contrast to their competitors, and plot a course for future advancement and improvement. Measuring customer pleasure emphasizes customer results and drives improvements in the company's work approaches and processes. Consumer expectations are the features of a product or service that the customer specifies and must be met or exceeded to achieve customer satisfaction. Consumer needs, expectations, satisfaction, and behavioural complexities are the primary goals that every type

of corporation must address in order to survive and grow in a competitive business environment. As a result, the current article focuses on Consumer Satisfaction with FMCG Household Care Products.

Critical Assessment of Rural Market Strategies

Nurturing, caring, and loving ideals are frequently associated with Indian customers. These values are far more powerful than those of ambition and achievement. Indian consumers will receive products that transmit feelings and emotions. Aside from psychology and economics, history and tradition play an important role in creating Indian consumer behaviour. Perhaps only in India do old and modern things coexist. Hair oils and teeth powder, for example, coexist with shampoos and toothpaste. Rural areas are home to roughly three-quarters of the Indian population. With a burgeoning middle class, particularly in Indian cities, the impact of the urban middle class may also be evident in rural villages.

Review of Existing Literature

"Satisfaction is a metric used to assess how well items or services performed in comparison to what consumers expected." (Armstrong and Kotler, 1996). Customer satisfaction, in general, indicates how satisfied customers are with the items or services they have purchased. According to Zamazalová (Zamazalová, 2008), there are several major aspects that influence customer happiness. All of these characteristics can be used to assess customer happiness. These factors include the product (in terms of quality, availability, and so on), the pricing (in terms of convenience in the payment mechanism), the service, distribution, and the product's image. Companies must maintain a minimum standard of their product (product quality) and must be able to deliver the products to the ultimate users effectively (service quality) at an affordable price (financial benefit), and only if they can match up the customers' preconceived expectations (perceived value), they could sense the customer satisfaction.

Product quality refers to incorporating elements into a product that ensures that the product will be loved by the customers and will be able to match their expectations. The product can meet the needs of the customers. Quality, according to Parasuram, can be

defined as "the ability to deliver a perfect product on the first try" (Parasuraman, 1985). Crosby defines quality as the "capacity of the producer to match expectations." From the perspective of a customer, product quality is the perceived superiority of the product overall. (Zeithaml, 1988)

It might be understood as a difference between perceived service expectations and perceived performance. It is a detailed examination in which customer impression is expressed in certain aspects of services such as reliability, receptiveness, assurance, etc. Companies that evaluate service quality can identify issue areas quickly and provide greater services to customers. Crosby (1979) and Parasuraman et al. (1985) state that "Service quality is the measure of how efficiently the services given by corporations can satisfy consumers and how far it has exceeded their expectation level consistently." The consistency with which customers' expectations are satisfied should be used to assess service quality. "Generally, when service delivery exceeds expectations, contentment and behavioural changes can be observed" (Wannenburg et al., 2009). To maintain a strong and long-lasting relationship with clients, businesses must provide services to the best of their ability to increase customer satisfaction.

"A financial benefit is an economic gain for the consumer as a result of cost savings." (Garrette and Karnani, 2010). Lowering the products' price may result in a higher financial benefit. "Price is a key aspect in determining consumer satisfaction" (Butt, 2011). The product's price is directly related to the demand of the product. And we all know that customer happiness is unattainable unless customers' demands are met. As a result, it is critical to emphasize that financial gain substantially impacts consumer satisfaction.

Perceived value is a customer's assessment of the benefits of a product or service, as well as its capacity to meet consumers' requirements and expectations, particularly in comparison to its peers. In other words, it is the customers' assessment of the product's worth to him or her. "Perceived value," according to Zeithaml (1988), is "the consumer's total estimate of the utility of a product or service based on perceptions of what is received and what is supplied". Tam (Tam, 2000) asserts that "perceived

value is to be substantially related to service quality and customer happiness". According to Lovelock et al.(2005), "Service quality has a direct impact on perceived value". It is seen as a key variable in increasing consumer happiness" (McDougall and Levesque,2000). According to the available research, all of the study's independent variables, namely service quality, perceived value, financial benefit, and product quality, impact customer satisfaction, either directly or indirectly. However, will all of these independent variables impact customer satisfaction when it comes to fast-moving consumer goods? It is an intriguing topic to think about, and with the help of this study, an attempt has been made to find an answer.

OBJECTIVE OF THE STUDY:

Find out how satisfied the customers are with the selected FMCGs they are currently using, keeping in view quality, size, pricing, and product packaging.

