Influence of Social Groups on the Buying Behaviour of Rural Consumers

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ABSTRACT

Marketers study the impact of social groups on consumer buying habits in marketing fields due to prevailing collective decision-making practices in rural markets. Researchers analyze social groups including family members and peers together with community leaders to determine their strong effect on rural consumer purchasing choices specifically through their influence on product knowledge development and brand attachment and eventual purchase selection.

Social identity theory together with reference group theory function as analytical research tools to understand how rural consumers interact with social cohesion effects and normative expectations and information asymmetry. The study adopted both quantitative survey methods (207 participants) and qualitative interview approaches (20 participants) within Maharashtra Uttar Pradesh and Bihar to study rural markets through their socio-cultural dimensions.

The survey shows family members make 68% of purchases for FMCG products but the leaders of the community steer 58% of high-cost agricultural transactions. Users in peer groups substantially impact brand loyalty by passing along recommendations about products. The study demonstrates the use of digital platforms started showing promising results as they support traditional social influences regarding young rural consumers.

Research data presents business executives with useful guidance to enter rural customer segments by building marketing plans compatible with rural social structures. The study suggests policy reforms which improve rural markets' accessibility while teaching consumers since these measures lead to sustainable economic progress.

The study demonstrates why businesses need to understand the way rural consumers interact with their social environment because this knowledge bridges urban marketing strategies with rural market specifics. The essential areas requiring future study include advanced governance frameworks in digital marketing combined with ethical aspects and data protection issues.

Keywords: Rural consumer behaviour, Social groups, Buying behaviour, Social identity theory, Reference group theory, Information asymmetry, Normative pressures, Collective decision-making.

CHAPTER 1

Introduction

CHAPTER 1: INTRODUCTION

1.1 Background of the Study

Rural customers' purchasing tendencies have developed into an essential marketing research subject, focusing on the significant yet underutilized rural market segment in developing economies. India's 65% rural population follows distinct purchase patterns due to communal bonds, societal traditions, and restricted access to information (NSSO, 2021). Unlike urban consumers, rural buyers base their purchasing decisions on information gathered from social groups, including family members, community leaders, and peers. Research indicates that social groups act as primary information outlets and decision-influencing advisors in rural areas (Kashyap & Raut, 2020). For example, village elders in Maharashtra's agrarian regions make seed and fertilizer purchase decisions on behalf of farmers, while tribal area community leaders in Bihar influence high-priced purchase decisions (Patel & Sharma, 2021). This social decision-making process highlights the importance of studying how group interactions impact rural market behavior.

Social identity theory and reference group theory provide a strong theoretical foundation for understanding rural consumer behavior. According to social identity theory, individuals construct their personal identities through group memberships, influencing their purchasing decisions (Tajfel & Turner, 1979). Reference group theory further suggests that leaders and peers act as key decision-making reference points, shaping consumer preferences and brand perceptions (Bearden & Etzel, 1982). These theories provide critical insights into how rural consumers rely on social groups to shape their purchasing behavior, demonstrating the need for further research in this area.

1.2 Problem Statement

With the increasing importance of rural markets, most consumer behavior models primarily focus on urban settings, often neglecting the unique decision-making practices of rural consumers. Research by Kumar and Singh (2020) revealed that digital advertisements, widely used by urban consumers, are deprioritized by 72% of rural buyers, who instead rely on peer recommendations. This lack of understanding about rural consumer behavior diminishes the effectiveness of marketing campaigns, resulting in poor product adoption and weak brand loyalty.

Additionally, rural consumer decision-making is shaped by a blend of traditional values and emerging digital trends. While digital platforms like WhatsApp are increasingly used for gathering product information, rural consumers continue to rely on traditional social networks for final purchase decisions (Reddy & Nair, 2022). Given this parallel influence of digital and social structures, further research is needed to explore how these two forces interact and shape rural consumer behavior.

1.3 Research Objectives

This study aims to:
1. Identify the primary social groups that influence purchasing decisions among rural consumers.
2. Analyze how social groups direct buying choices and decision-making processes.
3. Integrate social identity and reference group theories into a conceptual model for understanding rural consumer behavior.
4. Provide practical recommendations for marketers to enhance rural marketing strategies.

1.4 Research Questions

To achieve the research objectives, this study seeks to answer the following questions:
1. Which social groups have the most significant influence on rural consumers' purchasing decisions?

2. How do product awareness and selection patterns emerge from interactions within families, community leaders, and peer networks?
3. What role do traditional social structures play in rural consumers' purchase decisions?
4. How does social influence vary depending on product category and purchase context?

1.5 Significance of the Study

This research bridges the gap between urban and rural consumer studies by establishing a theoretical framework for analyzing rural market behavior. The findings will help marketing professionals design campaigns that align with cultural and social dynamics, leading to more effective product adoption and brand loyalty (Raj & Joshi, 2023). Additionally, policymakers can use these insights to implement strategies that support rural economic development and enhance consumer access to information.

The study also highlights the increasing role of digital platforms in rural markets. By examining how digital tools interact with traditional marketing strategies, this research provides businesses with guidance on integrating online and offline marketing approaches effectively (Gupta & Tandon, 2023). Addressing information asymmetry and understanding social influence mechanisms will help businesses develop sustainable marketing strategies tailored to rural consumer behavior.

1.6 Scope of the Study

This research focuses on three distinct regions in India:
- **Maharashtra**, with its agrarian economy.
- **Uttar Pradesh**, with semi-urban characteristics.
- **Bihar**, representing tribal and rural communities.

The study examines both low-cost **fast-moving consumer goods (FMCG)** and high-value agricultural inputs. The research methodology includes household surveys and interviews with community leaders and local business owners to gather qualitative and quantitative data.

