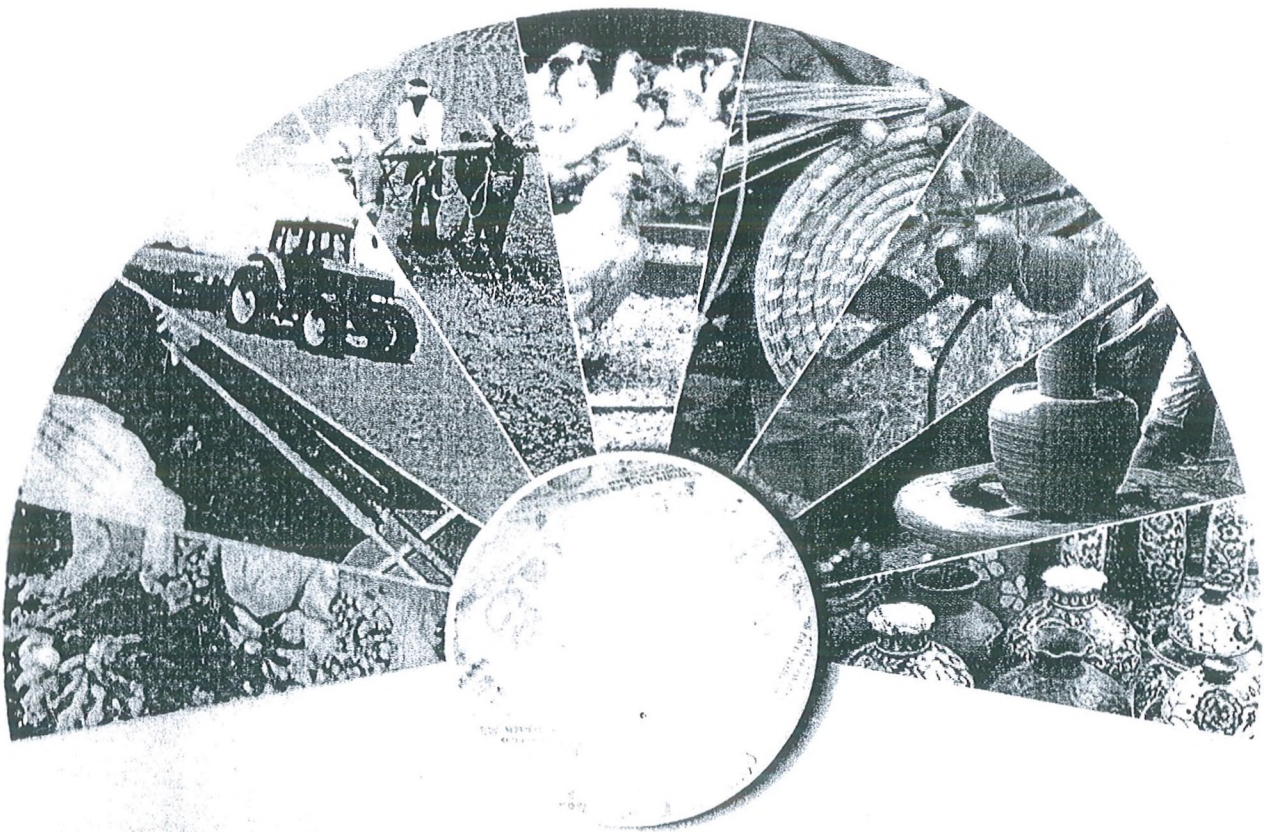


IMPACT OF MICRO FINANCE IN ENHANCING COMPETITIVENESS AND GROWTH OF RURAL MARKETS IN INDIA



Editors

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CONSUMERS' SHOPPING BEHAVIOUR OF FAST MOVING CONSUMER GOODS IN RURAL COMMUNITIES

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ABSTRACT

The rural market with its vast size and demand base offers great opportunities to marketers. Two-thirds of the countries consumers live in the rural area and almost half of the national income is generated in rural market. Rural marketing is a process of delivering better standard of living and quality of life to the rural environment taking into consideration the prevailing rural milieu. Rural marketing has a scenario which is entirely different from that of the urban market. According National Council for Economic Research, the market penetration of Fast Moving Consumer Goods (FMCG) in rural India is on increase. The products which have the quick turnover and relatively low cost are known as fast moving consumer goods and that get replaced within a year. The present study entitled "Consumers' Shopping Behaviour Of Fast Moving Consumer Goods In Rural Communities" was carried out with the respective of analyzing the buyer behaviour in rural markets. The study was carried out with the sample size of 300 rural consumer of FMCG selected based on non probability sampling method namely convenience sampling, from the study area Therampalayam, a rural area in Mettupalayam taluk of Coimbatore city. The data were collected using a structured interview schedule and analysed using descriptive statistics, non parametric test such as Chi-square test, Friedman two-way and factor analysis. It is concluded that the approach strategies and marketing mix need to be modified and examined from rural consumer perspective to be successful in the rural markets. It is concluded that the approach strategies and marketing mix need to be modified and examined from rural consumer perspective to be successful in the rural markets.

