



## GOODS AND MARKET PREFERENCE OF THE LOW-INCOME CONSUMERS IN SELECTED AREA: A COMPARATIVE STUDY

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### Abstract

The main objective of the present study is to explore the market place and the reasons to visit a market place of the low-income consumers in YSR Kadapa and Chittoor districts of Andhra Pradesh. In this regard the set hypothesis is **H05**: There is no significant relationship between the low-income consumers' of YSR and Chittoor districts corresponding to their market preference. (Table no. 3.63 and 3.64). The multi-stage stratified sampling procedure comprised the selection of mandals from each district at its first stage, selection of villages in the second stage, and finally the selection of families in the third stage. The total sample size would be 550 from both districts. Primary data was collected, classified, calculated, tabulated and analysed systematically as per the required order by using descriptive statistics, chi-square, ANOVA, t-test, factor analysis and reliability scaling. It is found that majority of the YSR and Chittoor districts' low-income consumers preferred public distribution shops. Only 20 percent of the total respondents are visiting retail shops. And very meagre amount of the respondents are going to district & mandal headquarters and other shops like fairs, exhibition and sales vendors for purchasing essential commodities. (Table no.1 and Chart no.1.1). It is suggested to the government to run the public distribution shops more effectively as majority of the low-income consumers are depending on the public distribution shops for purchasing the essential commodities. (Table no.1 and chart no.1.1).

**Key words:** low-income consumers, consumer behaviour, goods and market preference, ethnographic study, market places.

The competition among marketers have reached to the peak level leading to infighting for their existing market shares instead of their looking at new segments, like low-income consumers from various sub-groups, rural markets etc. Hence, the present study certainly would help these marketers to achieve these objectives. The present study can give better direction to the marketers and producers to understand the low-income consumers from selected group and to find reasons behind visiting various market places for purchasing different goods.

**Objective of the study:**

- To explore the market place and the reasons to visit a market place concerning to various goods of the low-income consumers in YSR Kadapa and Chittoor districts of Andhra Pradesh.

**Hypothesis:**

**H01:** The market priority of the low-income consumers with regard to essential commodities is independent of its location.

**H02:** There is no significant relationship between the priority of the market and the location of the respondents with regard to non-durable goods in the YSR and Chittoor districts.

, **H03:** The null hypothesis that ‘there is no relationship between the market priority of the low-income consumers for purchasing durable goods and the market location’

**Sample selection**

The multi-stage stratified sampling procedure comprised the selection of mandals from each district 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 would be selected from each Mandal of Kadapa and Chittoor districts, and then 5 respondents from each village will be selected to elicit responses to the questionnaire administered. Hence, the total sample size would be 550. Ten families each from Putlampalli Harijanawada of Kadapa district and Rangampet of Chittoor district were selected for staying with them for 9 to 12 months to observe closely their culture and behaviour. To be convenient one Mandal from Chittoor district would not be taken into account for sample selection.

**Tools for data analysis**

Both primary and secondary data were collected, classified, calculated, tabulated and analysed systematically as per the required order by using descriptive statistics, chi-square, ANOVA, t-test, factor analysis and reliability scaling.

**Table no.1: Distribution of the low-income consumers according to their essential commodities and market preferences in YSR and Chittoor districts.**

Districts	Essential commodities and market preferences				Total
	1.Public distribution shops	2.Retail shops	3.district & Mandal shops	4.Others	
<b>1.YSR</b>	179(71.6)	50 (20)	3(1.2)	18(7.2)	250
<b>2.Chittoor</b>	188(62.6)	69(23)	11(3.6)	32(10.6)	300
<b>Total</b>	367	119	14	50	550

Table no.1 implies the district wise priority of the low-income consumers on essential commodities and market place. Out of 250 respondents of YSR district 179 respondents representing 71.6% to the total respondents preferred public distribution shops for purchasing the essential commodities. Secondly, 50 respondents chose retail shops. Thirdly, 18 respondents selected others like fairs, exhibitions and sales vendors etc. And lastly only 3 respondents elected district and mandal headquarters for purchasing essential commodities.