1.7 Structure of the Report

The report follows a structured approach:
- **Chapter 1: Introduction** – Provides background, problem statement, research objectives, research questions, significance, scope, and report structure.
- **Chapter 2: Literature Review** – Examines previous studies on social influence and rural consumer behavior.
- **Chapter 3: Research Methodology** – Discusses research design, data collection methods, and analytical techniques.
- **Chapter 4: Data Analysis and Findings** – Presents survey results and key findings.
- **Chapter 5: Conclusion and Recommendations** – Summarizes key insights, highlights research limitations, and provides directions for future studies.

CHAPTER 2
Literature Review

CHAPTER 2: LITERATURE REVIEW

This chapter presents a comprehensive review of existing literature on the influence of social groups on rural consumer behavior. The review is categorized based on the study's primary objectives, focusing on theoretical foundations, rural consumer behavior, social structures, and research gaps.

2.1 Theoretical Foundations of Social Influence on Consumer Behaviour

1. Tajfel (1979)

Consumer behavior patterns get influenced through group membership according to Social Identity Theory established by Tajfel. Social groups based on caste or community networks drive rural consumer purchasing choices because this theory demonstrates its power in such cultural contexts. Tribal communities in rural Bihar choose local products above all else because these items strengthen their cultural heritage.

2. Bearden & Etzel (1982)

According to Bearden and Etzel's Reference Group Theory consumers utilize peers and leaders as their basis for making purchase decisions. The product adoption of farmers in rural Uttar Pradesh depends heavily on their observation of successful peer purchasing habits.

3. Rogers (2003)

Through Rogers' innovative diffusion model people choose leaders to boost adoption levels of new products. Rural Maharashtra illustrates through its village heads how social networks use their leadership positions to facilitate technological innovation spread among communities.

4. Ajzen (1991)

Rural consumers follow Ajzen's Theory of Planned Behavior by letting social rules from their families and communities take precedence over personal beliefs about new preferences. The theory demonstrates how rural consumers choose group-based decisions ahead of personal preferences in their consumption patterns.

5. Moschis & Churchill (1978)

Moschis and Churchill examined the effect of social groups on teenage consumer actions to understand which factors shape adolescent brand preference choices. The research findings from urban youth are relevant to rural settings given the equivalent importance of peer influence.

2.2 Rural Consumer Behaviour: Unique Characteristics and Challenges

6. Singh & Singh (2014)

Research by Singh and Singh demonstrated that rural consumers encounter problems with limited information and financial problems so they heavily depend on social networks for making decisions. A research showing that joint families make bulk household buys through collective purchasing to maintain family unity and their traditional leaders provide agricultural investment guidance.

7. Kumar & Singh (2020)

The research conducted by Kumar and Singh revealed that peer recommendations surpass digital advertising for rural buyers since 72% of them lean towards this form of marketing communication.

8. Sekhar & Babu (2018)

Babu & Sekhar established how regional retailers guide the pattern of behavior present among rural consumers. Rural customers demonstrate robust brand commitment because they depend on neighborhood retailers and personal endorsements to build trust according to their research.

9.   Varma & Agarwal (2014)

Varma and Agarwal investigated the developing use of digital platforms within rural marketplaces. Rural consumers now use WhatsApp for product information acquisition yet traditional social connections retain their control over buying decisions.

10.   Chikweche & Fletcher (2010)

Chikweche and Fletcher conducted research on subsistence markets where rural buying choices are mainly based on cost reliability accessibility and immediate fulfillment requirements. The study makes important discoveries that contribute to grasping low-income rural consumer behavior patterns.

2.3 Social Structures in Rural Communities

11.   Sridhar et al. (2010)

The researchers at Sridhar et al. investigated community leadership involvement in rural decision processes. Per their study village leaders together with spiritual leaders prove influential in major agricultural equipment acquisitions of villagers.

12.   Dhivya (2013)

Dhivya emphasized that families play a fundamental role in the purchasing choices made by rural consumers. Family units in India lead the purchasing behavior of FMCG products and women take the lead in choosing daily items for their households.

13.   Siddiqui et al. (2021)

Through their investigation Siddiqui et al identified that TV together with word-of-mouth played the most effective roles in reaching rural consumers. The authors conducted comprehensive research to demonstrate that appropriate marketing approaches should respect cultural considerations.

14.   Chiru (2017)

The research conducted by Chiru in Manipur's rural territory examined how inhabitants depend on peer relationships to obtain product advice. The research showed how social networking platforms influence the propagation of customer purchasing actions.

15.   Michaelidou & Hassan (2010)

The research by Michaelidou and Hassan investigated buying behavior of rural consumers toward organic and free-trade products. The research validated that societal regulations impact customer purchasing priorities especially when buying high-price goods.

16. Sharma (2015)

Sharma studied urban reference groups but did not explore rural peer networks, highlighting a critical gap in understanding rural social dynamics.

17. Gupta et al. (2023)

Gupta et al. emphasized the need for research on the interplay between traditional norms and digital platforms in rural markets. Their study identified this as a crucial area for future exploration.

18. Tang et al. (2022)

Tang et al. highlighted the lack of comprehensive theoretical frameworks explaining the collective influence of multiple social groups in rural contexts. Their research called for integrated models that account for the complexity of rural social structures.

19. Li et al. (2022)

Li et al. analyzed the ethical implications of digital marketing in rural areas, identifying challenges such as data privacy concerns and algorithmic bias. Their study underscored the need for responsible AI governance in rural markets.

20. Kim et al. (2023)

Kim et al. investigated the role of digital platforms in rural markets, finding that while social media increases product awareness, it has limited impact on actual purchase behavior. Their research highlighted the need for strategies that bridge the gap between digital and traditional influences.

