

**A COMPARATIVE STUDY ON PURCHASING BEHAVIOUR OF RURAL AND
URBAN MALE COLLEGE STUDENTS ON APPARELS (SHIRT & PANT) IN
ERODE DISTRICT.**

P. 2515

A PROJECT REPORT Submitted by

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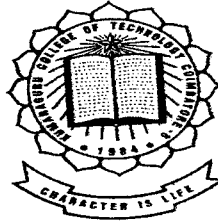


**In the partial fulfillment of the requirements of Anna University-
Coimbatore for the award of the degree of
Master of Business Administration**



**DEPARTMENT OF MANAGEMENT STUDIES
KUMARAGURU COLLEGE OF TECHNOLOGY
(AN AUTONOMOUS INSTITUTION)**

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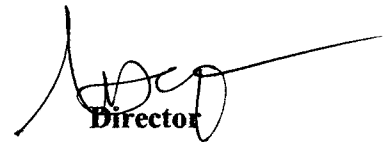
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BONAFIDE CERTIFICATE

Certified that this project titled “A COMPARATIVE STUDY ON PURCHASING BEHAVIOUR OF RURAL AND URBAN MALE COLLEGE STUDENTS ON APPARELS (SHIRT & PANT) IN ERODE DISTRICT” is the bonafide work of Mr. A. SANJEEV RAJ who carried out this research under my supervision. Certified further, that to the best of my knowledge the work reported herein does not from part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.



Faculty Guide ..



Director

Evaluated and viva-voce conducted

on.....1.11.08



Examiner I



Examiner II ..

DECLARATION

I hereby declare that the dissertation entitled "*A comparative study on purchasing behaviour of rural and urban male college students on apparels (shirt & pant) in erode district*" Submitted for the **MASTER OF BUSINESS ADMINISTRATION** degree is my original work and the dissertation has not formed the basis for the reward of any Degree, Associate ship, Fellowship or any other similar titles.


[A SANJEEV RAJ]

Place: Coimbatore

Date: 16-9-08

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Executive Summary

This project reports the results of an exploratory study. It is an attempt to explore the motivational factors for purchasing apparels by male college students. The study aims to examine the comparative buying behaviour of rural and their urban counterparts. It also aims to identify the most preferred brands in ready made and stitching materials and the least preferred brands in the same.

A comparative study is needed to assess the similarities and differences between buying behaviour displayed by both urban and rural male college students.

The results show that these motivational factors are playing major role in their purchasing decisions. It also reveals that rural market has wide scope for branded apparels. The test has been performed by tracking customers with a questionnaire and interpreting it through SPSS.

The report concludes that more research is needed on this managerially relevant topic which is having wide scope for manufacturers and retailers.

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CHAPTER 1

INTRODUCTION:

1.1 BACK GROUND OF THE STUDY:

India's vast rural market offers a huge potential for a marketer facing stiff competition in the urban markets. The rural market environment is very different from the familiar surroundings of the urban market.

Rural consumers have customs and behaviors that the marketers may find difficult to contend with. The opportunities in the rural market are demonstrated by comparing consumption levels in urban and rural market for different product categories. Their volumes and growth show the importance of the market. India's young population offers huge market for apparel industry. Thus the study focused to identify the motivational factors in their purchasing decision by male college students in apparels.

The Indian rural market with its vast size and demand base, offer a huge opportunity that companies can't afford to ignore. To expand the market share more and more companies are foraying into India's rural Markets. Among those that have made some headway are HLL, coco cola, Britannia, LG, Philips and Colgate Palmolive to name a few.

Rural Vs Urban:

There is no official definition of what constitutes a rural area. However, an urban area is defined as per the census of India as "*all places with a municipality, Corporation, cantonment, or a notified town area.*" And all other places satisfying the following criteria:

1. **Minimum population of 5000.**
2. **At least 75% of male working population in non agricultural pursuit.**
3. **Density of population of at least 400 persons per Sq.km.**

Therefore an area that does not satisfy the criteria specified above can be considered a rural area.

Rural marketing:

Any marketing activity in which one dominant participant is from a rural area for the purpose of defining the domain of rural marketing, rural and urban can be visualized on a continuum consisting of three broad groups, namely rural, urban, *rurban*.

Rurban:

It is the overlap between rural and urban, with physical features closer to urban areas and proximity to large urban centres, but with deep rural sociological moorings.

1.2 REVIEW OF LITERATURE:

Chirag V.Erda (2007)¹ compare the buying behavior of rural and urban consumers on mobile phone in Jamnagar district. The results of this study shows that Nokia occupies a considerable portion among both rural and urban consumers. The rural samples follow self decision and urban samples got their family help. Most people said that their sources of information are T.V and Newspapers.

Kausik.V.K (2008)² conducted a study on buying behaviour for passenger cars in south west haryana. It investigates empirically customer's preference towards passenger car brand. Maruti was found to be leading players, Santro was found to be second best player. Majority of the respondents were found to be relying upon friends and advertisements. Brand name is the most important factor influencing their buying behaviour.

Anand & Hundal, B.S. (2007)³ examined the comparative buying behaviour of rural and their urban counterparts towards the purchase of refrigerator. The factors considered by them: item of necessity, symbol of social status, advertising influence, brand reputation and time saving device (Punjab).

1.3 OBJECTIVES OF THE STUDY

Primary Objective:

To identify the motivational factors for purchasing apparels by male college students in erode district.

Secondary Objective:

- To identify the most preferred brand and least preferred brand in ready made among rural and urban male college students.
- To identify the most preferred brand and least preferred brand in stitching material among rural and urban male college students.
- To examine their frequency of purchase.

