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Assessing the purchasing perception of daily wage workers regarding small and loosely packaged items

Dr. Saket Bansod¹, Dhanashree Mire²

saketbansod@gmail.com 9730760046

Head of the Department, Dr. Ambedkar Institute of Management Studies and Research

ghanashree.badsha@gmail.com, 7028898560

QA Engineer, Mastersoft Erp Solution Pvt.Ltd., Nagpur

ABSTRACT:

Nagpur is classified as a tier 2 city, endowed with central geographical connectivity. Recently, Nagpur has experienced an increase in the migration of numerous daily wage workers from surrounding underdeveloped towns and villages. These migrants typically possess a low income and are therefore not particularly focused on brand names. They usually purchase essential goods based on their available funds on a daily basis. While these consumers may not have the luxury of brand preference, do they show a tendency to favor packaged goods over those that are sold loosely? This paper aims to examine the perceptions of daily wage workers regarding small, loosely packaged daily goods. Understanding this knowledge is crucial for gaining insights into their needs and purchasing psychology.

Keywords: daily wage workers, purchase pattern, small & loosely packaged goods,

1.1 Introduction and Theoretical Background:

An example of utilization is when an individual significantly impacts the comprehension of the conventional lifestyle. The affluent members of society can meet their needs and desires through the vast array of goods and services available. Conversely, there are individuals living in poverty with almost no purchasing power – the slum dwellers of Nagpur, who are the focus of the researchers' study. Although overall consumption is lower for impoverished households compared to wealthier ones, the consumption patterns are similar across all demographics. For all households, the highest expenditures are on housing, food, and transportation, which are essential items. Currently, Nagpur has more reasons to develop at a faster pace than ever before. The city has frequently experienced various forms of brain drain, attributed to delays in the development cycle or diminishing enthusiasm in economic activities. Job opportunities in Nagpur have been scarce and have not increased significantly. It is possible that Nagpur has not been prioritized in the development agendas of state governments, which has worsened the situation. Despite not having received recognition for a highly skilled workforce, Nagpur has consistently attracted a relatively semi-skilled or unskilled labor force from nearby areas. The influx of these workers has been steadily rising, and due to a lack of affordable housing options, many choose to seek residence in slum areas. As a result, slums are alarmingly proliferating in the city, with slum density increasing at an alarming rate. The growth of numerous slums has not alleviated the challenges related to health and sanitation in the state's second capital either.

1.2 Literature Review:

Buyers engage at various levels, and the consumer organization can serve as a crucial component (Maiksteniene and Auruskeviciene, 2008). Fast-Moving Consumer Goods (FMCG) or other food products are typically classified as low luxury or low involvement items (Grossman and Wisenblit, 1999), whereas Silayoi and Speece (2004, p.611).

An investigation has been conducted that includes lower-income groups and disadvantaged clients, taking into account ethnographic factors for the analysis. It has been observed that in such instances, the bargaining power tends to favor the marketer rather than the consumer. Consequently, there is a noticeable discrepancy in the return behavior. These clients, who pay similarly, do not have the opportunity to choose from a wide range of available products and services (Hudson, 1993; Troutt, 1993) and are not provided with the variety accessible to wealthier individuals. Another consequence is that they are often excluded from the mainstream community and are frequently regarded as outsiders who exist on the periphery of society. Their outsider status results in limitations both in their market interactions and in their various societal relationships. Despite the sustained interest from marketers in social marketing over the past two decades (e.g., Fine, 1990; Kotler, 1982), Frankenhoff (1967) posited that 'ghettos essentially belong to the process of economic development in a developing country' by serving as 'the organizing zone for the moving poor' as they strive to integrate into the economic fabric of cities in emerging economies (27-28). Furthermore, John Turner (1969), a prominent figure in the study of ghettos and informal settlements, argued that they are 'both the result of and the vehicle for activities that are essential during the process of modernization' (509). Ulrich R. Orth (2009) asserts that packaging design can be utilized to build brand identity.

1.3 Research Methodology:

To explore and understand purchasing behavior and buying preferences of final consumers representing the major Nagpur daily wage earners research/secondary data collection and review was done to gather the basic information on consumption by small packaging goods by slum area vendors market and used while developing a questionnaire for primary research, designing sample as well as further data verification. Quantitative consumer survey followed desk research using face-to-face (in-home) interviews with developed and tested semi-standardized questionnaires. Data was collected from **300 different families** who are living in the Slum areas of Nagpur City.

