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## **ROLE OF ECONOMIC STATUS AND INCOME LEVELS IN RURAL CONSUMERS' PURCHASE DECISIONS FOR PERSONAL CARE PRODUCTS**

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### **Abstract**

*This study looks into how consumer behavior related to personal care items is influenced by economic position. It examines consumer behavior in terms of spending, brand loyalty, and product diversity among various income brackets. Ten respondents were categorized into three income groups based on the data they provided. The results showed that high-income consumers not only spent more on personal care goods but also showed greater brand loyalty and a wider variety of purchases.*

*A stronger positive association between monthly income and the frequency of purchases was also revealed by a correlation study, with greater incomes being associated with more frequent purchases. The aforementioned findings highlight the noteworthy influence of economic considerations on consumer behavior. They also imply that customized marketing approaches based on different income brackets could augment consumer engagement and sales within the personal care industry.*

**Keywords:** *Economic Status, Personal Care Products, Consumer Behavior, Brand Loyalty, Expenditure, Purchase Frequency, Income Levels, Marketing Strategies.*



## **1. INTRODUCTION**

Product purchases are made by customers based on their requirements, preferences, and financial capabilities. His viewpoint, his self-concept, his social and cultural background, his age and family cycle, his attitudes, his views, his values, his drive, his personality, his social class, and a great number of other elements that are both internal and external all play a role in his purchasing behavior. Individually, the sentiments of customers have the potential to have a considerable impact on the purchasing behavior of consumers. This study investigates the impact that one's mentality has on their purchasing decisions about cosmetics.

Consumer buying behaviors can be seen of as both a decision-making process and an attitude of the individuals who are involved in the process of purchasing and utilizing things. Customers are responsible for making judgments on the acquisition of both small and large products. When customers become aware of a need or a desire, they immediately begin looking for goods or services that are suitable for their needs and desires. They will make their decision based on a variety of factors.

On the other hand, consumer purchases have occurred a significant amount of time before their actual purchase. The marketing department plays a significant part in this. Marketing and advertising have a significant and positive influence on the purchasing behavior of customers, and they have a direct influence on the consumer's decision to purchase a product from a firm that the consumer is familiar with. During the ancient times, customers did not place much importance on the characteristics of a product before making a purchase. On the other hand, the purchasing patterns of consumers in the 21st century are undergoing a significant transformation.

### **1.1 Objectives**

- To examine the impact of rural consumers' economic position on their decisions to buy personal care goods.
- To evaluate the relationship between the income levels of rural customers and the frequency of their purchases of personal care items.



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## 2. LITERATURE REVIEW

**Zhang, X., & Dong, F. (2020)** Even though this field has seen several significant advancements, more can still be done. This study examines 97 publications that offer empirical data on consumers' green buying habits between 2015 and 2020. We start by going over the popular consumer theory and how it has been used more recently. Second, we break down the determinants of green purchasing behavior into three categories and go into great detail about each one: societal, product qualities and marketing, and individual variables. Lastly, we suggest the following avenues for further investigation.

To reduce the subjectivity of the data, the authors may want to modify the survey items. (2) When evaluating the effects of consumer-lagging legislation and education, longitudinal research can be utilized. (3) The study direction can be expanded by the writers to include a cross-cultural backdrop. (4) To improve the research content, the behavior of different green items (such as recyclable tires, glass containers, and paper) could be investigated. (5) Combining different consumer theories will be helpful in examining consumers' green purchasing behavior and in breaking through the current linear hypothesis path to investigate novel research methodologies.

**Witek, L., & Kuźniar, W. (2020)** performed a survey with 650 customers in Poland. Our findings imply that awareness of and purchasing behavior toward green products are influenced by all of the sociodemographic factors listed above. Furthermore, compared to male consumers, female consumers have more positive attitudes on buying green items, according to the research. Young people have doubts about eco-friendly products. Education and realizing that one's personal needs come first over those of the environment have been found to be positively correlated. More participants indicated that they intended to purchase eco-friendly products when their own financial condition improved.

