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Product Preference and Marketing Awareness of Rural Consumer with Special Reference to FMCG

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Abstract:

The market of rural India provides large demand base and creates huge opportunities to marketers. More than 60% India consumers live in rural areas. Though there are huge potential and substantial growth opportunities in the rural markets, yet there are some challenges too, this research was guided by the following objectives: To know what kind of Product are consuming by rural consumers and is there any specific reason behind it, to find out the factors influencing the purchase decision of consumer non-durables of rural area and to evaluate the role of education in rural marketing. The researcher has followed empirical research design and collected data from 1000 respondents by using convenient random sampling method. The data were analysed with the help of percentage, mean, S.D and ranking analysis and the results are presented in the form of tables. The inferences show that consumable products (i.e.) branded products have a greater share than the unbranded or local (regional) products. The FMCG product’s sale mainly influences by price, quality, and quantity of product and opinion of retailer are most important. The awareness of rural consumer's is nowadays becoming very effective due to their educational qualification. So the FMCG companies should provide those products, which fulfil the needs and demand of the rural consumers.

Keywords: Inferences, empirical, random

INTRODUCTION

Marketing has been defined as the process of developing pricing, promoting, placing rural-specific products and services leading to exchange between rural and urban markets, which satisfies consumer needs and also achieves organisational goals.

Marketing is the business activity that discover unfulfilled needs and wants, defines and measures their magnitude, determines which target market can be best and, decides on the basis of appropriate 4 P’s programs to serve these markets with the aim of discovering new opportunities and developing a market orientation. Marketing plays a very important role by satisfying these needs and wants through exchange processes and by serving the best quality goods with the assurance of serving the customer in the best possible manner and ends at building long term relationships.. When we join them, the resulting concept 'Rural Marketing' means different things to different persons. This confusion leads to distorted understanding of the problems of rural marketing poor diagnosis and, more often than not, poor prescriptions. The Indian rural market with its vast size and demand base offers great opportunities to marketers. 66% of countries consumers live in rural areas and nearly half of the national income is generated here. It is only natural that rural markets form an important part of the total market of India.

FAST MOVING CONSUMER GOODS (FMCG)

Fmcg are the products that are sold quickly and at relatively low cost. Any product that is used very frequently, sometimes daily and move relatively faster at the retailer end can be categorized as FMCG. The FMCG are also called as consumables goods that are consumed by the consumer. The self time period of these products is less than 1 year, and consumed every day by the consumer. These products are also known as consumer packaged goods (CPG). Examples include non durable goods such as beverages, toiletries, packaged foods etc. The profit margin in FMCG is relatively small, it is generally sell in large numbers and so the cumulative profit on such products can be large.

REVIEW OF LITERATURE

(1) **Awdesh kumar singh and satya prakash pandey(2005) Rural marketing Indian perspective ; New age international, New delhi, ISBN ISBN (10) : 81-224-2297-7, ISBN (13) : 978-81-224-2297-9**

Rural consumers have also realised that they need to be served better and have started to demand standardized quality goods that are advanced, reliable and low-priced. Rural markets are thus getting tougher and more and more competitive day-by-day. Rural marketing is, therefore, the focus of attention for not only corporate houses, but also planners, policy-makers, managers of economy, and specifically for students, teachers, researchers and practitioners in the field of marketing management.

(2) Pradeep Kashyap (2012), The rural boom in India, International Journal of Rural Management, 8(1 & 2), Sage Publications

Rural markets, unaffected by the economic slowdown, have created a complete turnaround in the mindsets of the marketers. The present article tends to explore the changes in the rural infrastructure and economics during the past decade and touches fairly on the rural psychology & consumer behaviour that needs to be understood to penetrate the rural ecosystem. It also captures the impact of these changes on rural income and the consumption pattern. Finally, the article ideates the opportunities of future through rural markets and how business can leverage opportunities arising out of this rural boom.

OBJECTIVES

1. To know what kind of Product are consuming by rural consumers and is there any specific reason behind it
2. To evaluate the role of education in rural marketing.

3. To find out the factors influencing the purchase decision of consumer non-durables of rural area

RESEARCH METHODOLOGY

1000 samples of rural respondents have been collected through convenient random sampling method in Pithoragarh. The collected data entered in SPSS and the analysed with the help of. Simple percentage, mean, standard deviation, and ranking methods are used for satisfying the research questions.

