

Rural marketing strategies for promoting consumer products – A study with reference to Select products in Rayalaseema region of Andhra Pradesh (Anantapuramu Dist.)

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Abstract

Rural markets in India has acquired a major role in the growth of our economy. In 2018 the rural consumption has rose by 9.7% which is against the annual growth of 8.6% in urban spending (Live mint, 2018). With the increase in income because of green revolution and local value addition, the marketers have focused their eye on the rural areas. Globalisation and privatization has given further boost to rural marketing. In recent times, rural markets are full of wide varieties of products and services and receives special attention of business houses and others. Beyond the conventional cheap and simple products and services, rural people seek right value for the product they buy. Competition for rural consumers are becoming stiff. Accordingly, marketing for rural consumers is becoming more challenging. The key objective of this paper is to analyse the rural marketing strategies in Rayalaseema and develop a framework for adapting the traditional marketing mix and the linkages within in the Rayalaseema rural context.

Key words: Rural marketing, Promotional strategies

Introduction

The situation of India's marketing is experiencing a dramatic shift over the last few years. This also has a positive effect on the economy of the country, which has actually led to a high standard of living, a high per capita income and other facets of economic development.

The Policies of liberalization pursued by the Indian Government in the 1990s were perhaps one of the main factors that led to the development and growth of the country's marketing scenario. As a result of the liberalization policies, foreign companies have started to participate, there has been an overall increase in demand and supply chains, and various industrial segments have been introduced into the sector. This has given a real boost to India's economy. In contrast, there have been some other factors that have contributed to the favorable growth of Indian marketing. Some of these include globalization, foreign investment, growth in the customer base and changing people's lifestyles. In terms of market trade, India is the 12th largest economy in the world.

The present Indian marketing scenario

The changing Indian business situation looks brilliant. It is no longer a market for consumers, and over the years has become one of the largest consumer markets in the world. Today, the Indian economy is based on the principle of perfect competition with the participation of buyers and sellers alike. Market fluctuations and the massive growth of the Indian economy

have also had a positive impact on the market. The average annual growth of the Gross Domestic Product (GDP) ranges from 6% to 7%. According to World Bank projections, the Indian market is expected to grow by about 8%. In addition to growth of economy, the retail marketing industry is also at a high level. About 10% of the national GDP is increasing and about 8% of the nation's total employment is produced. Over the years, the retail marketing industry is bound to increase by around 25% due to increase per capita income, better living standards and better demographic trends in supply chain demand, and there is very little government intervention.

Rural marketing strategies

A business has many major strategies at its fingertips with respect to the width, breadth and quality of the product mix. The following strategies are commonly used by producers or companies in the rural market.

Product Strategies

Many MNCs and Indian firms have performed market surveys for industrial and regional customers in order to identify the product strategy to be implemented. The rural market is somewhat different from the urban one, and the research have tended to produce outcomes rather than just make appearance and attempts. Rural residents are spending money on basic needs. They think twice about something more and try to postpone or pay very little. Some of the rural sector commodity strategies are discussed below.

Small Size Packaging

Low per capita income, lack of daily pay and cash causes rural consumers to buy various goods in small packets. Examples can be clarified in abundance. F.M.C.G.: Almost all producers of F.M.C.G. products have come up with smaller packs and low price variations. Toothpastes are sold in packs / tubes of 10 gm, 25 gm and 50 gm. Soap powders are available for Rs. 2, 5, 1/4 kg, 1/2 kg packets. Bath soap cakes are available in small sizes of 25 and 50 gm in addition to the regular version of 75 gm. Vicks and tablets are also sold in small boxes and small packs. Toothpowder is also sold in small packs of paper for fast sales.

Low-Priced Package and Product

Big and small firms have followed an unwritten policy to sell second-class product at cheaper rates in the rural market. Items such as ghutka, frozen drinks, beedis, cigarettes, tea and coffee powders came to rural areas in smaller packets and lower prices than those available in cities. The quality would be medium or low, the loose tea powder is packaged and sold in various brand names to match the rural population. Established brands cannot do that and therefore they try to market the same goods in very small quantities. They can always make up marginal losses in rural areas by supplying high-priced commodities in cities.

