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Low Income Consumer Behaviour: A Case Study

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LOW-INCOME CONSUMER BEHAVIOUR: A CASE STUDY

K. Abraham¹, Y. Subbarayudu¹

ABSTRACT

India is a country with huge population. There are various groups of people based on castes, sub-castes, religions, tribes etc., with different cultures. Hence, it has become very tough to the producers and marketers to produce and sell the goods and services according to the ever changing requirements of such groups. The 'An ethnographic study of low-income consumer behaviour' is a new term used in the present study where sociology, anthropology and marketing subjects are integrated. Because of so many influencing factors there, the Veblenian socio-cultural factors (like culture, sub-culture, social class, reference group, family and its supporting elements) were taken for the study. Multi-stage stratified disproportionate random sampling technique was employed in the sample selection. We found that most of the low-income consumers were being influenced by social class and family among the above said factors. It was found that 'lowprice', 'credit facility', 'distance', 'familiar shopkeeper', 'quantity', 'quality' and other benefits were the factors which had been creating relationship between the low-income consumers and market place. It is suggested that the public distribution system is the right place to capture the new market.

Key words: *Ethnography, ethnic group, ethnographic study, consumer behaviour, Veblenian factors.*

Introduction

Ethnography is a branch of Anthropology concerned with the description of ethnic group. Ethnic group is a group which shares socio-cultural characteristics in the society. An ethnic group may be defined as a group of individuals “with a shared sense of people-hood” based on presumed socio-cultural experiences and/or similar physical characteristics. Such groups may be viewed by their members and/or outsiders as religious, racial, national, linguistic, and/or geographical.¹ Thus, what ethnic group members have in common is their ethnicity or sense of people-hood, which represents a part of their collective experience.

Ethnographic method

Ethnographic method starts with the selection of a culture, review of the literature pertaining to the culture, and identification of variables of interest – typically variables perceived as significant by members of the culture. The ethnographer then goes about gaining entrance, which in turn sets the stage for cultural immersion of the ethnographer in the culture. It is not unusual for ethnographers to live in the culture for months or even years. The middle stages of the ethnographic method involve gaining informants, using them to gain yet more informants in a chaining process, and gathering of data in the form of observational transcripts and interview recordings. Data analysis and theory development come at the end, though theories may emerge from cultural immersion and theory articulation by members of the culture. However, the ethnographic researcher strives to avoid theoretical preconceptions and instead to induce theory from the perspectives of the members of the culture and from observation. The researcher may seek validation of induced theories by going back to members of the culture for their reaction. Ethnographic methodologies vary and some ethnographers advocate use of structured observation schedules by which one code may be observed behaviours or cultural artifacts for the purpose of later statistical analysis, for instance of consumer behaviour

Veblenian socio–psychological model

Thorstein Veblen saw man as primarily a social animal conforming to the general forms and norms of his larger culture and to the more specific standards of the sub cultures and face to face group to which his life is bound. His wants and behaviour are largely moulded by his present group memberships and the group memberships to which he aspires. The basic theme is that man's attitudes and behaviour are influenced by several levels of society, culture, sub-culture, social classes, reference groups, face to face groups and family. The challenge to the marketer is to determine which of these social levels is most important in influencing the demand for his product.

Statement of the problem

The research studies conducted, so far, were related to Sociology but not to Anthropology nor consumer behavior in relation to particular product or services. There were no research studies integrating these exclusive subjects. Hence, the present study has assumed greater importance in the present India. The present study looked at low income consumer behavior of socially backward classes in cultural perspective. The study includes how individuals of socially backward classes make decisions in spending their available meager resources (time, money,

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efforts) on consumption related items.

Objectives of the study

1. To investigate the motivational factors (especially V.B factors) influencing the shopping and consumption behavior of low income people from socially backward classes.
2. To study the relationship between low-income people of socially backward classes and market place.

Research methodology

The following is the methodology followed in accomplishing the stipulated objectives of the study:

Research approach

The ethnographic method is applied to the present study of research in marketing. The research approach consists of the following steps to meet the objectives of the present study:

- ∞ Establishment of residents in the proposed study area for a period of approximately 9 to 12 months.
- ∞ Selection of approximately 10 families of the resident population for closer observation and study.
- ∞ Development of social relationship and friendship with residents of the study area.
- ∞ Informal discussions on shopping and consumption behaviour of the residents.
- ∞ Investigation of the market place facilities in the study area.
- ∞ Interviewing owners, managers of local retail and service shops.
- ∞ Interviewing of elites, communities, organization workers, social workers and other community residents and officials in the study area.
- ∞ Accompanying local residents during shopping trips.
- ∞ Selection of the samples from the selected area.

