

AN ASSESSMENT OF FACTORS ON EFFECTIVE EMPOWERMENT & CHANGE IN CONSUMER DYNAMICS ON PRODUCTS AT BOP: AN ANALYTICAL STUDY OF RURAL ODISHA

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ABSTRACT

In the present scenario, more particularly the rural customer has focused on selecting an appropriate retail product, value addition, cost effective, income generating retail malls in the process of BoP, which provides value added services. Their expectations are also focuses on their needs and is responsive to their concerns and issues. Customers prefer a particular retail outlet if they find value over their total shopping cost. Her an analytical case of Odisha rural purchase behavior of both the groups(gender) have been analyses for measuring any deviations in perception level and consumer dynamics also have been analyzed through factor analysis. Out of the total eighteen factors only seven major factors have more influence on the change of consumer dynamics in the product process and there was no issue on empowerment.

Keywords: Retail, BoP, Dynamics, Empowerment, product-chain

INTRODUCTION

Consumer dynamics in India is fast changing with the change environment and style. So, the retailers need to take proper attention towards this and to formulate their strategies to deliver the best value addition to their consumers. As we know, India is the second largest consumer retail market in the world. So, each individual type of retailer needs to evaluate the consumer dynamics in the retail market more meticulously. This primarily involves identifying the key drivers of growth, the consumer's demographics and their expectations. It also means to evaluate the nature of competition and challenges in the rural market place. All these have led the Indian organized retail sector to give more attention to an analysis of the consumer buying behavior in order to satisfy the target market's needs more effectively than its competitors.

The customers process the information around them and approach the retail space to consume according to their expectancy level. Consumers approach different store types to explore product views and to shop products according to their needs and their desired outcomes. Some customers prefer to move frequently the brand stores to update themselves with the brand basket change over the time where as others prefer to visit retail shops with competing brands to enjoy high price offers.

Consumers buying or preferring a particular retail outlet is the behavioral issue which influences their reference groups (friends, relatives and so on), culture,

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their upbringing, family life cycle, income and attitude etc. The store image is a determinant which helps customer to patronize a particular retail store. The shopping experience factors bridge a relationship with the prospects for regular shopping experience.

In the present scenario, time is constraint and money has become luxury. So, more particularly the rural customer has focused on selecting an appropriate retail outlet, which provides value added services, focuses on customer's needs and is responsive to customer concerns and issues. Customers prefer a particular retail outlet if they find greater return over their total shopping cost.

In the year 2002, C.K. Prahalad and Stuart Hart published a groundbreaking article in Strategy+Business magazine that introduced to the world the idea of the Bottom of the Pyramid (BOP). The idea, which says that the poor present a vast untapped business opportunity, and if companies serve the poor, they can help eradicate poverty and also make a profit, revolutionized business thinking. Funnily though, before 2002, the idea had no takers: various management journals.

In recent years, 'market-based' approaches to development have gained considerable ground in development circles, bringing significant private-sector resources to bear on global concerns of poverty, disease, hunger, and women's empowerment. Within this context, the bottom-of-the-pyramid (BoP) approach championed by the C.K. Prahalad has been heralded by some as a remarkable change in approaches to economic development of the country (Prahalad 2004).

The idea behind BOP suggests that the best way to meet the needs of the rural poor is through a profit driven market-based approach. As a result, there are significant benefits for the rural poor in terms of poverty reduction, increased productivity, and empowerment. Companies interested in exploring the opportunities at the BOP look for solutions in the form of new products with new business models. Basically, this approach provides products and services at affordable prices in remote areas. The Bottom of the Pyramid (BoP) constitutes the market made up by the poorest people of the region.

The basic BOP argument can be summarized succinctly as follows:

1. There is much untapped purchasing power at the bottom of the pyramid. Private companies can make significant profits by selling to the poor.
2. By selling to the poor, private companies can bring prosperity to the poor, and thus can help eradicate poverty.
3. Large multinational companies (MNCs) should play the leading role in this process of selling to the poor.

The BoP approaches not only open new markets and business opportunities for the private sector, but also offer channels for commercial revitalization and ethical commitment, which are key pillars for urban sustainability.