TABLE.1: PROFILE OF THE RESPONDENTS

S.NO	Particulars		FREQUENCY	PERCENTAGE
1	GENDER	MALE	500	50
		FEMALE	500	50
		TOTAL	**1000**	**100**
2	AGE	UPTO – 20	143	14.3
		20-40	485	48.5
		40-60	267	26.7
		ABOVE 60	105	10.5
		TOTAL	**1000**	**100**
3	OCCUPATION	FARMER	294	29.4
		BUSINESS	212	21.2
		SERVICE	164	16.4
		ANY OTHER	330	33.0
		TOTAL	**1000**	**100**
4	EDUCATIONAL QUALIFICATION	ILLITERATE	**194**	19.4
		UPTO 10TH	**295**	29.5
		UPTO UG	**355**	35.5
		P.G	**156**	15.6
		TOTAL	**1000**	**100**
5	FAMILY INCOME	UPTO 5000	94	9.4
		5000-10000	354	35.4
		10000-25000	388	38.8
		25000 ABOVE	164	16.4
		TOTAL	**1000**	**100**

The above table show the profile of rural respondents in which 1000 respondents are shown 500 male and 500 female and age group is divided into four group namely upto 20-143 respondents,20-40= 485 respondents, 40-60 = 267 respondents, above 60 = 105 respondents are taken. Occupation of respondents are farmer = 294, business = 212, service = 164, others = 330. Educational level of respondents are illiterate = 194, upto 10th = 295, upto UG = 355, PG = 156. Family level of rural respondents are categorized into four upto 5000 = 94 respondents followed by 5000-10000 = 354, 10000-25000 = 388, and 25000 above = 164.

Table-2

PREFERABLE SIZE AND BRAND OF PACKETS/CONTAINER FOR FMC GOODS

The above table 2, depicts that the preferable size and brand of packets for

PRODUCT	UNBRANDED							BRANDED SIZE						
	SMALL SIZE		MEDIUM SIZE		LARGE SIZE		TOTAL	SMALL SIZE		MEDIUM SIZE		LARGE SIZE		TOTAL
	(F)	(%)	(F)	(%)	(F)	(%)	(F)	(F)	(%)	(F)	(%)	(F)	(%)	(F)
BEVERAGE	171	17.1	709	70.9	120	12	1000	375	37.5	404	40.4	221	22.1	1000
TOOTHPASTE	387	38.7	425	42.5	188	18.8	1000	374	37.4	441	44.1	185	18.5	1000
BATH SOAP	377	37.7	407	40.7	216	21.6	1000	298	29.8	443	44.3	259	25.9	1000
SHAMPOO	304	30.4	505	50.5	191	19.1	1000	351	35.1	393	39.3	256	25.6	1000
DETERGENTS	240	24	555	55.5	205	20.5	1000	263	26.3	484	48.4	253	25.3	1000
HAIR OIL	295	29.5	514	51.4	191	19.1	1000	353	35.3	383	38.3	264	26.4	1000
TEA AND COFFEE	304	30.4	438	43.8	258	25.8	1000	344	34.4	454	45.4	202	20.2	1000

consumer

Products and categorized into two types

(a) Branded and

(B) Unbranded (regional)

On which both sub- categorized into three sizes namely small size, medium size and large size, the consumer products are tooth paste, bath soap, shampoo, detergents, hair oil, beverages, tea and coffee.

Beverage 70.9%(medium size) for unbranded and 40.4% (medium size) for branded ,toothpaste 42.5% and 44.1% ,bath soap 40.7% and 44.3% , shampoo 50.5% and 39.3% , detergents 55.5% and 48.4%, hair oil 51.4% and 38.3%, tea and coffee 43.8% and 45.4% are the preferable size of unbranded and branded products.

