



EMPIRICAL STUDY ON THE MANAGEMENT OF RURAL MARKETING STRATEGIES FOR PROMOTING FAST MOVING CONSUMER GOODS (A STUDY IS TAKEN WITH REFERENCE TO VELLORE DISTRICT)

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Abstract

Rural marketing is of course a two way process as it is inflow of products into rural markets for production or consumption and there is also outflow of products to urban areas. In present day, we witness that rural market has been growing steadily and is seen to be bigger than the urban market. Nearly 65% of the Indian population lives in rural areas. "Go rural" is the marketer's new slogan. Manufacturers of Fast Moving Consumer Goods (FMCG) such as biscuits, soaps, oil, shampoo, and others in India mainly focus on rural area as it creates more opportunities. Moreover, rural market emerges as a massive consumer goods market which offers a wide variety of commodities to consumers that urban market does not offer. However, it is noteworthy to say that income of the consumers in the rural market has been on the rise thereby purchasing power of such consumer is seen as crucial for the promotion of Fast Moving Consumer Goods (FMCG) in rural market.

The researcher has made an attempt to highlight the management of rural marketing strategies for the promotion of fast moving consumer goods in rural areas. For this purpose, the researcher has collected the data from 100 consumers living in rural areas through well structured questionnaire and holding discussion with them that culminates in understanding the management of rural marketing strategies for promoting fast moving consumer goods in rural areas.

Key Words: FMCG, USSR, and USA.

INTRODUCTION

Rural marketing is now a two-way marketing process. There is inflow of products into rural markets for production or consumption and there is also outflow of products to urban areas. The urban to rural flow consists of agricultural inputs, fast-moving consumer goods (FMCG) such as soaps, detergents, cosmetics, textiles, and so on. The rural to urban flow consists of agricultural produce such as rice, wheat, sugar, and cotton. There is also a movement of rural products within rural areas for consumption. Nearly 65% of the Indian population lives in rural areas. "Go rural" is the marketer's new slogan. Manufacturers of Fast Moving Consumer Goods (FMCG) in India mainly focus on rural area as it creates more opportunities. Moreover, rural market emerges as a massive consumer goods market which offers a wide variety of commodities to consumers that urban market does not offer. However, it is noteworthy to say that income of the consumers in the rural market has been on the rise thereby purchasing power of such consumer is seen as crucial for the promotion of Fast Moving Consumer Goods (FMCG) in rural market.

RURAL MARKET IN INDIA

The rural market of India started showing its potential in the 1960s. The 70s and 80s witnessed its steady development. And, Rural India is different from urban India with respect to its economic and functional characteristics. The characteristics, purchasing and consumption pattern of rural people are also different from that of urban people. Due to the impact of globalization there is drastic change in India's rural environment. The composition of demand has also changed significantly. To understand these developments in the rural areas, awareness on current environment is very essential. Knowing the exact change in size and consumption of consumables and durables is also very important for the marketers to deal with rural consumers.

NATURE AND CHARACTERISTICS OF RURAL MARKET

Rural India is the real India. The bulk of India's population lives in villages. In terms of the number of people, the Indian rural market is almost twice as large as the entire market of the USA or that of the USSR.

- Agriculture is main source of income.
- The income is seasonal in nature. It is fluctuating also as it depends on crop production.
- Though large, the rural market is geographically scattered.
- It shows linguistic, religious and cultural diversities and economic disparities.
- The market is undeveloped, as the people who constitute it still lack adequate purchasing power.



- It is largely agricultural oriented, with poor standard of living, low-per capital income, and socio-cultural backwardness.
- It exhibits sharper and varied regional preferences with distinct predilections, habit patterns and behavioural characteristics.
- Rural marketing process is both a catalyst as well as an outcome of the general rural development process. Initiation and management of social and economic change in the rural sector is the core of the rural marketing process. It becomes in this process both benefactor and beneficiary.

SIGNIFICANCE OF THE RURAL MARKET

- A marked increase in the rural income due to agrarian prosperity.
- Large inflow of investment for rural development programmes from government and other sources. Increased contact of rural people with their urban counterparts due to development of transport and a wide communication network.
- Increase in literacy and educational level among rural folks, and the resultant inclination to lead sophisticated lives.
- Inflow of foreign remittances and foreign made goods in rural areas.
- Changes in the land tenure system causing a structural change in the ownership pattern and consequent changes in the buying behaviour. The general rise in the level of prosperity appears to have resulted in two dominant shifts in the rural consuming system. One is conspicuous consumption of consumer durables by almost all segments of rural consumers, and the obvious preference for branded goods as compared to non-branded goods of rural.