1.4 STATEMENT OF THE PROBLEM:

The Indian rural market with its vast size and demand base, offer a huge opportunities that companies can't ignore. Today's teenage customers have emerged as big time spenders especially in apparels. A comparative study is needed to identify the motivational factors influencing students purchasing decisions of apparels in both rural and urban areas of erode district.

1.5 SCOPE OF THE STUDY:

This study will be useful for both apparel manufacturers and retailers in identifying the motivational factors influencing the purchasing decisions of both rural and urban male college students. It aims to identify the market potential of rural markets. It also identifies the area, where the retailers are lagging and helps to improve their products in the near future.

1.6 RESEARCH METHODOLOGY:

The business researches is a systematic method of analyzing, exploring the social life, in order to correct or verify whether the knowledge aids in the construction of a theory or part of an art.

1.6.1 RESEARCH DESIGN:

The research design stands for advance planning of the methods to be adopted for collecting the relevant data and techniques to be used in the analysis. In general it constitutes the blue print for the collection, measurement and analysis of the data.

1.6.2 DESCRIPTIVE RESEARCH:

Descriptive research study includes surveys and fact finding enquiries of different kinds, which help the researchers to describe the present situation that makes the analysis about the effectiveness of the existing distribution system⁴.

1.6.3 SAMPLING TECHNIQUE:

The sampling design is to clearly define set of objects, technically called the population to be studied. This has the finite set of universe and the sampling design used in the study is probability sampling⁵.

1.6.4 UNIVERSE:

The universe of the present study is about the purchasing behavior of rural and urban male college students of apparels (shirt and pant) in Erode district.

1.6.5 SAMPLE SIZE:

100 students were selected randomly based on the convenience of the researcher. In that 100 samples 50 samples are from rural and 50 samples are from urban area respectively.

1.7 TYPE OF STUDY:

1.7.1 Pilot study:

The researcher conducted a pilot study to have some preliminary information about the retail networks and to ascertain the feasibility of conducting such a study. During the pilot study, the researcher discussed the topic of the study. During the pilot study, the researcher discussed the topic of the study with the guide. This helps the researcher to formulate his interview schedule and clarify the objectives of the study.

1.7.2 Pre – testing:

In order to test the validity of the questionnaire, the researcher conducted pre-test in the market. The questionnaire was given to 5 apparel retailers to get their responses and it helped to make necessary alterations in the questionnaire.

1.7.3 Method of data collection:

The primary data is collected by structured questionnaire method. The secondary data was collected from the websites, books and the project work done by research scholars.

1.7.4 Tools of Analysis:

The data collected were analyzed using the following tools namely

- Percentage analysis.
- Chi square analysis.

1.8 LIMITATIONS OF THE STUDY:

- The research methodology is based on statistical operations, the conclusions arrived not be accurate.
- The geographical area of study is limited to Erode district, so the result may have limited applicability to other centres.
- This study has been conducted within a stipulated period.
- There is a possibility of student's bias towards apparels.

1.9 CHAPTER SCHEME:

Chapter 1: Introduction

The first chapter deals with the background, objectives, scope of the study, methodology used in data collection, limitation of the study, and brief introduction to all the chapters.

Chapter 2: Industry profile

Industry profile deals with the prevailing scenario of the respective industry.

Chapter 3: Macro- micro analysis

The chapter mainly deals with the industry in the world scenario and the opportunities and growth of that industry with respect to Indian scenario.

Chapter 4: Data analysis and interpretation:

The chapter mainly deals with analysis based on the students responses to the questionnaire provided to them. Then the statistical operations were performed to give a meaningful conclusion to the data collected.

Chapter 5: Conclusion

Conclusion includes the results and the discussions put forth regarding the attitude of the students in purchasing apparels (shirt and pant).

CHAPTER 2

INDUSTRY PROFILE:

2.1 Indian apparel industry:

The history of textiles in India dates back to the use of mordant dyes and printing blocks around 3000 BC. The diversity of fibres found in India, intricate weaving on its state-of-art manual looms and its organic dyes attracted buyers from all over the world for centuries. The British colonization of India and its industrial policies destroyed the innovative eco-system and left it technologically impoverished. Independent India saw the building up of textile capabilities, diversification of its product base, and its emergence, once again, as an important global player. Today, the textile and apparel sector employs 35.0 mn people (and is the 2nd largest employer), generates 1/5th of the total export earnings and contributes 4 per cent to the GDP thereby making it the largest industrial sector of the country. This textile economy is worth US \$37 billion and its share of the global market is about 5.90 per cent. The sector aspires to grow its revenue to US \$85bn, its export value to US \$50bn and employment to 12 million by the year 2010 (Textile ministry 2005).

2.2 Competitiveness of Indian Textile & Apparel Industry

India is one of the few countries that own the complete supply chain in close proximity from diverse fibres to a large market. It is capable of delivering packaged products to customers comprising a variety of fibres, diverse count sizes, cloths of different weight and weave, and panoply of finishes. This permits the supply chain to mix and match variety in different segments to deliver new products and applications. This advantage is further accentuated by cost based advantages and diverse traditions in textiles⁶.