Reasons for buying unbranded products of rural consumers

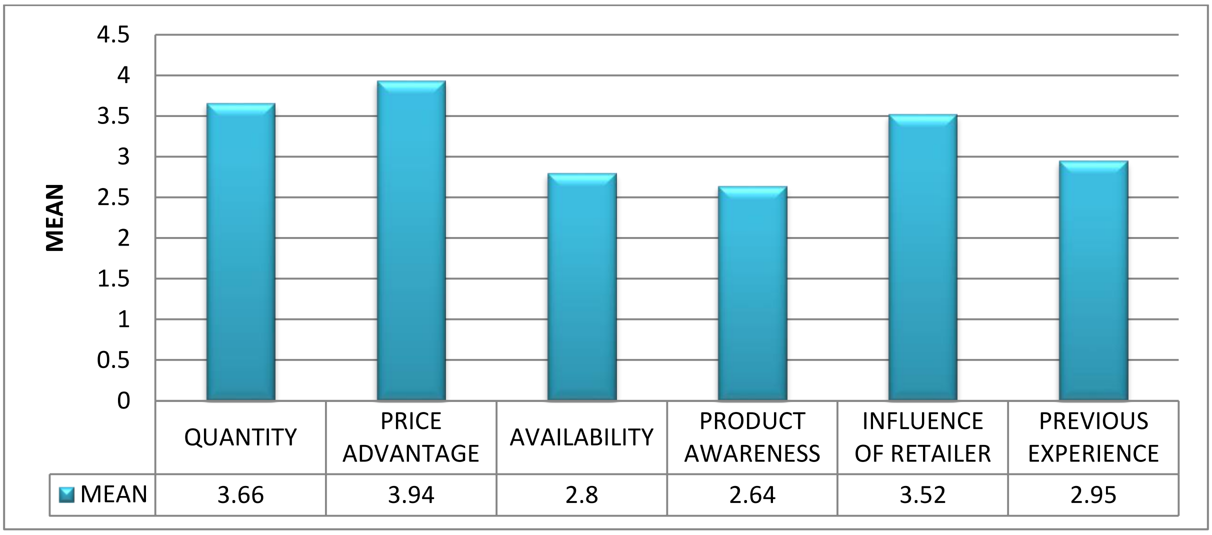
(Very important-5, important-4, somewhat important- 3, least important-2, not important – 1)

Table- 3

	REASONS	RATINGS							
		(5)	(4)	(3)	(2)	(1)	SUM	MEAN	RANK
1.	QUANTITY	341	307	144	91	117	**3664**	**3.66**	**II**
2.	PRICE ADVANTAGE	484	183	173	112	48	**3943**	**3.94**	**I**

3.	AVAILABILITY	127	211	189	284	189	**2803**	**2.80**	**V**
4.	PRODUCT AWARENESS	63	200	197	394	146	**2640**	**2.64**	**VI**
5.	INFLUENCE OF RETAILER	112	150	175	228	335	**3524**	**3.52**	**III**
6.	PREVIOUS EXPERIENCE	139	172	273	328	88	**2946**	**2.95**	**IV**

The above table-3 shows that the various reasons for buying unbranded(regional) products by rural consumers in which above reasons are rank according to the consumers choice in which price advantage got the first (I) rank followed by QUANTITY ranked (II), INFLUENCE OF RETAILER ranked (III), PREVIOUS EXPERIENCE ranked (IV),AVAILABILITY (V), PRODUCT AWARENESS (VI) ,



The above graph is showing the mean of different reasons of rural consumers who prefers to buy unbranded product. Price advantage = 3.94, followed by quantity = 3.66, influence of retailer = 3.52, previous experience = 2.95, availability = 2.8, and finally product awareness = 2.64.

EDUCATIONAL AWARENSS ON PURCHASING PRACTICES OF RURAL CONSUMERS

TABLE – 4

DO YOU BARGAIN OVER THE MRP OF THE PRODUCT, WITH RETAILER

EDUCATIONAL QUALIFICATION	**PURCHASING PRACTICES**					
		Regularly	Oftently	Frequently	Never	TOTAL
illiterate	Count	9	49	46	90	**194**
	%	0.9%	4.9%	4.6%	9.0%	**19.4%**

Upto 10th	Count	31	49	79	136	**295**
	%	3.1%	4.9%	7.9%	13.6%	**29.5%**
Upto UG	Count	32	59	109	155	**355**
	%	3.2%	5.9%	10.9%	15.5%	**35.5%**
Upto PG	Count	10	29	44	73	**156**
	%	1.0%	2.9%	4.4%	7.3%	**15.6%**
TOTAL	Count	**82**	**186**	**278**	**454**	**1000**
	%	**8.2%**	**18.6%**	**27.8%**	**45.4%**	**100.0%**

The above table-4 shows the educational awareness of rural consumers regarding the purchasing practices, 45.4% respondents never bargain over the MRP of the product, with retailer, followed by 27.8% frequently, 18.6% Oftenly, and only 8.2% respondents Bargain regularly.