Hypotheses of the Study:

H0 =There is no significant correlation between distance travelled to purchase the commodities and satisfaction of consumers over the distribution system of FMCG products in the rural market.

Research Design

The current research is descriptive and based on empirical evidence from primary data. The primary data was collected using a standardized questionnaire and a survey method. Randomly selected rural respondents completed the questionnaire from Odisha's five districts: Cuttack, Keonjhar, Sambalpur, Berhampur and Balasore. A total of 900 consumers were interviewed, but 520 fully filled up questionnaires were finally selected for the research study because the remaining were incomplete in many respects. The responses have been obtained in a five-point scale in the form of Highly Satisfied, Satisfied, Neither Satisfied nor Dissatisfied, Dissatisfied, and Strongly Dissatisfied with quantification 1, 2, 3, 4, and 5, respectively. The survey is conducted in 5 districts with 520 customers. In addition, the study is limited to customers that utilize specific FMCG brands. The period of the study is 2019-20.

Result and Discussions

Table-1: Skewness and Kurtosis of Satisfaction on Quality of Products.

		Edible Oils	Tea & Coffee	Biscuits
Food Items	Mean	1.78	1.82	2.00
	Skewness	0.31	0.93	0.17
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	2.31	2.64	-0.48
	Std. Error of Kurtosis	0.21	0.21	0.21
Toiletries		Bathing Soap	Washing Soap	Washing Powder
	Mean	2.01	1.97	2.04
	Skewness	0.42	0.69	1.00
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	0.07	0.06	2.98
	Std. Error of Kurtosis	0.21	0.21	0.21
Cosmetics		Face Powder	Face Cream	Shampoo
	Mean	2.06	2.15	2.08
	Skewness	0.28	0.79	1.29
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	-0.05	1.13	2.79
	Std. Error of Kurtosis	0.21	0.21	0.21

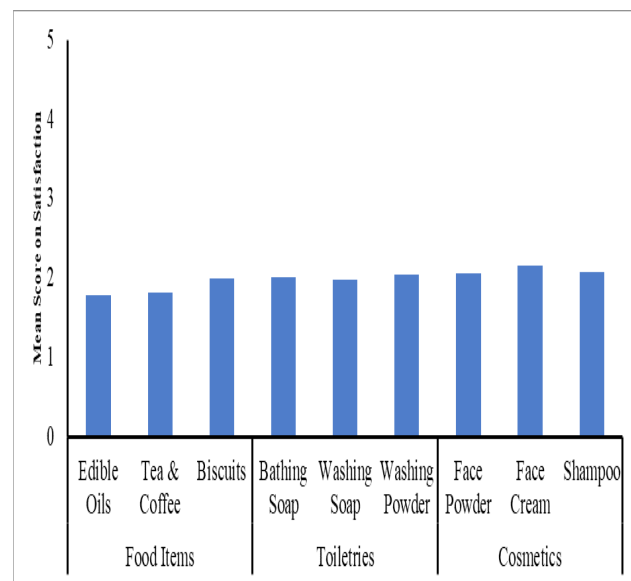


Figure-1: Mean Satisfaction of Rural Consumers on Quality of Commodities.

Table-1 and Figure-1 present the level of satisfaction of consumers on the quality of products by using skewness and kurtosis over their responses. The mean scores on food items, toiletries, and cosmetics products are 1.78,1.82,2.00,2.01,1.97,2.04 2.06,2.15 and 2.08 for edible oils, tea & coffee, biscuits, bathing soap, washing soaps, washing powder, face powder, face cream, and shampoo, indicating satisfaction of rural consumers on the quality of products.

Table-2: Skewness and Kurtosis of Satisfaction on Size of Products.

		Edible Oils	Tea & Coffee	Biscuits
Food Items	Mean	2.27	2.22	2.23
	Skewness	0.22	0.77	0.76
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	-0.10	1.98	0.93
	Std. Error of Kurtosis	0.21	0.21	0.21
Toiletries		Bathing Soap	Washing Soap	Washing Powder
	Mean	2.33	2.38	2.42
	Skewness	0.59	0.88	0.16
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	0.51	1.19	-0.41
Cosmetics		Face Powder	Face Cream	Shampoo
	Mean	2.38	2.56	2.26
	Skewness	0.02	0.24	0.59
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	-0.21	-0.51	0.22
	Std. Error of Kurtosis	0.21	0.21	0.21