Indian strength in spinning is now well established – on unit costs on ring yarn, open-ended (OE) yarn as well as textured yarn, Indian firms are ahead of their global competitors including China. Same is true on some woven OE yarn fabric categories (especially grey fabrics) but is not true for other woven segments. India contributes about 23 per cent of world spindles and 6 per cent of world rotors (second highest in the world

after China). Fifty five per cent of total investment in technology in the last decade has been made in the spinning sector. Its share in global shuttle less loom, however, is only about 2.8 per cent of world looms (and is ranked 9th in the world). The competitiveness in the weaving sector is adversely affected by low penetration of shuttle less looms (i.e., 1.69 % of Indian looms), the unorganized nature of the sector (i.e., fragmented, small and, often, un-registered units, low investment in technology & practices especially in the power loom, processing, handloom and knits) and higher power tariffs. There is, however, a recent trend of investment in setting up hi-tech, stand-alone mid-size weaving companies focusing on export markets. India also has the highest deployment of handlooms in the world (handlooms are low on productivity but produce specialized fabric). While production and export of man-made fibre (and filament yarn) has increased over the years, Indian industry still lags significantly behind US, China, Europe, and Taiwan etc. (Textile ministry, 2005.)

Indian textile industry has suffered in the past from low productivity at both ends of the supply chain – low farm yields affecting cotton production and inefficiency in garment sector due to restriction of size and reservation. Add to this, contamination of cotton with consequent increase in cost (as it affects quality and requires installation of additional process to clean and open cotton fibres before carding operations), poor ginning (most equipment dates back to 1940s), high average defect rates in production process (which also leads to increase in effective labour and power costs), hank yarn requirement, etc. and its competitiveness gets compromised severely. Similarly, processing technology is primarily manual and small batch oriented with visual colour matching and sun drying. This leads to inconsistency in conformance quality. Some of the hurdles (e.g., reservation in the garment sectors) including tariff distortions between the organized and unorganized sectors have now been systematically removed by policy initiatives of Government of India and have opened avenues for firms to compete on the basis of their capabilities.

2.3 Facts:

- Indian firms registered a 27 per cent growth in exports to US (against China's

fifty two percent) during the Jan-April 2005 time period⁷.

- Apparels & accessories constituted 78% of global exports to USA (FICCI 2005).

2.4 Challenges facing Indian Textile and Apparel Industry

Textile supply chains compete on low cost, high quality, accurate delivery and flexibility in variety and volume. Several challenges stand in the way of Indian firms before they can own a larger share of the global market:

2.4.1 Scale: Except for spinning, all other sectors suffer from the problem of scale. Indian firms are typically smaller than their Chinese or Thai counterparts and there are fewer large firms in India. Some of the Chinese large firms have 1.5 times higher spinning capacity, 1.25 times denim (and 2 times gray fabric) capacity and about 6 times more revenue in garment than their counterparts in India thereby affecting the cost structure as well as ability to attract customers with large orders.

2.4.2 Skills: Three issues must be mentioned here: (a) there is a paucity of technical manpower – there exist barely 30 programmes at graduate engineering (including diploma) levels graduating about 1000 students – this is insufficient for bringing about technological change in the sector; (b) Indian firms invest very little in training its existing workforce and the skills are limited to existing processes. (c) There is an acute shortage of trained operators and supervisors in India. It is expected that Indian firms will have to invest close to Rs. 1400 billion by year 2010 to increase its global trade to \$ 50 billion. This kind of investment would require, by our calculations, about 70,000 supervisors and 1.05mn operators in the textile sector and at least 112,000 supervisors and 2.8mn operators in the apparel sector (assuming an 80:20 ratio of investment between textiles and apparel). The real bottleneck to growth is going to be availability of skilled manpower.

2.5 Domestic Market: The Indian domestic market for all textile and apparel products is estimated at **\$26 billion and growing**. While the market is very competitive at the low end of the value chain, the mid or higher ranges are over priced (i.e., 'dollar pricing'). Firms are not taking advantage of the large domestic market in generating economies of scale to deliver cost advantage in export markets. The Free Trade Agreement with Singapore and Thailand will allow overseas producers to meet the aspirations of domestic buyers with quality and prices that are competitive in the domestic market. Ignoring the domestic market, in the long run, will peril the export markets for domestic producers. In addition, high retail property prices and high channel margins in India will restrict growth of this market. Firms need to make their supply chain leaner in order to overcome these disadvantages⁸.



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CHAPTER 3

MICRO- MACRO ECONOMICAL ANALYSIS OF APPAREL INDUSTRY

3.1 Indian apparel industry- Opportunities unlimited:

The Indian Apparel Industry has taken great strides in the past few years and today many of the world's leading Fashion labels are sourcing their products from India. The apparel industry is conventionally viewed as a major source of employment and foreign exchange generation. However of late, based on success of East Asian Economies, it is also seen as a leading sector in the fast growing low-income economies.

The textile quota regime came to an end on January 1, 2005. As a result, countries which can offer greater competitive advantage could gain huge business opportunities out of it. Currently, world apparel trade is more than \$ 200 billion annually which is expected to grow to about \$ 655 billion by 2010 and is indicative of the tremendous opportunity for accelerated growth for the sector. There is belief among a section that India happens to be in a better position to gain, from opportunity to tap the global market unhindered by tariff barriers, than many other countries except China.

Today China's Apparel exports are touching \$ 50 billion followed by Mexico (over \$ 8 billion) followed in the third place with countries like India (\$ 6 billion), Sri Lanka and Bangladesh (\$ 5-6 billion). But along with huge opportunity there is a threat of increased commodisation of mainstream garments, global competition from China and other countries. Consequently, Indian Apparel companies are forced to **reduce their cost of production and to innovate** if they are to stake out new markets.