Off the 300 respondents belonging to the Chittoor district; firstly 188 respondents constituting 62.6% to the total respondents chose public distribution shops for purchasing the essential commodities. Secondly, 69 respondents selected retail shops. Thirdly, 32 respondents preferred others. And lastly 11 respondents elected district and mandal headquarters for purchasing the essential commodities.

**Finding:** Based on the above observation it is clear that majority of the YSR and Chittoor districts’ low-income consumers preferred public distribution shops. Only 20 percent of the total respondents are visiting retail shops. And very meagre amount of the respondents is going to district & mandal headquarters and other shops like fairs, exhibition and sales vendors for purchasing essential commodities. (Table no.1 and Chart no.1.1)

**Reason:** We suppose that because of the majority of the low-income people are relying on government assistance like subsidies on essential commodities. And as this subsidy is available in public distribution shops they are visiting.

**Suggestion:** It is suggested to the government to run the public distribution shops more effectively as majority of the low-income consumers are depending on the public distribution shops for purchasing the essential commodities. (Table no.1 and chart no.1.1).

**Chart no. 1.1: District wise percentage of respondents visiting market places for purchasing essential commodities.**

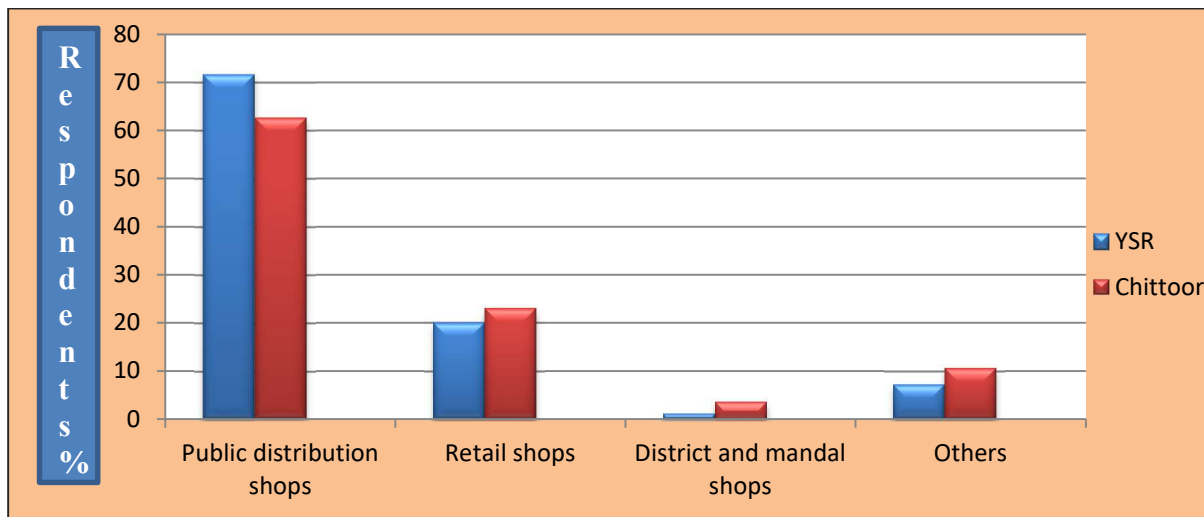


Chart no.1.1 depicts the district wise percentage of the low-income consumers visiting the market places for purchasing the essential commodities. in the table blue colour represents the YSR district and the red colour indicates the Chittoor districts. Firstly, more than 60 percent of the total respondents were visiting public distribution shops in both YSR and Chittoor districts. Secondly, less than 20 percent of the total respondents called upon retail shops and very meagre amount of the respondents in both the districts were

visiting other market places such as district headquarters, mandal headquarters, fairs, exhibitions and sales vendors etc as seen in the above chart.

**Table no. 2: Association between the YSR and Chittoor districts with regard to essential commodities and market place.**

Statistics	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.260(a)	3	.064
Likelihood Ratio	7.548	3	.056
Linear-by-Linear Association	5.416	1	.020
N of Valid Cases	550		

a.0 cells (.0%) have expected count less than 5. The minimum expected count is 6.36.