INTRODUCTION

With a population already in excess of one billion people, India has caught in the eyes of multinational corporations across the globe as a place of opportunity for exploring new markets. While India has portions of their population that would be considered wealthy or middle class by western standards, a much greater percentage of India's population is low income. As a result they spend money, live and use products differently than the countries were most multinational corporations originate. Rural areas in particular

exemplify these differences in understanding the characteristics that make the people and the market in rural India unique can help corporations to enter this market with success. A location is defined as rural if at least 75 per cent of the population is agrarian. About two thirds of India's more than 1 billion people live in rural areas. The key characteristics define the term rural determine the types of products and packages that are typically used in rural India.

RURAL MARKETING

"Rural marketing can be seen as a function which manages all those activities involved in assessing, stimulating and converting the purchasing power into an effective demand for specific products and services and moving them to the people in rural area to create satisfaction and a standard of living to them and thereby achieves the goals of the organizations."(Ankita Khandkar) In this context a special marketing strategy namely, rural marketing has emerged. It involves delivering manufactured or processed inputs or services to rural producers or consumers.

SIGNIFICANCE OF RURAL MARKETS

About 280 million live in urban India whereas 742 million reside in rural areas, constituting 72 percent of India's population resides in its 6, 27,000 villages. The number high income and middle income households in rural India is expected to grow from 46 million to 59 million. Size of rural market is estimated to be 47 million households and rural market has been growing at five times the pace of the urban market due to more government rural development initiatives, low literacy rate, increasing agricultural productivity leading to growth of rural disposable income and lowering the difference between taste of urban and rural customers.

The recent interim budget focus on extending the National Rural Employment Guarantee Act (NREGA) to all states with a US \$ 5.83 billion outlay for 2009-2010 would benefit the rural economy as industry and services tend to have a better employment multiplier compared to the agriculture sector.

The Indian rural market with its vast size and demand base offers great opportunities to marketers. The rural markets are estimated to be growing fast compared to the urban markets (Subhash 2009). The potentiality of rural markets is said to be like "woken up sleeping giant". The words on everybody lips are "the real India lives in the villages". All smart marketers, Indian as well as MNCs have revered this gospel companies such as Hindustan Lever, Godrej, Colgate Pamolive, Parle Tools, Malhotra Marketing, Nirma Chemical Works, Philips, Dabur India and Nutrine have made inroads into the country side. Rural reach is on the rise and it is fast becoming the most important route to growth. New approaches, new strategic alternative and new operational techniques are being evolved to gain competitive advantage (Arul Kumar and Madhavi 2006). The rural population is also aspiring for better life styles, especially with the increasing disposable incomes accruing to a significant section of them. The Indian multinational and consumer durable and Fast Moving Consumer Goods (FMCG) companies identified the vast potential of rural markets to target these markets (Hansa Iyengar 2004). Most Fast Moving Consumer Goods (FMCG) companies in India are introducing customized products especially for rural areas. Thus, the sale of FMCG products in rural markets is growing at a fast pace, even faster than that in the urban markets (Annapurna,2009).

FAST MOVING CONSUMER GOODS

Products which have a quick turnover, and relatively low cost are known as Fast Moving Consumer Goods (FMCG). FMCG products are those that get replaced within a year. Fast Moving Consumer Goods (FMCG)

also known as Consumer Packaged Goods (CPG) is products that have a quick turnover and relatively low cost. Though the absolute profit made on FMCG products is relatively small, they generally sell in large numbers and so the cumulative profit on such products can be large.

The Indian FMCG sector is the fourth largest in the economy. Indian FMCG market has been divided for a long time between the organized sector and the unorganized sector. Unlike the US market for FMCG market remains highly fragmented with roughly half the market going to unbranded, unpackaged home made products. This presents a tremendous opportunity for makers of branded products who can convert consumers to buy branded products.

At present, urban India accounts for 66 percent of total FMCG consumption, with rural India accounting for the remaining 34 percent. However, rural India accounts for more than 40 percent consumption in major FMCG categories such as personal care, fabric care, and hot beverages. In urban areas, home and personal care category including skin care, household care and feminine hygiene will keep growing at relatively attractive rates. Within the foods segment, it is estimated that processed foods, bakery, and dairy are long-term growth categories in both rural and urban areas.

The Top 10 Companies in FMCG Sectors are Hindustan Unilever Ltd, ITC (Indian Tobacco Company), Nestlé India, GCMF (AMUL), Dabur India, Asian Paints (India), Cadbury India, Britannia Industries, Procter & Gamble Hygiene and Health Care, Marico Industries.