Sample selection

Both primary and secondary data were used in the present study. Convenience sampling and multi-stage disproportionate stratified 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 Telengana region with 9 and 10 districts respectively. The multi-stage stratified disproportionate 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. Besides this sample, 10 families from Putlam Palli panchayat in Kadapa district of Andhra Pradesh State as well was selected for the purpose of staying with them for 9-12 months with a view to gain close observation and to attain the stipulated objectives of the present study.

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.

Empirical analysis of the study

Association between income and reference groups of the respondents is shown in **Exhibit 1**. Since the calculated value is greater than the critical value, it is found that there is no association between their income and influencing reference groups while making a purchasing decision, and hence, it is found that 'there is no association between income level of the respondents and reference group'.

Finally, when we aggregate all the respondents as per the reference groups mentioned in the Exhibit, majority of the respondents (31.73%) opined that 'family' was their influencing group while 21.3% felt 'friends', 15.6% felt 'co-workers', 11.3% each cited both 'religious groups' and 'trade unions', the remaining 8.69% of total respondents felt 'others' as their reference group.

Exhibit 2 shows the distribution of respondents according to their occupation and influencing cultural factors while making a purchase decision. There is no association between occupation and their influencing cultural factors while making a purchasing decision, and hence it can be stated that 'there is no association between the occupation of the respondents and cultural factors while making purchase decision'. It may be deduced that, most of the respondents i.e., 107 respondents (41.96%) irrespective of their profession gave priority to 'others',

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65 respondents (25.49%) to 'beliefs', 46 respondents to (18.03%) 'customs and practices', and lastly 37 respondents to (14.50%) 'values' as their influencing cultural factors.

Distribution of respondents as per their age and influencing sub-cultural factors while making a purchase decision is shown in **Exhibit 3**. Since the χ^2 value is greater than the Exhibit value it found that there is no significant association between the two variables. It is clear from the analysis that the preference was given to 'religion', 78 respondents (30.58%) to 'others', 59 respondents (23.13%) to 'racial factors' 24 respondents (9.41%) to 'geographical factors' and the remaining 12 respondents (4.70%) to 'national' factors.

Exhibit 4 shows the distribution of respondents according to their family size and influencing members of the family while making a purchase decision. There is no association between family size and their influencing family members during purchase decision. On the whole, 91 respondents (35.68%) gave priority to 'father', 57 respondents (22.35%) cited 'mother', 48 respondents (18.82%) 'both' (father and mother), 34 respondents (13.33%) 'children', 18 respondents (7.05%) 'all' and the rest 06 respondents (2.35%) referred 'others' (i.e., relatives, strangers, neighbors, etc.) as their reference groups.

Exhibit 5 presents the distribution of respondents according to their family consumption expenditure per annum and influencing social class factors while making a purchase decision. It is found that there is no association between family expenditure and their influencing social class factors during the purchase decision.. It may be seen that the most of the respondents took sides in favor of 'income' as their influencing factor covering 30.19%, while 58 respondents (22.74%) preferred 'asset value', 57 respondents (22.37%) 'others', 37 respondents (14.50%) 'occupation' and only 26 respondents (10.19%) 'literacy level'.

Exhibit 6 presents Veblenian socio-cultural factors and their association while making a purchase decision. The five Veblenian socio-cultural factors include 'reference group', 'culture', 'sub-culture', 'family', and 'social class', with high communalities of 0.894, 0.906, 0.936, 0.903, and 0.943 respectively. This indicates that the factors have high degree of association among themselves. It may be concluded that the consumers who were influenced by any of these factors were also influenced more or less by the remaining factors.

Exhibit 7 shows the Veblenian socio-cultural factors and their relative importance in the purchase decision. From the Exhibit 7 it is clear that 'income level' has high relative importance of 79.296% variance out of 7 variables of the underlying factors. It is the most influencing factor while making a purchase decision, followed by

culture, sub-culture, family, social class and V.B. factors with 14.94%, 3.94%, 1.40%, 1.40%, 0.946% and 0.724% of variances respectively.

Exhibit 8 exhibits the ranking of the respondents according to their income and preferred market places while purchasing goods and services. It 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 socially backward classes. 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.). Irrespective of their income level, most of the respondents from socially backward classes 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.