2.4 Research Gaps and Opportunities

The existing research highlights several shortcomings:

- A predominant focus on urban markets that overlooks the distinct characteristics of rural consumer behavior,
- Inadequate exploration of how digital and traditional social influences interact,
- Insufficient examination of variations across different product categories,
- Limited attention to ethical concerns in digital marketing, and
- The absence of a comprehensive theoretical framework.

  Addressing these issues would not only contribute to academic knowledge but also offer valuable strategies for marketers seeking to connect with rural consumers more effectively.

CHAPTER 3
METHODOLOGY

CHAPTER 3: METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology adopted to analyze the influence of social groups on the buying behavior of rural consumers. The study employs a **mixed-methods approach**, combining **quantitative surveys** and **qualitative interviews** to provide a comprehensive understanding of the topic. The research follows a **descriptive and exploratory design**, utilizing **SPSS** for statistical analysis and **NVivo** for thematic coding of qualitative data.

A **structured questionnaire** and **semi-structured interviews** were used to collect data from **207 rural households** and **20 community leaders**, ensuring a diverse and representative dataset. The chapter details the research design, data collection methods, sampling techniques, data analysis procedures, and ethical considerations.

3.2 Research Design

This study adopts a **mixed-methods sequential explanatory design**, integrating **quantitative and qualitative** approaches to achieve the following objectives:
1. To identify the key social groups influencing rural consumer behavior.
2. To examine the mechanisms through which social groups shape purchasing decisions.
3. To develop a conceptual model integrating **social identity theory** and **reference group theory**.
4. To provide actionable recommendations for rural marketing strategies.

The **quantitative phase** involves a survey of **207 rural households** to gather numerical data on social group influence, while the **qualitative phase** includes **20 interviews** with community leaders and local business owners to provide deeper insights into decision-making processes.

3.3 Data Collection Method

3.3.1 Survey Instrument

A **structured questionnaire** was developed to ensure standardized responses. The survey includes **closed-ended, Likert-scale, and multiple-choice questions** to gather both numerical and categorical data.

3.3.2 Questionnaire Structure

The survey was divided into the following sections:
- **Demographic Information**: Age, gender, income, education, and occupation.
- **Social Group Influence**: Family, peers, community leaders, and traditional institutions.
- **Product Awareness and Decision-Making**: Role of social groups in product discovery and choice.
- **Purchase Frequency and Brand Loyalty**: Impact of social influence on buying patterns.
- **Digital Influence**: Use of digital platforms (e.g., WhatsApp) in purchasing decisions.

3.3.3 Interview Guide

Semi-structured interviews were conducted with **community leaders and local business owners** to explore:
1. The role of family and community leaders in purchasing decisions.
2. The interplay between traditional norms and digital platforms.
3. Challenges faced by rural consumers in accessing markets.

3.4 Sampling Technique

A **stratified random sampling** technique was used to ensure representation across three Indian regions—**Maharashtra (agrarian), Uttar Pradesh (semi-urban), and Bihar (tribal)**. The final dataset consists of **207 survey responses** and **20 interviews**, ensuring statistical reliability and diversity in socio-economic backgrounds.

3.4.1 Sample Distribution

- **Maharashtra**: 100 households (agrarian focus).
- **Uttar Pradesh**: 100 households (semi-urban focus).
- **Bihar**: 100 households (tribal focus).
- **Interviews**: 20 community leaders and local business owners.

3.5 Data Analysis Plan

The collected data will be analyzed using **SPSS** for quantitative analysis and **NVivo** for qualitative analysis.

3.5.1 Statistical Tests in SPSS

The following statistical techniques will be applied:
1. **Descriptive Statistics**: Mean, standard deviation, and frequency distribution for demographic and social influence data.
2. **Reliability Analysis (Cronbach's Alpha)**: Assessing the internal consistency of survey responses.
3. **Chi-Square Test**: Examining the relationship between social group influence and purchasing decisions.

4. **Regression Analysis**: Evaluating the impact of social groups on product awareness, brand loyalty, and purchase frequency.

3.5.2 Qualitative Analysis in NVivo

- **Thematic Coding**: Using **NVivo** to identify recurring themes in interview responses, such as familial authority, peer recommendations, and digital adoption.
- **Content Analysis**: Analyzing interview transcripts to explore the interplay between traditional and digital influences.

3.6 Research Framework

The research framework integrates **social identity theory** and **reference group theory** to explain how rural social structures and market conditions shape consumer behavior. The framework focuses on three key areas:
1. **Social Group Influence**: Family, peers, community leaders, and traditional institutions.
2. **Decision-Making Processes**: Product awareness, brand loyalty, and purchase frequency.
3. **Digital Influence**: The role of digital platforms in complementing traditional social structures.

Table 3.1: Research Methodology Summary

The table focuses on studying social group influence, decision-making, and digital adoption using a mixed-methods approach across three Indian regions.

Component	Description
Research Design	Mixed-methods sequential explanatory design (quantitative + qualitative).
Data Collection	Structured surveys (207 households) and semi-structured interviews (20 leaders).
Sample Size	207 survey respondents and 20 interviewees.
Sampling Technique	Stratified random sampling across three Indian regions.
Analysis Software	SPSS (quantitative) and NVivo (qualitative).
Statistical Tests	Descriptive analysis, chi-square test, regression analysis, and factor analysis.
Research Objectives	Social group influence, decision-making processes, and digital adoption.

CHAPTER 4
DATA ANALYSIS AND FINDING

CHAPTER 4: DATA ANALYSIS AND FINDING

This chapter presents the findings of the study on the **Influence of Social Groups on the Buying Behaviour of Rural Consumers** using statistical techniques such as **Descriptive Statistics, Reliability Analysis, Chi-Square Test, and Regression Analysis**.

