

CONSUMER BEHAVIOUR TOWARDS DURABLE GOODS IN RURAL AREAS OF HIMACHAL PRADESH WITH SPECIAL REFERENCE TO INDUCTION STOVE

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ABSTRACT

The mass chunk of the population of India lives in rural areas but there has been a paradigm shift in the consumer behaviour of the rural population. The reasons due to the shift vary from very small reasons to the large reasons. The rural population looks at the urban population with the change in the standard of living with more disposable income or use of the extra income earned from the agriculture.

Today most of the semi urban rural households have most of the consumer durables at home and the next addition to the same is Induction Stove. The use of electrical gadgets at the rural households is due to the rural electrification activities taken by the government of India. The state of Himachal Pradesh is 99.9 % electrified with total 17495 villages out of which 17480 villages are electrified as on 31-07-2013 (According to Ministry of Power Central Electricity Authority).

The use of Induction stove has increased due to the easily mobility of the Induction Stove from one place to another and also use of it removes the waiting time for the LPG Gas and bio fuel or other local fuel for cooking for other activities at home. Induction stove leaves no residue and easy use by the most of the age groups pushes the use of Induction stove at homes in the rural households of Himachal Pradesh.

KEYWORDS

Rural Population, Consumer Behaviour, Disposable Income, Induction Stove etc.

INTRODUCTION

Induction cooking is not a new technology; it has long been widely used around the world. People witnessed magic of induction cooking first time in early 1900s. Induction cooking technology was introduced at Chicago in a "World Fair" in 1933 as well in the mid-1950s. Induction cooker demonstrations were held by GM in North America by the Frigidaire division of GM. To demonstrate convenience and safety of Induction cooking the induction cooker demonstration was shown by placing a newspaper between Induction cooker's surface and the pot while boiling a pot of water. However, it never quite caught on, induction cooker productions were delayed for another few more years and for subsequent 40 years, the technology was used mostly in industrial applications.

Modern developments and implementations of Induction cooking starts in early 1970s at the R&D Center of Westinghouse Electric Corporation in USA. These modern Induction cooktops used transistors developed for automotive electronic ignition systems to drive the 25 kHz current. The stand-alone single-burner range was named the Cool Top Induction Range.

Westinghouse developed their Cool Top 2 (CT2) Induction ranges by a team led by Bill Moreland and Terry Malarkey. Their induction ranges included a set of high quality cookware made of Quadruply and were priced at US\$1500. Production took place in 1973 through 1975, and stopped coincidentally with the sale of Westinghouse Consumer Products Division to White Consolidated Industries Inc.

In the US, NASA developed it for the space program. Consumer units followed in the US, but were plagued by low power, reliability and noise problems. Though induction cookers faded from the American consumer market, it continued to be developed in Europe and Asia where energy availability is an issue. Some US manufacturers like Cooktek and Luxine continued to develop commercial units. In 2000, European manufacturers made a breakthrough (in conjunction with DuPont) in insulating materials design for integrating the electronics with the induction generator coils.

The snap together design of these fourth generation systems along with the reduced fabrication costs enabled the manufacturers to produce induction generators for far less than previously, with much more compact designs that were inherently more reliable. As a result, the market in Europe really took off. Currently induction cooktops are a norm in new construction in many European countries and are only about 20–30% more expensive than radiant ceramic cooktops there. In Asia a similar phenomenon has occurred. Huge numbers of Asian households are switching to induction for their cooking due to the safer and cooler cooking environment it provides.

With recent improvements in technology, induction cookers are now better than ever and while cheaper manufacturing from China has reduced the cost of induction cookers to levels that are being affordable to every household.

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SCOPE OF STUDY

The study was restricted to the rural areas of Himachal Pradesh more confined to the Kangra District of the state. The main scope is to find the consumer behaviour of the rural population in the region with the special inference to Induction Stove new method of cooking food. The study is confined to the education level of the individuals in the rural areas and for the same 100 respondents’ were questioned through a structured questionnaire and they are selected for answering questions like selection of the induction stove as an alternative method of cooking food, Selection criteria and reasons for selection of Induction stove as a method of cooking food.