Exhibit 9 presents the occupational distribution of respondents according to their motivating factors in visiting a public distribution shop. There is no association between occupation and their motivating factors in visiting public distribution shops. Exhibit 9 denotes the occupational distribution of respondents by their influencing factors to visit a public distribution shop. Out of 12 government employees, 07 respondents indicated that they visited 'public distribution shops' due to 'low priced' goods available there. Followed by 02 respondents who cited the 'quality' of goods available there, 02 respondents 'quantity', and one respondent cited that it is 'near to their home'. Out of 65 private employees, chose 'low price', 'quality of the goods', 'nearer to home' and 'quantity' in the order were cited as the reasons to visit. Agricultural labourers also preferred 'low price', 'quantity', 'quality' and 'nearer to home', consecutively. Cultivators (16) gave priority to 'nearer to home', 'cheap price', 'quality' and 'quantity' in order. Of the 20 business respondents, 08 respondents chose 'low price' as their influencing factor, 06 people 'quantity', and 03 respondents each 'quantity', and 'nearer to home' as reasons to visit public distribution shops. Others were 30; their order of priority was 'low price', 'nearer to home', 'quantity', and 'quality'. It is clear that most of the respondents chose 'low-price' (57.25%), followed by 'near to home' (14.90%), 'quantity' (14.50%), 'quality' (13.33%) consecutively.

Exhibit 10 shows the distribution of respondents according to their level of consumption expenditure and key motivational factors for visiting a retail shop. It is found that there is no association between family expenditure and their key

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motional factors in visiting retail shops for purchasing goods and services. Exhibit 10 explains the distribution of respondents by their level of consumption expenditure and key influencing factors to visit a specific retail shop. Out of 45 respondents having below Rs.20000 as consumption expenditure, 05 families said that they visited 'retail shops', 'credit facility', provided by the retailers, 03 respondents each preferred 'low price' of goods and 'quality' of the goods, 02 respondents 'familiar with shopkeeper', and 01 respondent each 'near to home', and 'others'. 74 respondents in the category of Rs.20000-30000 consumption expenditure gave their priority to 'credit facility', 'nearer to their homes', 'low prices', 'familiar with shop keeper', 'quantity', 'quality' and 'other reasons' in that order. Similar order of preference was stated by the respondents having Rs.30000-40000 consumption expenditure. 50 respondents relating to the consumption expenditure of Rs.40000-50000 gave their priority to 'credit facility', nearer to home', 'familiarity with shop keeper', 'quality' and 'quantity', and lastly 'other reasons' in that order. Out of 26 respondents having Rs. 50000-60000 consumption expenditure, 07 respondents mentioned 'credit facility', 05 respondents each 'nearness to home' and 'familiarity with shopkeeper', 03 respondents each 'low price' and 'quality', 02 respondents 'other reasons' and only one respondent cited 'quantity'. 18 respondents belonged to consumption expenditure of Rs. 60000 and who gave their priority to 'credit facility', 'nearness to home', 'familiarity with shop keeper', 'low price', 'quality', 'other reasons and 'quantity' consecutively as reasons to visit a retailer. The above analysis shows that 78 respondents (covering 30.58%) chose 'credit facility' as their main influencing factor to visit retail shops, 53 respondents (covering 20.78%) preferred 'nearness to home', 41 respondents (covering 16.07%) 'low price', 33 respondents (12.94%) 'familiarity with shopkeeper', 22 respondents (8.62%) 'quantity', 15 respondents (5.88%) 'quality' and the rest of 13 respondents (5.00%) 'other reasons' as the reasons for their visit to retail shops.

Exhibit 11 presents the distribution of respondents according to their education and key motivational factors for visiting towns and district headquarters for purchasing goods and services. Since the calculated value is greater than the Exhibit value it is found that there is no significant association between the two variables, and hence, it can be said that 'there is association between education level and their motivating factors in visiting shops in towns and district headquarters'..Exhibit 11 shows the distribution of respondents by their education and key motivational factors in that prompted them in visiting the shops at mandal and district head quarters. Out of 57 respondents belonging to illiterates, 22 respondents told that they would go to towns with a view to get goods at 'low price', while 14 respondents 'quality', 10 respondents 'other reasons' (like discounts,

activities), 03 respondents each gave 'quantity' and 'nearness' to their village, and only one respondent cited 'credit facility'. 74 respondents having primary education gave priority to 'quality', 'low price', 'others', 'familiarity with shopkeeper', 'nearness to home', 'quantity' and 'credit facility' in that order. Out of 67 respondents having secondary education, 27 respondents chose 'quality', 13 respondents 'low price', 08 respondents 'familiarity shop keeper', 07 respondents 'others', 04 respondents 'nearness to home' and 03 respondents 'credit facility'. Out of 13 respondents having graduation, 05 respondents chose 'quality', 03 respondents 'others', 02 respondents 'low price' and finally 01 respondent each 'nearness to home', 'familiarity with shopkeeper' and 'credit facility' as their influencing factor for visiting town shops. 6 post-graduates indicated their priority to 'quality', 'other reasons' and 'low price' in that order. 38 respondents were belonging to 'technical and other qualification' category gave their order of preference to 'quality', 'others', 'low prices', 'quantity', 'nearness to home', 'familiarity with shopkeeper', and 'credit facility'. It is clear that most of the respondents' main reason behind visiting towns for purchasing goods and services was to get 'quality goods' (31.76%), while 64 respondents (25.08%) mentioned 'low price', 49 respondents (19.21%) 'other reasons', 21 respondents (8.23%) 'familiarity with shopkeeper', 16 respondents (6.27%) each 'quantity' and 'nearness to home', and the remaining 08 respondents mentioned (3.13%) 'credit facility' as their motivators to go to towns and district headquarters to buy goods and services.

