

The Changing Consumption Pattern of Agricultural Products, Industrial Goods and Services in Pune City

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Abstract: Consumption pattern of any country is influenced by its culture. Any society which preserves its culture thinks about the future. An agrarian economy with the aim of self sufficiency at every village in consumption and production was the essence of a harmonious and peaceful existence. As agrarian economy paved the path for the industrial economy, competition was an inherent qualities imbibed by mankind. This changed the pattern of consumption and production every 20 years in the early fifties whereas, as of now the pattern changes faster than expected. In the above context this paper has attempted to find out the changes in consumption pattern of agricultural and industrial products, and services. The study covers a developed district in the state of Maharashtra.

100 elite consumers from Pune district is the sample for the study. Electronic media and face to face interaction to fill the structured questionnaire has been used to collect the data from the district. The collected data is analyzed using simple ratio and percentage method. Chi square is considered for the non parametric data.

The study incorporates the structural changes taking place in the consumption pattern. The sustainability of consumption in urban areas is explored in the context of the available resources. The feasibility of sustainable consumption and its effects on the socio economic development is the focus of the study.

This paper is related to Responsible consumption and production which is the twelfth SDG.

Key words: Consumption, Elite, Sustainability, Urban Areas and Socio Economic Development.

I. INTRODUCTION

Consumption pattern of any country is influenced by its culture. Any society which preserves its culture thinks about the future. An agrarian economy with the aim of self sufficiency at every village in consumption and production was the essence of a harmonious and peaceful existence. As agrarian economy paved the path for the industrial economy, competition was an inherent qualities imbibed by mankind. This changed the pattern of consumption and production every 20 years in the early fifties whereas, as of now the pattern changes faster than expected. In the above context the consumption pattern of agricultural products, industrial goods and services has increased as the income and education level increased and cultural changes has positively led to changes in the consumption of goods and services.

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The sustainability of consumption in urban areas with high income is being shifted to consumption of industrial and service sector as the proportion of income spent on these is increasing as compared to agricultural products.

The consumption pattern was considered to be stable till early fifties¹. As the income started increasing the demand for various goods started increasing. The initial stage of development in the country increased the consumption of agricultural commodities; mainly the cereals and pulses, at present the consumption of milk, snacks, processed foods and fruits are increasing. The consumption of industrial goods such as consumer goods, consumer durable goods and electronic goods has been increasing and the growth of the services is gradually rising as compared to other products. The consumption of services includes insurance, mobile networks for communication and dining at the restaurants. The income of the people in the last five years has increased which has changed the pattern of consumption and it shows a shift in the trend from agriculture to industrial products and from industrial to services. The change in the consumption pattern is further influenced by the decision making units. The household budgets are the main tools available to control the expenditures of the population.

The questionnaire covers the survey of the elite in Pune city. The proportion of income spent on goods and services are found to be the same. The remaining income of the individuals and households is their savings. The study covers the elite and their behavior in the consumption of various goods and services and so the percentage of the population in the category considered is limited in number.

Objectives of the research:

- To study the changing consumption pattern in Pune city
- To understand the pattern of expenditure made by the elites in the society
- To know about the decision making process in controlling the consumption

II. RESEARCH METHODOLOGY:

Introduction: Government of India through the Ministry of Finance, National Sample Survey Organization (NSSO), Central Statistical Organization (CSO) and the National Family Health Survey (NFHS) has taken initiatives to collect

¹ GOI, Report of the Food-grains Enquiry Committee, 1957



consumption data so as to increase the income of people by evolving various suitable policies. It is endeavoured that each and every individuals or households or a group should have an access to reasonable consumption for economic development and growth.

A. Geographical Coverage

The study was carried out in Pune city of Maharashtra state. The city is a prosperous and cultural capital of Maharashtra. It is also a renowned centre of learning in the country. The analysis of consumption pattern in the city therefore is undertaken on the basis of income, literacy and the cultural point of view.