DO YOU ASK THE RETAILER FOR VOUCHER AFTER PURCHASE

TABLE - 5

EDUCATIONAL QUALIFICATION	**PURCHASING PRACTICES**					
		Regularly	Oftently	Frequently	Never	TOTAL
illiterate	Count	12	43	56	83	**194**
	%	1.2%	4.3%	5.6%	8.3%	**19.4%**
Upto 10th	Count	33	59	85	118	**295**
	%	3.3%	5.9%	8.5%	11.8%	**29.5%**
Upto UG	Count	45	65	98	147	**355**
	%	4.5%	6.5%	9.8%	14.7%	**35.5%**
Upto PG	Count	13	36	42	65	**156**
	%	1.3%	3.6%	4.2%	6.5%	**15.6%**
TOTAL	Count	**103**	**203**	**281**	**413**	**1000**
	%	**10.3%**	**20.3%**	**28.1%**	**41.3%**	**100%**

The above Table 5 revealed the purchasing practices of respondents in which 41.3 percent respondents never ask for vouchers from retailers followed by this 20 8.1% respondents ask frequently for vouchers 20.3 percent often ask for vouchers and only 10.3% respondents, demands regularly for vouchers after purchase.

DO YOU PREFER POPULAR BRANDED PRODUCT

TABLE - 6

EDUCATIONAL QUALIFICATION	PURCHASING PRACTICES					
		Regularly	Oftently	Frequently	Never	TOTAL
illiterate	Count	56	74	49	15	**194**
	%	5.6%	7.4%	4.9%	1.5%	**19.4%**
Upto 10th	Count	103	119	46	27	**295**
	%	10.3%	11.9%	4.6%	2.7%	**29.5%**
Upto UG	Count	124	134	60	37	**355**
	%	12.4%	13.4%	6.0%	3.7%	**35.5%**
Upto PG	Count	49	60	29	18	**156**
	%	4.9%	6.0%	2.9%	1.8%	**15.6%**
TOTAL	**Count**	**332**	**387**	**184**	**97**	**1000**
	%	**33.2%**	**38.7%**	**18.4%**	**9.7%**	**100%**

The above table 6 depicts the preferable brand of respondents , in which 387 respondents out of 1000 oftenly prefer brand, after this 332 out of 1000 regularly prefer popular brand, 184out of 1000 frequently prefer, and finally 97 out of 1000 never prefer popular brand

EDUCATIONAL QUALIFICATION	PURCHASING PRACTICES					
		Regularly	Oftently	Frequently	Never	**TOTAL**
illiterate	Count	29	47	57	61	**194**
	%	2.9%	4.7%	5.7%	6.1%	**19.4%**
Upto 10th	Count	29	63	80	123	**295**
	%	2.9%	6.3%	8.0%	12.3%	**29.5%**
Upto UG	Count	38	88	99	130	**355**
	%	3.8%	8.8%	9.9%	13.0%	**35.5%**
Upto PG	Count	26	41	45	44	**156**
	%	2.6%	4.1%	4.5%	4.4%	**15.6%**
TOTAL	**Count**	**122**	**239**	**281**	**358**	**1000**
	%	**12.2%**	**23.9%**	**28.1%**	**35.8%**	**100.0%**

DO YOU VERIFY THE EXPIRY DATE BEFORE MAKING PURCHASE

TABLE - 7

The above table 7 tells that 35.8% respondents never verify the expiry date before making purchase of any product, followed by, 28.1% respondents frequently, 23.9% respondents' oftenly, and only 12.2% respondents verify regularly.

DO YOU CHECK FOR ISI/ TRADEMARK BEFORE MAKING PURCHASE?

TABLE - 8

The above table 8 analysed the purchasing practices of respondents,

EDUCATIONAL QUALIFICATION	PURCHASING PRACTICES					
		Regularly	Oftently	Frequently	Never	**TOTAL**
illiterate	Count	59	50	47	38	**194**
	%	5.9%	5.0%	4.7%	3.8%	**19.4%**
Upto 10th	Count	64	89	62	80	**295**
	%	6.4%	8.9%	6.2%	8.0%	**29.5%**
Upto UG	Count	96	110	83	66	**355**
	%	9.6%	11.0%	8.3%	6.6%	**35.5%**
Upto PG	Count	38	56	32	30	**156**
	%	3.8%	5.6%	3.2%	3.0%	**15.6%**
TOTAL	**Count**	**257**	**305**	**224**	**214**	**1000**
	%	**25.7%**	**30.5%**	**22.4%**	**21.4%**	**100.0%**

30.5% respondents oftenly check ISI/ TRADEMARK of product before purchasing and 21.4% respondents never check.