OBJECTIVES OF STUDY

- To study the Consumer buying behaviour in the rural area in relation to selected consumer durables analyzing the cost benefit analysis.
- To study the affordability, acceptability and change in monthly expenses after use of Induction stove.
- To examine the factors, which motivate rural people to buy consumer durables?

STATUS OF RURAL ELECTRIFICATION IN INDIA

The condition of rural electrification has improved in India post-independence. The Rural Electricity involves supply of energy for two types of programmes, namely, production oriented activities like minor irrigation, rural industries etc. and electrification of villages. While the emphasis is laid on exploration of ground water potential and energization of pumpsets / tube wells, which has a bearing on agricultural production, the accent in respect of areas covered under the Revised Minimum Needs Programme.

The main benefit to the rural household came with the rural electrification corporation. Rural Electrification Corporation Limited (REC), a NAVRATNA Central Public Sector Enterprise under Ministry of Power, was incorporated on July 25, 1969 under the Companies Act 1956. Its main objective is to finance and promote rural electrification projects all over the country.

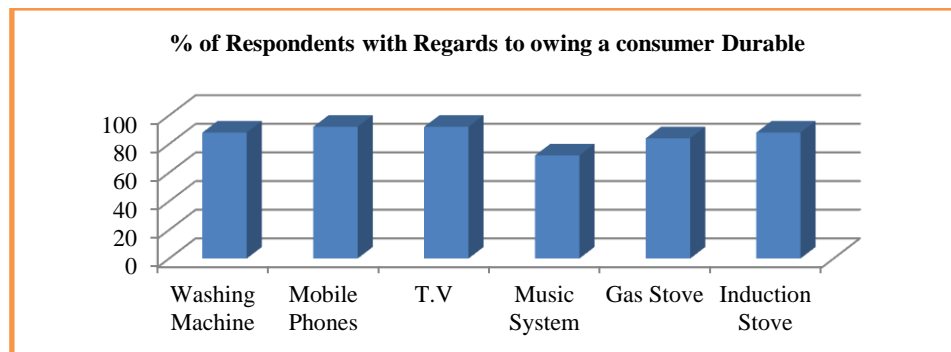
Table-1: Status of Rural Electrification in India as on 31-12-2012

Variable	Value
Total Number of villages	5, 87,258
Villages electrified	5, 08,515
Villages to be electrified	78,743
Total number of households	13, 82, 71, 559
Electrified households	6, 42, 63, 719
Un electrified households	7, 40, 07,840

Sources: Rural Electrification Corporation

RESEARCH AND INTERPRETATION

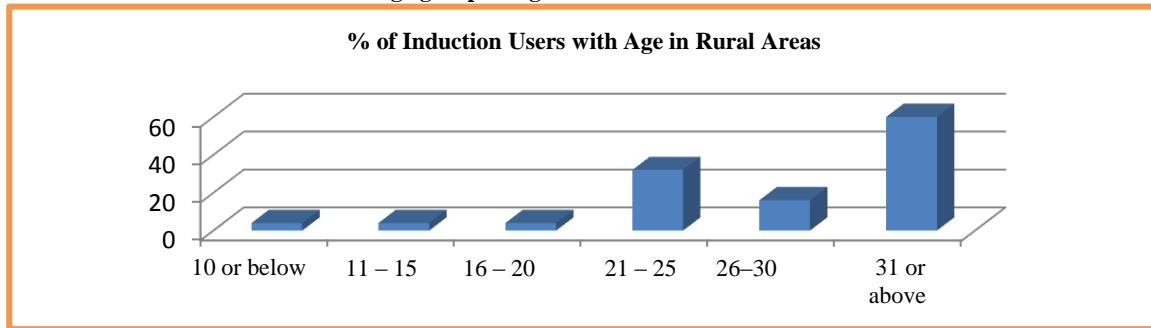
Table-1.1: The main Consumer Durables owned by rural consumer in rural area of Kangra in Himachal Pradesh



Sources: Authors Compilation

From the total 100 respondents who have been selected to carry out the survey on the ownership of the various consumer durables the percentage of the owners of the induction stove is increasing from day to day. 88% of the rural consumers now they own an Induction Stove. After carrying out the survey after the rural electrification in the rural areas of Himachal Pradesh, people more prefer to purchase Induction stove as this avoids the hindrance of re filling the gas cylinders and the waiting time for the same. On carrying out the survey it was found that now people are not looking to purchase the high cost music systems the reason behind the same is due to the decrease in cost of different methods of listening music like Pen Drives and FM has also revolutionized the methods of listening to the music.