The ramifications for marketing are presented in the paper. Furthermore, our exploratory research indicates potential avenues for future investigation based on findings regarding green consumer behavior. The report provides a thorough investigation of the variables influencing consumers' green buying decisions. It adds to the body of literature by enhancing our



understanding of the variables influencing consumers' decisions to make environmentally friendly purchases in developing nations.

**Nguyen, L., Le, H. C., & Nguyen, T. T. (2021)**E-commerce is becoming more and more popular, which means that e-retailers have a large market opportunity. From an organizational standpoint, it's critical to assess and investigate the factors that influence consumers' decisions to purchase their goods or utilize their services. So, the purpose of this study is to elucidate Vietnamese consumers' intentions to purchase cosmetics and personal care items online as well as the factors that influence those intentions.

University students completed an online survey that yielded quantitative data, which was then imported into SPSS and AMOS for additional analysis. Data from 434 valid answers were examined using descriptive statistics, Cronbach's alpha test, exploratory factor analysis (EFA), regression analysis, and structural equation modeling (SEM). According to study findings, purchasing intention is favorably influenced by four factors: Enjoyment of the shopping experience has the biggest influence, followed by website quality, trust, and benefit. Conversely, buying intention is adversely affected by perceived risk. This study adds to the body of knowledge about understanding customer demands and creating methods that work to draw in more internet users in the growing cosmetics and personal care business, which has a large global consumer base and producers.

**Walczak, D., et.al., (2021)**Inadequate environmental protection can have detrimental ecological effects, leading to a host of issues in the contemporary world, many of which are directly related to human activity. Therefore, it is necessary to intentionally shape behaviors related to the environment in order to limit detrimental ecological repercussions. The stated attitudes of people toward considering pro-environmental elements, such as energy, consumption, and waste, are examined in this review. We have also looked at pro-ecological individual behaviors in the context of private finance as well as the social awareness of the concept of socially responsible investing.

Our survey investigation, which was carried out on a representative sample of 1030 respondents in Poland, demonstrates that pro-ecological decisions are not significantly influenced by the



individual characteristics of participants and that stated pro-ecological sentiments do not correspond to actual activities. Polish consumers are still not involved enough in choosing actions that support the environment, especially when it comes to waste and energy. Based on the findings of this study, we recommend expanding all environmental policy initiatives that have the potential to raise public awareness of and encourage sustainable development.

### **3. RESEARCH METHODOLOGY**

Data from a sample of customers was gathered for this study in order to examine the relationship between monthly income and purchase frequency, as well as the effects of economic status on brand loyalty and personal care spending. Ten customers who were divided into three income categories—low, middle, and high—made up the sample. Important factors included monthly income, the amount spent each month on personal hygiene products, the type of products bought, and brand loyalty (on a scale of 1 to 10).

#### **3.1.Data Collection**

Transaction records and direct consumer surveys were used to collect data. Every participant's monthly income, personal care expenses, brand loyalty, and the variety of products they bought were documented. The participants' reported monthly income was used to classify their economic standing.

#### **3.2.Data Analysis**

- 1. Descriptive Analysis:**To provide an overview of the purchasing habits, brand loyalty, and product diversity among various income brackets, a descriptive analysis was carried out. According to this analysis, compared to their low- and middle-income counterparts, high-income customers spent more on personal care items, showed stronger brand loyalty, and bought a wider range of products.
- 2. Correlation Analysis:**To investigate the association between monthly income and the frequency of purchases of personal care items, a correlation matrix was created. After computation, the Pearson correlation coefficient revealed a robust positive association



(0.976) between monthly income and frequency of purchases. This suggested that frequent purchases of personal care products were linked to higher income levels. A low p-value indicated the statistical significance of this association, highlighting the strength of the observed link.