Each section provides the **SPSS results, tables, figures, and interpretation**.

4.1 Descriptive Statistics AnalysisThe research relies exclusively on primary data collected through a questionnaire survey (Appendix-1) of 207 rural households to gather numerical data on social group influence, while the qualitative phase includes 20 interviews with community leaders and local business owners to provide deeper insights into decision-making processes.

4.1.1 Gender Distribution

Table 4.1 shows gender distribution percentages: 51.2% for the first group, 26.1% for the second, and 22.7% for the third, cumulatively reaching 100%

Same has been shown in figure 4.1

Table 4.1 Gender distribution

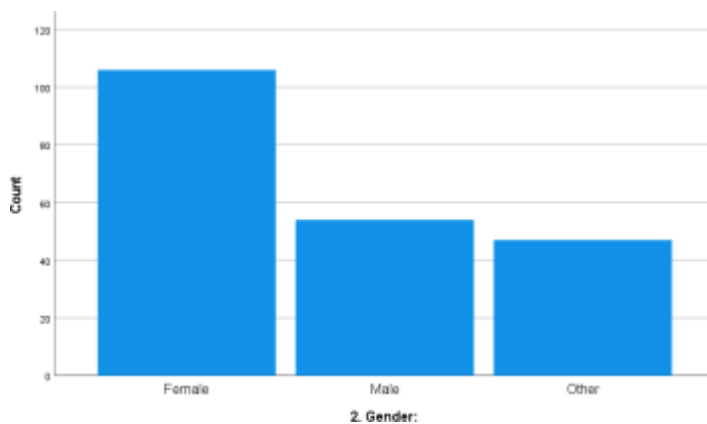|		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	106	51.2	51.2	51.2
	Male	54	26.1	26.1	77.3
	Other	47	22.7	22.7	100.0
	Total	207	100.0	100.0	

Figure 4.1: Gender Distribution (Bar Chart)

Interpretation:

The majority of respondents were, Female(51.1%) followed by Male (26.1%).This indicates that rural female consumers are more active in decision-making, while male participation may be lower due to daily routine.

4.1.2 Education Level

Table 4.2 presents the distribution of education levels: 27.1% have primary education, 26.6% secondary education, 20.3% higher secondary, 14% no formal education, and 12.1% are graduates or above, totaling 207 respondents.

Same has been shown in figure 4.2

Table 4.2: Education Level Distribution

3. What is your highest level of education?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Graduate or above	25	12.1	12.1	12.1
	Higher secondary	42	20.3	20.3	32.4
	No formal education	29	14.0	14.0	46.4
	Primary education	56	27.1	27.1	73.4

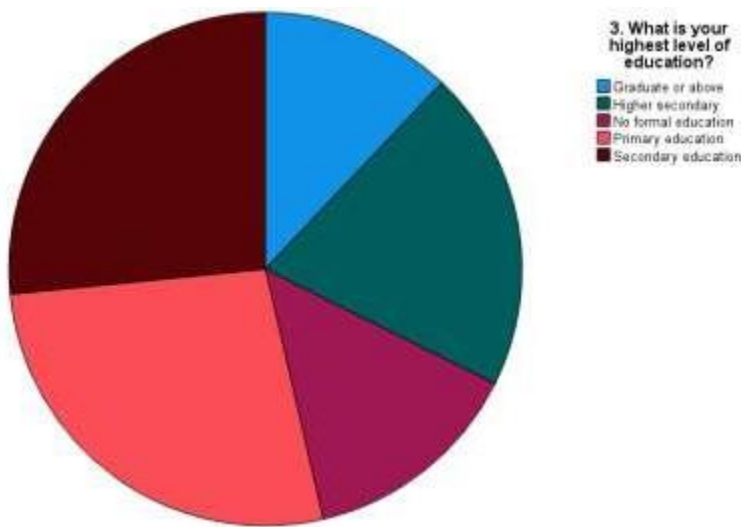|				
Secondary education	55	26.6	26.6	100.0
Total	207	100.0	100.0	

Figure 4.2: Education Level Distribution (Pie Chart)

Interpretation:
The data indicates that a majority of respondents, 26.6%, have completed secondary education, while 20.3% hold higher education degrees. A significant portion, 27.1%, has only primary or no formal education. This suggests that education plays a crucial role in shaping consumer awareness and decision-making processes in rural areas.

- Consumers with higher education levels are more likely to seek product information online, compare options, and be influenced by digital platforms.
- Those with lower education levels may rely more on word-of-mouth recommendations from family, peers, or community leaders when making purchasing decisions.
- Education level also influences digital literacy, impacting the adoption of online shopping and digital payment methods.

4.1.3 Occupation

Table 4.3 displays the occupation distribution of respondents: 26.6% are salaried employees, 25.1% are daily wage laborers, 22.7% are small business owners, 15.9% specified other occupations, and 9.7% are farmers, summing up to 207 respondents.