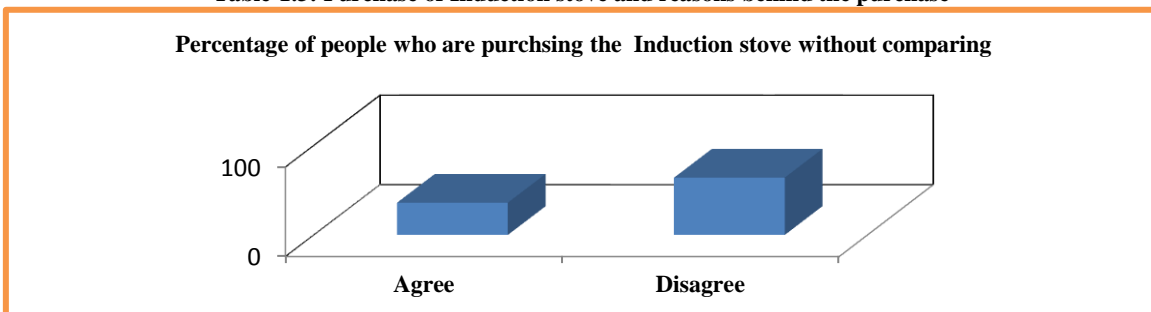
Table-1.2: Age group using Induction stove in rural household



Sources: Authors Compilation

On the interpretation of the data about the age wise usage of the Induction Stove the percentage for the usage of induction stove by rural household below 10 is just 4% as on the time of carrying out the survey the point came into the mind is that the usage of induction stove below 10 years of age population is just for warming up the food and these households own both Induction Stove and Gas Stove for cooking food. However, the percentage of users increases on the age segment with 32% of users in the age segment 21-25 years. Nevertheless, the maximum consumption of the induction stove is nearly about 60% of the users in rural households is in the age of 31 years and above. At the time of survey the main important point which came into the notice is that when the users of age 31 years or above are using the Induction stove this age group is using Induction stove to save time and moreover they are using both Cooking Gas Stove and Induction Stove simultaneously.

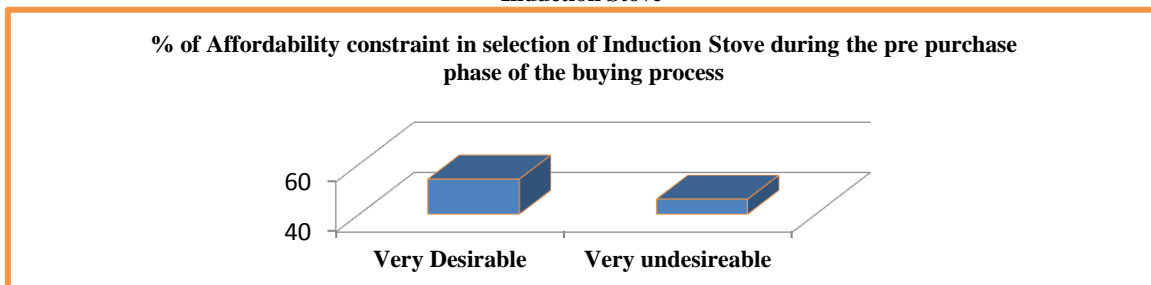
Table-1.3: Purchase of Induction stove and reasons behind the purchase



Sources: Authors Compilation

From the total respondents of 100 sample size 36% of the population compared the various induction stove while making the purchase of the Induction Stove but 64% of the population owns an Induction stove without comparing the various Induction Stove as their buying decision was more based on the Induction stove in their neighborhood, Induction Stove Manufacturer shop close to their houses, bringing of the Induction Stove by one of the family member working in the Urban Areas for their livelihood.