### 3.3. Findings

The results of the investigation showed that the frequency of purchases and the quantity spent on personal care goods were both highly influenced by economic position. Consumers with higher incomes have been shown to spend more, stick with brands longer, and buy a wider range of goods. On the other hand, individuals with lower incomes bought fewer products and had lower spending and loyalty scores. These results were further corroborated by the correlation analysis, which showed a strong positive link between income and the frequency of purchases.

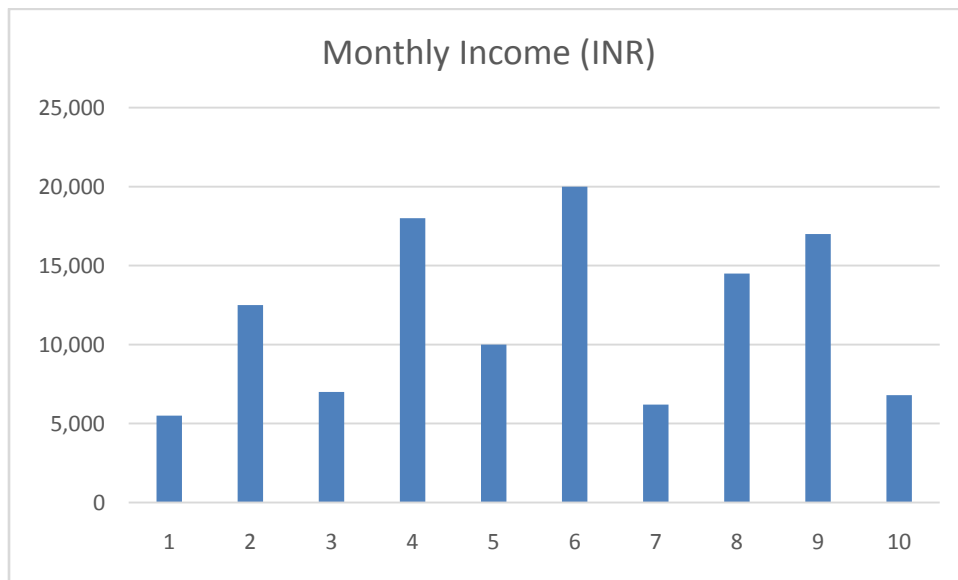
## 4. DATA ANALYSIS

**Table 1: Impact of Economic Status on Personal Care Spending and Brand Loyalty**

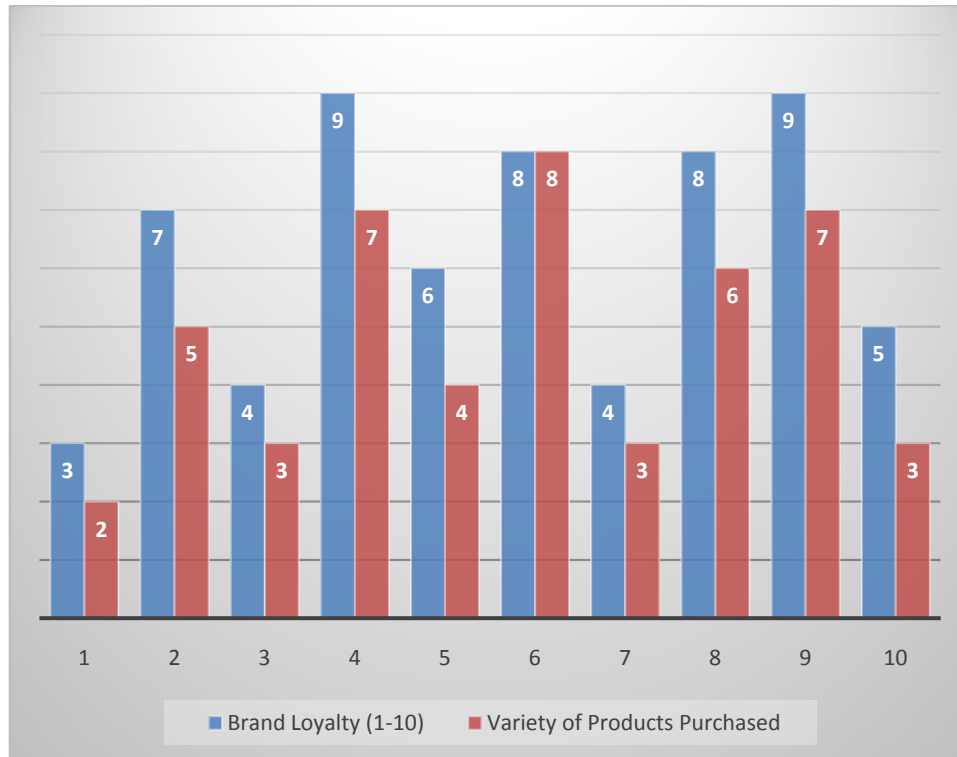
<b>Consumer ID</b>	<b>Economic Status</b>	<b>Monthly Income (INR)</b>	<b>Monthly Expenditure on Personal Care (INR)</b>	<b>Brand Loyalty (1-10)</b>	<b>Variety of Products Purchased</b>
001	Low	5,500	200	3	2
002	Middle	12,500	800	7	5
003	Low	7,000	300	4	3
004	High	18,000	1,500	9	7
005	Middle	10,000	600	6	4
006	High	20,000	2,000	8	8