DO THE RETAILER GIVES YOU BASIC INFORMATION REGARDING NEW PRODUCT

TABLE - 9

EDUCATIONAL QUALIFICATION	PURCHASING PRACTICES					
		Regularly	Oftently	Frequently	Never	**TOTAL**
illiterate	Count	52	70	42	30	**194**
	%	5.2%	7.0%	4.2%	3.0%	**19.4%**
Upto 10th	Count	69	133	67	26	**295**
	%	6.9%	13.3%	6.7%	2.6%	**29.5%**
Upto UG	Count	66	142	88	59	**355**
	%	6.6%	14.2%	8.8%	5.9%	**35.5%**
Upto PG	Count	46	60	28	22	**156**
	%	4.6%	6.0%	2.8%	2.2%	**15.6%**
TOTAL	**Count**	**233**	**405**	**225**	**137**	**1000**
	%	**23.3%**	**40.5%**	**22.5%**	**13.7%**	**100.0%**

The above table inferred that 40.5% respondents oftenly gets the information regarding new product from retailer, 23.3% respondents gets information regularly, and 13.7% respondents never gets any information from retailers.

Factors influencing the purchase decision of FMCG

SL. NO	FACTORS	MOST IMPORTANT		IMPORTANT		SOMEWHAT IMPORTANT		NOT AT ALL IMPORTANT		MEAN	S.D
		3		2		1		0			
		(F)	%age	(F)	%	(F)	%	(F)	%		
1	PRICE	624	62.4%	286	28.6 %	64	6.4%	26	2.6%	2.51	0.731
2	QUALITY OF PRODUCT	427	42.7%	299	29.9 %	188	18.8%	86	8.6%	2.07	0.977
3	QUANTITY OF PRODUCT	339	33.9%	275	27.5 %	237	23.7%	149	14.9%	1.80	1.065
4	CREDIT FACILITY	292	29.2% %	384	38.4 %	224	22.4%	100	10%	1.87	0.948
5	CELEBRITY ENDORSEMENT	231	23.1%	296	29.6 %	258	25.8%	215	21.5%	1.54	1.068
6	BRAND IMAGE	145	14.5%	181	18.1 %	282	28.2%	392	39.2%	1.08	1.071
7	FRIENDS & RELATIVE	126	12.6%	304	30.4 %	322	32.2	248	24.8%	1.31	0.981
8	ATTRACTIVE PACKING	223	22.3%	491	49.1 %	179	17.9%	107	10.7%	1.83	0.895
9	OPINION OF RETAILER	484	48.4%	330	33%	121	12.1%	65	6.5%	2.23	0.901

1. The above table 4.10 shows all the factors that are influencing the purchase decision of rural consumers, Price and opinion of retailer scores the highest mean i.e. 2.51 out of 3.00, in which 62.4% (Most imp.),and 48.4% (Most imp) thus it shows that Price and opinion of retailer is the most important factor to attract the rural consumers.

2. Some other factors like Quality of product, Quantity of product, Credit facility and Attractive packing all are equally approximately important factors that are influencing the rural consumers in which mean 2.07,1.80,1.87, and 1.83 respectively.

3. Brand image, friends and relative, celebrity endorsement and packing are somewhat important that influence the consumers in rural areas of Pithoragarh. All these factors scored the mean approximately 1.00

Findings and conclusion

The preference, taste, and needs of rural consumers are changing day by day according to their requirement. Nowadays there is increasing trends of educated mass which are demanding product differentiation and offers of convenience.

1. The consumer has an expectation from branded and unbranded items in term of its price, packaging, quality, and availability about the products.
2. According to the research rural consumers are more prone to price advantage, quantity and size of the product.
3. The educational awareness of rural consumer regarding purchasing practices is changing, now rural consumers bargain over the MRP for the product, ask for voucher, prefer popular brands, ask the basic information regarding new product, this is changing scenario of nowadays.
4. The penetration level of branded product is high in comparison to unbranded (regional). Unbranded (regional) products companies have better experience of rural marketing and expand their marketing strategies for the success not only in short period but also in the long time.
5. Opinion of retailer is playing important role for the purchasing practices of rural respondents, it shows that rural respondents getting the information from retailer is much affirmative which enhance the purchasing practices.
6. Hence all fmcg product manufacturing companies have huge future growth in rural market.

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