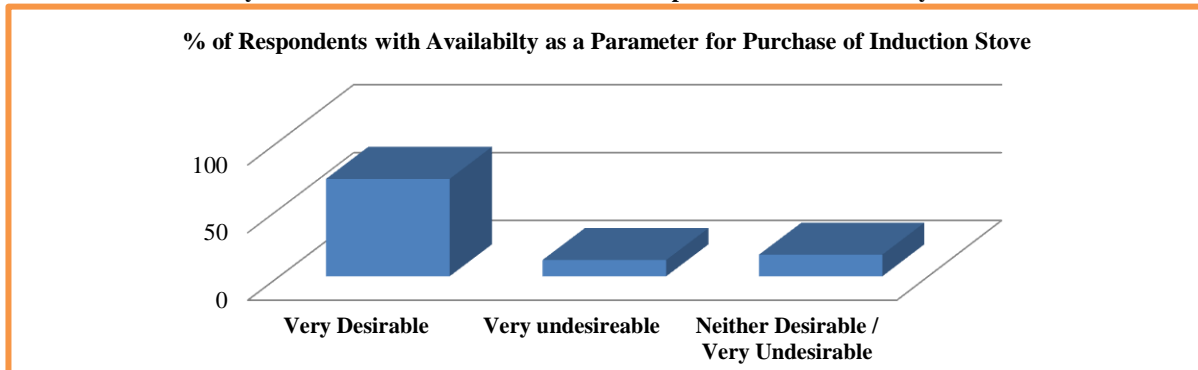
Table-1.4: Study of the affordability factor of consumer behaviour of the rural household with special reference to Induction Stove



Sources: Authors Compilation

From the total 100 respondents 54% of the population who took the decision to purchase the Induction Stove in the rural household affordability was not the main criteria to own a Induction Stove and made the purchase of Induction Stove keeping the parameter of alternative method of cooking while making the purchase and 46% of the decision makers to purchase the Induction Stove took the decision to purchase the Induction Stove taking affordability as the main parameter and most of the new owners of Induction stove bought only Induction stove of the Indian Manufacturers like Prestige , Bajaj etc.

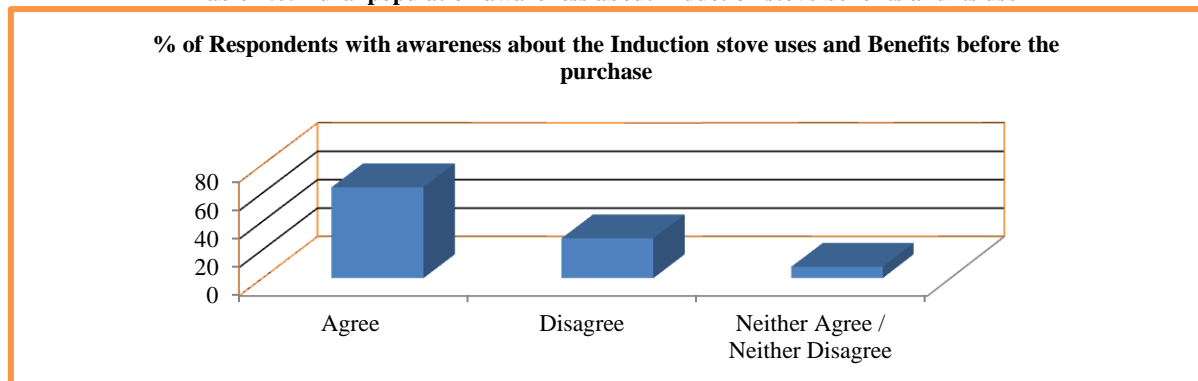
Table-1.5: Study of the rural consumer behaviour on the parameter of Availability of Induction stove



Sources: Authors Compilation

From the above diagram it could be interpreted that while making a purchase of the Induction Stove in rural areas 72% of the sample size made it a very important and desirable point of good manufacturers close to their household to purchase the Induction stove and 12% of the rural household did not take this as a main parameter and rest of 16% of the rural population of the total sample size bought Induction stove due to one or the other reasons of buying purchase process.