Table no. 2 explains the association between the YSR and Chittoor district with regard to essential commodities. The significant p- value in the above table is 0.064 which is higher than the commonly used significant levels 5 % and 10% (0.05 and 0.10). Hence, the null hypothesis that ‘the market priority of the low-income consumers with regard to essential commodities is independent of its location’ is accepted. This means that based on the location of the respondents their market preference with regard to the market place is not changing

**Finding;** it is found that there is no significant relationship between the market priority of the low-income consumers concerning to the purchase of essential commodities and the area of the market place. This means that based on the location of the respondents their market preference with regard to the market place is not changing (Table no..2)

**Reason:** Because the market priority of the respondents for purchasing the essential commodities in YSR and Chittoor districts is same, there is no difference. (Table no.2)

**Suggestion:** It is suggested to the government that the low-income people of YSR and Chittoor districts are preferring public distribution shops for purchasing essential commodities. For uplifting these low-income people government has to run the public distribution shops more effectively with which that these people can be made to take part in the development of the nation. Otherwise, unhealthy and further needy people can be raised in the society which is not good for the nation. (Table no.2)

**Table no. 3: Distribution of the low income consumers as per their non-durable goods and market preferences in YSR and Chittoor district.**

Districts	Non-durables and market preferences				Total
	1.Public distribution shops	2.Retail shops	3.district & Mandal shops	4.Others	
<b>1.YSR</b>	90(30)	115(38.3)	10(3.33)	35(11.6)	250

<b>2.Chittoor</b>	110(36.6)	140(46.6)	11(3.6)	39(13)	300
<b>Total</b>	200	255	21	74	550

Table no.3 expounds the distribution of the low-income consumers as per their market preference and non-durable goods in YSR and Chittoor districts. Out of 250 respondents of YSR district 115 respondents representing 38.3% to the total respondents preferred retail shops for purchasing non-durable goods. Secondly, 90 respondents chose public distribution shops. And less than 50 respondents selected district and mandal head quarters’ shops and other market places like fairs, exhibitions and street vendors etc for purchasing the non-durable goods.

As per as the Chittoor district is concern off the 300 respondents firstly 140 respondents amounting 46.6% to the total respondents chose retail shops for purchasing non-durable goods. Secondly, 110 respondents preferred ‘public distribution shops. Thirdly, 39 respondents selected others like fairs exhibitions and sales vendors etc. And lastly only 11 respondents gave priority to district and mandal headquarters’ shops for purchasing the non-durable goods.

**Findings:** it is found that out of the total 550 respondents in both the YSR and Chittoor districts; 255 respondents chose retail shops for purchasing non-durable goods. Secondly 200 respondents preferred public distribution shops. Thirdly, 74 respondents selected others like fairs, exhibitions and sales vendors etc. And lastly only 21 respondents gave priority to district and mandal headquarters shops. (Table no. 3 and chart no.1.2)

**Reason:** As considerable amount of the respondents preferred public distribution shop along with retail shops for purchasing the non-durable goods and essential commodities. (Table no. 3 and chart no.1.2).

**Suggestion:** It is suggested to the marketers and producers to make the non-durable goods available in public distribution shops along with retail shops for encashing the new market of low-income consumers in YSR and Chittoor districts. (Table no.3 and chart no.1.2).