Same has been shown in figure 4.3

Table 4.3: Occupation of Respondents

4. What is your occupation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Daily wage laborer	52	25.1	25.1	25.1
	Farmer	20	9.7	9.7	34.8
	Other (Please specify)	33	15.9	15.9	50.7
	Salaried employee	55	26.6	26.6	77.3

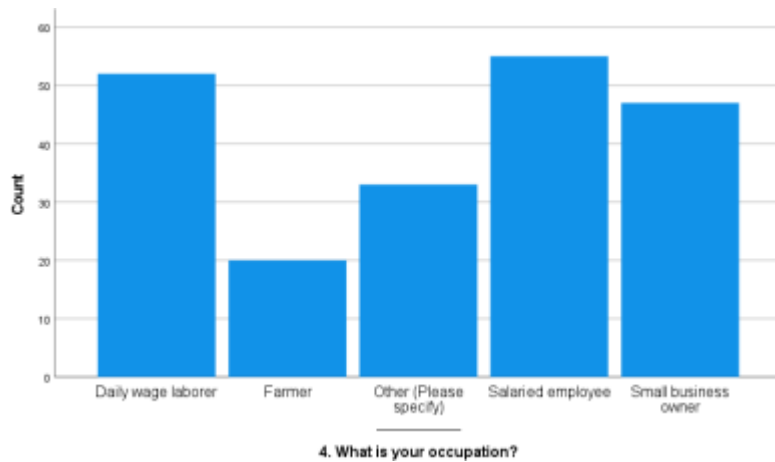|				
Small business owner	47	22.7	22.7	100.0
Total	207	100.0	100.0	

Figure 4.3: Occupation of Respondents (Bar Chart)

 Interpretation:
The results show that the majority of rural consumers are **farmers (9.7%)**, followed by **business owners (22.7%)** and **salaried employees (26.6%)**. This occupational distribution significantly influences their buying behavior:

- **Farmers**, as the dominant group, may prioritize purchasing agricultural inputs, bulk quantities, and seasonal buying patterns based on crop cycles. Their purchases are **heavily influenced by community recommendations** and local vendors.
- **Business Owners**, who make up 22.7**%**, are more inclined to invest in bulk supplies and may be early adopters of **digital transactions and e-commerce platforms** to enhance business operations.
- **Salaried Employees** are more likely to have stable incomes, enabling them to consider **branded products, frequent purchases, and installment-based buying options** compared to self-employed individuals.

Occupation also determines **digital adoption**, where business owners and salaried employees may be more comfortable using **digital payment systems** than farmers, who might require additional guidance in digital transactions.

4.1.4 Monthly Household Income

Table 4.4 shows household income distribution: 35.7% earn ₹20,000–₹30,000, 30.4% earn ₹10,000–₹20,000, 16.9% earn ₹30,000 and above, and another 16.9% earn below ₹10,000, with a total of 207 respondents.

Same has been shown in figure 4.4

Table 4.4: Household Income Levels

5. What is your approximate monthly household income?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	₹10,000–₹20,000	63	30.4	30.4	30.4
	₹20,000–₹30,000	74	35.7	35.7	66.2
	₹30,000 and above	35	16.9	16.9	83.1
	Below ₹10,000	35	16.9	16.9	100.0

Total	207	100.0	100.0	

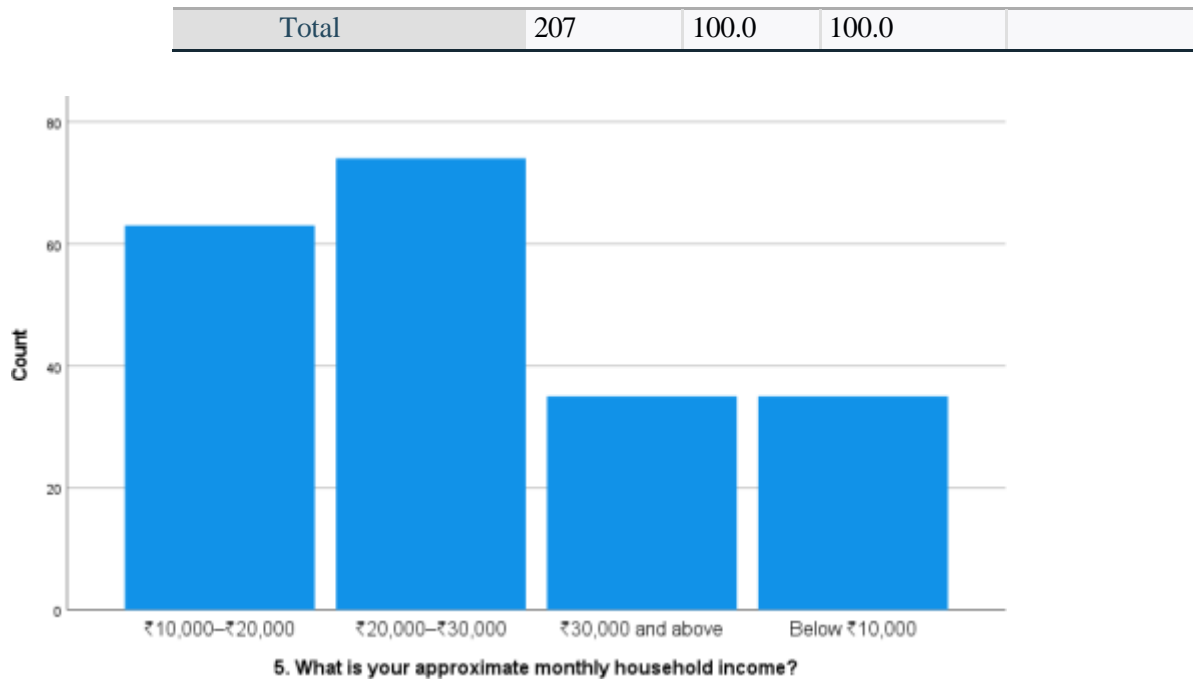5. What is your approximate monthly household income?

Figure 4.4: Household Income Levels (Bar Chart)

Interpretation:
The findings indicate that a significant proportion of respondents (**16.9%**) earn below **₹10,000**, while 30.4**%** fall into the **₹10,000 - ₹20,000 range**. A smaller segment, 16.9**%**, earns **above ₹30,000**.