According to one Industry estimates, India can reach the target of US\$25 billion by the year 2010 up from US\$6 billion at present. But looking at present scenario, the real question is **whether India will move from current level to \$ 8-9 billion by 2010 or 25 billion by 2010.**

India's Apparel Industry has many advantages: Competitive labour costs, abundant raw materials (world's third largest producer of raw cotton), local textile production, and skilled designers

Last few years were quite eventful year for India's key apparel players, many of whom expanded capacities to accommodate the steep rise in demand. Some of the apparel companies to increase capacities included names such as Raymond, Zodiac, Madura, Orient Craft and Shirt Company. India's apparel sector is also passing through the process of consolidation, in the course of which the bigger players buy out the smaller ones. Industry pundits also contend that consolidation will be further accelerated by a propensity on the part of the large retail stores to buy from the large suppliers. Consolidation has brought down drastically the number of players in the apparel sector and the number of companies registered with the AEPC, has dropped from 25,000 to merely 5,000 in a matter of one year. Indeed, the industry was so upbeat at the start of the year that some even predicted that India would be challenging China in the future for a larger slice of the cake.

Today quite a lot FDI is coming into apparel sector, **units employing 5000 people are being set up against those employing 400 people earlier.**

Export of Apparel: World & India (figure in US \$ billion)

Year	World Exports	India's Share	India's share %
1990	108.13	2.53	2.34
1995	158.34	4.11	2.60
2000	193.26	5.48	2.79
2001	193.26	5.05	2.61
2002	206.38	5.53	2.68

Source: *Compendium of International Textile Statistics, 2004*
Comparison of India & China Apparel industry

In the recent decades, China's Apparel industry has grown much faster than India. Let us look into some comparisons between the two.

China	India
Largest exporter of Apparel in the world (23 %)	3 % share in apparel
Existence of largest garment factories, World's first supply chain cities	Widespread existence of small garment units.
Average investment in machine in apparel sector is \$ 1 million	Average investment in machine in apparel sector is \$ 29,760.
Competitive in Knitwear and non cotton products	Relatively competitive in woven wear and cotton products
China score over India in terms of labor productivity and superior infrastructure	India score China in quality of managerial workforce and managerial practice.
"The Apparel Dream" World's first supply chain city in China's Dongguan state. Aims to give design to store model. A sprawling industrial campus that extends over 400,000 sq. metres. Housed within is a garment factory, complete with dormitories for about 5,000 workers, canteens, etc. There's also a 300-room hotel with a raft of facilities (gym, spa and karaoke bar) along with product development centres designed to meet the exacting standards of the world's best-known clothing brands. The sleek facilities will run a ceaseless assembly line of	"UNIDO Apparel Park" India's biggest Apparel park. Recently, Ludhiana has launched an apparel park, created over an area of 100 acres, which could boast of complete supply chain for apparel production. The park would facilitate access to world-class infrastructure and access to common facilities which include effluent treatment plant, resource centre, conference hall, exhibition hall, training centre, commercial and retail outlets for suppliers, forwarding agencies, service units, testing lab, R&D centres and hostel for workers. The park is

garments for export, disgorging an unbelievable 60 million pieces a year.	expected to add an additional \$200 million to the country's exports and provide employment to nearly 25,000 workers.
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Major Hurdles faced by Indian Apparel Industry

Let us look into some of the serious hurdles in the way of growing apparel industry and its exports from India.

A) Low Labor productivity and Indian Labour Laws

Lack of discipline amongst labor employed in the Indian Apparel units is major reason for very low productivity and high cost of Indian garments. The same worker when works abroad produces 3-4 times due to the fear of losing job. Inflexible labour laws and too much job security are harming the performance of apparel industry greatly dependent on the performance of its workforce. As a result, apparel manufacturers in India have been urging the government to relax the laws. India's labour laws date back to the time when socialism appeared to be for eradicating India's poverty. But now in global scenario, productivity linked wage system and some amount of flexibility in laws would give tremendous boost to Indian Apparel Industry.

B) Rupee Appreciation and artificial pricing of Chinese currency

India's exports have been also hit by the appreciating strength of the Indian rupee against the US dollar. Indian garment exports declined to US\$1.069 billion between April and October 2003. In comparison, India's exports to the European Union jumped 20 percent during the same period, thanks largely to the strong euro which scored well against the dollar. Further, artificial pricing of Chinese currency is giving undue advantage to

Chinese industry in Global Market. Industry representatives such as Udani have been calling for a weaker rupee so that India's exports do not suffer. Income tax exemption to garment industry for next five years would help in facing undue competition from China

C) Inadequate infrastructure

Most of the Indian Garment exports are fashion garments which have limited shelf life. Overall infrastructure, both port and land, are not yet developed to cater huge exports. The Port infrastructure is at present highly insufficient. Also shipping a container of garments from India to the US is costlier in India compared to other Asian Countries. Non availability of direct sailing vessels also increases transit time. Further, delays and inefficiencies in Indian Ports compared to other Asian Countries add huge disadvantage to Indian exports. China enjoys 13 % cost advantage in shipping garments from Shanghai to US East Coast and an overall advantage (efficient handling) of 37 %. The export from aircrafts are still quite expensive but saves a lot of time.

D) Existence of long and complex Supply Chains causing lengthening of lead – time

The supply chain in India is highly fragmented mainly due to government policies (SSI reservation) and lack of coordination between industry and trade bodies. Existence of large number of intermediaries adds to the cost but also lengthen the lead times. The countries who have significantly consolidated their supply chain are globally competitive – Korea, China, Mexico, Turkey.

