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"Are All Low-Income Consumers are Stereotype in Respect of Their Consumption Expendituere on Various Items?" A Comparative Study

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Abstract:

Low-income consumers are the people who leads their life by satisfying their essential needs with their limited resources. Majority of the Indian population more or less related to this category, that's why the present study has been taken up in the selected area. To find out the average consumption expenditure of low-income consumers in the proposed study area. The objectives of the study are to know the pattern of consumption expenditure of low-income consumers on different items and to know the variation in the consumption expenditure of low-income consumers on essential commodities, durable goods and non-durable goods. The other objectives are to know the difference in the consumption expenditure of low-income consumers in respect of their literacy level and employment. In this regard the hypotheses are Ho: There is no difference in the average consumption expenditure of essential commodities and the average consumption expenditure of durable and non-durable goods. Ho2: The average consumption expenditure on essential commodities is same as durable goods. H03: The average consumption expenditure on durable goods is same as non-durable goods etc. Multi stage disproportionate non-random sampling technique was employed for selecting the sample in the proposed study area. Out of four districts in the Rayalaseema region of Andhra Pradesh we have selected two districts that is Kadapa and Chittoor. Five families each were selected from 50 mandal of Kadapa district. And out of 50 mandals of Chittoor district we have selected five families from each mandal. Hence, altogether it becomes 500 families for the present study. One-way Anova post hoc test multiple comparisons and two - way Anova Univariate, Mean and Standard deviation were used in the present study. The low-income consumers' consumption expenditure is not the same in respect of all the items that is their average consumption expenditure on essential commodities is different from durable and non- durable goods. In the present study it is clear that the low-income consumers' consumption expenditure on essential commodities is high next followed by durable goods and non-durable goods. It is suggested that the producers and marketers have to concentrate on essential commodities where they can encash the demand of the low-income consumers.

Keywords: Low-Consumer behaviour, comparative study, Consumption expenditure, stereotypic behaviour.

Low-income consumers are the consumers whose income is below rupees one lakh twenty thousand per annum. As these types of consumers are huge in India they were taken for the present study. The present study facilitates the producers and marketers to know the pattern of consumption expenditure in respect of low-income consumers on various items.

1. Objectives:

1. To find out the average consumption expenditure of low-income consumers in the proposedstudy area.
2. To know the pattern of consumption expenditure of low-income consumers on different items.
3. To know the variation in the consumption expenditure of low-income consumers on essential commodities, durable goods and non-durable goods.
4. To know the difference in the consumption expenditure of low-income consumers in respect of their literacy level and employment.

2. Hypothesis:

H1: The average consumption expenditure of low-income consumers on essential commodities is same as the average consumption expenditure of durable goods and non-durable goods.

Ho: There is no difference in the average consumption expenditure of essential commodities and the average consumption expenditure of durable and non-durable goods.

Ho2: The average consumption expenditure on essential commodities is same as durable goods. H2: There is a difference in the average consumption expenditure on essential commodities and durable goods.

H03: The average consumption expenditure on durable goods is same as non-durable goods.

H3: There is a variation in the average consumption expenditure on durable goods and non-durable goods.

H4: The consumption expenditure on non-durable goods is not the same as the average consumption expenditure on essential commodities.

H04: The consumption expenditure on non-durable goods is not varying the consumption expenditure on essential commodities.

H05: There is no impact of the literacy level and employment on the consumption expenditure of low-income consumer.

***3. Sample selection**:*

Multi stage disproportionate non-random sampling technique was employed for selecting the sample in the proposed study area. Out of four districts in the Rayalaseema region of Andhra Pradesh we have selected two districts that is Kadapa and Chittoor. Five families each were selected from 50 mandal of Kadapa district. And out of 50 mandals of Chittoor district we have selected five families from each mandal. Hence, altogether it becomes 500 families for the present study.

Tools for data collection:

Simple random sampling technique was employed and we used Questionnaire with open-ended and closed ended questions. Likert scale was also used.

Tools for data analysis:

One-way Anova post hoc test multiple comparisons and two - way Anova Univariate, Mean and Standard deviation were used in the present study.

Table 1: Showing the average consumption expenditure of low-income consumers ondifferent items

Items	Mean	N	Std. Deviation
1. Essential commodities	55.7440	500	6.47474
2. Durable goods	19.0020	500	3.67164
3. non-durable goods	12.5020	500	1.84955
Total	29.0827	500	19.55195

Source: Field data

The average consumption expenditure of low-income consumers on essential commodities is 55.74 which are more than the other items that is durable goods 19.00 and non-durable goods 12.50. In the present study the overall consumption expenditure is 29.08 which are very less compare to the average consumption expenditure of essential commodities as shown in the above table.

Based on the above table it is clear that the low-income consumers are spending more amounts on essential commodities than durable and non-durable goods.

Table. 2: Showing the relation between the group and within the groups exp.per

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	543682.521	2	271841.261	13863.769	.000
Within Groups	29353.228	1497	19.608		
Total	573035.749	1499			

Because the significance value is less in the above table the null hypothesis is rejected at both the cases that is .001 and .005 level. Based on this we can conclude that the average consumption expenditure of low-income consumer on essential commodities is not the same on three items. That is the average consumption expenditure of essential commodities is different when compare to the average consumption expenditure of durable and non-durable goods.