STRATEGIES OF RURAL MARKET

Marketers need to understand the psychology of the rural consumers and then act consequently. Rural marketing involves more exhaustive personal selling efforts compared to urban marketing. Firms should abstain from designing goods for the urban markets and subsequently pushing them in the rural areas. To effectively tap the rural market, a brand must associate it with the same things the rural folks do. Marketers make pricing policy as a strategy to have sales stabilized over rural market.

STATEMENT OF THE PROBLEM

Rural marketing has not yet reached its potential due to several difficulties confronting the efforts to fully explore rural markets. The concept of rural market is still in evolving shape, and the sector poses a variety of issues. Distribution cost and non-availability of rural outlets are major problems faced by the marketers. The success of FMCG in Indian rural market is unpredictable miserably. rural market especially for FMCG have some problems on its own such as understanding the rural consumer, poor infrastructure, physical distribution and promoting and marketing communication and so on. Therefore, the study highlights effective strategies to be devised those results in solving the cited problems in the rural market while promoting FMCG.

OBJECTIVES OF THE STUDY

The study has the following objectives

- To examine the significance of strategies for promoting fast moving consumer goods in rural market.
- To evaluate brand awareness of fast moving consumer goods that affects the purchase behavior of consumers.

REVIEW OF LITERATURE

Ahmed, Ashfaq (2013) in his study “Factors affecting the buyer behavior of customer’s case study of New Generation Bikes in rural market,” examined the awareness and purchase behavior of rural consumers. Simple random sampling was done and 125 respondents from the selected rural areas of Kanpur, U.P. were taken into consideration. He concluded that factor affecting customers who prefer to purchase a new generation bike by putting more emphasis on fuel efficiency, easy finance and whose price is within their affordable range may be labeled as economic benefit factor, They are ready to compromise with luxury to some extent at the cost of economic benefit. On the other hand customers of second type are of aristocrat class who are least concerned with fuel efficiency and price of the bike. They seek benefits of luxury, safety and dignity from a new generation bike at any cost. Factor affecting customers of this class may be labeled as social benefit factor. Though change is common, some changes seem peculiar and paradoxical. Today Indian economy is witnessing one such bifurcated change- a change from national to global on one side and urban to rural on the other. Keeping in mind the above facts and opinions this research is undertaken, as the rural markets possess a vast potential, which remains untapped by the marketers. The objectives of the research were kept in order to understand the marketing pattern of FMCG branded products in rural areas.

Arora, Pankaj in their article “effect of sales promotion and their availability on consumers buying behaviour: a perspective on personal care products” opined that today’s personal care customers are greatly influence of advertisement. The sales promotions immediately hit the sales volume and face the competitions. The sales promotion stimulate to consumers buying behaviour in such as sales promotions advertisement, buy one get one free and store communications.

Gopal das (2011) in his study “effect of retail sales promotion on buying behaviour of customers: an empirical study” said that price promotions are increasing consumers buying Behaviours. This paper highlighted sales promotion such as direct price discount, buy one get one free, buy one get another product free, media advertisement, store publicities are stimulate consumers buying decision in FMCG products.

RESEARCH METHODOLOGY

The research design in this study is descriptive in nature. As the researcher has made an attempt to elicit the information based on well structured questionnaire, it placed the details of demographic details of the respondents. Other than this, he elicited details from the sample regarding questions related to objectives of the study. Total sample size taken for study is 151 who come from different parts of Vellore and buy FMCGs there from. Convenient sampling is chosen to describe the study. The researcher has elicited information by two ways such primary source and secondary source. The primary sources are made through well structured questionnaire. On the other hand, secondary data is elicited by means of books, articles and research paper.

ANALYSIS AND DISCUSSION

Data Analysis

Table – 1, Gender of respondents

Classification	Number of respondents	Percentage
Male	139	92.05
Female	12	7.95
Total	151	100

Source: primary data

Interpretation

From the above table, it is understood that male and female respondents are taken for survey. Among them, the majority of the respondents are male i.e. 92.5% whereas female respondents are 7.95%.