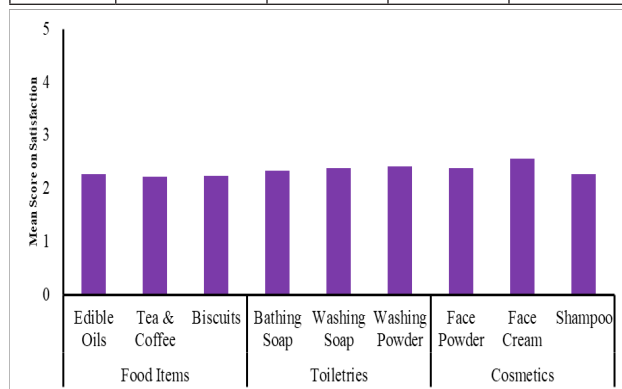


Figure-2: Mean Satisfaction of Rural Consumers on Size of Commodities.

Table-2 and Figure-2 present the satisfaction of consumers on the size of products by using skewness and kurtosis over their responses. The mean scores on food items, toiletries, and cosmetics products are 2.27,2.22,2.23,2.33,2.38,2.42,2.38,2.56 and 2.26 for edible oils, tea & coffee, biscuits, bathing soap, washing soaps, washing powder, face powder, face cream, and shampoo, indicating satisfaction of rural consumers on the size of products.

Table-3: Skewness and Kurtosis of Satisfaction on Price of Products.

		Edible Oils	Tea & Coffee	Biscuits
Food Items	Mean	2.46	2.42	2.41
	Skewness	0.62	1.06	1.12
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	0.11	1.73	1.39
	Std. Error of Kurtosis	0.21	0.21	0.21
Toiletries		Bathing Soap	Washing Soap	Washing Powder
	Mean	2.45	2.36	2.48
	Skewness	0.23	0.58	0.88
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	-0.30	0.12	1.38
Cosmetics		Face Powder	Face Cream	Shampoo
	Mean	2.69	2.74	2.49
	Skewness	0.63	0.31	0.70
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	0.08	-0.66	0.30
	Std. Error of Kurtosis	0.21	0.21	0.21

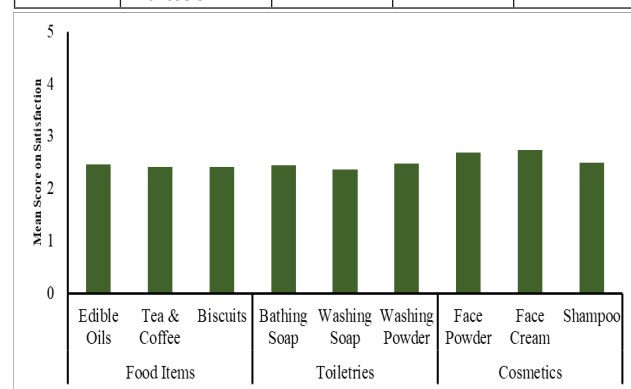


Figure-3: Mean Satisfaction of Rural Consumers on Price of Commodities.

Table-3 and Figure-3 present the satisfaction of consumers on the price of products by using skewness and kurtosis over their responses. The mean scores on food items, toiletries, and cosmetics products are 2.46, 2.42, 2.41, 2.45, 2.36, 2.48, 2.69, 2.74, and 2.49 for edible oils, tea & coffee, biscuits, bathing soap, washing soaps, washing powder, face powder, face cream, and shampoo, indicating satisfaction of rural consumers on the price of products.

Table-4: Skewness and Kurtosis of Satisfaction on Packaging of Products.

		Edible Oils	Tea & Coffee	Biscuits
Food Items	Mean	1.94	1.90	1.95
	Skewness	0.31	0.31	0.68
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	1.56	1.05	1.15
	Std. Error of Kurtosis	0.21	0.21	0.21
Toiletries		Bathing Soap	Washing Soap	Washing Powder
	Mean	2.09	2.12	2.14
	Skewness	0.94	0.44	0.47
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	3.01	0.91	0.57
Cosmetics		Face Powder	Face Cream	Shampoo
	Mean	2.07	1.98	1.87
	Skewness	0.75	0.80	0.19
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	0.94	1.36	0.50
	Std. Error of Kurtosis	0.21	0.21	0.21