4. Multiple Comparisons

Dependent Variable: consumption expenditure percentage

Table 2: Multiple comparison of consumption expenditure Tukey HSD

(I) items	(J) items	Mean Difference(I-J)	Std. Error	Sig.	95% ConfidenceInterval	
					Lower Bound	Upper Bound
1. Essential commodities	2.Durable goods	36.74200(*)	.28006	.000	36.0850	37.3990
	3.Non-durable goods	43.24200(*)	.28006	.000	42.5850	43.8990
2. Durablegoods	1.Essential commodities	-36.74200(*)	.28006	.000	-37.3990	-36.0850
	3.Non-durable goods	6.50000(*)	.28006	.000	5.8430	7.1570
3. Non-durablegoods	1.Essential commodities	-43.24200(*)	.28006	.000	-43.8990	-42.5850
	2.Durable goods	-6.50000(*)	.28006	.000	-7.1570	-5.8430

* The mean difference is significant at the .05 level.

In the above table it shows that the mean deference is significant in all cases that are there is a significant difference in the average consumption expenditure of low-income consumers on essential commodities and durable goods (1 to 2), durable goods and non-durable goods (2 to 3) and non-durable goods and essential commodities (3 to 1). Hence, all the null hypotheses sated for the present study were rejected.

Table 3: Showing the consumption expenditure percentageTukey HSD

Items	N	Subset for alpha = .05		
		1	2	3
3.non-durable goods	500	12.5020		
2.Durable goods	500		19.0020	
1.Essential commodities	500			55.7440
Sig.		1.000	1.000	1.000

Means for groups in homogeneous subsets are displayed. Uses Harmonic Mean Sample Size = 500.000.

The above table also confirm that there is no similarity among the essential commodities, durable goods and non-durable goods in respect of consumption expenditure. This we can say as the table not placing any of the two items under one subset.

Table 4: Two-way ANOVA Dependent Variable: Percentage of consumption expenditure.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	2209.013(a)	2	1104.507	33.785	.000
Intercept	81669.456	1	81669.456	2498.131	.000
Education back ground	114.628	1	114.628	3.506	.062
Employed unemployed	41.130	1	41.130	1.258	.263
Education back ground * Employed unemployed	.000	0	.	.	.
Error	16248.035	497	32.692		
Total	1578180.000	500			
Corrected Total	18457.048	499			

a) R Squared = .120 (Adjusted R Squared = .116)

In the above table it shows that the p value is 0.062 and 0.263 (F - 3.506, 1.258). Hence, we can accept the null hypothesis and it can be concluded that there is no impact of educational back ground and employment on the consumption expenditure of low-income consumers in the selected study area.

Table 5: Education back ground Dependent Variable: Percentage of consumption expenditure

Education back ground	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
1. Literates	61.785	2.867	56.152	67.417
2. Illiterates	54.277(a)	.321	53.647	54.907

a Based on modified population marginal mean.

In the above table it is clear that the literate low-income consumers' mean value is 61.785 whereas the illiterate low-income consumers' mean value is 54.277. In the above table it is clear that the literate low-income consumers are spending more compare to illiterate low-income consumers. The illiterates are somewhat economical than literates.

Table 6: Employed and unemployed Dependent Variable: Percentage of consumption expenditure

employed.unemployed	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
1. Employed	58.569(a)	.425	57.734	59.404
2. Un-employed	59.638	2.863	54.013	65.264

a Based on modified population marginal mean.

The above said table implies that the employed low-income consumers mean value is 58.569 and in the case of un-employed low-income consumer's mean value are 59.638. The lower consumption expenditure value in the case of employed is 57.734 whereas with regard to illiterates it is 54.013 which are somewhat less compare to literates. The upper bound value of literate is 59.404 illiterates are 65.264. Based on the above we can conclude that the illiterates are spending much compare to literates.

5. Findings and conclusions

- The low-income consumers' consumption expenditure is not the same in respect of all the items that is their average consumption expenditure on essential commodities is different from durable and non-durable goods. In the present study it is clear that the low-income consumers' consumption expenditure on essential commodities is high next followed by durable goods and non-durable goods. It is suggested that the producers and marketers has toconcentrate on essential commodities where they can en cash the demand of the low incomeconsumers.
- It is found that there is no similarity among the items that is there are differences in the consumption expenditure of low-income consumers on essential commodities and durable goods, durable goods and non-durable goods and non-durable goods and essential commodities.
- It is found that the impact of education back ground and employment is not on the consumption expenditure of low-income consumers. It means irrespective of their education(literate or illiterate) and employment (employed and un-employed) they are spending their income on different items as shown in the present study.
- In the present study it is found that the literates are spending much when compare to illiterates. The mean value of literates is 61.785 and illiterates are 54.277 which are somewhat lesser than literates.
- In the present study it is found that the average consumption expenditure of employed low- income consumers' is 58.569 and un-employed low-income consumers' is 59.638. That is in the present study it is found that with only one percent difference all the employed and un- employed low-income consumers are spending the same amount on essential commodities.

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