Scope of BOP

Rural poor, at the bottom of the pyramid (BoP), represent a very attractive market opportunity. The 'BoP proposition' argues that selling to the rural poor can simultaneously be profitable and help eradicate poverty. This is at best a harmless illusion and potentially a dangerous delusion. The success stories of MNCs serving poor customers cited in the BoP literature are predominantly in fast-growing economies such as India, where the GDP per capita remains low.

The Bottom of the Pyramid approaches offers the private sector an opportunity to lead the way towards urban economic and social transformation in the 21st century. What is fundamentally required is the elicitation of the adventurous spirit of the sector to push the frontiers of market economics to new heights. The risk-taking attitude of the entrepreneurs of the industrial revolution who opened the wells of wealth to humanity through inventions and innovations needs to be relived in our times.

KEY CHALLENGES OF BOP

A marketer trying to market his product or service in the rural areas is faced by many challenges; the first is posed by the geographic spread and low population density in the villages in the country. The second challenge is from the low purchasing power and limited disposable incomes in these parts of the country.

Buying Behavior is the decision processes and acts of people involved in buying and using products. It is necessary to understand the followings before decision towards the market:

- Why consumers make the purchases that they make?
- What factors influence consumer purchases?
- The changing factors in our society.

The changing demographic profile of the population in terms of education, income, size of the family and so on, are important in the context of what will be more substantive in the days to come will be the psychographics of customers, how they feel, think or behave.

Consumer buying behavior is dynamic. Therefore, it is necessary to continuously study, analyses and understand it and monitor this understanding to the marketing management so that effective decisions can be taken in respect of products, price, promotion and distribution. The profit position of a product hinges on the kind of pre- disposition - positive/negative - on which a consumer has developed towards BoP market.

The changing concept of retail business into 'retail in detail', emergence of giant-sized retail business in the name of malls and the government's policy to allow foreign direct investment in retail business also change the life style and the buying patterns and preferences of the consumers in India, more particularly in BoP market. In this context the consumer is confronted with a complex set of alternatives in many purchase situations.

OBJECTIVES OF THE STUDY:

The present study has planned the following objective:

- To analyze the consumers' attitude and buying behavior on the products and to measure the difference across gender on empowerment.

Dixit & Sharma (2012), findings was on Rural markets, which require patience and investment by companies as in some case the companies have to build the entire product category and not only position their brands. Thus, marketers are not only marketing products but they are contributing in nation building by focusing on improving the standard of living of rural masses. Intense focus on the rural and

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semi-urban areas has inherent advantages. Consumer product multinationals Procter & Gamble, Nokia and Unilever are adopting unconventional and innovative distribution models for better rural connect. The two giants are scouting for, incubating and investing in small, rural entrepreneurs who can assist them in selling to low-income consumers. Marketers are trying novel ways to tap the vast rural potential however it is wait and watch scenario for now.

Ansari, Munnir, Gregg (2012) highlights the need of BoP approach to create for poor in integrated marketing strategies. So, BoP has changed certain face of business for poor, which was a significant barrier.

Hopkinson & Aman (2017) have explained the condition under which BoP marketing works especially in diversified context & dynamics. It bridges the gap by highlighting MNC operation and penetration on market like BoP.

RESEARCH METHODOLOGY

For this purpose, a structured questionnaire was set and distributed to 100 rural customers and collected from them by asking in their local languages for more easy collection and reliable data.

Questionnaire: A pre-tested questionnaire was used with distributing to first 20 respondents and finally the pilot study was rectified as per the opinion collected and finally it was re-designed for all types of customers of BoP market.

To analyze the level of preference, liking and disliking of the respondents among the products, the data were collected from the different types of respondents based on their socio-economic factors such as Educational Qualifications, Occupation, companion, Income, and Mode of Payment which were studied by means of cross tabulation analysis, one-way Anova, Chi-square test, KMO (Kaiser-Meyer-Olkin) tests, Bartlett's Test of Sphericity and Factor Analysis.

ANALYSIS AND INTERPRETAION OF RESULTS

Product purchase and preference score in rural india.

Table 1: KMO and Bartlett's Test on Change in Consumer Dynamics on products.