Initiatives required at firm & Industry level to overcome the threats

Today, the role of this sector is poised for radical changes in view of the changes in the international trading environment brought about by dismantling of the quota regime.

Restructuring at firm level:

Certain initiatives are required at firm level to be winner beyond 2005. Companies need to devise strategies to enable them to compete in future. In a recent report in Textile Outlook International, two researchers, Uday and Archana Sekhar, have identified seven strategies being pursued by some of the more forward-looking Indian firms in preparation for 2005:

- i) Improving production efficiency through increased automation;
- ii) Re-engineering of production systems;
- iii) Expanding capacity and integrating operations;
- iv) Collaborations with foreign companies;
- v) Backward and forward integration of operations;
- vi) Moving up the value chain; and
- vii) Enhancing marketing capabilities.

Restructuring at Industry level

At the industry level, certain steps are required to facilitate the growth of Industry. The industry will be restructured as follows :

- i) Joint ventures and strategic alliances with leading world manufacturers need to be promoted.
- ii) Evolution of strong Industry Association for gaining access to latest technology, Research & Development and to deal with disputes under WTO.
- iii) Press for restructuring of Apparel Export Promotion Council and other such councils and make them work as facilitators and professional consultants.
- iv) Industry as a whole should support setting up of strong domestic retail chains.
- v) Industry should urge State Governments, Financial Institutions and Private sector to develop necessary infrastructural facilities in apparel export oriented areas.

3.2 Booming men apparel market in India:

The Indian men's apparel industry is expected to burgeon at CAGR of 14.86% from 2008 to 2010.

- The demand for ready-made garments in rural India will surge at a CAGR of 16.50% to reach Rs. 42918 Crores by 2010.
- Increasing at a CAGR of 24%, branded apparel industry for men will cross Rs. 25,000 Crore by 2010.
- Per capita GDP spending on apparel increased to 5.8% in 2006 from 4.9% in 2003.
- *In 2007, men's apparel industry was mainly dominated by shirts (in value terms) accounting for 36.5% of total men's segment.*

The Indian fashion industry is expected to rise at a stupendous pace of 22.67% through 2012 from 2007.

The men's wear market is 35 per cent of the apparel market and is valued at Rs 46,500 crore.

Contribution to our GDP: 8%

Estimated workforce: 35 million

CHAPTER 4**DATA ANALYSIS AND INTERPRETATION:****Table- 4.1**Age wise classification: **rural**

Age (years)	No. of respondents	Percentage
18 to 20	38	76
20 to 22	12	24
22 to 25	0	0
Total	50	100

Inference:

From the above table, it is inferred that 76% of the respondents are under 18 to 20 years of age and 24% of the respondents belong to 20 to 22 years. There were no respondents under 22 to 25 years of age.

Interpretation:

Thus majority of the respondents in rural areas are under 18 to 20 years of age. They belong to 1st and 2nd years of under graduation in college.

Table-4.2

Age wise classification: urban

Age (years)	No. of respondents	Percentage
18 to 20	15	30
20 to 22	24	48
22 to 25	11	22
Total	50	100

Inference:

From the above table, it is inferred that 48% of the respondents are under age group of 20 to 22 years and 30% belong to 18 to 20 years of age and 22% belongs to 22 to 25 years of age.

Interpretation:

The respondents are belonging to all three types of categories. In urban areas the students of under graduation and post graduation are participated.

Course of study:**Table- 4.3.1****Urban**

Course of study	No of respondents
U.G (Under Graduation)	33
P.G (Post Graduation)	17

Table- 4.3.2**Rural**

Course of study	No of respondents
U.G	43
P.G	7

Inference:

From the above two tables, we found that 33% of the students belong to U.G and 17% of the respondents belong to P.G. in urban area and in the case of rural area it is 43% for U.G and 7% for P.G.

Interpretation:

The number of respondents under U.G category is comparatively more in urban area than in rural area and vice versa for P.G .degree.

Family Income:**Table- 4.4.1****Urban**

Family income (per month)	No. of respondents	Percentage
Less than or equal to Rs.3000	0	0
Between Rs.3001 to Rs.10000	12	24
Greater than Rs.10000	38	76
Total	50	100

Inference:

From the above table, we found that 24% of the respondents belong to family income group of Rs.3001 to 10000 category and 76% belong to income group of greater than Rs.10000 category. Nil for less than or equal to category.

Interpretation:

From the above table, it is clear that more than 76% of urban respondents having their family income greater than Rs.10000. This clearly shows us that people belong to urban area are economically sound than that of rural areas.

Table-4.4.2**Rural:**

Family income (per month)	No. of respondents	Percentage
Less than or equal to Rs.3000	0	0
Between Rs.3001 to Rs.10000	36	72
Greater than Rs.10000	14	28
Total	50	100

Inference:

From the above table, we found that 72% of the respondents belong to family income group of Rs.3001 to 10000 category and 28% belong to income group of greater than Rs.10000 category. Nil for less than or equal to Rs. 3000 category.

Interpretation:

From the above table, it is clear that more than 72% of respondents family income was between Rs.3001 to Rs.10000, this clearly shows that majority of the respondents belong to middle class segment.

Table- 4.5.1

Most Preferred and least preferred brand in ready made:

Rural:

Particulars	1(most preferred)	2	3	4	5(least preferred)
Peter England	4	7	1	0	0
John players	0	1	10	1	0
Louis Philippe	0	0	1	4	7
Basics	7	5	0	0	0
Van Huesen	0	0	0	7	5

Inference:

From the above table we found that 4 respondents choose Peter England as their most preferred brand. 7 respondents choose basics as their most preferred brand. 7 respondents choose Louis Philippe as their least preferred brand and 5 respondents choose van huesen as their least preferred brand.