NEED FOR THE STUDY

The success of the brand in the Indian rural market is an unpredictable as rain. It has always been difficult to gauge the rural market. Many brands, which should have been successful, have failed miserably. More often than not, people attribute rural market success to luck. Therefore marketers need to understand the social dynamics and attitude variation within each village though nationally it follows the consistent pattern. While the rural markets certainly offers a big attraction to marketers, it would be naïve to think that the any company van easily enter the market and walk away with sizable share. Actually the market bristles with variety of problems.

As a general rule, rural marketing involves more intensive personal selling efforts compared to urban marketing. Marketers need to understand the psyche of the rural consumers and then act accordingly. To effectively tap the rural market a brand must associate it with the same things the rural folks do. The study of consumer behaviour essential for marketers to understand consumers to survive and succeed in the competitive marketing environment in day-to-day life. In these days, the rural market is one of the best opportunities for FMCG-sector in India. It is more guided and less competitive market for the FMCG. As the income level of the consumer increasing, the demand for the FMCG is increasing continuously.

The consumer research in the rural market is necessary to know about the purchase behaviour of FMCG goods. In tune with raising demand for Fast Moving Consumers Goods in rural areas. The study revolves around purchase behaviour of the rural consumers, Aspects of consumer behaviour such as the usage, quantity demanded, pattern of purchase of FMCG were completely different in rural markets compared to urban market. It throws light on reach of brands in rural area preference towards it.

OBJECTIVES OF THE STUDY

The study has been carried out with the following objectives.

- To understand the profile of the rural consumer in Fast Moving Consumers Goods market.
- To understand the role of the respondents in purchase of Fast Moving Consumers Goods and the pattern of its purchase and usage.
- To find out the level of satisfaction in national brand, regional brand and unbranded FMCG.
- Awareness of legislation of product consumer interest in case of Fast Moving Consumers Goods products.

SCOPE OF THE STUDY

Going rural the new marketing mantra-all corporate companies agreed that the rural market the key to survival in India. The real India lives in villages to be precise. This is where the fortunes of many of Indian biggest corporations are likely to be shaped. To expand the market by tapping the country side, more and more MNCs are foregoing to rural markets. Time was when only a selected household consumed branded consumed goods, be it tea or jeans. There were days when big companies flocked to rural markets to establish their brands. Today, rural markets are critical for every marketer be it for a branded shampoo nor an automobile. Time was when marketers taught van campaigns, cinema commercials and few wall paintings would suffice to entice rural folks. Thanks to television today a customer in a rural area is quite literate about myriad products that are on offer in the market place. Gone are the days when rural consumer went to nearby city to buy branded products and services. The rural consumer is growing and this is an opportunity to grab the market share for all the global players in the market- whether it is in to Fast Moving Consumer Goods (FMCG) sector or retail sector.

RESEARCH METHODOLOGY

The study was conducted at Therampalayam, a rural area according to the Census of India, 2001, a village with clear surveyed boundaries not having a municipality corporation or board, with density of population not more than 400sq.km and with at least 75 percent of the male working population engaged in agriculture and allied activities would qualify as rural. Therampalayam village is situated in Mettupalayam taluk of Coimbatore district. The people of the village are predominantly occupied in agriculture.

The non-probability sampling namely convenience sampling was adopted to select the sample respondents. The study covered a sample size of 300 respondents belong to the study area, who were the buyers of Fast Moving consumer Goods and it covered the period of three months from January- March 2010. Both the primary and secondary data were collected for the purpose of the study. A structured questionnaire was used for the collection of data. Secondary Data were collected from Journals, Newspapers, Magazines and Internet . The collected data was analyzed with statistical tools namely percentage, mean and standard deviation, Rank correlation coefficient (r).

Scaling

The Likert five point scales were used to bring out the level of satisfaction in national brand, regional brand and unbranded Fast Moving Consumer Goods.

RESULTS AND DISCUSSION

The data collected from the sample survey has been analyzed and presented in the following headings.

Distribution of Respondents

The respondents were classified based on their Socio-economic profile and the purchase behaviour. The demographic variables namely age; sex, residence, education and occupation are the most widely employed in market segmentation. The socio-economic profile of the respondents is presented in Table 1.

Table 1: Distribution of Respondents based on Socio-economic Profile

<i>Variables</i>		<i>No of Respondents N(300)</i>	<i>Percentage</i>
Age in years	20-35	77	25.67
	35-50	155	51.67
	50-65	68	22.67
Gender	Male	175	58.33
	Female	125	41.67
Marital status	Married	264	88
	Unmarried	36	12
Education	Primary	50	16.67
	Higher secondary	71	23.67
	Graduate	125	41.67
	Post graduate	54	18
Occupation	Self-employed		
	Agriculture	68	22.67
	Non-agriculture	118	39.33
	Wage		
	Agriculture	85	28.33
	Non-agriculture	29	9.67
No of members in family	Two	17	5.67
	Four	253	84.33
	Five	30	10
Annual income	Destitute (Below Rs 16,000)	Nil	Nil
	Aspirants (Rs 16,000- Rs 22,000)	50	16.67
	Climbers (Rs 22,001- Rs 45,000)	106	35.33
	Consumers (Rs 45,001- Rs 2,15,000)	91	30.33
	Very rich (Above Rs 2,15,000)	53	17.67
Household Assets	Television	280	93.33
	Radio	195	65
	2 in 1 Tape Recorder	263	87.67
	Computer	108	36
	Computer with Internet	42	14

Source: Primary data.