	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.877
Bartlett's Test of Sphericity	Approx. Chi-Square	566.256
	Df	153
	Sig.	0.00

Sources: Primary data.

This **Table 1** shows KMO and Bartlett's Test on “**Change in Consumer Dynamics on products**” for purchase on BoP model. The Kaiser-Meyer-Olkin Measure of Adequacy indicates that the proportion of variance in variables of perception on “Product Characteristics” that might be caused by underlying eighteen factors. Further, Bartlett's test of sphericity tests the correlation matrix, which indicates that variables are related and suitable for structure detection as the value is 0.877. So, it indicates that factor analysis may be useful with input variables of perception on “Product Characteristics” on BoP retail.

Table 2: Communalities on Change in Consumer Dynamics on products.

		Initial	Extraction
Factor 1	Availing of personalized products	1.000	0.793
Factor 2	Makes wide advertisement for creating awareness on product	1.000	0.814
Factor 3	Feeling of product development.	1.000	0.804
Factor 4	Improve access to retail products	1.000	0.887
Factor 5	Creating buying power (low-cost product ranges)	1.000	0.875
Factor 6	Shaping product aspiration to urban life styles	1.000	0.873
Factor 7	Any time product availability	1.000	0.769
Factor 8	Bundle Pack for cheaper cost	1.000	0.645
Factor 9	Refill pack availability	1.000	0.791
Factor 10	Well maintained supply chain	1.000	0.995
Factor 11	Experiencing products in malls for new products	1.000	0.832
Factor 12	Localized product availability	1.000	0.748
Factor 13	Pay-per-use” system (laundry system)	1.000	0.981
Factor 14	Well maintained supply chain	1.000	0.899
Factor 15	Meet the needs of consumers in a different area	1.000	0.708
Factor 16	Greenfield-market expansion	1.000	0.952
Factor 17	Product selling devotion to social missions	1.000	0.885
Factor 18	Nurture the creation of a new market	1.000	0.896

Extraction Method: Principal Component Analysis.

Sources: Primary data.

Table 2 indicates the factors responses on “**Change in Consumer Dynamics on products**” in BoP marketing where the initial values of all the five factor components are one and the extraction values shows more than 0.5, which means all the factors are best fit to the data and can be explored in measuring the variance to find out the most significant factor. But here all the six factor variables of “**Change in Consumer Dynamics on products**” are best fit for further measurement.

Table 3: Total Variance on Change in Consumer Dynamics on products.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.837	10.206	10.206	1.837	10.206	10.206
2	1.603	8.904	19.110	1.603	8.904	19.110
3	1.470	8.167	27.277	1.470	8.167	27.277
4	1.368	7.601	34.878	1.368	7.601	34.878
5	1.149	6.383	41.261	1.149	6.383	41.261
6	1.135	6.307	47.568	1.135	6.307	47.568
7	1.085	6.026	53.594	1.085	6.026	53.594
8	0.986	5.480	59.074			
9	0.962	5.345	64.418			
10	0.897	4.983	69.401			
11	0.853	4.741	74.142			
12	0.783	4.350	78.492			
13	0.762	4.236	82.728			
14	0.712	3.953	86.682			
15	0.677	3.759	90.440			
16	0.654	3.634	94.074			
17	0.573	3.181	97.255			
18	0.494	2.745	100.000			

Extraction Method: Principal Component Analysis.

Sources: Primary data

Table 3 indicates that the total variance of individual factors (eighteen) as well the extraction values of sum of squares loading values seven factors have been found in the initial Eigen values, which are positive and finite values. The process adopted here in Principal component analysis with loading values of the component scores on responses from migrated customers, which has been presented in the last column of the above table. The results are also found in extraction values for those seven factors, which are most significant among the selected factors in the initial Eigen values. So, from that it is concluded that in measuring through principal component analysis only seven factors out of eighteen factors are mostly significant with the total variance of 54 percent, which indicates a loss of 46 percent of data and needs for further analysis on **Change in Consumer Dynamics on products**. Further the extraction value of loading is most equal with the eigen value of the components, which also indicate of no loss of data due to the responses as presented from the responses on Likert scale.

