

ANALYSIS OF FMCG PROMOTION IN THE RURAL SECTOR

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Abstract

The fast-moving consumer goods (FMCG) industry plays a significant role in the GDP of India. In every country, fast-moving consumer goods, or FMCGs, account for a sizable portion of consumers' budgets. Due to the recent rise in rural earnings, FMCG companies have a lot of opportunity to market their products in rural markets. The FMCG industry is very competitive, thus it's critical to continuously adjust the plans to reflect changing market dynamics. Comprehending consumer tastes and preferences offers valuable insights into market situations, enabling organisations to tailor their strategies accordingly. Keywords: Rural markets, FMCG, buying behaviour, competition.

Introduction:

The Indian rural market has both exciting opportunities and difficult obstacles. Due to its sheer size, it offers a wide range. It is also expanding gradually. A product's sales are greatly boosted by even slight increase because of its enormous base. There is more reason to find it appealing. The rural market is quieter than the metropolitan one, which is very competitive. In actuality, there is an entirely untapped market for some things. In addition, the market presents a number of challenges and obstacles.

If the companies want to gain a sizable portion of the market, they must take them head-on and work really hard. The direction that rural marketing in India will take is largely determined by the careful consideration of the market and the implementation of efficient techniques to overcome any obstacles that may arise.

Location pattern :Rural Market of India is a geographically scattered market. The rural 5,70,000 settlements make up the population.

Rural Marketing Environment:

Because it differs greatly from the urban market, the rural market environment requires further analysis. We will address the topic under the following three headings

1. The customer in rural areas.
2. The need in rural areas.

The size of the rural consumer group is the first consideration. India's rural market, with over 740 million consumers, is definitely a sizable one in terms of numbers. India has a population that is 73% rural. More than 12 crore homes, or more than 70% of all households in the nation, are part of the rural market. Features of the Rural Consumer

Out of all of them, just 6300 villages are home to more than 5,000 people each. Over 3 lakh villages fall into the "500 people or fewer" category.

cluster of villages.

Socio – Economic position –

Rural consumers' socioeconomic status is still characterised by low purchasing power and low per capita income. In a same vein, they remain a traditional group, with a strong religious, cultural, and traditional influence on their consumption patterns. Agriculture accounts for around 60% of revenue in rural areas. Thus, there is a significant correlation between agricultural prosperity and rural prosperity as well as discretionary income among rural consumers.

Level of literacy: The rate of literacy in rural India is 28%, while the national rate is 55%. In the upcoming years, the adult literacy initiatives implemented in rural areas will undoubtedly raise the rates of literacy in those places. There is no denying that the rate is low.

Lifestyle: The conservative, traditional lives of rural consumers are distinctive. However, a sizable portion of rural consumers' way of life has already changed dramatically in recent years. Many variables, including increased income and its distribution, increased education, increased media reach (especially on television), increased engagement with metropolitan populations, and marketing efforts to target rural consumers, can be blamed for the changes.

Purchase behaviour: The following elements have an impact on rural consumers' purchasing decisions: **INFLUENCE OF CULTURE:** Cultural factors have a significant influence on rural consumers' perceptions of items. For instance, cultural influences influence preferences for colour, size, and form. **GEOGRAPHIC LOCATION:** The location of consumers has an impact on their behaviour, even in rural areas. For instance, the proximity of industrial projects and feeder towns to 9997 nkjjjjhghjkloneariness affected the purchasing habits of the residents in each

2. The Features of the Rural Consumer Group and the Rural Demand:- Modification in the Composition of Rural Demand: In recent years, there has also been a notable shift in the composition of rural demand. Numerous new products have made their way into rural consumers' shopping baskets, as well as the proportionate shares of the various product groups within the consumption basket. Particularly the top classes have begun to purchase and use a wide range of contemporary consumer goods that were not previously available in the rural market.

Several products already well established in the rural market -established in the rural market. Marketers can no longer believe that rural India consumes a small percentage of other product categories and only uses a select few traditional or necessary products. It's probably common knowledge that goods like bottled tea, bath soaps, and laundry supplies, such as detergent cakes, are frequently purchased in rural markets. In recent years, durable items like electric irons, bicycles, mopeds, scooters, and motorbikes have joined the category of products like shampoo, toothpaste, and talcum powder. Between 30 and 50 percent of all of India's demand for electric irons, mopeds, and motorcycles comes from rural areas. Rural consumers consume a greater proportion of numerous products than do urban consumers. Nowadays, rural consumption makes up a higher percentage than urban consumption in numerous products. More than sixty percent of rural areas wash soaps (cakes/bars). More than 50% of popular bath soaps and more than 56% of batterie4s have this feature. The situation with hair oils and packed tea is comparable. The rural market currently

makes up a higher portion of overall sales of sewing machines among durable goods.

- Transistors and radio.
- Recorders on tape.
- Timepieces on wrists
- Television sets in black and white
- Bicycles
- Table fans.