It is understood that from Table 1 that majority of the respondents (51.67 percent) belong to the age group between 20 and 35 years, male respondents constitute 58.33 percent and the remaining 41.67 percent were female and majority of respondents were married. The classification of the respondents based on education showed that 41.67 percent were graduate and another 23.67 percent were studied up to higher secondary, 18 percent were post graduate and remaining 16.67 percent of respondents had education up to primary level. The respondents engaged themselves in self-employment has been classified into agricultural and non-agricultural activities. 39.33 percent of the respondents were non-agricultural and 22.67 percent were engaged in agriculture. Among wage earners 28.33 percent were engaged in agricultural activities and only 9.67 percent were in non-agricultural activities. The family size and income will indicate household purchasing pattern. Small families can maintain higher living standards as they have more discretionary purchasing power. About 80 percent of the respondents have small families. The respondents were classified into Destitutes, Aspirants, Climbers, Consumers and Very rich based on their ownership pattern and consumption behaviour across various segments as per National Council of Applied Economic Research.

The income level of respondents showed that there was no destitute who has annual income below Rs 16,000. The destitutes is one who is considered as market for only basic and essential commodities. The aspirants indicate the market for basic durable goods with annual income between Rs 16,001 and Rs. 22,000, of the total respondents, 16.67 percent were aspirants. The climbers with annual income between Rs 22,001 and Rs 45,000 and the consumer with Rs 45,001, to Rs 2, 15,000, constitute market for consumables and consumer durables. 66.55 percent of the respondents represent this class. The very rich with the annual income above Rs 2, 15,000 represents the market for international brands, constitutes 17.67 percent of the respondents (Exhibit 1). Majority of the respondents (93.33 percent) owned Television, 65 percent owned radio, 87.67 percent of the respondents owned 2 in 1 Tape recorder and 36 percent of the respondents owned computer in rural area and only 14 percent of the respondents have owned computer with internet.

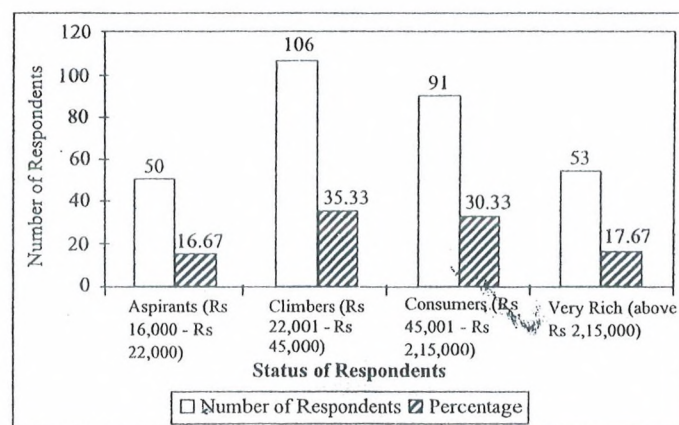


Exhibit 1: Annual Income of the Respondents

It is inferred that majority of the respondents with the small family size and higher levels of income with majority of the respondents under the classification of climbers and consumers. Wider reach of television

and radio in the rural households, could offer tremendous opportunities to the marketers of fast moving consumer goods.

PURCHASE BEHAVIOUR OF THE RESPONDENTS

The buying behaviour of individuals and households who buy goods and services for personal consumption. Different people, playing different role to make a specific purchase. The distribution of the respondents based on purchase behaviour in FMCG is shown in the Table 2.

Table 2: Distribution of Respondents based on Purchase Behaviour

<i>Variables</i>		<i>Number</i>	<i>Percentage</i>
Purchase decision	Initiator	27	9
	Influencer	105	35
	Buyer	102	34
	User	66	22
Place of purchase	Petty shop	128	42.67
	Provisional shop	175	58.33
	Farm household	158	52.67
	Super market	206	68.67
	Hatts / Melas	141	47
	Mobile vans	104	34.67
Criteria for product selection	Product	125	41.67
	Price	76	25.33
	Brand	65	21.67
	Offers	34	11.33
Term of purchase	Cash	105	35
	Credit	62	20.67
	Both	133	44.33
Awareness on details on labels	Quality	203	67.67
	MRP	243	81
	Ingredients	23	7.67
	Best before date	65	21.67

Source: Primary data.

Table 2 reveals that in the rural area 35 percent of the respondents were influencer who explicitly or implicitly has some influence on the final buying decision of others. The other 34 percent of the respondents were buyers who actually purchase the FMCG products. The actual users of the product were 22 percent and only 9 percent were initiators who first suggest the idea of buying a particular product (Exhibit 2).