**Chart no.1.2: District wise percentage of respondents visiting market places for purchasing non-durable goods.**

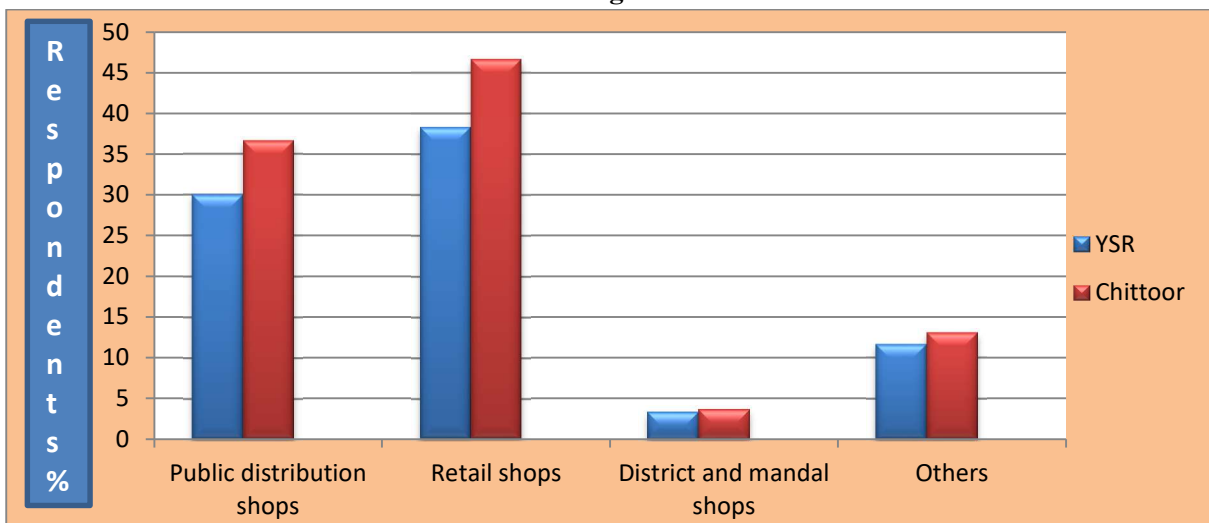


Chart no.1.2 explains the district wise percentage of the respondents visiting market places for purchasing non-durable goods. In the chart we can observe that more or less the low-income consumers gave the equal priority to retail shops and public distribution shops for purchasing the non-durable goods in YSR and Chittoor districts. Thirdly, some respondents that are in between 10 to 15 percent preferred others like fairs, exhibition and sales vendors etc. And lastly less than 5 percent of the respondents in both the districts selected district and mandal headquarters shops for purchasing the non-durable goods as seen in the above chart.

**Table no. 4: Association between the YSR and Chittoor districts with regard to non-durable goods and market place.**

Statistics	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.171(a)	3	.982
Likelihood Ratio	.170	3	.982
Linear-by-Linear Association	.131	1	.718
N of Valid Cases	550		

a 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.55.

Table no. 4 depicts the relationship between the YSR and Chittoor districts with regard to non-durable goods and market place of the low income consumers. The chi-square test is used to test of independence of the given two variables. In the present table the two variables are market place priority and the two districts. The p- value in the above table is 0.982 with 3 degree of freedom. When we compare the calculated p- value with the 0.05 and 0.10, it is clear that the calculated p-value (0.982) is bigger. Hence, the null hypothesis that ‘there is no significant relationship between the priority of the market and the location of the respondents with regard to non-durable goods in the YSR and Chittoor districts’ is being accepted. This means that there is no much difference between the opinions of the low-income consumers in YSR and Chittoor district with regard to the non-durable goods and market preference.

**Finding:** it is found that there is no significant difference in the priority of the market place with regard to the purchase of durable goods in YSR and Chittoor districts. This means that irrespective of the location of the market both the districts’ low income consumers’ preferring the same market place for purchasing the non-durable goods. (Table no. 4 and Chart no. 1.2)

**Reason:** As the low-income consumers prefer the public distribution shop along with the retail shops for purchasing the non-durable goods. (Table no. 4 and Chart no.1.2)

**Suggestion;** it is suggested to the marketers and producers to place the required non-durable goods to the low-income consumers at the nearby retail shops and public distribution shops. (Table no.4 and Chart no.1.2)

**Table no.5: Distribution of the low-income consumers according to their durable goods and market preferences in YSR and Chittoor districts.**

Districts	Durable goods and market preference			Total
	2. Retail shops	3. District & mandal shops	4. Others	
<b>1.YSR</b>	32(10.6)	145(48.3)	73(24.3)	250
<b>2.Chittoor</b>	48(16)	185(61.6)	67(22.3)	300
<b>Total</b>	80	330	140	550

Table no.5 says the distribution of the low income consumers according to their durable goods and market preferences in YSR and Chittoor districts. Out of 250 respondents of YSR district 145 respondents preferred district and mandal head quarters’ shops for purchasing durable goods. Secondly, 73 respondents selected others like fairs, exhibitions and street vendors etc. And lastly 32 respondents elected retail shops.