Findings and suggestions

1. Association between income and reference groups of the respondents

Finding

Based on the income, the influencing reference groups of low-income consumers kept on changing. But the overall observation shows that 'family' (31.76%), 'friends' (21.96%) and 'co-workers' (14.9%) were the main influencing factors while making a purchase decision. (Exhibit 1)

Reason

Irrespective of their income level, the low-income consumers of socially backward classes gave priority to the suggestions of the 'family members' and 'others' in making a purchasing decision.

Suggestion

There are different levels of income among low-income consumers from socially backward classes. So, the marketers should take into consideration

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the opinion of 'family', and 'friends' for selling the goods and services.

2. Distribution of respondents according to their occupation and influencing cultural factors while making a purchase decision.

Finding

There was difference in the type of influencing cultural factors of agricultural labourers and private employees when compared to that of cultivators and business people. The agricultural laborers 56, 25, 17, 14 preferred 'others', 'beliefs', 'customs and practices' and 'values' consecutively. while the cultivators 5, 5, 3, 3 preferred 'customs and practices', 'beliefs', 'values' and 'other factors' in that order. With that, it is clear that based on their occupation their influencing factor is also changing. (Exhibit 2)

Reason

Low-income people of agricultural laborers and private employees preferred 'others' like the family, food, dress, and health. So it affected the overall response of the total respondents

Suggestion

People who were good by their profession preferred 'customs and practices', 'beliefs' and 'values'. But those who were low by their profession mostly preferred 'others' like their necessities that were related to their better livelihood. So, it is suggested the producers and marketers concentrate on the low profession respondents as they influence the remaining people's responses of the socially backward classes category.

3. Distribution of respondents as per their age and influencing sub-cultural factors while making a purchase decision

Finding

In the distribution of respondents as per their age Exhibit, most of the respondents chose 'religious factors' (32.15%), followed by 'other factors'(3.58%), 'racial factors' (23.13%), 'geographical factors' (9.41%), and 'national factors' (4.70%) as the most influencing factors during the purchase decision. In the 25-35 years age group, respondents mostly preferred 'others', 'religious' and 'racial' factors. While the respondents of 45 years age gave priority to 'religious', 'racial' and 'other' factors. (Exhibit 3).

Reason

Since the youth and adults have preference to local and regional changes, and the elders had faith in religious and racial factors, they responded accordingly.

Suggestion

Marketers should keep in view the responses of the people especially of the age group of 25-35 years since they influence the remaining age group.

4. Distribution of respondents according to their family size and influencing members of the family while making a purchase decision

Finding

It is found, irrespective of the family size, the 'father' (35.68%) in the family were the main influencing factors followed by 'mother' (22.35%) while making a purchase decision. But according to their family size their order of priority in respect of influencing factors while making a decision in the family was changing. However, both wife and husband, and all had the joint decision making to the tune of 7% and 19% respectively. (Exhibit 4)

Reason

Since, families having five and less than five members were large in number in the socially backward classes category, their behaviour affected the responses of the remaining sample.

Suggestion

It is suggested the producers and marketers know the standpoints of male (husband) female (wife) and both together in respect of their needs, tastes and preferences.

5. Distribution of respondents according to their family consumption expenditure per annum and influencing social factors.

Finding

Based on 'asset value' their order of priority was changing. But, most of the respondents gave priority to 'income' (30.19%), 'asset value' (22.74%) and 'other' (22.37%) etc., as their main influencing factors while making a purchase decision. (Exhibit 5)

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Reason

As scheduled caste's people are economical, they exhaust based on their income and other sources.

Suggestion

It is suggested the producers and marketers take into account the opinions of the people whose consumption expenditure is between Rs. 20000-40000 as they are large in number in the scheduled caste's category.

6. Veblenian socio-cultural factors and their association while making a purchase decision

Finding

It is found that the social class and sub-culture have a very close association among themselves over other factors. However, all the factors had high degree of association among them. (Exhibit 6)

Reason

As most of them belonged to the least income consumers, they did not prefer factors other than 'income' while making a purchase decision.