B. Methods of data collection

The primary data collection is done through the questionnaire method covering the entire city. The city was divided on the four main directions considering the general post office (GPO) as the centre point. Areas such as Kalyaninagar, Kothrud, Baner and Gultekdi is considered from east, west, north and south respectively. Thus the data collected pertains to the cluster sampling method.

In the secondary method, the relevant information on the subject was sourced through library as well as the websites of various institutes and organizations. Previous research studies and writings were studied and reviewed to get more insight on the subject.

C. Universe of the study and selection of the sample Units

The researcher selected the sample from the city and it comprised of the elite. The individual or household who files income tax returns are considered to be elite for the purpose of research. The super rich is excluded from the sample. Even though the total population of the city exceeds 5 million and 10 percent of them files returns, thus the universe is 5 lacs. A total of 100 samples were collected from the area mentioned above.

III. RESEARCH TOOLS USED:

Research tools used is Microsoft Excel and SPSS for the following techniques in data analysis. Data collected from respondents is analyzed and appropriate statistical technique like Ratio and proportion is used for simplification of data presentation. The chi square test is used for non parametric data collected on five point Likert scale.

IV. ANALYSIS AND INTERPRETATION

As stated in the Research Methodology chapter, survey strategy was used to collect primary data for this research. A structured interviewer-administered questionnaire was used for some of the account holders, whereas the rest of them filled the questionnaires unassisted through electronic media. The researcher used simple random sampling method. The researcher first decided the sample size for the respondents that are 25 respondents from different parts of the city. This was the sampling frame for the research and removed any bias from the result of the research. This method of data collection gave the researcher insight into the opinion of the various respondents of their consumption

pattern. The data collected is presented in a tabular format for analysis and interpretation.

Analysis of responses from the respondents: The analysis is done considering percentage of the income spent on agricultural and industrial products, and services in Pune city. For uniformity comparison is done by taking 20 percent of the income spent on the various goods and services. Further the respondents were asked to provide data for two time period, 2014 and 2019.

All the respondents were graduates and post graduates. 83 percent of the respondents were females. The data reveals that 90 percent of the respondent’s average income was 3.5 lacs per annum in 2014 and the same increased to 4.5 lacs per annum in 2019. The occupations of the respondents were service providers.

Table 1.1: Percentage of respondent’s income spent on consumption of agricultural products.

Products	2014	2019
Cereals, Pulses, Milk.	58	76
Snacks(Biscuits, Chips, Peanuts, Almonds, Cashew)	76	93
Processed foods (Bakery Products, Jam, Ready to eat)	86	91
Fruits	80	68

The table indicates the percentage of respondents who spends 20 percent and less on the above given agricultural products. As income increased a larger portion of the income was spent by an increasing percentage of population on various agricultural products. The consumption on cereals, snacks and processed foods increased in terms of number of respondents and also as a percentage of income. The consumption of fruits in terms of number of respondents spending 20 percent of their income has declined this is due to the increase in income. The consumption of cereals at the household level increased indicating that the traditional consumption pattern for agricultural commodities is intact.

Table 1.2: Percentage of respondent’s income spent on consumption of industrial products

Products	2014	2019
Consumer goods	61	62
Consumer durable goods	68	71
Electronic goods	86	76

The table indicates the percentage of respondents who spends 20 percent and less on the above given industrial products. As income increased same portion of income was spent by the respondents. A marginal increase in population spending on consumer and consumer durable goods are observed, whereas the consumption of electronic goods as a proportion of income spent on the goods declined indicating increasing income and durability of the electronic goods is the another reason.

Table 1.3: Percentage of respondent’s income spent on consumption of services.

Services	2014	2019
Insurance	70	67



Mobile Network	85	86
Restaurants	81	73

The table indicates the percentage of respondents who spends 20 percent and less on the above given services. As income increased percentage of respondents spending less than 20 percent of their income on insurance, mobile network and restaurants indicates marginal increase.