Interpretation:

76% of respondents choose other brands in rural area. 14% of respondents choose basics as their most preferred brand. 8% of respondents choose Peter England as their most preferred brand. 14% respondents choose Louis Philippe as least preferred brand. 10% respondents choose van huesen as least preferred brand.

Table- 4.5.2**Urban:**

Particulars	1(most preferred)	2	3	4	5(least preferred)
Peter England	7	8	18	2	0
John players	5	14	13	3	0
Louis Philippe	2	1	1	22	9
Basics	19	14	2	0	0
Van Huesen	0	1	1	7	26

Inference:

From the above table it is clear that 7 respondents choose Peter England as their most preferred brand 5 choose john players 19 choose basics. 26 respondents choose van huesen and 9 choose Louis Philippe as their least preferred brands.

Interpretation:

30% of the respondents choose other brands. 38% of the respondents choose basics as their most preferred brand. 14% of the respondents choose peter England as their most preferred brand. 10 % of the respondents choose john players as their most preferred brand. 4% of the respondents choose Louis Philippe as their most preferred brand in urban area. 52 % of the respondents choose van huesen as their least preferred brand. 18 % of the respondents choose Louis Philippe as their least preferred brand.

Table- 4.6.1**Most and least preferred brands in stitching material:****Rural:**

Particulars	1(most preferred)	2	3	4(least preferred)
Grasim	1	10	4	0
Raymond	13	1	1	0
BSL	0	0	6	9
Bombay dyeing	1	4	4	6

Inference:

From the above table, we infer that 13 respondents choose Raymond as their most preferred brand, 1 respondent choose grasim and 1 choose Bombay dyeing. 9 respondents choose BSL suiting and shirting as their least preferred brand.

Interpretation:

70% of the respondents choose other brands. 26% choose Raymond as their most preferred brand. 2% for Bombay dyeing and grasim respectively. 12% choose Bombay dyeing as their least preferred brand. 18% choose BSL as their least preferred brand.

Table- 4.6.2**Urban:**

Particulars	1(most preferred)	2	3	4(least preferred)
Grasim	7	17	9	2
Raymond	23	11	1	0
BSL	2	4	13	16
Bombay dyeing	3	3	12	17

Interpretation:

30% of the respondents choose other brands.46% choose Raymond as their most preferred brand, 6% for Bombay dyeing, 14% for grasim respectively, 4% for BSL. 34% choose Bombay dyeing as their least preferred brand. 32% choose BSL as their least preferred brand and 4% choose grasim as their least preferred brand.

Table- 4.7.1**Motivational factors for their purchase decision:****Rural**

Particulars	Extremely important (5)	Some-what Important (4)	Neither- important nor unimportant (3)	Some what unimportant (2)	Extremely unimportant (1)
Price	50	0	0	0	0
Quality	49	1	0	0	0
Design	4	13	33	0	0
Colour	2	14	34	0	0
Brand	2	2	43	3	0

Inference:

From the above table, it is clear that the motivational factors i.e. price is extremely important for all the respondents. 49 respondents give importance for quality. 4 respondents give importance for design and 2 for colour and 2 for brand.

Interpretation:

100% of the respondents give extreme importance for price, 98% of the respondents for quality. 66%, 68%, 86% of the respondents stand neutral for design, colour, and brand respectively.

Table- 4.7.2**Urban**

Particulars	Extremely important (5)	Some-what Important (4)	Neither-important nor unimportant (3)	Some what unimportant (2)	Extremely unimportant (1)
Price	33	12	4	1	0
Quality	34	15	1	0	0
Design	15	15	20	0	0
Colour	17	15	17	1	0
Brand	19	14	17	0	0

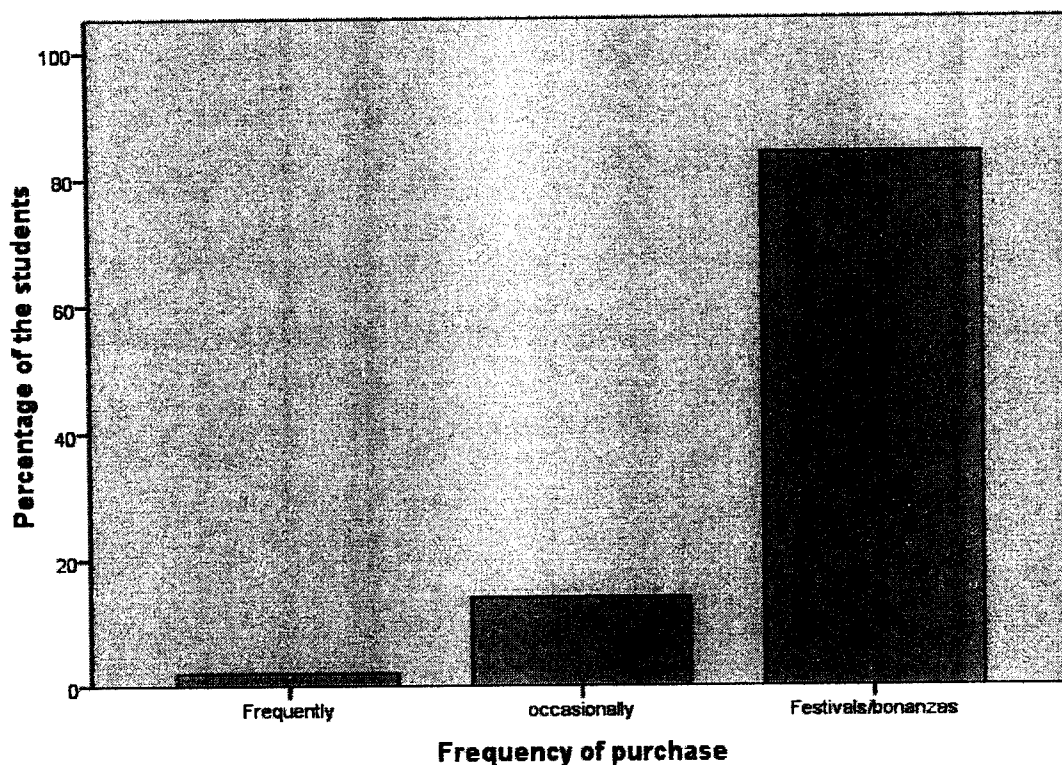
Inference:

From the above table, it is clear that the motivational factors i.e. price is extremely important for 33 respondents. 34 respondents give importance for quality. 15 respondents give importance for design and 17 for colour and 19 for brand.

Interpretation:

66% of the respondents give more importance for price, 68% for quality, 30% for design, 34% for colour, and 38% for brand.

Chart- 4.8.1

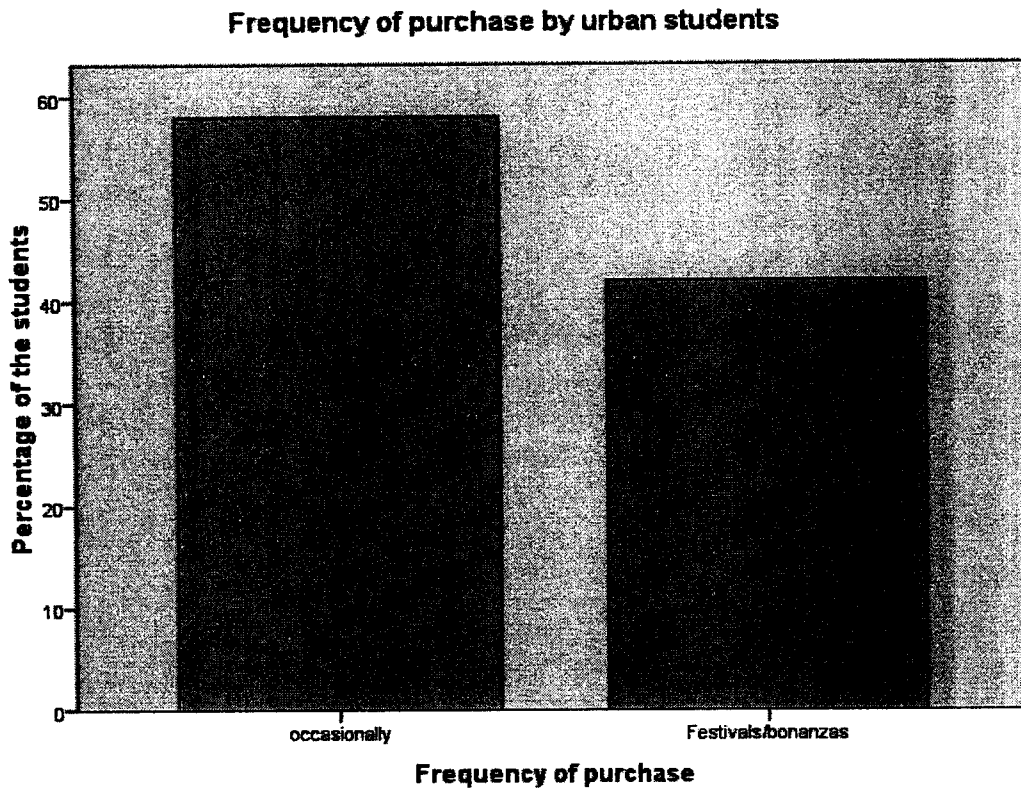
Frequency of purchase by rural students**Inference:**

From the above chart, we infer that 4% of the respondents purchase frequently and 18% of the respondents purchase occasionally and 84% of the respondents purchase during festivals and bonanzas.

Interpretation:

The rural students made their purchase only during festivals or bonanzas.

Chart- 4.8.2

**Inference:**

From the above chart, we infer that 58% of the respondents purchase occasionally and 45% of the respondents purchase during festivals and bonanzas.

Interpretation:

The urban students purchase occasionally and during festivals and bonanzas.

CHI SQUARE ANALYSIS

Chi Square tests enable us to test whether more than two population proportions can be considered equal. If we classify a population into several categories with respect to two attributes, we can use a chi square test to determine whether the two attributes, we can use a chi square test to determine whether the two attributes are independent of each other⁹

C.1 Defining the problem: The researcher believes that the motivational factor influences the students purchasing decision in rural area.

Stating the hypothesis:

H₀: There is no significant relation between the motivational factors and the students purchasing decision.

H₁: There is a significant relation between the motivational factors and the students purchasing decision.

Level of significance $\alpha=0.5$

Contingency table

Particulars	Extremely important (5)	Some-what Important (4)	Neither-important nor unimportant (3)	Some what unimportant (2)	Extremely unimportant (1)	Total
Price	50	0	0	0	0	50
Quality	49	1	0	0	0	50
Design	4	13	33	0	0	50
Colour	2	14	34	0	0	50
Brand	2	2	43	3	0	50
Total	107	30	110	3	0	N=250

Interpretation:

At 0.05 level of significance and 16 degrees of freedom, the expected chi square value is 29.296. Since the observed chi square value (242.35) is greater than the expected value 29.296, *we reject the null hypothesis (H_0)*. Thus we can conclude that there is a significant relation between the motivational factors and the purchasing decision of the rural students.