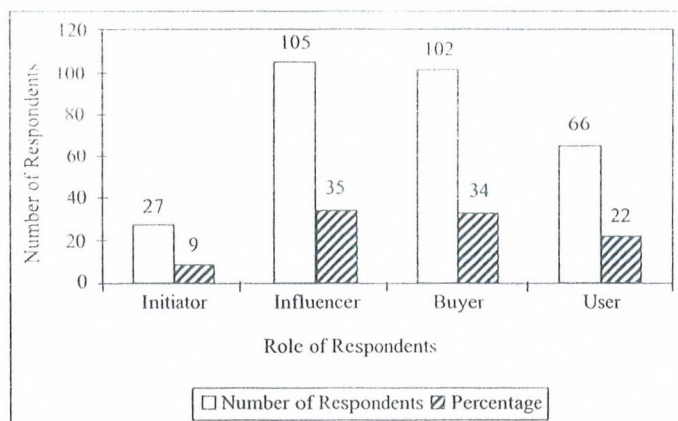


Exhibit 2: Role of Respondents in Purchase Decision of FMCG

Majority of the respondents purchased FMCG in the super market, provisional stores, farm households, hatts and melas. 42.67 percent of the respondents purchased in a petty shop and 34.67 percent of the respondents were purchased in mobile vans.

Of all the criteria for product selection, 41.67 percent of the respondents gave importance to the product only whereas 25.33 percent of the respondents gave importance to price, 21.67 percent of the respondent to brand and remaining 11.33 percent of the respondents to offers, while purchasing FMCG products.

Majority of the respondents (44.33 percent) purchased the products on both cash and credit basis. 45 percent of the respondents on cash basis and remaining 20.67 percent of the respondent purchased on credit basis only.

Majority of the respondents were aware of Maximum Retail Price and quality and 21.67 percent of the respondents were aware of best before date and only 7.67 percent of the respondents were aware of ingredients on purchasing the product.

FREQUENCY OF USAGE OF THE FMCG BY THE RESPONDENTS

The product usage reflects purchasing propensity indicating customer behaviour and the pattern of demand. Table 3 shows the frequency of usage of the Fast Moving Consumer Goods in Rural areas.

Table 3: Frequency of Usage of the FMCG by the Respondents (Product-wise)

Products	Frequency of Usage				No Usage
	Daily	Twice a Week	Weekly	Monthly	
	<i>Percentage of Respondents</i>				
Toilet soap	100	-	-	-	-
Talcum powder	87	5	-	-	8
Tooth paste	100	-	-	-	-

Table 3: Frequency of Usage of the FMCG by the Respondents (Product-wise) (Contd.)

Products	Frequency of Usage				No Usage
	Daily	Twice a Week	Weekly	Monthly	
Percentage of Respondents					
Edible oil	58	17.33	7.67	-	17
Vanaspathi	17	8.67	11	8.67	54.67
Tea	78.67	14.33	-	-	7
Health beverages	56	17.33	-	-	26.67
Electric bulbs	100	-	-	-	-
Electric tubes	25	24.33	2.33	12.33	36
Cigarettes	24.33	3.67	-	-	72
Biscuits	21	50.33	21.33	2.33	5
Hair oil	6.33	65.33	28.33	-	-
Face cream	76.67	-	-	-	20.33

Source: Primary data.

The table indicates that majority of the respondents used Toilet soap, Tooth paste, Electric bulbs, Edible oil, Talcum powder, Tea, Face cream, Health beverages every day. Biscuits, Hair oils, are used twice a week. Majority of the respondents were not using Cigarettes, Vanaspathi and Electric tubes.

PATTERN OF PURCHASE OF FMCG

The purchase pattern adopted by the respondents were classified as habitual buying, variety seeking, planned purchase, emergency purchase and partly planned partly emergency.

Table 4: Pattern of Purchase of FMCG

Products	Pattern of Purchase				Partly Planned Partly Emergency
	Habitual Buying	Variety Seeking	Planned Purchase	Emergency Purchase	
Percentage of Respondents					
Toilet soap	55.33	32.33	12.33	-	-
Talcum powder	30.33	49	13.67	-	-
Tooth paste	18.67	44.33	33.33	3.67	-
Edible oil	22	13.67	32.67	8.67	6
Vanaspathi	14	5.33	22.33	7	-
Tea	30	29.67	23.67	9.67	-
Health beverages	21	31.67	14.67	9.67	-

Table 4: Pattern of Purchase of FMCG (Contd.)

Products	Pattern of Purchase				Partly Planned Partly Emergent
	Habitual Buying	Variety Seeking	Planned Purchase	Emergency Purchase	
	Percentage of Respondents				
Electric bulbs	20	23.33	32.67	24	-
Electric tubes	14.33	18	18.33	15.33	-
Cigarettes	1.33	11.67	2.67	8.67	3.67
Biscuits	28	29.67	19	13	5.33
Hair oil	50.33	10.33	26.33	2	11
Face cream	32	25	17	2.67	-

Source: Primary data.