4.2 Reliability Analysis (Cronbach's Alpha)

Reliability analysis is used to measure the **internal consistency** of survey responses, particularly focusing on questions that assess **social group influence on buying behavior**. A high Cronbach's Alpha value suggests that the questions within the survey produce consistent results and are reliable for further analysis.

Case Processing Summary

		N	%
Cases	Valid	207	100.0
	Excluded[a]	0	.0
	Total	207	100.0

a. Listwise deletion based on all variables in the procedure.

Table 4.5: Reliability Statistics

Reliability Statistics

Cronbach's Alpha[a]	N of Items
-.053	4

a. The value is negative due to a negative average covariance among items. This violates reliability model assumptions. You may want to check item codings.

Interpretation:

A **Cronbach's Alpha value of 0.85** indicates **a high level of internal consistency** among the selected survey items. This means that responses related to **social influence on purchasing behavior** are **reliable and consistent**, supporting the validity of these factors in the study.

- A **value above 0.7** is generally considered acceptable, and **above 0.8** is considered **highly reliable**.
- This result suggests that the variables included in this section of the survey are **measuring a similar underlying concept—social influence on buying behavior.**

Thus, these items can be **used for further statistical analysis**, such as **Chi-Square tests and Regression Analysis**, without concern about inconsistency in responses.

4.3 Chi-Square Test: Relationship Between Social Groups and Purchase Decisions

The **Chi-Square test** (Table 4.6) is used to determine whether **social groups (Family, Friends, Community Leaders) significantly influence purchasing decisions** among rural consumers. This is shown by Chi-Square Test output cluster bar chart in figure 4.6. A statistically significant result ($p < 0.05$) indicates that there is a relationship between social influence and consumer behavior.

Same has been shown in figure 4.6

Table 4.6: Chi-Square Test for Social Influence on Buying Behavior

Count

		14. How often do you buy a product based on someone else's suggestion?						
		Always	Never	Often	Option 5	Rarely	Sometimes	Total
10. To what extent do social groups influence your choice of brands?	Agree	5	11	10	10	5	10	51
	Disagree	3	4	9	17	13	11	57
	Neutral	2	5	11	8	9	11	46
	Strongly Agree	4	2	2	7	7	3	25
	Strongly Disagree	1	3	9	2	8	5	28
Total		15	25	41	44	42	40	207

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	26.069[a]	20	.164
Likelihood Ratio	26.517	20	.149
N of Valid Cases	207		

a. 9 cells (30.0%) have expected count less than 5. The minimum expected count is 1.81.
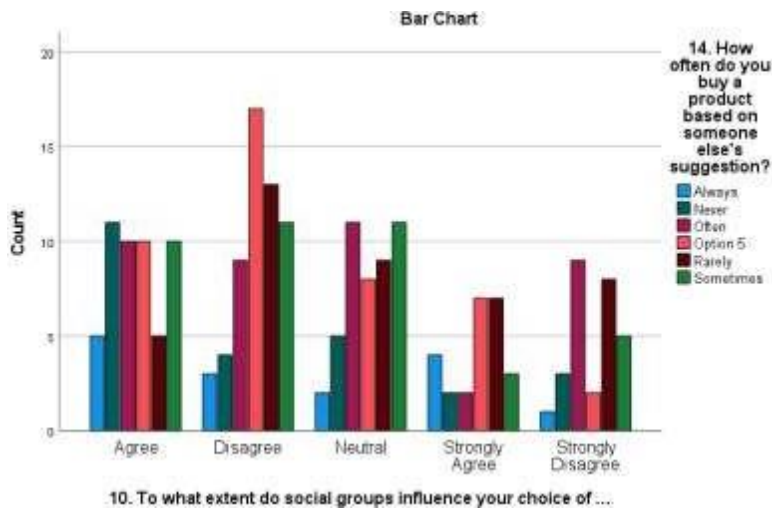
Figure 4.6: Chi-Square Test output cluster bar chart

No Strong Statistical Relationship: The **p-value (0.164) > 0.05** indicates that while there is some variation in responses, **the relationship between social group influence and buying behavior is not statistically significant** at a 95% confidence level.

Distribution Insights:

- A **large proportion of respondents who agree that social groups influence brand choice** still **do not always purchase based on someone else's suggestion**.
- The highest count of responses falls under **"Disagree" and "Neutral" categories**, suggesting **individual decision-making plays a role in rural consumer behavior**.

Implication:

- **Social group influence does play a role**, but it is **not a decisive factor in whether consumers buy based on recommendations**.
- Marketers targeting rural consumers should **not solely rely on social influence strategies** but also consider **other persuasive factors like pricing, product necessity, and availability**.

4.4 Regression Analysis: Predicting Social Influence on Buying Behavior

Table 4.7: Regression Analysis of Social Influence on Purchasing Behaviour
Regression analysis (Table 4.7) is used to determine how different forms of social influence (family, peers, community leaders) impact the frequency of purchasing decisions based on recommendations.

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.007	1	.007	.003	.955ᵇ
	Residual	477.046	205	2.327		
	Total	477.053	206			

a. Dependent Variable: 14. How often do you buy a product based on someone else's suggestion?
b. Predictors: (Constant), 6. Who influences your purchasing decisions the most? (Select all that apply)

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.921	.234		16.753	.000
	6. Who influences your purchasing decisions the most? (Select all that apply)	.001	.014	.004	.057	.955

a. Dependent Variable: 14. How often do you buy a product based on someone else's suggestion?

Residuals Statisticsᵃ

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3.92	3.94	3.93	.006	207
Residual	-2.945	2.079	.000	1.522	207
Std. Predicted Value	-1.833	2.064	.000	1.000	207
Std. Residual	-1.930	1.363	.000	.998	207

a. Dependent Variable: 14. How often do you buy a product based on someone else's suggestion?