Rough, Tough and Loud

Village people feel that rugged looks, tough or robust looks, and vivid colors last longer. That's why 'Bullet' bikes were sold mostly in rural areas. Related disruptive noise that allows transistors, clocks, light colored clothing, banians, underwear or turbans easier offer. Heavy

furniture with beautiful and strong colors sells better than a light style with mediocre colours. They want much of the items purchased to serve them for a prolonged period of time or even a lifetime.

Product Design

Innovation in product design would only be accepted by rural communities if it leads to a decrease in costs. The changes that have been made will match their tastes and preferences. Common specifications are easy to use and handle. Material substitutions are to be implemented in order to will costs. All this is worth doing because of the promise of the market.

Usable Products

Rural people are not interested in expensive objects that are later to be kept in showcases. More precisely, they only purchase utilitarian-oriented goods. For eg, rural people are more interested in listening to folklore and local film songs. So they'd like to buy a two-in - one transistor rather than a radio transistor. There is further interest of the above, along with the ease of listening to favorite music.

Brand Image

The rural people identify the brands in their own way. For example, Eveready battery cells are called “red battery” and many products are identified by symbols and specially symbols related to the Hindu deity. Many manufacturers use symbols like ‘Balaji’, ‘Panchajanya’, ‘Swastik’ and ‘Om’ etc., to make it easy to remember by the rural masses. Being God fearing the rural people get easily attached to deity related symbols. This is the reason why small scale producers brand their products as ‘Hanuman Toothpowder’ or ‘AmbicaAgarbatti’ etc. In brief, the product strategy should cover low pricing, small packets, rugged build and easy to remember names so that slowly the rural market can be developed. Later on, it can grow with popularity of products and increase in usage.

Pricing strategies

It is natural that the pricing strategy for rural markets will be aligned with the packaging strategy and the product strategy. Considering the inhibitions, the low rates of profits and the weak cash flow in rural sector pricing will be on the lower hand. Packaging has also been designed to match poor people's low-transactions.

Low Pricing

Smaller packets of tea, toothpowder, shampoo, detergent powder, soap cakes, arcane packets, ghutka packets some standard quality and some low quality are sold at prices with very low margins. This strategy is followed by all manufacturers and traders at the all India level.

Avoid Sophisticated Packing

For sale in rural areas, producers have turned to the use of inexpensive or ordinary packaging in order to lower costs to some degree. Eatables such as cookies, sugar candies and others are wrapped in single plastic bags so that they are only enough to hold and handle. In fact, rural people are not engaged in sophisticated pickings. They're looking for price and utility.

Refill Packs / Reusable Packaging

In urban market, most of health drinks (Bournvita and Boost) are available in refill packs. The contents of the refill pack need to be stored properly. This has benefited the consumers in terms of price. Such measures can have a significant impact in the rural market, since the price can be considerably reduced to the advantage of rural consumers. In addition, the packaging material used should preferably lend itself for reuse in rural areas. An ideal example in this direction is the packing of fertilizers. Today many companies pack fertilizers in LDPE or HDPE sacks which are not only tamper proof but also reusable. These sacks can be washed well and reused. Many farmers ask for fertilizers packed in such bags. The rural consumer feels that they have got a free reusable sack with every purchase.

Distribution Strategy

Several reports have found that the larger villages with a population of more than 5,000 are equally targeted by the marketing personnel of various firms making consumable and durable goods. Smaller villages are not fully touched due to a number of factors, such as connectivity, small markets and distances from towns and villages. Strategies for delivery to various rural populations are discussed as follows:

Small Villages

In order to reach smaller villages, two types of strategies have to be adopted i.e., reach all villages above 2000 population and reach all those within 50 km radius of big towns and cities. This will help cover about 50% of the rural population and even this extent of coverage means approximately 350 million populations and this is a massive coverage. Very small villages below 500 populations can be ignored at this stage as the output will not compensate the input. There should be distribution vans to cover villages on fixed period (at least once a week) so that the shopkeepers as well as the public are sure of supplies from the feeder center, which will be nearby a town or city. The village shop keeper of 2000 population in towns should be used as a distribution channel for shop keepers of very small villages around it. This is essential as some of the smaller villages are not having motor able roads.

Agro Input Dealers

Agricultural input dealers know how and how to communicate with the rural population, because they are already in contact with them for critical supplies such as fertilizers, seeds and chemicals. They already handle payment agreements in their purchases and are thus in a great shape to take control of consumer products as well.