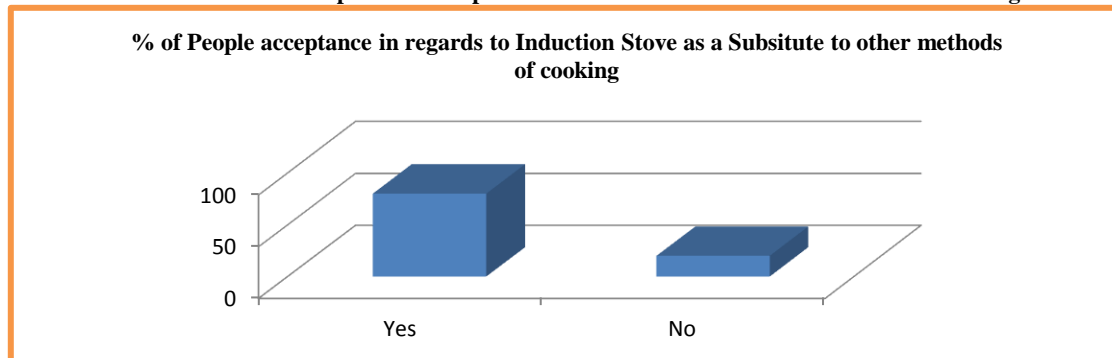
Table-1.6: Rural population awareness about Induction stove benefits and its use



Sources: Authors Compilation

From the interpretation 64% of the total population taken as a sample size in the survey was aware about the Induction Stove uses and its applications and most of these things they learnt from either their neighbours or from the advertisement which they got through various channels of the Media used by the various manufacturers whereas 28% of the population of the sample survey is totally unaware till the time some training on its usage was given to them or the induction stove was brought at home. 8% of the sample size is least concerned to know about much of the uses of the Induction Stove they are more interested in the basic functioning of the induction stove.

Table-1.7: Rural Population acceptance of Induction stove to other methods of cooking

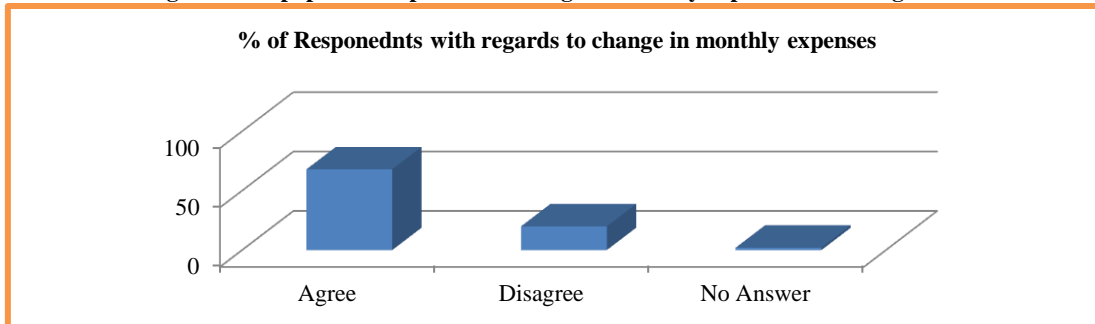


Sources: Authors Compilation

80% of the population from the sample size in the rural areas has started taking Induction Stove as a substitute to the other method of Cooking food as the Induction stove is very easy to use, Easy to keep, Does not take much of the place, gives different cooking options, can be easily used by any age group of the rural population and moreover it does not leave as residue like Cow Dung Usage. Moreover, the rural population is taking it as a new method of cooking food as the Induction stove is lightweight and easy

to carry from one place to another. Rest of 20% totally disagree with the fact that it can give a substitute to the old methods of cooking is the reasons which come out is the food cooked on the Induction stove is not tasty and difficult to operate and understand.

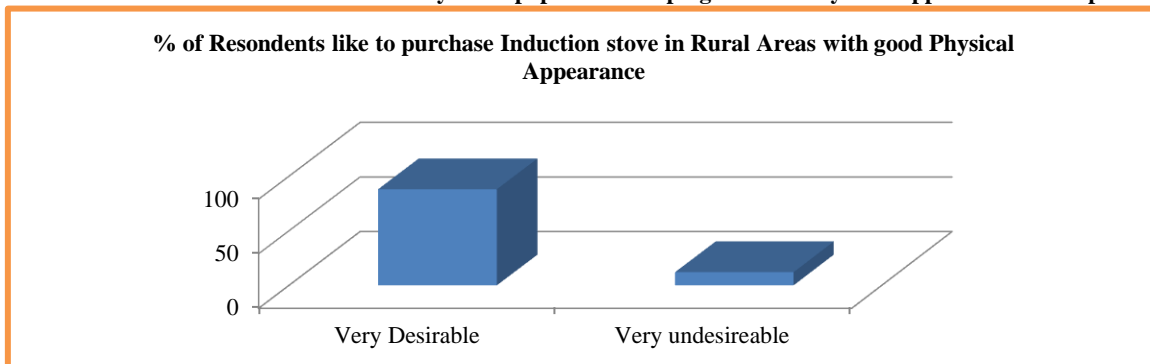
Table-1.8: Percentage of rural population opinion on change in monthly expenses after usage of Induction stove