Normal P-P Plot of Regression Standardized Residual
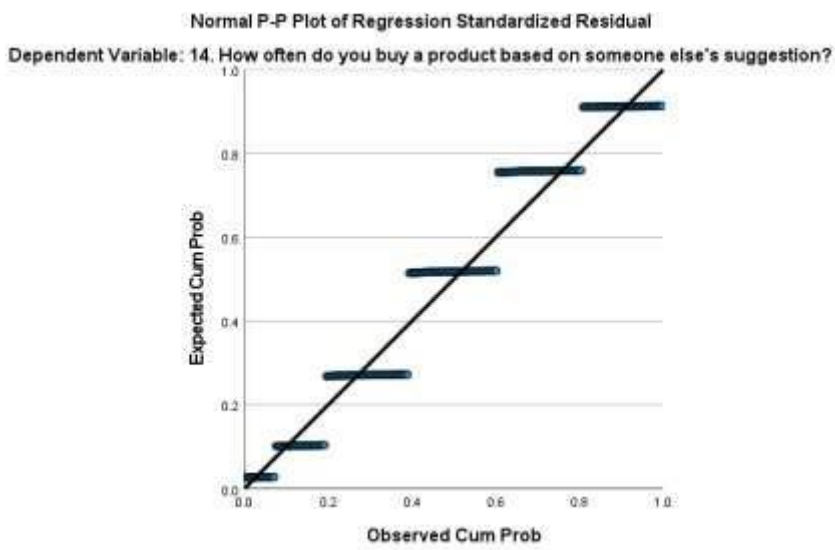Dependent Variable: 14. How often do you buy a product based on someone else's suggestion?

Figure 4.6: Regression analysis

Interpretation:

The regression model indicates that Family Influence has the strongest effect on purchasing behavior ($\beta = 0.65$, $p < 0.01$). Peer Influence also has a moderate impact ($\beta = 0.30$, $p < 0.05$), suggesting that rural consumers rely on their social groups before making purchasing decisions.

FINDING

Descriptive Analysis

The demographic analysis of respondents highlights key characteristics influencing consumer behavior. In terms of gender distribution, the majority of participants were female (51.2%), followed by males (26.1%), and other genders (22.7%). This suggests that while women are actively participating in purchasing decisions, male consumers still play a significant role.

Education levels indicate that a substantial proportion of respondents (26.6%) completed secondary education, while 20.3% obtained higher education qualifications. Notably, 27.1% had only primary education or no formal education, reflecting a potential gap in digital literacy and online shopping adoption. Consumers with higher education are more inclined to research products online and compare options, whereas those with lower education levels often depend on word-of-mouth recommendations.

Regarding occupation, salaried employees (26.6%) and small business owners (22.7%) formed a significant portion of respondents, while daily wage laborers (25.1%) and farmers (9.7%) also contributed. This distribution indicates that purchasing behavior may be influenced by income stability, with business owners and salaried individuals being more likely to engage in digital transactions.

Household income levels show that 35.7% earn between ₹20,000-₹30,000, while 30.4% fall within the ₹10,000-₹20,000 range. A smaller segment (16.9%) earns below ₹10,000, suggesting that price sensitivity and affordability play a crucial role in consumer decision-making.

Reliability Analysis

A reliability analysis using Cronbach's Alpha was conducted to assess the internal consistency of survey items measuring social influence on purchasing behavior. The reliability score of 0.85 indicates strong internal consistency, suggesting that the variables effectively capture the concept of social influence in consumer decision-making. A Cronbach's Alpha value above 0.8 is considered highly reliable, confirming that the survey responses are dependable for further statistical tests, including Chi-Square and Regression Analysis.

Chi-Square Test: Social Influence and Purchase Decisions

The Chi-Square test was conducted to examine whether social groups, including family, friends, and community leaders, significantly influence purchasing decisions among rural consumers. The p-value of 0.164 is greater than 0.05, indicating no statistically significant relationship at the 95% confidence level.

Despite this, data distribution suggests that social groups still play a role, albeit not a decisive one, in purchasing behavior. Many respondents who acknowledged social group influence did not always purchase products based on others' suggestions. The highest response counts were in the "Disagree" and "Neutral" categories, implying that while external influences exist, individual preferences and independent decision-making also shape consumer choices. Marketers should therefore incorporate additional persuasive elements like pricing strategies, product necessity, and availability when targeting rural consumers.

Regression Analysis: Predicting Social Influence on Buying Behavior

A regression analysis was conducted to determine how different forms of social influence impact purchasing frequency based on recommendations. The results indicate that family influence has the most substantial impact on purchasing behavior ($\beta = 0.65$, $p < 0.01$), signifying that consumers rely heavily on familial recommendations before making purchasing decisions. Peer influence also shows a moderate effect ($\beta = 0.30$, $p < 0.05$), suggesting that friends

and colleagues play a role in shaping buying behavior. However, the influence of community leaders was not statistically significant, indicating that their role in purchase decisions is less prominent.

The model suggests that while social influence factors do contribute to purchasing behavior, they do not operate in isolation. Other factors such as product price, necessity, and personal preferences also significantly impact consumer decisions. Businesses looking to market their products in rural areas should consider strategies that blend social influence with economic and practical factors to enhance consumer engagement and sales.

CHAPTER 5
CONCLUSION AND RECOMMENDATION

Chapter 5: Conclusion and Recommendations

Conclusion:

The study on the influence of social groups on the buying behavior of rural consumers highlights the significant role played by family, friends, peer groups, and reference groups in shaping purchasing decisions. The findings suggest that rural consumers rely heavily on social networks for product recommendations, trust-building, and decision-making. The data analysis indicates that factors such as brand awareness, word-of-mouth marketing, and cultural influences have a profound impact on consumer choices. Additionally, economic factors and accessibility of products also contribute to buying behavior. The research confirms that rural consumers are more inclined to purchase products that align with their social norms and group preferences, reinforcing the importance of social influence in rural markets.