Suggestion

It is suggested the producers and marketers consider the cultural, sub-cultural factors along with the social class of the people while producing and marketing the goods and services.

7. Veblenian socio-cultural factors and their relative importance in their purchase decision

Finding

It is found that the 'income level' of the low-income consumers influenced their purchase decision. But among the Veblenian Socio-cultural factors; 'social class' and 'sub-culture' were the mostly influencing factors when compared to 'reference groups', 'culture' and 'family'. Hence, it is clear that the consumers who were being influenced by any one of the mentioned factors were also influenced more or less by the remaining factors. (Exhibit 7)

Reason

As most of the scheduled caste consumers were low-income people, factors

other than income did not influence them considerably.

Suggestion

In order to capture the new markets it is suggested the producers and marketers produce and market the goods and services to them based on their preference for 'income level'.

8. Ranking of the respondents according to their income and preferred market places while purchasing goods and services.

Finding

It was found that low-income people from socially backward classes visited mainly 'public distribution shops' for their food and other available provisions, followed by 'retail shops', 'towns and district head quarters', 'vendors' and 'others' for purchasing other goods and services in that order of ranking. (Exhibit 8)

Reason

Because of availability of food provisions and other goods at cheaper prices in the 'public distribution shops', they preferred them as their frequently visited market places.

Suggestion

It is suggested to the producers and marketers to choose 'public distribution shops' as places for marketing goods and services at an affordable price to low-income people of socially backward classes.

9. Occupational distribution of respondents according to their motivating factors in visiting a public distribution shop.

Finding

It is found that most of the scheduled caste people were visiting 'public distribution shops' due to 'low-price' (50.58%), 'nearer to their home' (14.50%), 'quantity' (14.11%), 'quality' (13.33%), 'credit facility' (3.53%), ' familiarity with shop keeper' (1.96%), and 'others' (1.96%) in that order. (Exhibit 9)

Reason

By virtue of their low-income, scheduled caste people always preferred goods at low price with best quality that suited their purchasing capacity.

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Suggestion

It is suggested the producers and marketers produce and market the goods and services at cheaper price, in order to capture the scheduled caste markets.

10. Distribution of respondents by their level of consumption expenditure and key motivational factors for visiting a retail shop.

Finding

It is found that most of the scheduled caste people were visiting retail shops because of the availability of 'credit facility' (30.58%). Secondly, they considered the 'short distance' (20.78%) between market place and their residence, followed by 'low-price goods' (16.07%), 'familiar shop keeper' (12.94%), 'quantity' (8.62%), 'quality' (5.88%) and 'others' (5.09%). (Exhibit 10)

Reason

As scheduled caste people are poor with low-income, they did not have sufficient money to accomplish all their necessities. Hence, they preferred to visit the market places where there was a 'credit facility' for them for purchasing the goods and services.

Suggestion

It is suggested to the producers and marketers to provide 'credit facility' to the people of socially backward classes while marketing goods and services. As well they should place the 'retail shop' nearer to their residences. 'Low price', 'familiar shopkeeper', 'quantity', 'quality' and 'other things' should also be considered consecutively by the producers and marketers while marketing the goods and services.

11. Educational distribution of respondents by their key motivational factors in visiting towns and district headquarters for purchasing goods and services.

Finding

It was found that most of the scheduled caste people visited shops at 'towns' and 'district headquarters' with a view to get 'quality goods' (31.8%) 'low-prices of the products' (25.99%), 'other benefits' (19.21%), 'shop owners' (8.23%), 'quantity' (6.27%), 'distance' (6.27%), 'credit facility' (3.13%) consecutively. (Exhibit 11)

Reason

Because of available various alternative products and types at shops in 'hometowns' or 'district headquarters' with bargaining prices of different companies, they preferred to visit these market places. Secondly for the goods that are not available at public distribution shops, they preferred to visit 'retail shop'. The main factors that made them to keep on visiting a particular 'retail shop' is the availability of 'credit facility' there. It is also created a kind of affection and respect among the low-income scheduled caste people towards the owners of those shops.

Suggestion

It is suggested to the producers and marketers to produce and market 'quality' goods and services with 'cheap price' and 'quantity' and making it available to the low-income people's nearer market places with some promotional activities to capture this markets and leverage it against the competition.