Sources: Authors Compilation

On the view point of the change in Monthly Expenses after the usage of Induction Stove method of cooking 68% of the rural household saw a drastic change in the monthly expenses and 20% did not find much of the difference in their monthly expenses after usage of the Induction stove as they could not demarcate among the different expense or most of them are living in Joint Families and in the last 2% of the total population was not able to give a clear answer on the monthly expenses as they did not have clear idea about the total monthly expenses.

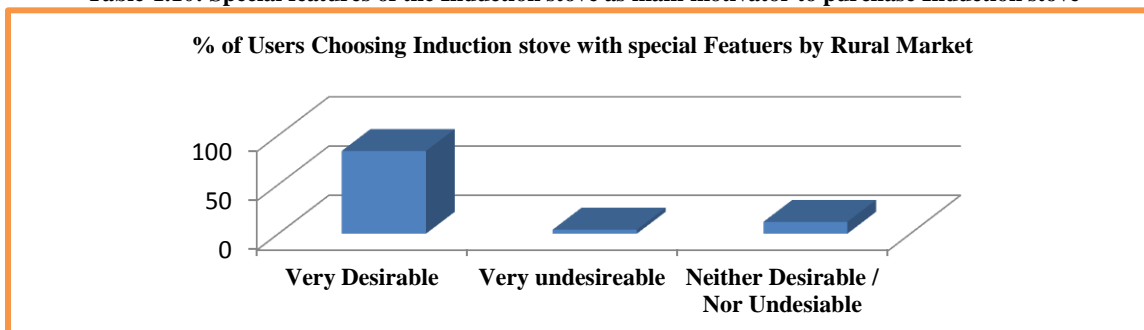
Table-1.9: Purchase of Induction stove by rural population keeping in mind Physical Appearance of the product



Sources: Authors Compilation

For 88% percent of the sample size of the population of the rural households the physical appearance like any other consumer durables has been the main criteria for the purchase of the induction stove whereas 12% of the population size of sample bought the induction stove due to other reasons of purchase like saving, at place of neighbours, pushed by the advertisement campaign etc.

Table-1.10: Special features of the Induction stove as main motivator to purchase Induction stove