1.4 Objectives of Study:

- 1) To know the perception of Slum area dwellers about Small and loose packaging.
- 2) To know the relationship between their income status and their preferences about loosely packaged products.
- 3) To find the satisfaction level of slum area dwellers about the consumption of small packaged goods.

1.5 Null Hypothesis:

H0. The income level of slum area consumers does not affect purchase decisions towards loose packaging goods.

1.6 Alternate Hypothesis:

H1. The income level of slum area consumers affects purchase decisions towards loose packaging goods.

1.7 Data Analysis and Interpretation.

| Descriptive Statistics | | | | | |
|--|-----|---------|---------|------|----------------|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| Gender | 300 | 1 | 2 | 1.42 | .592 |
| Education | 300 | 1 | 5 | 2.74 | .783 |
| Monthly Income | 300 | 0 | 5 | 2.17 | .843 |
| Things purchased in small packets | 300 | 1 | 4 | 3.15 | 1.242 |
| Packaging influence | 300 | 1 | 6 | 5.44 | 1.306 |
| Reason to purchase the product in loose form | 300 | 1 | 4 | 1.82 | .742 |
| Overall satisfaction with the small packets' product | 300 | 1 | 6 | 1.96 | .979 |
| Use of the Product monthly | 300 | 1 | 3 | 1.31 | .675 |
| Number of family members | 300 | 0 | 3 | 1.30 | .523 |
| Valid N (listwise) | 300 | | | | |

Analysis 1: -

| Reason to purchase the product in loose form | | | | | |
|--|-------------------|------------|-------------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | According to need | 100 | 16.3 | 33.3 | 33.3 |
| | Due to Income | 167 | 27.2 | 55.7 | 89.0 |
| | Purity | 21 | 3.4 | 7.0 | 96.0 |
| | Availability | 12 | 2.0 | 4.0 | 100.0 |
| | Total | 300 | 48.9 | 100.0 | |

Most of the respondents purchase small and loose packages due to low income, which means they do not have enough capability to purchase high-scale package products, but still they can use it as a good opportunity for marketers to sell and make available products for poor customers.

