

Priority of Low-Income Consumer Behaviour in Visiting Market Places

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Abstract:

Need of the study: The competition among the marketers is at cutthroat type so, the marketers have to search for new avenues or the new segments for selling their goods and services. The present study will pave the way to the marketers and producers to reach the markets where the low-income consumers are available to purchase the goods and services at their potentiality.

Objectives:

1. To find the market places being visited by the low-income consumers.
2. To know the level of consumption expenditure of low-income consumer in a particular market place.
3. To find the market place where the low-income consumer is spending much.

Irrespective of their income level, most of the respondents from low-income consumers preferred 'public distribution shops' for food provisions whatever was available there. Secondly, they preferred to visit 'retail shops', 'towns', and 'district head quarters' were cited as the third, 'vendors' as the fourth, and lastly 'other sources' as their preferred market places, from where they buy their products and services. (Table no: 3). There is relation between literacy level and visiting market place for purchasing goods and services. To say clearly based on their literacy level the low-income consumers market place priority is changing. Based on post hoc test it is found that there exists some similarity in the consumption expenditure of retail shops and district headquarters. But not in the case of public distribution shops. (Table no: 9). Under the keen competition it is suggested to the marketers to provide the necessary goods at Public Distribution Shops to reach the market which they have never met so far.

Keywords: low-income consumers, Market place, Consumer behavior, Marketing, Public distribution shops.

Hypothesis:

1. There is no significant relationship between the profession and the visiting market place of low-income consumer.
2. There is no significant relationship between the literacy level and visiting market place of low-income consumer.
3. The average expenditure of low-income consumers in the three market places is same.
4. The average expenditure of low-income consumers in market1 is same as that in market2.
5. The average expenditure of low-income consumers in market1 is same as that in market2 and market3.

Sample selection:

Convenience sampling and multi-stage random sampling techniques were adopted in sample selection. Accordingly, Kadapa district was selected as sample district, based on convenience sampling technique. The Kadapa district is one of the 4 districts in Rayalaseema region of Andhra Pradesh, other divisions being coastal Andhra and Telangana region with 9 and 10 districts respectively. The multi-stage sampling procedure comprised the selection of mandals at its first stage, selection of villages in the second stage, and finally the selection of families in the third stage. Accordingly, 5 villages at random were selected from each Mandal of 51 mandals in Kadapa district, and then 5 families from each village were selected to elicit responses to the questionnaire administered. Thus, the total sample consists of 255 families.

Tools for data analysis:

Both primary and secondary data were collected, classified, calculated, tabulated and analyzed systematically as per the required order by using percentage analysis, chi-square analysis, ANOVA.

Scope and limitations:

The study is limited to behavior of low-income consumers in Kadapa district of Andhra Pradesh only. Hence, it may not be generalized for income groups existing in other areas of Andhra Pradesh and other states in India.

1. Profile Of The Respondents Taken For Survey

The following is the profile of the respondents taken for the survey. Out of 51 mandals in Kadapa district of Andhra Pradesh, 255 families were selected for the execution of the questionnaire, on the basis of multi-stage disproportionate stratified random sampling technique.

Table 1 : Occupational distribution of the respondents

Sl. No.	Main Occupation	No. of Respondents	Percentage
1.	Govt. employees	12	4.70%
2.	Pvt. employees	65	25.49%
3.	Agri labours	112	43.92%
4.	Cultivators	16	6.27%
5.	Business	20	7.84%
6.	Others	30	11.76%
	Total	255	100%

Source: Field data

Table1 denotes the distribution of respondents by their occupation. Out of 255 respondents, 12 respondents were Government employees comprising 4.70%, 65 private employees (25.49%), 112 agricultural laborers (43.92%), 16 cultivators (6.27%), 20 business people (7.84%), and the remaining 30 respondents belonged to other occupations, such as construction workers, drivers other daily laborers representing 11.76% of the total respondents.

Table 2 : Distribution of respondents according to their education level

Sl. No.	Individual educational level	No. of respondents	Percentage
1.	Illiterates	57	22.35%
2.	Primary	74	29.01%
3.	Secondary	67	26.27%
4.	Graduates	13	5.09%
5.	Post-Graduates	6	2.35%
6.	Technical and other qualifications	38	14.90%
	Total	255	100%

Source: Field data

Table 4.14 shows that 57 respondents selected were illiterates covering 22.35% of total respondents. There were 74 respondents (29.01%) having primary education, 67 respondents (26.27%) with secondary education, 13 respondents (5.09%) with graduation, 6 respondents with post-graduation (2.35%), and 38 respondents (14.90%) with technical and other qualifications .