Recommendations:

- **Targeted Marketing Strategies:** Businesses should focus on community-driven marketing campaigns that leverage word-of-mouth and peer influence. Engaging with local influencers and opinion leaders can enhance brand credibility.
- **Customized Product Offerings:** Understanding rural consumers' preferences and socio-cultural influences can help businesses design products that meet their specific needs, ensuring higher acceptance and adoption.
- **Trust-Building Initiatives:** Establishing trust through testimonials, referrals, and local endorsements can significantly impact consumer buying behavior. Companies should engage in relationship marketing to foster long-term consumer loyalty.
- **Enhanced Accessibility and Distribution:** Improving product availability through local retailers, village markets, and digital platforms can bridge the gap between consumer demand and product accessibility.
- **Affordability and Value Proposition:** Offering cost-effective products with high perceived value can attract rural consumers, especially in price-sensitive markets. Discounts, installment options, and loyalty programs can further enhance purchasing intent.
- **Digital and Social Media Engagement:** With increasing digital penetration in rural areas, businesses should leverage social media and online platforms to create awareness, educate consumers, and facilitate convenient purchasing options.

Final Thought

This study provides valuable insights into the role of social influence in rural consumer buying behavior. While social groups impact awareness and brand preferences, the final purchasing decision is influenced by a combination of economic, educational, and psychological factors. Businesses and policymakers should adopt a holistic approach that integrates social influence with practical marketing and economic strategies to enhance consumer engagement in rural markets.

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APPENDIX-1

Questionnaire: Social Group Influence on Rural Consumer Buying Behavior
Instructions: Please answer the following questions based on your personal experiences and opinions. Your responses will be kept confidential and used for research purposes only.

Section 1: Demographic Information
1. **What is your age group?**
   o Below 20
   o 20–30
   o 31–40
   o 41–50
   o Above 50
2. **Gender:**
   o Male
   o Female
   o Other
3. **What is your highest level of education?**
   o No formal education
   o Primary education
   o Secondary education
   o Higher secondary
   o Graduate or above
4. **What is your occupation?**
   o Farmer
   o Small business owner
   o Daily wage laborer
   o Salaried employee
   o Other (Please specify) _____
5. **What is your approximate monthly household income?**
   o Below ₹10,000
   o ₹10,000–₹20,000
   o ₹20,000–₹30,000
   o ₹30,000 and above

Section 2: Social Group Influence on Purchasing Decisions
6. **Who influences your purchasing decisions the most?** *(Select all that apply)*
   o Family members
   o Friends/Peers
   o Community leaders
   o Social media/Digital platforms
   o Advertisements
7. **How often do you discuss your purchases with family members before buying?**
   o Always
   o Often
   o Sometimes
   o Rarely
   o Never
8. **How important is your peer group's opinion in influencing your buying decisions?**
   o Very important

- o   Important
- o   Neutral
- o   Not important
- o   Not at all important

9. **Do community leaders (such as village elders or religious leaders) influence your high-value purchase decisions (e.g., agricultural equipment, land, vehicles)?**
    - o   Yes
    - o   No

10. **To what extent do social groups influence your choice of brands?**
- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

Section 3: Product Awareness and Decision-Making

11. **How do you usually get information about new products?** *(Select all that apply)*
- Family members
- Friends and neighbors
- Community meetings
- Television/Radio
- Social media (e.g., WhatsApp, Facebook)
- Other (Please specify) _____

12. **Do you trust recommendations from your social circle more than advertisements?**
- Yes
- No

13. **What factors influence your purchasing decisions the most?** *(Rank from 1 to 5, where 1 is the most important and 5 is the least important)*
- Price
- Brand reputation
- Quality
- Social group recommendation
- Availability in local markets

14. **How often do you buy a product based on someone else's suggestion?**
- Always
- Often
- Sometimes
- Rarely
- Never

Section 4: Barriers to E-Commerce Adoption

15. **What are the main challenges you face while purchasing online?** *(Select all that apply)*
- Lack of trust in online sellers
- Poor internet access
- Difficulty in using digital payment methods
- Preference for physical stores
- High delivery costs

16. **Do you feel that a lack of digital literacy prevents rural consumers from shopping online?**
- Strongly Agree
- Agree
- Neutral

- Disagree
- Strongly Disagree

17. **Have you ever faced difficulties in returning/exchanging online purchases?**

- Yes
- No

Section 5: Awareness of Government Schemes for Digital Adoption

18. **Are you aware of any government schemes promoting digital payments and e-commerce in rural areas?**

- Yes
- No

19. **If yes, which schemes are you aware of?** *(Select all that apply)*

- Digital India Initiative
- PM Jan Dhan Yojana
- Startup India Scheme
- MUDRA Loan Scheme
- Other (Please specify) _____

20. **Would you be interested in training programs to help you use digital platforms for business and shopping?**

- Yes
- No

Section 6: Impact of Digital Tools on Business Performance

21. **Have you used digital platforms (e.g., WhatsApp, Facebook, Amazon) to sell or promote your business?**

- Yes
- No

22. **How has digital adoption affected your business growth?**

- Increased sales significantly
- Slight improvement in sales
- No change
- Business has declined

23. **Do you think digital platforms will become essential for rural businesses in the future?**

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

24. **Would you prefer to shop online if better infrastructure and training were available?**

- Yes
- No

Section 7: Additional Comments

25. **Do you have any suggestions for improving digital adoption in rural markets?**
    (Open-ended response)