Table 4 reveals that the Toilet soap, Tea, Hair oil and Face creams were habitually bought. Major respondents bought Talcum powder, Tooth paste, Health beverages and Biscuits by seeking variety. Hair oil, Vanaspathi, Electric tubes and Electric bulbs were purchased in a planned manner.

INFLUENCES IN PURCHASE DECISION OF FMCG

The buyer today is exposed to a veritable flood of information, unleashed on him from different sources. These sources inform him about new products and services improved versions of existing products, and uses for existing product and so on.

Table 5: Influences in Purchase Decision of FMCG

Products	Influence in Purchase Decision					
	Friends	Neighbours	Family Members	Advertisement	Personal Preference	Shop Keeper
	Percentage of Respondents					
Toilet soap	24.33	16.67	13.33	17	28.67	-
Talcum powder	23	9	17	16	21.33	6.67
Tooth paste	7.67	23.67	20.67	32	16	-
Edible oil	6.67	7.33	25.33	36.33	7.33	-
Vanaspathi	-	4.67	20.33	20.67	6.33	5
Tea	-	15.33	28.67	26.67	22.33	-
Health beverages	9	-	8.67	34.33	21.67	4.67
Electric bulbs	6.67	21.67	11.33	36	32	2.33
Electric tubes	6.67	7.67	7	21.67	14.67	8.33

Table 5: Influences in Purchase Decision of FMCG (Contd.)

Products	Influence in Purchase Decision					
	Friends	Neighbours	Family Members	Advertisement	Personal Preference	Shop Keeper
	Percentage of Respondents					
Cigarettes	-	-	3.67	2.67	28	-
Biscuits	2.67	17.67	5.67	49.33	13.67	6
Hair oil	2.33	7	46	15.67	29	-
Face cream	22.33	-	5.33	23	26	-

Source: Primary data.

From Table 5 it is understood that the advertisement had greater influence in purchase of FMCG namely Tooth paste, Edible oil, Vanaspathi, Health beverages, Electric bulbs, Tubes, biscuits. Purchase of hair oil influenced by the family members. Majority of the respondents purchased Toilet soap based on their personal preferences.

FAMILIAR MEDIA OF ADVERTISEMENT OF FMCG AMONG THE RESPONDENTS

An advertisement is created with a central idea. It can arouse desire and induce action on the part of the customers. The respondents familiarities towards various media of advertisement for FMCG is presented in the Table 6.

Table 6: Familiar Media of Advertisement of FMCG among the Respondents

Elements	Ranks									
	1	2	3	4	5	6	7	8	9	10
	% of Respondents	% of Respondents	% of Respondents	% of Respondents	% of Respondents	% of Respondents	% of Respondents	% of Respondents	% of Respondents	% of Respondents
T.V	54	24	13.33	5	3.67	0.00	0.00	0.00	0.00	0.00
News paper	8.33	21	21	14	12.67	6	0.00	12.67	1	3.33
Mobile phone	0.00	4	12.67	19.67	16.33	16	7	2.67	9.67	12
Radio	31.33	40	5.33	5	0.00	2.67	6.67	5	4	0.00
Point of purchase	6.33	3.33	16.33	8	2.67	19.67	20	2.67	10.67	10.33
Pamphlets	0.00	7.67	15.33	16.67	5.33	14	8.67	16.67	8.67	7
Mobile vans	0.00	0.00	9.67	17.67	22	0.00	6.33	13.33	15.33	15.67
Road shows	0.00	0.00	2.67	0.00	13.33	20	26.67	11.67	2	23.67
Hatts	0.00	0.00	1.33	0.00	19	8.67	14	20	24.33	12.67
Melas	0.00	0.00	2.33	14	5	10.33	10.67	15.33	27	15.33

Source: Primary data.

It is inferred from Table 6 that the respondents ranked familiar media for advertisement for FMCG. Majority of the respondents assigned first rank to television and second to radio, third rank to newspaper, fourth and fifth rank to mobile vans, sixth rank to point of purchase, road shows for rank seven, eighth rank to pamphlets, ninth rank to hatts and tenth rank to melas.

The Friedman two-way analysis of variants by rank was used to rank the familiarity of media advertisement of fast moving consumer goods among the respondents and as shown in Table 7.

Table 7: Mean Rank on Familiarity of Advertisement of FMCG

<i>Variables</i>	<i>Mean Rank</i>
Television	1.80
Newspaper	4.12
Mobile phones	5.80
Radio	2.85
Point of purchase	5.83
Pamphlets	5.78
Mobile vans	6.54
Road shows	7.29
Hatts	7.55
Melas	7.44
χ^2	1149.418
d.f	9

Source: Primary data.