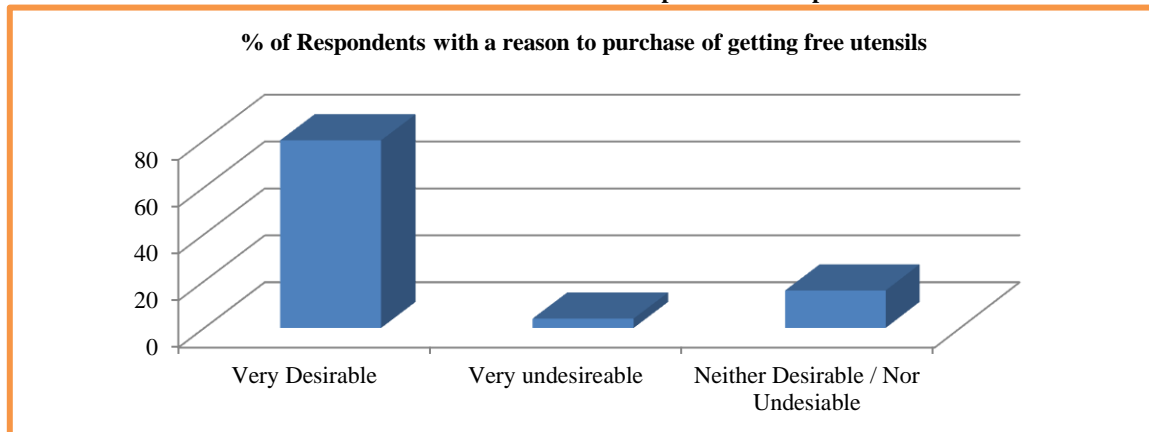


Sources: Authors Compilation

In the interpretation of the above diagram, it is very clear that 84% of the population bought the Induction stove after seeing the main feature for which Induction stove is used for i.e. Temperature setting. Carrying out the survey it is clear that it not about temperature setting the rural population looked for rather how easily it was adjustable looking at the induction stove and it uses.

4% of the population did not had much of the idea on the temperature setting rather they are using the induction stove with only one temperature set at the time of beginning of the use of the induction stove. Later on doing research on the same subject 12% of the population of the sample size of the rural population was only interested in the cooking of the food and least concerned about the temperature setting function of the Induction Stove.

Table-1.11: Free utensils with the induction stove as main parameter for purchase of Induction stove

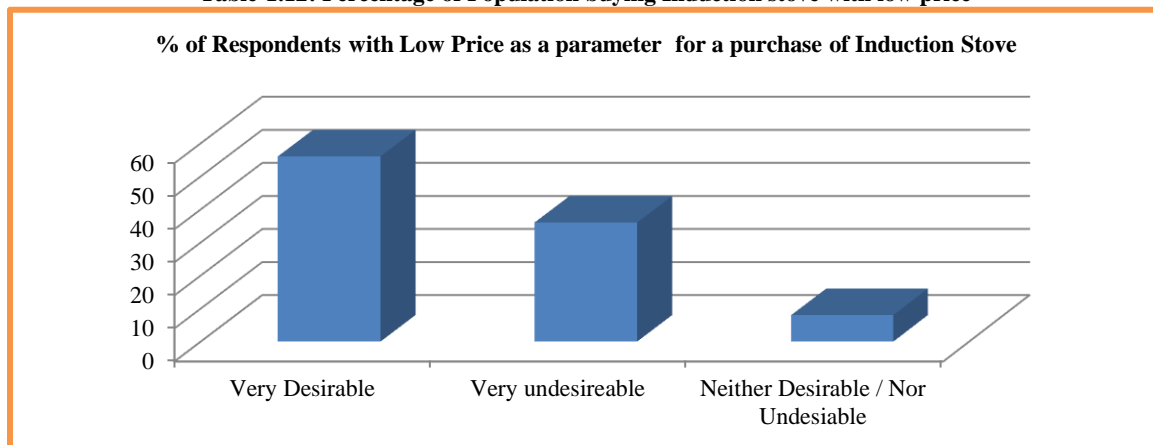


Sources: Authors Compilation

On the interpretation of the survey conducted on the 100 rural households it came in the front that 80% rural household got motivated to purchase the induction stove of that manufacture who is giving the free utensils with the induction stove as Induction stove requires a ferromagnetic based Utensils to cook food and they out rightly rejected the Induction Stove of that manufacturers who were not interested or happy to give free utensils with the Induction Stove.

In the same, the Indian Manufacturers got the better response as the feeling of being made in India came in the mind of the rural household. On the contrary to the same only 4% of the total population took the decision to purchase the induction stove keeping aside this main offer by the manufacturers' of free utensils with the Induction Stove. The main reason on the survey came either they were ignorant of the fact or there were other reasons for the purchase of Induction Stove. In the last 16% of the population bought the Induction stove for having a proud feeling of having an Induction Stove at their households.