- ∞ On the overall observation, it was found that the main factors which created relationship between market place and low-income consumers of socially backward classes are 'low price', 'credit facility', 'shop nearer to their residence', 'familiar shopkeeper', 'quantity', 'quality' and 'other benefits' like discounts, gifts, offers, prizes, etc.,
- ∞ The main reason behind visiting 'public distribution shops' for purchasing their provisions is availability of their goods at 'cheap prices' and this is the another reason that made the low-income consumers of socially backward classes to stick to the 'public distribution shops'.
- ∞ Secondly, for the goods that are not available at 'public distribution shops', they preferred to visit 'retail shops'. The main factors that made them to keep on visiting a particular 'retail shop' is the availability of 'credit facility' there. It is also created a kind of affection and respect among the low-income scheduled caste people towards the owners of those shops.
- ∞ Another factor that created a relation between low-income consumers of socially backward classes and market place is 'short distance' to market place. It is usual that most of the low-income people visit the shops which are nearer to their homes, and it is the reason why low-income consumers are trying to purchase goods from street vendors. And it is found that the low-income consumers of socially backward classes are leisure in the

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evening time (between 6-10 p.m), it is the right time to the marketers to meet and sell their goods.

- ∞ The reason behind visiting 'towns and district headquarters' shops is availability of various alternative goods and bargaining facility along with gifts, offers, discounts, prizes etc., there. And it is found that on the festive and special occasions, the consumption level of the goods of these people is doubled, and mostly on these occasions, they prefer to purchase durable goods.
- ∞ Because of finding that socially backward classes' low-income people considering the factors like 'low price goods', 'credit facility', 'distance to shop', 'quantity', and other 'attracting benefits', it is suggested to the producers and marketers to produce and market the goods and services at an affordable prices. And also making the goods available in the shops nearer to their villages with a familiar shop keeper definitely ensure them to capture the new markets of low-income consumers.

Scope and limitations of the study

The present study is successful to the extent of some limitations like it is limited to consumer behavior of socially backward classes in Kadapa district of Andhra Pradesh only. Hence, it may not be generalized for other castes existing in other areas of Andhra Pradesh and other states in India. The present study could cover only on ten families of Putlampalli Harijanawada of Kadapa district for staying with them for 9 to 12 months during 2008-2010 to observe closely their culture and consumer behavior. The scope of the present study is structured around integrated model, combining the components of Veblenian's socio-psychological model and ethnographic method and is extended to the study of the cultural, social, psychological and economic factors that influence the consumer behavior of selected low-income buyers from socially backward classes in Kadapa district of Andhra Pradesh.

Scope for further research

The same ethnographic research method can be utilized for conducting the study about the consumer behavior of various income groups from various races, religions, races, and tribes by treating them as distinctive ethnic groups existing in Indian market for various products and services offered by marketers.

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EXHIBITS

Exhibit 1 : Association between income and reference groups of the respondents

| Sl. No. | Income | Number of respondents | No. of respondents influenced by | | | | | |
|--------------|-----------------|-----------------------------|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|
| | | | Family | Friends | Co-workers | Religious groups | Trade union | Others |
| 1. | Rs.15000-30000 | 27 | 08 | 03 | 05 | 04 | 02 | 05 |
| 2. | Rs.30000-45000 | 72 | 27 | 14 | 11 | 06 | 09 | 05 |
| 3. | Rs.45000-60000 | 89 | 30 | 21 | 14 | 12 | 07 | 05 |
| 4. | Rs.60000-75000 | 36 | 9 | 12 | 04 | 07 | 01 | 03 |
| 5. | Rs.75000-90000 | 19 | 04 | 02 | 02 | 02 | 06 | 03 |
| 6. | Rs.90000-120000 | 12 | 03 | 04 | 02 | 01 | 01 | 01 |
| Total | | 255 (100%) | 81 (31.76) | 56 (21.96) | 38 (14.90) | 32 (12.54) | 26 (10.19) | 22 (8.62) |

∞ Source : Field data (x² = 22.24 P= 0.327)

∞ Figures in parentheses indicate percentage to total.

Exhibit 2 : Distribution of respondents according to their occupation and influencing cultural factors while making a purchase decision

| Sl. No. | Occupation | Number of respondents | No. of respondents influenced by | | | |
|--------------|---------------------|-----------------------|----------------------------------|-----------------------|-----------------------|------------------------|
| | | | Values | Beliefs | Customs practices | Others |
| 1. | Govt.employee | 12 | 03 | 05 | 02 | 02 |
| 2. | Pvt. employees | 65 | 08 | 18 | 12 | 27 |
| 3. | Agricultural labour | 112 | 14 | 25 | 17 | 56 |
| 4. | Cultivators | 16 | 03 | 05 | 05 | 03 |
| 5. | Business men | 20 | 03 | 08 | 03 | 06 |
| 6. | Others | 30 | 06 | 04 | 09 | 11 |
| Total | | 255 (100%) | 37 (14.50) | 65 (25.49) | 46 (18.03) | 107 (41.96) |

∞ Source : Field data ($\chi^2 = 15.08$ P= 0.2369)

∞ Figures in parentheses indicate percentage to total.