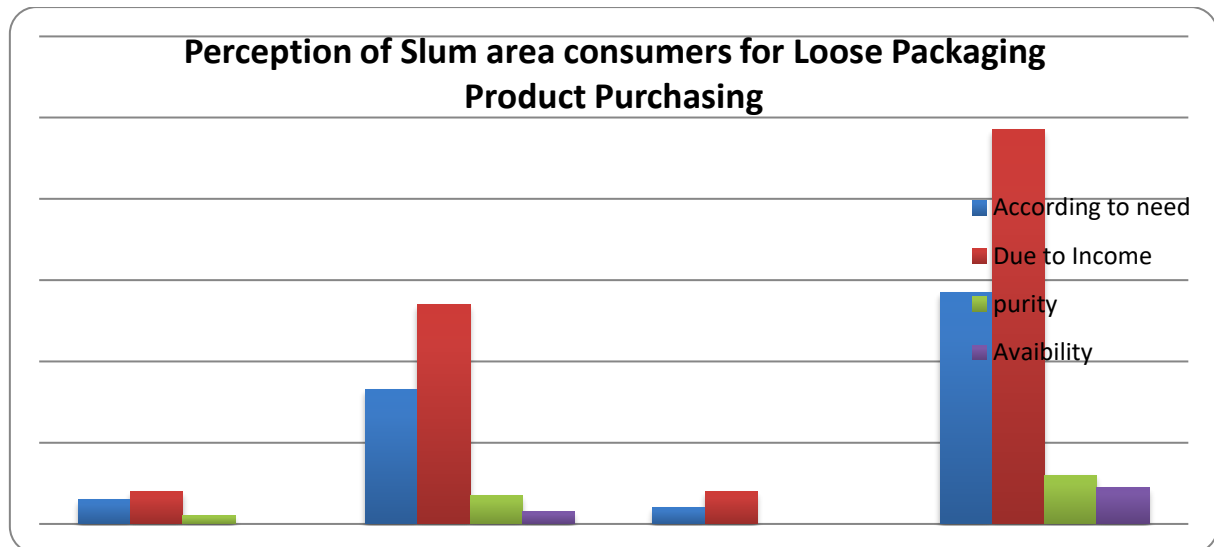
Analysis 2:-

| Monthly Income * Things purchased in small packets Cross-tabulation | | | | | | |
|---|------------------------|-----------------------------------|---------------|--------------------|---|-------|
| Count | | | | | | |
| | | Things purchased in small packets | | | | Total |
| | | Beauty products | Food Products | Medicinal Products | All types of products (Beauty products & Food products) | |
| Monthly Income | Below 1000 | 0 | 3 | 0 | 5 | 8 |
| | Above 1001- Below 2000 | 1 | 15 | 0 | 29 | 45 |
| | Above 2001- Below 3000 | 9 | 48 | 8 | 85 | 150 |
| | Above 3001- Below 4000 | 6 | 28 | 4 | 45 | 83 |
| | Above 4001- Below 5000 | 0 | 2 | 0 | 11 | 13 |
| | Above 5001 | 0 | 1 | 0 | 0 | 1 |
| Total | | 16 | 97 | 12 | 175 | 300 |

In the above given analysis, most of the families belong to the 2001-3000 rupees monthly income groups, and they do not have enough capacity to purchase products of Large Scale can't afford them so they prefer loose packaging products most.

Analysis 3:-

| Things purchased in small packets * reason to purchase product in loose form Cross-tabulation | | | | | | |
|---|---|--|---------------|--------|--------------|-------|
| Count | | | | | | |
| | | Reason to purchase the product in loose form | | | | Total |
| | | According to need | Due to Income | Purity | Availability | |
| Things purchased in small packets | Beauty products | 6 | 8 | 2 | 0 | 16 |
| | Food Products | 33 | 54 | 7 | 3 | 97 |
| | Medicinal Products | 4 | 8 | 0 | 0 | 12 |
| | All types of products (Beauty products & Food products) | 57 | 97 | 12 | 9 | 175 |
| Total | | 100 | 167 | 21 | 12 | 300 |



In the above analysis the all types of products purchased by consumers, the loose Packaging Products are demanded by customers according to need, and due to income, they prefer loose packaging products.

Analysis 4:-

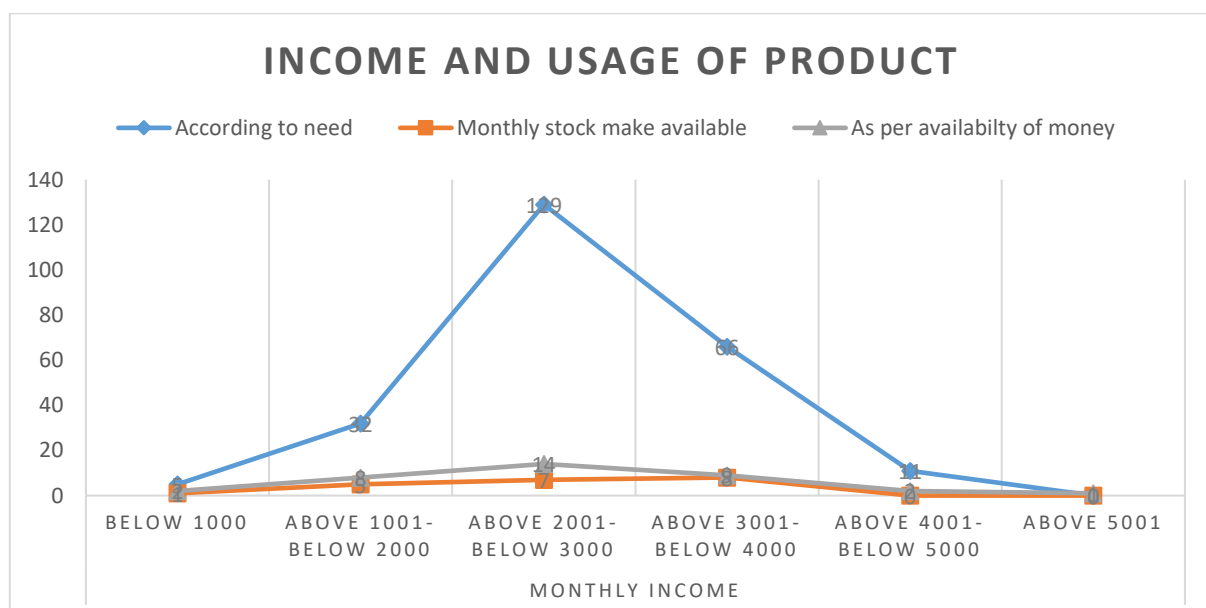
| Reason to purchase product in loose * Overall satisfaction about small packets product Cross-tabulation | | | | | | | | |
|---|-------------------|--|-----------|--------------------|---------|-----------------------|--------------|-------|
| Count | | | | | | | | |
| | | Overall satisfaction with the small packets' product | | | | | | Total |
| | | Very Satisfied | Satisfied | Somewhat Satisfied | Neutral | Somewhat Dissatisfied | Dissatisfied | |
| Reason to purchase the product in loose | According to need | 64 | 81 | 11 | 6 | 0 | 5 | 167 |
| | Due to Income | 82 | 151 | 22 | 12 | 6 | 5 | 278 |
| | purity | 3 | 27 | 2 | 3 | 0 | 0 | 35 |
| | Availability | 6 | 9 | 0 | 5 | 0 | 0 | 20 |
| Total | | 155 | 268 | 35 | 26 | 6 | 10 | 500 |