2. Empirical analysis of the study

Table 3: Ranking of the respondents according to their income and preferred market places while purchasing goods and services

Sl. No.	Income	No. of Respondents	No. of respondents influenced by				
			Public distribution shops	Retail shops	Towns and district. head quarters	Vendors	Others
1.	Rs.15000-30000	27	I	II	III	IV	V
2.	Rs.30000-45000	89	I	II	III	IV	V
3.	Rs.45000-60000	72	I	II	III	IV	V
4.	Rs.60000-75000	36	I	II	III	IV	V
5.	Rs.75000-90000	19	I	II	III	IV	V
6.	Rs.90000-120000	12	I	II	III	IV	V
	Total	255	I	II	III	IV	V

Source: Field data

Table3 implies the rank wise distribution of respondent's ranks according to their income and preferred market places for purchasing goods and services. Five kinds of market places were frequently visited by the low-income consumers of the selected area. They were public distribution shops, retail shops, mandal or towns' shops, vendors (who visits low-income people's villages for selling their goods and services) and others (fairs, exhibitions, show rooms, processions etc.).

Table no: 4 Cross tabulation of low-income consumers according to their profession and market place.

Profession of low-income consumer	No of low-income consumers visiting market place					Total
	PDS (Market1)	Retail shop (Market2)	District head quarters (Market3)	Vendors (Market4)	Others (Market5)	
Agriculture laborers	83	13	3	7	7	113
Pvt. Employees	46	8	3	4	4	65
Total	129	21	6	11	11	178

Source: field data

Tabulated with SPSS

The above table implies that out of 113 agricultural laborers 83 respondents choose public distribution shops as their first priority to purchase goods. Second priority goes to Retail shop third fourth and fifth priorities goes to vendors, others and district headquarters respectively. Off the 65 private employees 46 respondents visiting public distribution shops for purchasing goods 8 respondents to retail shop 4, 4 and 3 respondents to vendors others and district headquarters respectively..

Table no: 5 Ch- square test between profession and priority of market place.

Test	Chi-square value	df	(P) Asymp. Sig.
Pearson chi-square	.534	4	.970
Linear by linear association	.057	1	.811
No. of valid cases	178	--	--

Source: field data

In the above table the calculated value ($P = .970$) is greater than the table value (0.05) hence, the null hypothesis (H_0) cannot be rejected. We can conclude that there is no significant relation between the profession of the low-income consumers and their priority in visiting a market place for purchasing goods and services. Linear by linear association says that when there is change in number of respondents taken there will be a change in their priority according to the above said table of priority.

Table no: 6 Cross tabulation of low-income consumer behavior according to their education level and market place priority

Count

Education level	Market places			Total
	Public distribution shops (1.00)	Retail shops (2.00)	District headquarters (3.00)	
Illiterates	97	24	10	131
Literates	69	32	23	124
Total	166	56	33	255

Out of 166 respondents visiting public distribution shops 97 are illiterates and 69 are literates. Off the 56 low-income consumers who visited retail shops, 24 are illiterates and 32 are literates. Out of 33 respondents who visiting district headquarters 23 respondents are literates and 10 are illiterates. On the overall observation it is said that irrespective of their educational level most of the respondents are visiting public distribution shops compare to other market places for purchasing goods and services.

Table no: 7 Chi-Square Tests between the literacy level and visiting market place of low-income consumers

Test	Value	Df	Asymp. sig. (2sided)
Pearson chi-square	10.803	2	.005

In the above table the P value 0.005 is lower than the accepted level of 0.05. This means we can reject the null hypothesis (H_0). There is relation between literacy level and visiting market place for purchasing goods and services. To say clearly based on their literacy level the low-income consumers market place priority is changing.

Table no: 8 ONE WAY ANOVA among the three market places to check the average consumption expenditure of low-income consumer.

Comparison	Sum of squares	df	Mean square	F	Sig.
Between groups	946.824	2	473.412	14.802	.000
With in groups	8.59.858	252	31.984	--	--
Total	9006.682	254			

Source: field data

The table labeled one way gives, the first row labeled between groups gives the variability due to the market place consumption expenditure (between groups variability).

The second row labeled with in groups variability due to random error and the third row gives the total variability. In the above table F-Value is 14.802 and the corresponding P value is given as <0.000. Therefore, we can safely reject the null hypothesis (H03) and conclude that the average consumption expenditure of low-income consumers is not the same in the three market places they are visiting that is public distribution shop, retail shop and district headquarters.