007	Low	6,200	250	4	3
008	Middle	14,500	1,000	8	6
009	High	17,000	1,800	9	7
010	Low	6,800	350	5	3



**Figure 1: Monthly Income**



**Figure 2: Impact of Economic Status on Personal Care Spending and Brand Loyalty**

The information offers a perceptive look at how financial situation affects consumers' decisions to buy personal hygiene goods. Consumers from disparate socioeconomic backgrounds exhibit differing degrees of spending, brand loyalty, and product diversity. High earners, defined as those whose monthly income is INR 18,000 or more, have a tendency to spend more on personal care items and show a stronger brand loyalty (8–9 out of 10). Additionally, they buy a greater range of goods, suggesting a preference for high-quality or varied selections. Low-income consumers, on the other hand, who make less than INR 7,000 a month, have smaller product selections and worse brand loyalty scores in addition to lower spending levels.

With monthly earnings ranging from INR 10,000 to INR 14,500, middle-class consumers exhibit moderate spending, loyalty, and a wide range of products, indicating a well-balanced approach between price and quality. Higher economic standing frequently translates into greater purchasing capacity, loyalty, and diversity in personal care items, according to this data, which shows a strong association between economic status and personal care spending behaviors.





**Table 2: Correlation Matrix of Monthly Income and Frequency of Purchase**

	<b>Consumer ID</b>	<b>Monthly Income (INR)</b>	<b>Frequency of Purchase (Times per Month)</b>
<b>Consumer ID</b>	1.000	-0.052	-0.081
<b>Monthly Income (INR)</b>	-0.052	1.000	0.976
<b>Frequency of Purchase (Times per Month)</b>	-0.081	0.976	1.000

With a Pearson correlation coefficient of roughly 0.976, the correlation study shows a substantial positive association between monthly income and the frequency of personal care product purchases among rural consumers. This suggests that the frequency with which rural customers buy personal care goods tends to grow along with income levels. The degree to which money influences purchase behavior in this particular situation is indicated by the strength of this association. The statistical significance of the link is further supported by the low p-value, which suggests that the observed correlation is unlikely to be the result of chance. Therefore, the frequency with which rural customers purchase personal care goods is mostly determined by their income levels, with higher-income persons making more frequent purchases.

## 5. CONCLUSION

The study finds a significant relationship between consumer behavior for personal care and economic position. When it comes to personal care products, high earners spend a lot more, are more brand loyal, and buy a lot more stuff than people in lower- and middle-income brackets. Additionally, a strong positive correlation between monthly income and purchase frequency is demonstrated by the analysis, suggesting that greater income levels are associated with more frequent purchases. These findings underscore the necessity for specialized marketing tactics that cater to the various requirements of various income groups by indicating that economic variables are significant in determining consumer purchasing patterns and brand preferences.



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