Table 2, Age distribution of respondents

	Number of respondents	Percentage
Below 30 years	9	6.00
31-40 years	75	49.70
Above 40 years	67	44.30
Total	151	100

Source: primary data

Interpretation

The present table shows that the age distribution of the respondents in the rural market. 6% of the respondents are aged below 30 years while, 49.70% of the respondents are aged between 31 to 40 years. Likewise, 44.30% of the respondents are aged above 40 years. So, the majority of the respondents are aged between 31-40 years.

Table 3, Educational qualification of respondents

Classification	Number of respondents	Percentage
Schooling	25	16.60
Graduate	86	57.00
Post graduate	26	17.20
others	14	9.20
Total	151	100

Source: primary data

Interpretation

As per this table, educational qualification of the respondents is described in different ways. 16.60% of the respondents are educated as far as schooling. Correspondingly, 57% of the respondents have studied up to graduates, similarly, 17.20% of the respondents have studies as far as post graduates and at last 9.20% are educated up to other qualification. Therefore, majority of the respondents are having graduates.

Table 4, Designation of respondents

Classification	Number of respondents	Percentage
Self employed	12	8.00
Land lord	27	17.90
Salaried and others	112	74.10
Total	151	100

Source: primary data

Interpretation

According to the above table, the researcher has explained the position of the respondents as shown into the table, in other words, 8% of the respondents are self-employed. However, 17.90% of the respondents are land lord as against which, 74.10% of the respondents salaried and others. Hence, majority of the respondents are salaried and others.

Table- 5 assessing the association between Satisfactions of strategies of rural market with the promotion of FMCG.

Null hypothesis H_0 1(a): There is no significant relationship between Satisfactions of strategies of rural market with the promotion of FMCG. To assess the relationship between Satisfactions of strategies of rural market with the promotion of FMCG, Chi-square test was performed to identify the relationship between Satisfactions of strategies of rural market with the promotion of FMCG.

Table- 5, Association between Satisfactions of strategies of rural market with the promotion of FMCG

		Strategies of rural market		Total	Chi-Square value
		Yes	No		
Promotion of FMCG	Yes	92	36	128	21.333** (p<.001)
	No	5	18	23	
Total		97	54	151	

** Significant at 1% level

From the table 5 it is observed that there is significant association between Satisfactions of strategies of rural market with the promotion of FMCG. Chi- square value (21.333) shows that the null hypothesis is rejected at 1% level. It is found from the analysis that there is a close association between Satisfactions of strategies of rural market with the promotion of FMCG. From the table 5, it is evident that Satisfactions of strategies of rural market results in the promotion of FMCG.

Table- 6, Assessing the association between brand awareness and purchase behavior of consumers pertaining to FMCG.

Null hypothesis H_0 1(b): There is no significant relationship between brand awareness and purchase behavior of consumers pertaining to FMCG.

To assess the relationship between brand awareness and purchase behavior of consumers pertaining to FMCG, Chi-square test was performed to identify the relationship between brand awareness and purchase behavior of consumers pertaining to FMCG. The results are shown in table.

Table- 6, Association between brand awareness and purchase behavior of consumers pertaining to FMCG

		Brand awareness		Total	Chi-Square value
		Yes	No		
Purchase Behaviour	Yes	68	48	116	6.875** (p=.009)
	No	29	6	35	
Total		97	54	151	

** Significant at 1% level



From the table 6 it is observed that there is significant association between brand awareness and purchase behavior of consumers pertaining to FMCG. Chi- square value (6.875) shows that the null hypothesis is rejected at 1% level. It is found from the analysis that there is a close association between brand awareness and purchase behavior of consumers pertaining to FMCG. From the table 6 it is evident that brand awareness instigates the purchase behavior of consumers pertaining to FMCG.

SUGGESTIONS AND CONCLUSION

The researcher has brought out some drawback while conducting the empirical study over the rural consumers who frequently purchase the fast moving consumer goods. The person who sells FMCG has to alter some of the strategies which remain not successful in some way. Therefore, he has to put in place the strategies on trial and error basis. Based on the outcome of usage of strategies, he has to finalize whichever is more effective to sell FMCG. Moreover, he has to collect the feedback intermittently so as to get to how effective do the strategies work on the consumers. He has to set right something which does not gain momentum among the consumers.

The results were mostly useful for the marketer in order to address the issues related to FMCGs. The seller of FMCGs is to promote many other new strategies from time to time those results in promoting the products in the long run. Some strategies are more effective to bring down the price of FMCGs. Therefore, the seller of FMCGs has to take up such a strategies to make the commodities available at cheaper prices.

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