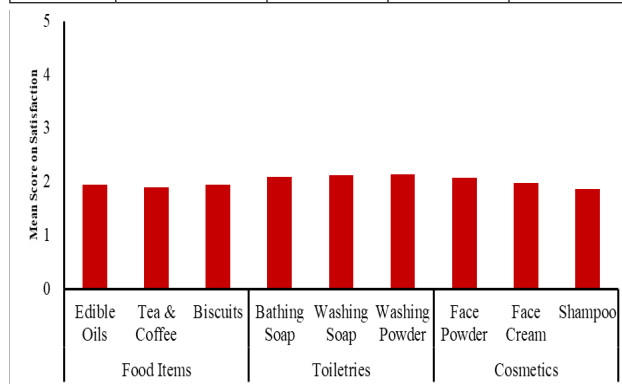


Figure-4: Mean Satisfaction of Rural Consumers on Packaging of Commodities.

Table-4 and Fig-4 present the satisfaction of consumers on the packaging of products by using skewness and kurtosis over their responses. The mean scores on food items, toiletries, and cosmetics products are 1.94, 1.90, 1.95, 2.09, 2.12, 2.14, 2.07, 1.98, and 1.87 for edible oils, tea & coffee, biscuits, bathing soap, washing soaps, washing powder, face powder, face cream, and shampoo, indicating satisfaction of rural consumers on the packaging of products.

Table-5: Consumer Shopping Behaviors.

	Details	%	Cumulative %
Distance Travelled to Purchase Goods	0 - 5 km	89.3	89.3
	6 - 13 km	9.7	99.0
	16 - 25 km	1.0	100.0
Reason to Travel Outside Village to Purchase Goods	Reasonable Price	26.1	26.1
	Better Product Service	22.9	49.0
	Credit Facilities	4.0	53.0
	High-Quality Goods	14.1	67.0
	Variety of Goods	33.0	100.0

Table 5 presents the shopping behaviour on distance. The majority of the rural consumers (89.3%) travel a distance of 0–5 km outside the village to purchase commodities. The responses towards purchasing commodities beyond 5 km, i.e., 6–13 km (9.7%) and 16–25 km (1.0%), are minimal. Also, 33.0% of consumers opine to travel outside of the village to purchase goods in search of many varieties. 26.1% opine for a reasonable price, 22.9% for better product service, and 14.1% for high-quality goods for travelling outside of the village to purchase commodities. As a result of the above, it is possible to assume that customers purchase goods within 5 kilometres of their peripheral with the purpose of purchasing variety. Consumers purchase on credit from the shops and insure themselves against the effects of the increase in prices.

Hypothesis validation in case of Rural Consumers

The aforesaid results and discussions on consumers will be further enriched by testing the hypothesis relating to the satisfaction of consumers with the

general factors of commodities- quality, size, pricing, and packaging of products. It is intended to find out various factors mentioned above become the cause of satisfaction of FMCG channels.

For testing this Hypothesis, Spearman's rank correlations are thought to be the most appropriate one.

Table-6: Spearman's Correlation Between Satisfaction on Range of Products and Distance Traveled by the Rural Consumers.

Commodities		Distance travelled
Edible Oils	Correlation Coefficient	-0.044
	Sig. (2-tailed)	0.309
	N	525
Tea & Coffee	Correlation Coefficient	0.100*
	Sig. (2-tailed)	0.022
	N	525
Biscuits	Correlation Coefficient	0.090*
	Sig. (2-tailed)	0.039
	N	525
Bathing Soaps	Correlation Coefficient	0.057
	Sig. (2-tailed)	0.192
	N	525
Washing Soaps	Correlation Coefficient	0.065
	Sig. (2-tailed)	0.139
	N	525
Washing Powder	Correlation Coefficient	0.040
	Sig. (2-tailed)	0.357
	N	525
Face Powders	Correlation Coefficient	0.067
	Sig. (2-tailed)	0.125
	N	525
Face Creams	Correlation Coefficient	0.006
	Sig. (2-tailed)	0.889
	N	525
Shampoos	Correlation Coefficient	0.064
	Sig. (2-tailed)	0.145
	N	525

N.B:- * Correlation is significant at the 0.05 level ($P < 0.05$).