From Table 7 the mean ranking showed that the highest rank was assigned to hatts followed by melas, road shows were most liked by the respondents. Since the calculated chi-square value (1149.418) is greater than the critical value 16.9 at 5 percent level of significance, there exists an association between the familiarity of media advertisement and liking of the respondents.

PREFERENCE FOR BRANDING IN FMCG

A buyer merely aware of the existence of the brand but has limited knowledge about it and has no particular emotional attachment to it so far. He may or may not risk purchasing the brand. A brand is defined as a name, term, symbol, design or a combination of them which is intended to identify the goods and services of one seller and to differentiate them from those competitors.

Table 8 reveals that majority of the respondents preferred uniform price of the first reason for branding goods. The second reason was the symbol of quality, the easy identification and easy handling in the rank three, rank four to easy availability, product identification in the rank five, product innovation in rank seven and eight rank in the protection from imitation.

Table 8: Preference for Branding in FMCG

Elements	Ranks							
	1	2	3	4	5	6	7	8
	% of Respondents	% of Respondents	% of Respondents	% of Respondents	% of Respondents	% of Respondents	% of Respondents	% of Respondents
Easy Identification	63	15	66	41	0	4	0	15
Product identification	8	0	8	21	56	46	26	39
Uniform price	92	22	8	0	40	8	19	15
Symbol of quality	18	80	3	16	7	8	41	31
Product innovation	0	48	11	42	7	8	74	14
Easy handling	7	19	90	22	6	49	10	1
Easy availability	16	0	18	58	36	57	3	16
Protection from imitation	0	20	0	4	52	24	31	73

Source: Primary data.

The Friedman two-way analysis of variants by rank was used to rank the preferences of respondents for branding the fast moving consumer goods and is shown in the Table 9.

Table 9: Respondents Preference for Branding in FMCG

Variables	Mean Rank
Easy identification	2.94
Product differentiation	5.72
Uniform price	3.24
Symbol of quality	4.26
Product innovation	4.95
Easy handling	3.95
Easy availability	4.77
Protection from imitation	6.18
χ^2	305.247
d.f	7

From Table 9 the mean ranking shows the highest rank was assigned to protection from imitation. The respondents felt that to protect themselves from imitations, branding is necessary. The other reason such as product differentiation, product innovation, easy availability, symbol of quality were also ranked high by

the respondents. Since the calculated chi-square value (305.247) was greater than the critical value (14.067) there exist an association between the branding in FMCG and liking of the respondents.

CLASSIFICATION OF BRANDS OF FMCG AVAILABLE IN THE MARKET

The various brands in FMCG category available in the study area has been classified based on their market area coverage as national brand, regional brand and unbranded products.

National brand is a brand marketed throughout a national market are owned and promoted usually by large manufactures. Local brand is a brand of product that is marketed in a relatively small and restricted geographical area. It may be called a regional brand if the area encompasses more than one metropolitan market. The product which cannot be included in the above two categories and one sold without any brand name and are usually not promoted are referred as unbranded.

Table 10: Brand Availability of FMCG (Brandwise)

(In Percentage)

	National Brand	Regional Brand	Unbranded	Total
Household Care	9	2	2	13
Personal care	21	9	2	33
Food and Beverages	23	19	12	54
Total	53	30	17	100

Source: Primary data.

Table 10 shows FMCG available in the study area were 53 percent national brand, 30 percent regional brand and 17 percent were unbranded. Of the national brands and the regional brands majority of the percentage were food beverages and personal care products were as unbranded goods were predominantly only in food category.

CRITERIA FOR SELECTION OF FMCG

The product is a bundle of all kind of satisfaction of material and non- material kinds ranging from economic utilities to satisfaction of a socio-psychological nature. The criteria used by the respondents. For the selection of FMCG is given in the table 11.

Table 11: Criteria for Selection of FMCG (Brandwise)

Criteria	National Brand		Regional Brand		Unbranded	
	Number of Respondents	Percentage	Number of Respondents	Percentage	Number of Respondents	Percentage
Freshness	223	74.33	171	57	136	45.33
Quality	214	71.33	183	61	40	13.33
Packaging	197	65.67	128	42.67	101	33.67
Availability	96	32	217	72.33	115	38.33
Reasonable Price	84	28	178	59.33	140	46.67

Table 11: Criteria for Selection of FMCG (Brandwise) (Contd.)

Criteria	National Brand		Regional Brand		Unbranded	
	Number of Respondents	Percentage	Number of Respondents	Percentage	Number of Respondents	Percentage
Safe to use	58	19.33	167	55.67	144	48
Savings	84	28	150	50	109	36.33
Brand name	226	75.33	95	31.67	74	24.67

Source: Primary data.

It is understood from table 11 that while purchasing the national brand of FMCG products, the respondents had given due importance to certain criteria namely freshness (74.33percent), quality (71.33 percent), packaging (65.67percent) and brand name (75.33 percent). The regional brands of FMCG were purchased with the criteria such as availability (72.33 percent), price (59.33 percent), and safety to user (55.67 percent) and savings (50 percent). The unbranded goods were purchased by the respondents for its safe to use (48 percent) and freshness (45.33 percent).