C.2 Defining the problem: The researcher believes that the motivational factor influences the students purchasing decision in urban area.

Stating the hypothesis:

H₀: There is no significant relation between the motivational factors and the students purchasing decision.

H₁: There is a significant relation between the motivational factors and the students purchasing decision.

Level of significance $\alpha=0.5$

Contingency table

Particulars	Extremely important (5)	Some-what Important (4)	Neither-important nor unimportant (3)	Some what unimportant (2)	Extremely unimportant (1)	Total
Price	33	12	4	1	0	50
Quality	34	15	1	0	0	50
Design	15	15	20	0	0	50
Colour	17	15	17	1	0	50
Brand	19	14	17	0	0	50
Total	118	71	59	2	0	N=250

Interpretation:

At 0.05 level of significance and 16 degrees of freedom, the expected chi square value is 29.296. Since the observed chi square value (42.329) is greater than the expected value 29.296, we reject the null hypothesis (H_0). Thus we can conclude that there is a significant relation between the motivational factors and the purchasing decision of the urban students.

CHAPTER 5

CONCLUSIONS

5.1 FINDINGS

- 76% of the respondents are under 18 to 20 years of age in rural area and in urban area; 48% of the respondents are under 20 to 22 years of age.
- 76% of the respondents family income was greater than Rs.10000 in urban area.
- 72% of the respondents family income was between Rs.3001 to 10000 in rural area.
- 76% of the respondents choose other brands in ready made in rural area, while 30% of the respondents choose other brands in urban area.
- Basics are considered to be the most preferred brand in rural (14%) and urban (38%) areas.
- Peter England occupies the second position with 8% in rural and 14% in urban areas respectively.
- Nearly 52% of the respondents choose Louis Philippe as their least preferred brand in urban area, while 14% of the respondents choose Louis Philippe as their least preferred brand in rural area.
- Nearly 70% of the respondents choose other brands in stitching materials category in rural area, while in urban area only 30% of the respondents choose other brands.
- Raymond is considered to be the most preferred brand with 46% of respondents in urban and 26% in rural areas respectively.
- BSL suiting and shirting is considered to be the least preferred brand in rural (18%) and urban (32%).
- 100% of the respondents give more importance for price, 98% for quality. Nearly 66%, 68%, 86% of the respondents remain neutral for design, colour and brand respectively in rural areas.
- In urban area only 66% of the respondents give more importance for price, 68% for quality, 30% for design, 34% for colour and 38% for brand.

- Nearly 80% of the respondents buy their dresses only during festivals or bonanzas in rural areas and in urban areas nearly 60% of the respondents buy their dresses occasionally and 42% during festivals or bonanzas.

5.2 SUGGESTIONS

- The awareness about the branded apparels was less among students in rural area and the manufacturers must create awareness among the students about their brand. The retailers and manufacturers must open stalls in colleges, during cultural events to promote their products.
- The price of the branded items is more and it is not affordable by a rural student whose family income is less, so the organization can produce goods at less cost.
- The quality of the product must not get decreased due to reduction in price.
- The manufacturers and retailers must adopt strategies to retain their existing customers. This will retain the existing urban consumers.

5.3 CONCLUSION

The study findings are based on a specially designed questionnaire collected from a sample of 100 respondents; 50 from rural and 50 from urban. The respondents are identified on the basis of convenience. The study is limited to Erode district. The students are divided as rural and urban students based on their place of residence. The relation between the motivational factors and their purchasing decision are measured using certain statistical tools of analysis.

From the study it is concluded that certain other brands has a strong presence in rural areas and also in urban areas. Basics and Raymond are the preferred brands among students. The retailers and apparel manufacturers must concentrate on their products price and promotional aspects in order to capture rural markets.

ANNEXURE

Questionnaire for studying the purchasing behaviour of Rural and Urban Male College Students on Apparels (shirt & pant) in erode district.

1. Name: _____
2. City/Village: _____
3. Age (years): 18 to 20 20 to 22 22 to 25
4. Course of study:
Under-Graduate Post graduate
5. Family income (per month in rupees):
Less than Rs.3, 000 Rs. 3,001 to 10,000 above Rs10001
6. Do you prefer the following brands? If yes rank your preferred brands in Ready Made Wear: 1-most preferred; 5-least preferred or choose other brands.
Basics: _____
Peter England: _____
OR Other brands: _____
John players: _____
Louis Philippe: _____
Van Huesen: _____
7. Do you prefer the following brands? If yes rank your preferred brands in Read Made Wear: 1-most preferred; 4 -least preferred or choose other brands.
Grasim: _____
Raymond: _____
OR Other brands: _____
BSL: _____
Bombay dyeing: _____

8 Your frequency of purchase:

Frequently

Occasionally

Festivals/Bonanzas

9 Please tick the importance of each of the characteristics in selecting your clothes:

Extremely important (5),

Some-what important (4),

Neither-important nor

unimportant (3),

Some-what unimportant (2),

Extremely unimportant (1).

Price	1	2	3	4	5
Quality of the cloth	1	2	3	4	5
Design	1	2	3	4	5
Color	1	2	3	4	5
Brand	1	2	3	4	5

10. Reasons for purchasing your favorite brand: _____

Thank You for sharing your ideas

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