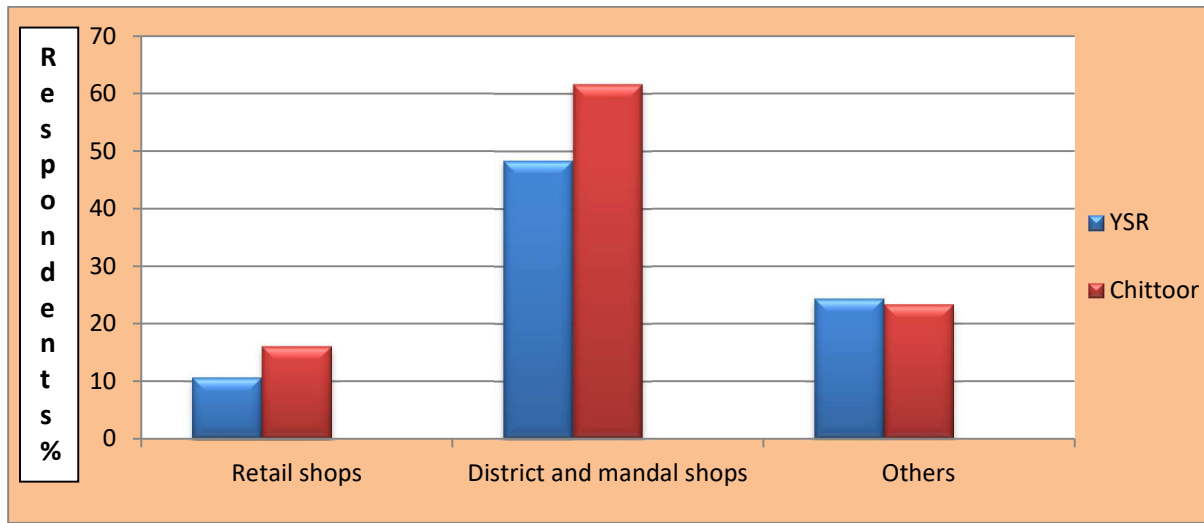
As per as Chittoor district is concern 185 respondents of the total 300 respondents chose district and mandal head quarters’ shops for purchasing durable goods. Secondly 67 respondents preferred others and lastly 48 respondents’ retail shops for purchasing the durable goods.

**Finding:** it is found that 330 respondents of the total respondents preferred district and mandal head quarters’ shops for purchasing the durable goods. Secondly 140 respondents chose others like fairs, exhibitions and sales vendors etc. And lastly only 80 respondents gave priority to retail shops for purchasing the durable goods. (Table no. 5 and Chart no.1.3)

**Reason:** because the majority of the low-income consumers are visiting district and mandal head quarters’ shops and not the retail shops, fairs, exhibition and sales vendors for purchasing durable goods. And they believe that the branded and quality durable goods are available at district and mandal head quarters’ shops. (Table no.5 and Chart no. 1.3)

**Suggestion:** it is suggested to the marketers and producers to bring their marketing outlets near to the residential areas of the low-income consumers. Since that the marketers and producers can reach the new markets of the low-income consumers which had never been reached by others. (Table no.5 and Chart no.1.3)

**Chart no.1.3: District wise percentage of respondents visiting market places for purchasing durable goods.**



The chart no.1.3 shows the district wise percentage of the respondents visiting market places for purchasing durable goods. Firstly, nearly 50 percent of the total respondents in YSR and more than 60 percent of the total respondents in Chittoor district preferring district and mandal head quarters’ shops for purchasing durable goods. Secondly less than 25 percent of the total respondents in YSR and Chittoor district preferred others and lastly very least percent of the respondents in both the districts gave priority to retail shops as seen in the above table.

**Table no. 5: Association between the YSR and Chittoor districts with regard to durable goods and market place.**

Statistics	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.792(a)	2	.150
Likelihood Ratio	3.788	2	.150
Linear-by-Linear Association	3.554	1	.059
N of Valid Cases	550		

a 0 cells (.0%) have expected count less than 5. The minimum expected count is 36.36.

The table no. 5 denotes the association between the YSR and Chittoor district with regard to durable goods and market place. The significance p- value in the above table is 0.150 which is greater than the commonly used significant level 0.05 and 0.01. Hence, the null hypothesis that ‘there is no relationship between the market priority of the low-income consumers for purchasing durable goods and the market location’ is accepted. This means that the market priority of the low-income consumers in YSR and Chittoor districts is not changing with regard to purchasing the durable goods.