Table 12: Complaints Regarding Purchase of FMCG

Criteria	National Brand		Regional Brand		Unbranded	
	No of Respondents	Percentage	No of Respondents	Percentage	No of Respondents	Percentage
Poor quality	12	4	132	44	201	67
High price	224	74.67	154	51.33	68	22.67
Short weightment	39	13	130	43.33	197	65.67
Poor package	12	4	139	46.33	224	74.67
Damage	43	14.33	141	47	160	53.33
Duplicate brand	146	48.67	164	54.67	140	46.67

Source: Primary data.

The table reveals the respondents complaints in purchase of FMCG high price reported by 74.67 percent of the respondents in national brand, duplicate brand of products (54.67 percent) reported within the regional brand, poor package (74.67 percent), poor quality (67 percent), short weightment (65.67 percent) and damage (53.33 percent) were reported in unbranded fast moving consumer goods.

AWARENESS OF LEGISLATIONS

The customer turns to his environment / world of information around him. It makes him aware of the existence of the product that would solve his problem.

Table 13 revealed that majority of the respondents were aware of Agmark in the rural areas. Prevention of food adulteration, The Essential commodities supply Act and the Consumer protection Act were known to some extent to the respondents and the Standard weights and measurement Act, Packaged commodities, Price order, Agricultural produces, The Drugs control Act were unaware to the respondents.

Table 13: Awareness of Legislations

Legislation	Awareness					
	Fully Aware		Aware to Some Extent		Unaware	
	No of respondents	Percentage	No of respondents	Percentage	No of respondents	Percentage
Agmark	275	91.67	25	8.33	-	-
Prevention of food adulteration	130	43.33	147	49	23	7.67
The Essential commodities supply Act	11	3.67	228	76	61	20.33
The Standard weights and measurement Act	23	7.67	134	44.67	144	47.66
Packaged commodities	7	2.33	124	41.33	169	56.33
Display of price order	9	3	105	35	186	62
Agricultural produces Act	16	5.33	127	42.33	157	52.33
The Drugs control Act	5	1.67	78	26	217	72.33
The Consumer protection Act	49	16.33	176	58.67	75	25

Source: Primary data.

IMPLICATIONS

The following are the suggestion made to the marketers based the study carried out in the FMCG sector of the rural market.

- With majority of the respondents with small family size, higher level of income assumes "affordability" with wide reach of television and radio, the rural household's offers, scope for "product awareness". To utilize these opportunities marketers need to adopt the strategies of "availability".
- The final buying decisions were mostly influenced by the people themselves and they were also the actual buyers for fast moving consumer goods products.
- The upcoming of super markets and provisional stores were patronised by the people apart from haats, melas, mobile vans and petty shops. This unique features provides market for both packaged commodities and also locally processed goods.
- The modification of buying behaviour with the changing life style of people in the rural area provides opportunities for even multinational companies to foray in to the rural markets.
- The respondents habitually purchased the items like of Toilet soaps, Tea, Hair oil, Face Cream. So the marketers have to modify the promotion in such a way to break the routine.
- The variety seeking behaviour with respect to Talcum powder, Tooth paste, Hair oils & Biscuits offer good market for range of products in these categories.
- The "electric tubes" need to be promoted with the concept of energy saver instead electric bulbs.

- Advertisement have greater influence in purchase of FMCG, accordingly the marketers could plan the advertisement carefully.
- The rural markets encourage branding due to advantage of uniformity in price, easy identification, symbol of quality etc., This depicts the welcoming features of the rural market towards branded FMCG.
- The untapped marketing opportunity for exists in case of household care products of national brand and regional brand.
- To enhance the market share, the marketers of the national brand have to concentrate on creation of product awareness and samples and trials. The marketers of regional brand have to create their original identity among fake products and brands as well as introduction of reusable containers and refill packs. The marketers of unbranded FMCG need to adopt branding on a large scale to take advantages of opportunities prevailing in rural market.
- Consumer education needs to be imparted by the marketers of FMCG sector as a part "rural initiative", as the rural consumers face many intricate problems such as existence of furious and duplicate branded products, poor quality, short weight and lack of awareness of legislation regulating FMCG markets.
- Thus the rural market provides tremendous opportunities and is the sunshine market for Fast Moving Consumer Goods.

CONCLUSION

The key to ensure customer satisfaction lies in understanding the customer, his likes, dislikes, buying behaviour, buying motives and buying practices. In the light of this, rural consumer behaviour provides a sound basis for identifying and understanding consumer needs. Knowledge of customer behaviour is important for effective marketing efforts and practices. The rural FMCG market has its own set of challenges. The rural consumers vary not only their behaviour and practices but also in conviction and belief. It is hoped that the present study will be found useful for the FMCG marketers waiting since long to tap the unexplored rural markets.

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