Activating Co-operative Societies

While cooperatives have been set up mainly for inputs and outputs of rural products, there is scope and scope to use these premises and offices to sell consumer goods to rural citizens throughout India, there are around three lakh cooperative offices operating under different terms, such as marketing cooperatives, credit cooperative societies, farmer's service cooperatives and various local level cooperatives. There are groups, some of them active and others not so active. Premises and manpower can be best used by importing the commodity, durables and consumables required by the rural population. The approach an organization helping marketing

executives may feel comfortable to hold products and to offer credit to an agency and thus, on an individual basis. The grounds of the cooperatives are also a suitable place to store and view items stored for sale.

Towns as Feeder Centers

Towns are often visited by rural people for education, film, theater, shopping, medical care and other functions. It would be useful if the town market is used as a distribution channel for the various nearby villages. Either or two merchants in town ought to be used as feeders to village shops and even to market directly to peasants coming to town. This approach is now effective in other ways and should be further strengthened. The delivery plan can be modified on the basis of shifting environment, connectivity and conveyance facilities. The solutions discussed so far are the options for the present situation.

Review of Literature

Dr. Ranbir Singh. (2019) Paper titled “Scenario of Indian Rural Market: Importance, Challenges, Opportunities and Emerging Trends” researcher concluded that 2/3rd of the country’s one billion consumers live in rural India, where almost half of the national income is generated. Higher rural incomes have meant larger markets. MNCs have built roads in rural India that help them deliver their goods, provided education and health care for communities whose workforces they rely upon, and implemented environmental programs to protect precious natural resources needed to keep supply chains to run smoothly. After analyzing the rural-urban divide, we can say that the rural markets are becoming more and more lucrative for the marketers, because of growing demand in rural sector.

Pooja Yadav.(2018) Paper titled “A Review on Rural Marketing in India: Opportunities, Challenges and Strategies” Rural marketing is a developing concept, and as a part of any economy has untapped potential; marketers have realized the opportunity recently. Improvement in infrastructure and reach promise a bright future for those intending to go rural. Any macro-level strategy for these markets should focus on availability, accessibility and affordability. In spite of having so many challenges in rural marketing the companies have shown considerable interest in the rural India and have tried to market themselves using the 4A model which says that the products marketed should be acceptable by the rural population, the products should be easily available, they should be affordable and most importantly an awareness drive should be created to educate people about the products. In concluding remark, if the company wants to capture the rural market, they must first carry on the detailed and earnest analysis of the countryside goal market, aiming at the particular characteristics of the rural market, and utilizing different marketing strategy according to concrete situations.

Dr. N. SreeRajani , Dr. V. Bhargavi Reddy. (2017) studied that HUL mission says that long term success requires a total commitment to exceptional standards of performance and productivity and willingness to embrace new ideas and learn continuously. So innovation is the way of life of HUL. As it is so many product innovations came in to existence and the company also have done the innovation in distribution as well which led to the emergence of number of projects most prominently the project shakti which is a modified micro credit model .This project

shakti not only played a significant role in aiding economic development in rural India but also let to the up liftment of lives of rural women and stood as a reason for women empowerment.

NafeesaFareeda and Swathi. (2016) Paper titled “RECENT TRENDS IN RURAL MARKETING” researchers studied that India’s rural market could have been stronger than the present position, if Indian policymakers have made adequate infrastructure for rural India. Rural markets, as part of any economy, have untapped potential. Thus looking at the challenges and the strategies which rural markets offer to the marketers it can be said that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage.

Research methodology

The present study is based on both primary and secondary data. The primary data has been collected through a structured questionnaire separately designed for respondents in Rayalaseema region. In addition personal interviews and discussions have been also held with the respondents to ascertain their views and opinions regarding various aspects of rural marketing strategies for promoting consumer products. The secondary data was collected from magazines, journals, internet searches, libraries, periodicals, related books etc.

The socio economic and demographic profile of respondents consists of gender, age, marital status, educational qualification, occupation, family type, family size & annual income. These features are described one after another.