Table no: 9 Multiple Comparisons among market places

Dependent Variable: M.EXH

(I) MKTG.PLC	(J) MKTG.PLC	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1.00	2.00	-4.0828(*)	.88251	.000	-6.1634	-2.0021
	3.00	-3.7491(*)	.95835	.000	-6.0085	-1.4896
2.00	1.00	4.0828(*)	.88251	.000	2.0021	6.1634
	3.00	.3337	1.13220	.953	-2.3356	3.0031
3.00	1.00	3.7491(*)	.95835	.000	1.4896	6.0085
	2.00	-.3337	1.13220	.953	-3.0031	2.3356

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

Post hoc test in the table no: 4 present the result of the comparison between all the possible pairs. Since we have three market places a total of six pairs will be possible.

The 'P' value for public distribution shop and retail shop, public distribution shop and district headquarters, retail shops and district headquarters, district headquarters and public distribution shop comparison is shown as 0.000. This means that the average consumption expenditure between public distribution shop and retail shop, public district shops and districts headquarters, retail shop and public distribution shops, district headquarters and public distribution shops are significantly different (H04 and H05).

To say clearly, there is a significant difference in the average consumption expenditure of low-income consumers in public distribution shops (Market place-1), retail shop (Market-2) and district headquarters (Market-3). But, where as it is 0.953 for retail shop and district headquarters, district headquarters and retail shop. This means that the same is not significantly different between retail shop (Market-2) and district headquarters (Market-3).

To say further there is no much difference in the consumption expenditure of low-income consumers in the market places like retail shops and district headquarters while purchasing goods and services.

Table no: 10 Homogeneous Subsets of three market places
M.EXH, Tukey HSD

MKTG.PLC	N	Subset for alpha = .05	
		1	2
1.00 (PDS)	154	9.0065	
3.00 (District head qtr)	45		12.7556
2.00 (Retail shop)	56		13.0893
Sig.		1.000	.940

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 64.415.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

The same can be proved in the above said table no:5 named homogeneous sub sets. In this table, the groups are arranged in the increasing order by the mean value. Public distribution shops having the least average mean value of their consumption expenditure is listed first and followed by district headquarters and retail shops. Under the sub-set district headquarters and retail shops are shown below the sub set-2. This means that there is no significant difference in the consumption expenditure of low-income consumers in district headquarters (Market-3) and retail shops (Market-2). But where as in the case of public distribution shops it is shown under the sub set-1 this means that there is significant difference in the consumption expenditure of low-income consumers in public distribution shops (Market-1) and retail shops (Market-2) and district headquarters (Market-3).

3. Scope for further research

Since, the consumer behavior varies from one to the other market jurisdictions among social groups in the nation, the present research study can be extended to the other market places and other clusters across India. The same ethnographic research method can be utilized for conducting the study about the consumer behavior of various income groups from various races by treating them as distinctive ethnic groups existing in Indian market for various products and services offered by marketers.

4. Findings and conclusions:

- Irrespective of their income level, most of the respondents from low-income consumers preferred 'public distribution shops' for food provisions whatever was available there. Secondly, they preferred to visit 'retail shops', 'towns', and 'district head quarters' were cited as the third, 'vendors' as the fourth, and lastly 'other sources' as their preferred market places, from where they buy their products and services. (Table no:3)
- On the overall observation of the above table out of 178 respondents of the two professions (Agriculture laborers and Pvt. Employees) 129 respondents selected public distribution shops as their first priority for purchasing goods 21 to retail shops, 11 and 11 to vendors and others and 6 to district headquarters. (Table no: 4)

- It is found that there is no relation between the profession of low-income consumers and their priority in visiting market place. This means that they are all preferring the same market place irrespective of their profession. (Table no: 5)
- There is relation between literacy level and visiting market place for purchasing goods and services. To say clearly based on their literacy level the low-income consumers market place priority is changing.
- Based on one-way Anova table we found that the average consumption expenditure of low-income consumers is not the same in all market places which are being visited by low-income consumers. (Table no:8)
- Based on post hoc test it is found that there exists some similarity in the consumption expenditure of retail shops and district headquarters. But not in the case of public distribution shops. (Table no: 9)
- Under the keen competition it is suggested to the marketers to provide the necessary goods at Public Distribution Shops to reach the market which they have never met so far.

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