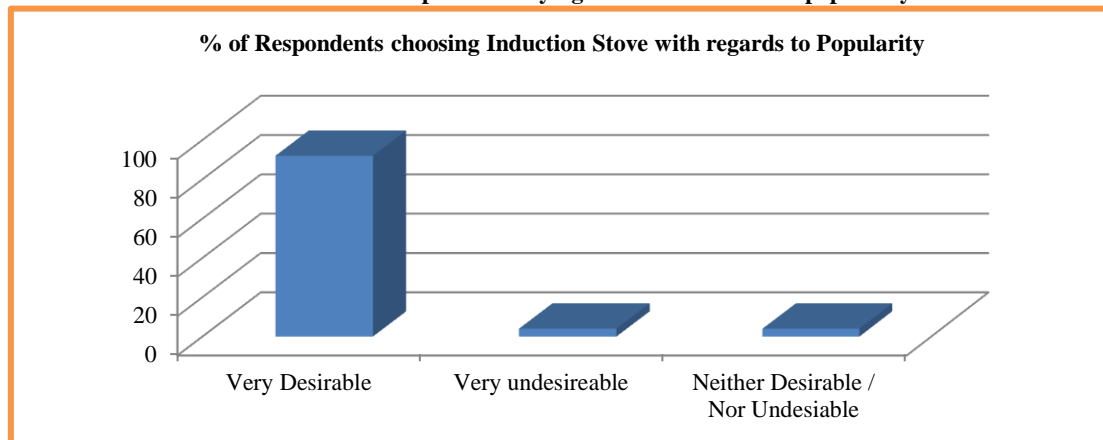
Table-1.12: Percentage of Population buying Induction stove with low price



Sources: Authors Compilation

Taking into account of the earning of the rural population and carrying out the survey it is not like the urban rural household the consumer goods is purchased and because of the same price of the commodity becomes the main constraint at the time of purchase of the consumer good. Keeping track of the same on the survey, it came to mind that most of the consumer durables in the rural areas are the products of the Indian Manufacturers like Weston, Bajaj etc.

Most of the owners of the Induction stove owners purchased the Induction Stove of Bajaj as they already own a Bajaj scooter at home and it has given them a great faith in the product. So, on judging the same criteria 56% of the population bought the Induction stove keeping a track record of the price factor of the product and 36% of the population of the sample size bought the induction stove without comparing the price rather than features of the product and just 8% of the sample size population bought it without comparing price, features etc.

Table-1.13: Rural Population buying Induction stove with popularity

Sources: Authors Compilation

Popularity of the consumer durable becomes the main factor on purchase of consumer durable goods in rural households with price. The most popular brands in the rural areas of the country are the brands, which are made in India brands like Weston, Texla, and Nirma etc. On the front of Induction stove, also popularity of the brand took the main advantage of the Induction stove. Nearly about 92% of the rural household bought a particular Induction stove being it popular in a particular area, 4% of the rural population bought it on other reasons, and 4% of the population of the sample size could not give a definitive answer to this question of purchase of the Induction Stove.

FINDINGS

The major observations and findings are:

- The main findings from the same are that the Music System usage is decreasing in the rural areas with coming of FM in most of the parts of the country.
- The age group which is mostly using Induction stove is between 21–25 and 31 and above all and children below age group of 10 is using induction stove just for warming up the food as it is safe method.
- It finds that consumer behaviour of the individuals in rural areas is changing due to the increase of influence of the urban population on the rural household consumption pattern.
- It is found most of the customers prefer an outlet and a service centre close to their house to make a decision of the Induction stove though at the time purchase, they are buying due to manufacturer outlet close to their household or influence by the buying pattern of the neighbour's household.
- It is also found most of the rural household is buying Induction stove because it helps them to cook the food as the cost of LPG is increasing day by day.
- Most of the rural households are purchasing Induction Stove, as an alternative method of cooking food as putting up of the biogas and other methods of cooking food is very costly.
- Most of the rural households are finding Induction stove much better than Solar cooker for cooking food as Solar cooker is heavy to take to different locations as it is made of Iron sheet and glass whereas Induction cooker is best as it is made of Plastic.
- Induction stove became the best choice as most of the rural areas or households because of positive word of mouth and neighbours buying the similar product.
- It is found that rural consumer is satisfied with the product and look forward to purchase some new innovative products.
- Acceptability, Affordability, Awareness are main parameters in choosing the product in rural households.

CONCLUSION

It is found that with the increase in the education level of the rural population the various business organizations should promote their products the same way as they promote the product in the urban market. The business organizations should understand that

the use of the consumer durables is increasing because the living standard gap between urban population and rural population is decreasing day by day and they are more influenced by the standard of living of the urban population. The more efforts and affordable Induction stoves by the manufacturers with good quality can bring the manufacturers close to the rural consumers and open the doors for them for the future business.

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