**Finding:** it is found that there is no significant difference between the low-income consumers’ market priority for purchasing the durable goods in YSR and Chittoor district. This means that the market preference of the low-income consumers in YSR and Chittoor district for purchasing the durable goods is same. (Table no.5 and chart no.1.3)

**Reason:** As the low-income consumers believe that the branded and quality durable goods are available at district and mandal head quarters’ shops.

**Suggestion:** It is suggested to the marketers and producers to adopt new channel of distribution like organising mobile markets with which they can easily reach the low-income consumers’ demand for durable goods. (Table no. 5 and chart no.1.3)

**Table no.6: Descriptive statistics of goods and Market places**

Statistics	Goods purchased and Markets visited by the low-income consumers		
	Essential commodities & Market preference	Non-durables & Market preferences	Durable goods & Market preferences
<b>N</b>	550	550	550
<b>Mean</b>	1.5400	1.9436	3.1091
<b>Median</b>	1.0000	2.0000	3.0000
<b>Mode</b>	1.00	2.00	3.00
<b>Std. Deviation</b>	.91995	.96878	.62354
<b>Minimum</b>	1.00	1.00	2.00
<b>Maximum</b>	4.00	4.00	4.00

(Market-1-PDS, 2-Retail shops, 3- District and mandal head quarters’ shops, 4- others like fairs, exhibitions and street vendors)

Table no. 6 expounds the descriptive statistics of the goods used and the markets visited by the low-income consumers in YSR and Chittoor districts. With regard to the essential commodities the low-income consumers in YSR and Chittoor districts preferred the markets ranging from 1 to 4 but many of them repeated the market-1 that is public distribution shops. As per as the non-durable goods is concern the respondents chose the markets from 1 to 4 but majority of them were repeating the market-2 that is retail shops. And lastly the low-income consumers gave priority to the markets from 2 to 4. Majority of them repeated the market-3 that is district and mandal head quarters’ shops for purchasing durable goods.

**Finding:** With regard to the essential commodities the low-income consumers in YSR and Chittoor districts preferred the markets ranging from 1 to 4 but many of them repeated market-1 that is public distribution shops. (Market-1-PDS, 2-Retail shops, 3- District and mandal head quarters’ shops, 4- others like fairs, exhibitions and street vendors) (Table no. 6)

**Reason:** Because the sample respondents’ income is very low. Since that they are very economic and they cannot exhaust much amount on essential commodities. They always look for reducing the expenses as much as possible. (Table no.6)

**Suggestion:** it is suggested to the marketers and the producers to produce the essential commodities at lower rates and make it available at the public distribution shops. So that the marketer who sells the essential commodities such as rice, wheat etc can reach new markets. (Table no.6).

**Finding:** As per as the non-durable goods is concern the respondents in YSR and Chittoor districts chose the markets from 1 to 4 but majority of them were repeating the market-2 that is retail shops. (Market-1-PDS, 2-Retail shops, 3- District and mandal head quarters' shops, 4- others like fairs, exhibitions and street vendors) (Table no.6).

**Reason:** Because the retail shops are very nearer to their home and also as there is a familiar shop keeper. Since that majority of the low-income consumers are visiting the retail shops and the public distributions shops for purchasing non-durable goods. (Table no.6).

**Suggestion:** It is suggested to the marketers and the producers who produce and market the non-durable goods to arrange the non-durable goods at the market places which are very nearer to the residences of the low-income consumers as a part of searching the new avenues for their goods. (Table no.6).

**Finding:** The low-income consumers in YSR and Chittoor districts gave priority to the markets from 2 to 4. Majority of them repeated market-3 that is district and mandal head quarters' shops for purchasing the durable goods. (Market-1-PDS, 2-Retail shops, 3- District and mandal head quarters' shops, 4- others like fairs, exhibitions and street vendors) (Table no.6).

**Reason :** Since the durable goods are not available at the Public distribution shops and retail shops the low income consumers are visiting the district and mandal headquarters 'shops for purchasing the durable goods. (Table no.6).

**Suggestion:** It is suggested to the marketers and the producers if you could divert the low-income consumers from visiting the 'district and mandal headquarters shops to the out lets arranged by the company near to their residential areas, surely good market can be expected. (Table no. 6).

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