The decisions of the respondents to spend on various goods and services is said to be democratic if each of the family members are consulted before making the purchase. The regular purchase of cereals is excluded from the opinion based decision making being inelastic in nature. All other products and services have democratic features in the expenditure basket both in terms of products to be purchased as well as the proportion of income to be spent. In the elite class the female and children both have a say in the decision making process. The degree of decision making differs as given below.

Table 1.4: Is the decision making and percentage of expenditure democratic in nature.

	Agricultural		Industrial		Services	
	P.	% E	P	% E	P	% E
Husband	√	20	√	60	√	50
Wife	√	70	√	30	√	40
Children	√	10	√	10	√	10

Note: Tick mark (√) indicates their involvement, P=Purchase E=Expenditure

The table reveals the purchasing decision involving all the family members in a varying degree, for agricultural products the lady of the house takes 70 percent of expenditure decision. The expenditure on industrial goods is decided by the men to the extent of 60 percent. The services are decided by the male member of the family with female and children together having equal share.

The nonparametric test on the qualitative data collected on five point Likert scale in order to ascertain the importance of budget reveals that with a confidence interval of 95 percent, the chi square is highly positive for the sample considered.

The chi square test is undertaken to calculate if there is any relation between two nominal variables. For comparison data in rows and columns are considered and with observed and expected variable, the comparison is made to determine whether there exists any association between the two variables. The t test indicates the difference in the mean between two groups. Larger the difference between the mean the data differs and by finding the data at .05 level of significance, we can conclude that the data is not due to chance.

Table 1.5 Chi square test for the need to control Budget expenditure.

	Observed N	Expected N	Residual
STRONGLY DISAGREE	4	20.0	-16.0
DISAGREE	4	20.0	-16.0
DISAGREE	15	20.0	-5.0
NEITHER	41	20.0	21.0

AGREE NOR DISAGREE	36	20.0	16.0
AGREE STRONGLY	100		
AGREE TOTAL			

TEST STATISTICS

	Need of Budget
CHI-SQUARE	61.700
Df	4
Asymp. Sig.	.000

Findings:

- In connection with the consumption pattern in Pune city, the apparent result reveals expenditure of 20 percent approximately on agricultural products, industrial goods and services sectors. Further the savings and investment on liquid form, financial assets and properties are also found to be uniform. In this study we have noted that 100 percent of the respondent’s income level has increased.
- The consumption pattern has gathered a considerable momentum over the past five years, but the consumption pattern conventionally remains uniform and proportionate in terms of expenditure. Increase in income has led to an availability of wide range of products.
- The respondents readily accepted the changing consumption pattern.
- Maximum numbers of respondents were female. Female participation in filling the questionnaire is more than the male.
- The respondents were mostly in the mid age groups of 39 to 48 years.
- 100 percent respondents were educated and their educational qualifications was degree and above.
- The respondents also agreed that the insurance coverage was adequate.

V. OBSERVATION:

Consumption Pattern of the population has significantly changed over the last five year during period of the study. The traditional food consumption has also increased, keeping the culture of the city intact. Small children’s do have the luxury to consume fast food –chips, ice creams which are now available in small market and even in rural areas. People have increased their frequency in the purchase of industrial goods. The consumption of the services has increased marginally. The minimum consumption for the elite can be prescribed with the help of this study.

VI. LIMITATIONS OF THE STUDY:

The study considers the elite restricted to comparatively a developed city in the state of Maharashtra.

VII. CONCLUSION:

The research on “A study of changing consumption pattern of agricultural products, industrial goods and



services in Pune city” is essentially undertaken to increase awareness of the role of financial resources spent between the agricultural products, industrial goods and services.

To improve the quality and quantity of income among the population the following can be undertaken: Spreading the importance of budgets in all the areas, simplifying the consumption and expenditure pattern and by disbursing 20 percent incomes approximately on all the sectors for consumption.

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