Objectives

- To assess consumer awareness of select company products in select rural areas of Anantapuramu district
- To study the impact of present promotional strategies of select company on rural consumers in Anantapuramu district

Hypothesis

Keeping in the view the above mentioned theoretical background and objectives, the following hypothesis have been formulated.

H01: There is no association between age of the respondents and awareness of select company products (4ps are considered)

H02: There is no association between monthly income and preferences given to the price compared to brand and quality of product by rural respondents

Sample Size

A sample of 150 respondents has been taken for the study from Anantapuramu district of Rayalaseema region.

District	Mandal	Village	Samples
Anantapuramu	Raydurg	Avuladatla	50
	Kalyandurg	Bedrahalli	50
	Hindupur	Chowlur	50

Limitation

- The study is based on the reported responses evoked through the schedules and direct interview techniques rather than on direct observation of what consumers actually do in their purchase process.
- Since some of the respondents did not co-operate in replying to each of the questions in detail, a chance of bias might have crept in the research work?
- Conclusions of this study is confined to only the Research gap. Hence it cannot be generalized to other parts of the country.

Analysis part

S No	Particulars	Elements	Percent
1	Gender	Male	89.9
2	Age	Below 25	41.8
3	Marital status	Married	53.7
4	Family type	Joint	91.5
5	Members	5 and more	94
6	Educational qualification	PG	28
7	Income	Agriculture	47.2

Source: Computed from primary data

Out of 150 respondents in Anantapuramu district, all the people have expressed their views differently and they had various demographic factors. Male respondents are more in number than female, majority of the respondents are aged below 25 years, half of the respondents are married and living in a joint family system where the number of members in the family are more than 5. A minor section of the respondents have done their PG and around 47% of the respondent's source of income is agriculture.

Hypothesis testing

H01: There is no association between age of the respondents and awareness of select company products (4ps are considered)

Factors		Pearson Chi-Square	Table value	df	Remarks
Age	4Ps				
Below 25 26-35 36-45 46-55 56 and above	Product	69.367	21.03	12	Not Significant at 5%

Below 25 26-35 36-45 46-55 56 and above	Price	18.480	15.51	8	Not Significant at 5%
Below 25 26-35 36-45 46-55 56 and above	Place	21.301	15.51	8	Not Significant at 5%
Below 25 26-35 36-45 46-55 56 and above	Promotion	9.840	9.49	4	Not Significant at 5%

Source: Computed from primary data

As per the opinions of the respondents it can be seen clearly that the factors are insignificant at 5 % and various DF. Hence null hypothesis is rejected and alternate hypothesis is accepted.

H02: There is no association between monthly income and preferences given to the price compared to brand and quality of product by rural respondents

Factors		Pearson Chi-Square	Table value	Df	Remarks
Monthly Income	Product				
2000-4000 4001-6000 6001-8000	Hair care	12.349	5.99	2	Not significant at 5%
2000-4000 4001-6000 6001-8000	Oral Care	5.273	5.99	2	Significant at 5%
2000-4000 4001-6000 6001-8000	Facial care	15.914	5.99	2	Not Significant at 5%
2000-4000 4001-6000 6001-8000	Soaps	7.003	5.99	2	Not Significant at 5%
2000-4000 4001-6000 6001-8000	Beverages	23.187	5.99	2	Not Significant at 5%
2000-4000 4001-6000 6001-8000	Home care	10.636	5.99	2	Not Significant at 5%

Source: Computed from primary data

As per the opinions of the respondents it can be seen clearly that the factors are insignificant at 5 % and 2 DF. Hence null hypothesis is rejected and alternate hypothesis is accepted.

Findings

- 89.9% are male respondents
- 41.8% of the respondents are aged below 25 years
- 53.7% of the respondents are married
- 91.5% of the respondents are living in a joint family system
- 94% of the families have more than 5.
- 28% of respondents have done their PG
- 47.2% of the respondent's source of income is agriculture.
- Advertisement, product, price, are standing in the priority list of rural promotional strategies.

Conclusion

Hence it is concluded that the study was conducted in three rural areas of Anantapuramu district and arrived with different findings. From the study it can be said that most of the respondents are bothered about the promotional strategies of the company. They purchase the product which is mostly promoted to them. Along the lines of the promotion, product and price also play a major role in purchasing decision. There are even other factors, but these promotion, product and price are most evident things for a rural consumer.

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