From the Above analysis, the Overall Satisfaction of Slum area Consumers is shown. They are satisfied with loose and small packaging Products, as per need and income, they purchased Products, and they are satisfied with them

1.8 Hypothesis verification:

| Monthly Income * use of Product monthly Crosstabulation | | | | | |
|---|------------------------|-----------------------------|---------------------------------|----------------------------------|-------|
| Count | | | | | |
| | | Use of loose-packed Product | | | Total |
| | | According to need | Monthly stock is made available | As per the availability of money | |
| Monthly Income | Below 1000 | 5 | 1 | 2 | 8 |
| | Above 1001- Below 2000 | 32 | 5 | 8 | 50 |
| | Above 2001- Below 3000 | 129 | 7 | 14 | 155 |
| | Above 3001- Below 4000 | 66 | 8 | 9 | 73 |
| | Above 4001- Below 5000 | 11 | 0 | 2 | 23 |
| | Above 5001 | 0 | 0 | 1 | 1 |
| Total | | 243 | 21 | 36 | 300 |



| Chi-Square Tests | | | |
|---|---------------------|----|-----------------------|
| | Value | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 26.549 ^a | 10 | .047 |
| Likelihood Ratio | 23.872 | 10 | .024 |
| Linear-by-Linear Association | .480 | 1 | .476 |
| N of Valid Cases | 300 | | |
| a. 12 cells (74.4%) have expected count less than 5. The minimum expected count is .05. | | | |

From the above Chi Square Test, the **Sign value = 0.047 and 0.024 < 0.05**. Thus, the null hypothesis **H0** is rejected **at the 5% level of significance**, and hence the **alternate hypothesis is accepted**. The alternate hypothesis is **H1**: the Income level of consumers affects the purchase decision of Slum area dwellers towards loose packaging goods.

1.9 Findings:

- 1) Income is affecting the purchase decisions of Slum area consumers

- 2) Slum people give more preference to usage rather than features and quality.
- 3) Most of the respondents are satisfied with the overall services.
- 4) Small packaging is a great initiative by marketers and the government to common poor man.

1.10 Suggestion:

- 1) More choices of products should be available for Poor consumers.
- 2) Same quality to be maintained in loose packaging.

Conclusion:

The center gathering study conducted by the analyst didn't uphold the proposed thoughts. After doing the exploration, the scientist felt that the utilization & suitability of the item assume a significant part in dynamic and factors, for example, visual components like illustrations or shading may have next to zero impact. Financial feasibility as a factor wore the pants as it was a main consideration positioned alongside the usefulness of the specific item. The suppositions accumulated from examination can end up being crucial as far as social occasion information about building up a reasonable, powerful bundle, which may improve ghetto abiding clients' experience. Modifying the bundling illustrations or shading might not significantly affect the purchaser's mind; however, improving bundling quality as far as material utilized or changing and introducing a similar pack in an alternate and modified way can get the job done. The purchaser should feel that whatever the bundling or item he buys, it should be an incentive for cash, which remains a definitive truth.

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