Table 4: Component Matrix on Change in Consumer Dynamics on products.

		Component						
		1	2	3	4	5	6	7
Factor 1	Availing of personalized products	0.200	0.133	-0.007	0.145	-0.084	0.372	0.410
Factor 2	Makes wide publicity for creating awareness on products	0.789	0.211	-0.049	-0.178	-0.041	0.278	-0.298
Factor 3	Feeling of product development	0.581	0.202	-0.163	-0.233	0.077	-0.125	-0.154
Factor 4	Improve access to retail products	0.859	0.121	0.193	0.099	0.074	-0.052	0.078
Factor 5	Creating buying power (low-cost product ranges)	0.847	0.254	0.311	-0.074	0.111	-0.071	0.412
Factor 6	Shaping product aspiration to urban life styles	0.849	0.458	-0.127	0.172	0.150	-0.047	-0.082
Factor 7	Any time product availability	-0.196	0.150	-0.538	0.241	-0.382	-0.123	0.004
Factor 8	Bundle Pack for cheaper cost	0.843	-0.054	0.359	0.550	-0.232	0.107	-0.353
Factor 9	Refill pack availability	0.706	0.233	0.470	0.493	0.046	-0.142	-0.198
Factor 10	Well maintained supply chain	0.225	-0.626	-0.124	0.034	-0.053	0.030	0.180
Factor 11	Experiencing products in malls for new products	0.098	-0.501	-0.351	0.168	0.222	0.134	0.229
Factor 12	Localized product availability	-0.113	0.108	0.431	-0.552	-0.062	0.171	0.016
Factor 13	Pay-per-use” system (laundry system)	0.776	0.053	0.034	-0.112	0.075	0.455	-0.158
Factor 14	Well maintained supply chain	0.000	0.257	-0.086	0.192	0.294	0.632	0.052
Factor 15	Meet the needs of consumers in a different area	0.212	0.161	0.181	0.370	-0.007	-0.211	0.471
Factor 16	Greenfield-market expansion	0.060	0.147	-0.085	0.088	-0.611	0.367	0.063
Factor 17	Product selling devotion to social missions	0.049	- 0.398	0.192	0.079	-0.212	0.170	0.090
Factor 18	Nurture the creation of a new market	0.848	-0.207	-0.004	0.269	0.546	0.139	-0.203
<i>Extraction Method: Principal Component Analysis.</i>								
<i>a. 7 components extracted.</i>								

Sources: Primary data.

Component matrix **Table 4** highlights the results of each components Variance on “Change in Consumer Dynamics on products”. The customers made their exercise on selecting the options on the eighteen variables. Out of eighteen factors, only seven factors have been extracted those have more significant positive value in the columns of components. Here the more value is marked on F2, F4, F5, F6, F13, F14 and F18 and these are the seven most significant causes for better option on “Change in Consumer Dynamics on products”. So, it is concluded that the Effectiveness of Empowerment is highlighted more significantly on F2 (Makes wide advertisement for creating awareness on product), F4 (Improve access to retail products), F5 (Creating buying power (low-cost product ranges)), F6 (Shaping product aspiration to urban life styles), F13 (Pay-per-use” system (laundry system)), F14 (Well maintained supply chain) and F18 (Nurture the creation of a new market). The other eleven factor variables are to be solved for more Change in Consumer Dynamics on products for enhancing its efficiency in BoP marketing.

Impact Assessment of Factors on Effective Empowerment

Here total 12 variables have been selected for measuring the efficiency change across gender on empowerment (**Figure 1**). These value score has been measured through Likert scale of 1- strongly accepted 2- accepted, 3- can't say, 4- not accepted and 5- strongly rejected, Accordingly the measurement has been made in the following table. These variables are:

It includes following factors;

1. Educating community to brings real benefits to impacted communities
2. Upgrade skills and productivity to improve lives and increase purchasing power
3. Identify Innovative Financing Schemes& Create Buying Power for product purchase
4. Encouraging a habit of savings through BoP purchase
5. Community credit pooling with a revolving loan fund

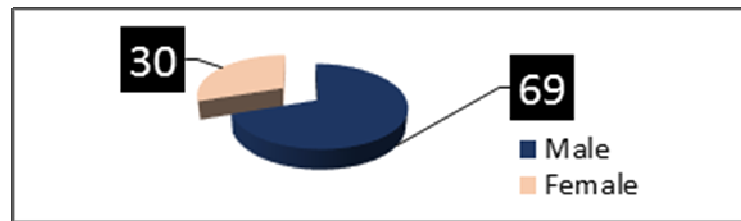


Figure 1: Above represents the male and female no. which are included in this study. 69 customers are male whereas 30 customers are of female category.