The table-6 shows the relationship between distance travelled and consumer satisfaction across a variety of products. The correlation coefficients between distance travelled and consumer satisfaction for edible oil, tea, coffee, biscuits, bathing soap, washing soap, washing powder, talcum powder,

beauty cream, and Hair shampoo is -0.044, 0.100, 0.090, 0.057, 0.065, 0.040, 0.067, 0.006, and 0.064, respectively. The correlation coefficients against tea and coffee (0.100) and biscuits (0.090) are both statistically significant ($P < 0.05$). Hence, consumers' satisfaction for a range of products, tea & coffee and biscuits. Consumers do not wish to go longer distances for a variety of products, such as edible oil, bathing soap, washing powder, face powder, face cream, and shampoo.

Conclusion

FMCG products have been proven to be extremely important in our daily lives. In today's market, analyzing consumer satisfaction with FMCG products is critical. The current study concluded that while demographic variables are important in the consumer decision-making process, other demographic elements, with the exception of gender, have little effect on customer satisfaction. The study also reveals that variables such as quality of product, size of the product, pricing product, and packaging of the product have strong significations to customer satisfaction. Consumers are becoming more mindful and are shifting towards a more conventional and pleasant way of life to improve their quality of life.

Direction for Future Research

Future research in a similar topic can take into account a new geographical location and a different set of fast-moving consumer products. Similarly, studies on consumer durables could also be conducted.

References

- Abubakr, H.S. (2014). Analysis of factors affecting brand loyalty of product among consumers in Nigeria. *Developing Country Studies*.
- Anderson, E.W.' & Sullivan, M.W. (1993). The antecedents and consequences of customer satisfaction for firms. *Marketing Science*.
- Armstrong, G & Kotler, P (2015). Principles of Marketing (Fifteenth edition), Prentice-Hall India.
- Chatteraji, Purvita. (2006, April 13), Shampoos' biggest growth segment in rural India. *Business Line*. Retrieved.
- Cronbach, L.J., & Meehl, P.E (1995). Construct validity in Psychological Tests. *Psychological Bulletin*.

- Fournier, S. & Mick, D.G (1999), Rediscovering Satisfaction, *Journal of Marketing* .
- Gupta, S.I., & Pal, Sumitra (2002) Consumer behavior: An Indian context. New Delhi: Sultan Chand & Sons.
- Jeevananda, S. (2011). A Study on Brand Perception of FMCG Goods. *International Journal of Research in Commerce and Management*.
- Mahadira, F., & Purwanegara, M.F. (2014). A Study of brand consumption and consumer satisfaction towards fast-moving consumer goods. *Journal of business and management*.
- Minh, N.H., Ha, N.T., Anh, P.C. & Matsui, Y. (2015). Service quality and customer satisfaction: A Case study of hotel industry in Vietnam. *Asian Social Science*
- Rajsekaran, B. & Saravanan, P.A. (2014). Customer Satisfaction of Fast Moving Consumer Goods. *GJRA-Global Journal for Research for Research Analysis*.
- Reddy, V.B. (2017). A Study on FMCGs Customer Satisfaction with Special Reference to Dairy Products. *International Journal of Informative & Futuristic Research*.
- Rizwan, M., Umair, M.A., Fiaz, A., & Rashid, Q. (2014). Determinants of Customer Satisfaction and its impact on Customer loyalty in Nokia Brand, *Journal of Sociological Research*.
- Sapic, S., Topalovic, S., & Marinkovic, V. (2014). The influence of perceived value dimensions on customer loyalty. *Economic Themes*.
- Shanmugapriya, G & Sethuraman, R. (2014) Consumer Satisfaction towards Hamam Soap in Thanjavur Town, *International Journal of Engineering and Management Science*.
- Srivastava, P., & Kumar, R. (2013) A study on Consumer behavior that Influence Purchase decisions of FMCG products in Rural Markets of Uttarpradesh, *International Journal of Retailing & Rural Business Perspectives*.
- Suchanek, P., Richter, J., & Kralova, M. (2014). Customer Satisfaction, product quality, and performance of companies. *Review of economic perspectives*.
- Yuvarani, R. (2013). A Study on Rural Consumer Behavior towards Selected Fast Moving Consumer Goods in Salem District, *International Journal of Research*.
- Zeithaml, V.A. (1988). Consumer Perception of Price, quality, and value: a means-end model and synthesis of evidence, *Journal of Marketing*.
- Zeithaml, V.A. (2000). Service quality, profitability, and the economic worth of customers: what we know and what we need to learn. *Journal of the academy of marketing science*.
- Zeithaml, V.A., Parasuraman, A., Berry, L.L., & Berry, L.L. (1990). *Delivering quality service: Balancing customer perceptions and expectations*, Simon and Schuster.