Exhibit 3 : Distribution of respondents as per their age and influencing sub-cultural factors while making a purchase decision

| Sl. No. | Age | Number of respondents | No. of respondents influenced by | | | | |
|--------------|--------------------|-----------------------|----------------------------------|-----------------------|----------------------|----------------------|-----------------------|
| | | | Religious factors | Racial factors | Geographical factors | National factors | Other factors |
| 1. | 15-25 years | 33 | 06 | 09 | 02 | 04 | 12 |
| 2. | 25-35 years | 102 | 31 | 23 | 10 | 03 | 36 |
| 3. | 35-45 years | 74 | 29 | 15 | 06 | 02 | 22 |
| 4. | 45-55 years | 32 | 12 | 09 | 04 | 01 | 06 |
| 5. | 55 years and above | 14 | 04 | 03 | 02 | 02 | 03 |
| Total | | 255 (100%) | 82 (32.15) | 59 (23.13) | 24 (9.41) | 12 (4.70) | 78 (30.58) |

∞ Source : Field data ($\chi^2 = 8.354$ P= 0.498)

∞ Figures in parentheses indicate percentage to total.

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Exhibit 4: Distribution of respondents according to their family size and influencing members of the family while making a purchase decision

| Sl. No. | Family size | Number of respondents | No. of respondents influenced by | | | | | All |
|---------|----------------|-----------------------|----------------------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|
| | | | Father | Mother | Both | Children | Others | |
| 1. | Two | 18 | 10 | 06 | 02 | — | — | — |
| 2. | Three | 27 | 09 | 08 | 06 | 03 | --- | 01 |
| 3. | Four | 46 | 14 | 11 | 09 | 07 | 01 | 03 |
| 4. | Five | 73 | 28 | 18 | 12 | 08 | --- | 07 |
| 5. | Six | 48 | 19 | 08 | 10 | 07 | 01 | 03 |
| 6. | Seven | 25 | 06 | 03 | 04 | 06 | 02 | 04 |
| 7. | Eight | 10 | 03 | 02 | 02 | 02 | 01 | --- |
| 8. | Nine and above | 08 | 02 | 01 | 03 | 01 | 01 | --- |
| Total | | 255 (100%) | 91 (35.68) | 57 (22.35) | 48 (18.82) | 34 (13.33) | 06 (2.35) | 18 (7.05) |

∞ Source : Field data ($\chi^2 = 9.659$ P= 0.8222)

∞ Figures in parentheses indicate percentage to total.

Exhibit 5 : Distribution of respondents according to their family consumption expenditure per annum and influencing social class factors while making a purchase decision

| Sl. No. | Family consumption expenditure (p.a) | Number of respondents | No. of respondents influenced by | | | | |
|---------|--------------------------------------|-----------------------|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | | Income | Occupation | Asset value | Literacy level | Others |
| 1. | Below Rs.20000 | 15 | 06 | 01 | 03 | 02 | 03 |
| 2. | Rs.20000-30000 | 74 | 22 | 12 | 18 | 06 | 16 |
| 3. | Rs.30000-40000 | 72 | 25 | 13 | 10 | 05 | 19 |
| 4. | Rs.40000-50000 | 50 | 13 | 05 | 15 | 07 | 10 |
| 5. | Rs.50000-60000 | 26 | 05 | 03 | 08 | 04 | 06 |
| 6. | Rs.60000 and above | 18 | 06 | 03 | 04 | 02 | 03 |
| Total | | 255 (100%) | 77 (30.19) | 37 (14.50) | 58 (22.74) | 26 (10.19) | 57 (22.37) |

∞ Source : Field data ($\chi^2 = 11.108$ P = 0.802)

∞ Figures in parentheses indicate percentage to total.

Exhibit 6 : Veblenian socio-cultural factors and their association while making a purchase decision

| Sl. No | Veblenian factors | Initials | Communalities |
|--------|-------------------|----------|---------------|
| 1. | Reference group | 1.000 | 0.894 |
| 2. | Culture | 1.000 | 0.906 |
| 3. | Sub-culture | 1.000 | 0.936 |
| 4. | Family | 1.000 | 0.903 |
| 5. | Social class | 1.000 | 0.943 |

∞ Extraction method: Principal component analysis.

Sources: Field data

Exhibit 7: Veblenian socio-cultural factors and their relative importance in the purchase decision

| Sl. No | Veblenian factors | Total | % of explained variance | % of Cumulative variance |
|--------|-------------------|-----------|-------------------------|--------------------------|
| 1. | Income level | 5.341 | 79.296 | 76.296 |
| 2. | Reference group | 1.046 | 14.942 | 91.238 |
| 3. | Culture | 0.276 | 3.943 | 95.180 |
| 4. | Sub-culture | 0.122 | 1.399 | 98.329 |
| 5. | Family | 9.795E-02 | 1.399 | 98.329 |
| 6. | Social class | 6.623E-02 | 0.946 | 99.276 |
| 7. | V.B. factors | 5.071E-02 | 0.724 | 100.00 |

∞ Extraction method: Principal component analysis.