Oneway: Gender

Here the descriptive **Table 5**. indicates the results of “Effective Empowerment” in BoP marketing with respect to the gender of the customers. Five statements on this factor i.e., “Effective Empowerment” have been incorporated here, which were asked to the customers of BoP marketing. The lower Mean Score

Table 5: Descriptive analysis on Effective Empowerment.

		N	Mean	Std. Deviation	Std. Error
V1	Male	69	1.660	0.887	0.025
	Female	30	1.674	0.763	0.039
	Total	99	1.667	0.620	0.027
V2	Male	69	1.746	0.951	0.051
	Female	30	1.782	0.978	0.060
	Total	99	1.714	0.962	0.039
V3	Male	69	2.144	0.856	0.080
	Female	30	2.023	0.896	0.094
	Total	99	2.086	0.879	0.061
V4	Male	69	1.407	0.966	0.081
	Female	30	1.465	0.899	0.090

	Total	99	1.436	0.781	0.060
V5	Male	69	2.191	1.303	0.070
	Female	30	2.279	1.262	0.078
	Total	99	2.229	1.285	0.052

Sources: Primary data.

values indicate much better positive towards the attainment of more effective results on business strategy maintained by BoP retails. Here it is marked that, the male customers of factor V1 shows lower mean score i.e.,1.667, than customers of all other factors. So, it is concluded that male customers of factorV1 (Educating community to brings real benefits to impacted communities) and V4: Encouraging a habit of savings through BoP purchase (MS=1.436). have more impact for the “Effective Empowerment” practices in BoP marketing by the companies with respect to their gender.

Table 6: ANOVA on Effective Empowerment.

		Sum of Squares	df	Mean Square	F	Sig.
V1	Between Groups	4.697	1	4.697	1.832	0.228
	Within Groups	251.272	98	2.564		
	Total	256.242	99			
V2	Between Groups	2.336	1	2.336	1.212	0.145
	Within Groups	188.944	98	1.928		
	Total	191.280	99			
V3	Between Groups	4.412	1	4.412	1.954	0.129
	Within Groups					
	Total					
V4	Between Groups					
	Within Groups					
	Total					
V5	Between Groups					
	Within Groups					
	Total					

Sources: Primary data.

Table 6 reported the results of Anova to test the changes on “effective empowerment” by the retail malls in BoP marketing across the gender group of the customers. It shows a significant F statistic with the p-value as 0.228,0.145,0.129,0.135 and 0.124 respectively for five variables mentioned in the table. Hence, a no significant variation has been marked in all the above factors with respect to change in “empowerment” across the gender groups. That means both the groups have the same opinion on the aspect of empowerment in rural Odisha.

FINDINGS AND SUGGESTIONS

It is concluded that in measuring through principal component analysis only seven factors out of eighteen factors are mostly significant with the total

variance of 54 percent, which indicates a loss of 46 percent of data and needs for further analysis on Change in Consumer Dynamics on products. It is concluded that it is more significantly on (Makes wide advertisement for creating awareness on product), (Improve access to retail products), F (Creating buying power (low-cost product ranges)), (Shaping product aspiration to urban life styles), (Pay-per-use" system (laundry system)), F (Well maintained supply chain) and F (Nurture the creation of a new market). The other eleven factor variables are to be solved for more Change in Consumer Dynamics on products for enhancing its efficiency in BoP marketing. In other cases, it is suggested to make some vision of change on the process of reengineering by the companies to make the process more efficient and to change the attitude of the rural customers in Odisha. Further there is no change is marked across the gender groups on the responses for effective empowerment in rural Odisha. So, the model should be one model for all rural groups.

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