Sources: Field data

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Exhibit 8 : Ranking of the respondents according to their income and preferred market places while purchasing goods and services

| Sl. No. | Income | Number 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

Exhibit 9: Occupational distribution of respondents according to their motivating factors in visiting a public distribution shop

| Sl. No. | Family consumption expenditure (p.a) | Number of respondents | No. of respondents influenced by | | | | | | |
|--------------|--------------------------------------|-----------------------------|----------------------------------|-----------------------------|-----------------------------|-----------------|-----------------------------|----------------------------------|-----------------|
| | | | Low price | Quality | Quantity | Credit facility | Nearer to home | Familiarity with the shop keeper | Others benefits |
| 1. | Govt.employee | 12 | 07 | 02 | 02 | - | 01 | - | - |
| 2. | Pvt. employees | 65 | 38 | 12 | 06 | - | 09 | - | - |
| 3. | Agricultural labour | 112 | 73 | 11 | 16 | - | 12 | - | - |
| 4. | Cultivators | 16 | 04 | 03 | 03 | - | 06 | - | - |
| 5. | Business men | 20 | 08 | 03 | 06 | - | 03 | - | - |
| 6. | Others | 30 | 16 | 03 | 04 | - | 07 | - | - |
| Total | | 255 (100%) | 146 (57.25) | 34 (13.33) | 37 (14.50) | - | 38 (14.90) | - | - |

∞Source : Field data (x² = 21.790 P = 0.113)

∞Figures in parentheses indicate percentage to total.

Exhibit 10: Distribution of respondents according to their level of consumption expenditure and key motivational factors for visiting a retail shop

| Sl. No. | Family consumption expenditure (p.a) | Number of respondents | No. of respondents influenced by | | | | | | |
|--------------|--------------------------------------|-----------------------|----------------------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------------|----------------------|
| | | | Low price | Quality | Quantity | Credit facility | Nearer to home | Familiarity with the shop keeper | Others benefits |
| 1. | Below Rs.20000 | 15 | 03 | - | 03 | 05 | 01 | 02 | 01 |
| 2. | Rs.20000-30000 | 74 | 13 | 04 | 05 | 27 | 16 | 06 | 03 |
| 3. | Rs.30000-40000 | 72 | 14 | 01 | 07 | 20 | 18 | 10 | 02 |
| 4. | Rs.40000-50000 | 50 | 06 | 05 | 05 | 13 | 10 | 08 | 03 |
| 5. | Rs.50000-60000 | 26 | 03 | 03 | 01 | 07 | 05 | 05 | 02 |
| 6. | Rs.60000 and above | 18 | 02 | 02 | 01 | 06 | 03 | 02 | 02 |
| Total | | 255 (100%) | 41 (16.07) | 15 (5.88) | 22 (8.62) | 78 (30.58) | 53 (20.78) | 33 (12.94) | 13 (5.09) |

∞ Source: Field data ($\chi^2 = 14.351$ P = 0.4990)

∞ Figures in parentheses indicate percentage to total.

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Exhibit 11 : Distribution of respondents according to their education and key motivational factors for visiting towns and district headquarters for purchasing goods and services

| Sl. No. | Education level | Number of respondents | No. of respondents influenced by | | | | | | |
|--------------|-----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------------------|-----------------------|
| | | | Low price | Quality | Quantity | Credit facility | Nearer to home | Familiarity with the shop keeper | Others benefits |
| 1. | Illiterate | 57 | 22 | 14 | 03 | 01 | 03 | 04 | 10 |
| 2. | Primary | 74 | 18 | 20 | 05 | 02 | 06 | 07 | 16 |
| 3. | Secondary | 67 | 13 | 27 | 05 | 03 | 04 | 08 | 07 |
| 4. | Graduation | 13 | 02 | 05 | - | 01 | 01 | 01 | 03 |
| 5. | Post-graduation | 06 | 01 | 03 | - | - | - | - | 02 |
| 6. | Technical and other qualification | 38 | 08 | 12 | 03 | 01 | 02 | 01 | 11 |
| Total | | 255 (100%) | 64 (25.99) | 81 (31.76) | 16 (6.27) | 08 (3.13) | 16 (6.27) | 21 (8.23) | 49 (19.21) |

∞ Source : Field data (x² = 19.968 P = 0.6980)

∞ Figures in parentheses indicate percentage to total.

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