The rate of growth in several products has surpassed that of the urban market. An NCAER survey reveals that the growth rate of various products is higher in the rural market than in the urban one. These consist of detergent cake, washing store, detergent powder, and packed tea. Additionally, the

Methods of Research :
A systematic approach is required to conduct any kind of research inquiry, and methodology is required to establish a clear protocol for each and every research project. Any research project's methodology consists of choosing a representative sample from the universe or the general public, as well as using the right tools and procedures. The Spanish proverb "TO BE A BULLFIGHTER YOU MUST LEARN TO BE BULL" states that you can never truly comprehend someone until you look at things from their perspective. In a similar vein, as the customer is king, understanding his conduct is essential to meeting and satisfying the target consumer.

Customer behaviour explores how people, groups, and organisations make decisions about what to buy, how to use it, and how to get rid of it in order to fulfil their requirements and desires.

2. COLLECT THE INFORMATION - The information is collected from secondary sources- websites , magazines , newspapers , and magazines.

growth of motorcycles has been greater in rural than in urban areas.

The revolution of expectations - The rural market environment has been significantly impacted by the "growing expectations" of the rural population. It has increased rural residents' awareness and desire and strengthened their will to work, earn, and consume. The increased income gives the goal substance. Demand in Rural Areas Is Seasonal: Demand in rural areas is more cyclical than in urban areas. One major cause of this is the revenue pattern's predominance of agriculture. The other is the comparatively larger impact of festivals and marriages on the pattern of purchases. After all, the monsoon's whims still affect agriculture in many regions of India.

3. ANALYSE THE INFORMATION: Drawing conclusions from the gathered data is the next stage of the marketing research process.

4. PRESENT THE results AND CONCLUSIONS: The final phase involves summarising the research's results and conclusions.

Various FMCG Companies' Strategies for Rural Marketing

Strategies that various FMCG companies have used for their rural marketing include:-

ITC's e-choupal –

Farmers' livelihoods are being transformed by ITC's e-choupal initiative in a way that has never been accomplished by any other business. Every day, seven days a week, and thirty-plus new villages are being added by the company in a year. Consider a far-off village. Proceed to the tiniest farmer present. Teach him the best farming methods. Tell him about the market's price changes and the daily weather. Give him the best seeds, fertilisers, and insecticides at the lowest prices, delivered directly to his home.

And assist him in finding the best buyer for his crop when it's ready. Envision carrying out this same process in 30,000 communities spanning six states, year after year, season after season. earning money for yourself while providing the farmer with free labour. The most obvious conclusion to such a proposal would be impossible. The chairman of the Rs 12,000 crore ITC, Yogesh Chander Deveshwar, stated that in 2000, he was approached by S. Sivakumar, the chief executive of the company's agribusiness, with an equally ambitious notion. At first, Sivakumar asked for Rs 50 lakh to test the idea among Madhya Pradesh soya farmers, knowing full well that he was asking for the moon.

He was given Rs. 10 crore by Deveshwar. As they say, the rest is history. ITC's e-choupal network is the most ambitious rural programme by corporate India, having reached 3.1 million farmers to date and adding 30 new villages every day. Together, the 37 businesses, NGOs, and state governments that make up the network partner with ITC to develop a new ecosystem for the villages and create a direct connection between what farmers raise and what customers consume.

The E-choupal achievement of ITC

(1),050,000 choupals, 29,500 communities, and 3.1 million farmers are its accomplishments.

(2) Purchasing a variety of farm products (food grains, oilseeds, coffee, prawns) through e-choupal.

(3) Using e-choupal to market a range of products and services (market research, consumer goods, insurance, and agricultural inputs).

(4) Transactions: \$100 in the year 2003.

Colgate's SWOT Analysis in Rural Areas:

The SWOT analysis is a crucial tool for understanding the competitive landscape. The Colgate in rural regions is given a swot analysis.

STRENGTH:

- (1) The skilled workforce; the organisation currently employs the top workers with effective sales strategies.
- (2) Robust financial support.
- (3) White gel: it helps combat bacterial action while delivering the maximum amount of freshness to the mouth.
- (4) White crystals offer immediate freshness and aid in the plague's elimination.
- (5) It offers 12-hour protection against sensitive bacteria.

OPPORTUNITIES:

- (1) Huge investment: Because of their previous sales, they have significant capital readily available to them, allowing them to quickly meet their financial obligations or make large investments.
- (2) Intense distribution: The corporation uses intense distribution to create opportunities for the product it produces, which is of a natural or everyday use commodity.
- (3) Stable economic conditions: The company's stable economic conditions support the expansion of the product.
- (4) Colgate Company is using technology at its peak effectiveness.
- (5) The world is becoming a smaller place now, so seize the chance.

WEAKNESS - (1) Huge rivals such as Pepsodent and Close Up...Both organised and unorganised competitors have presented the business with fierce rivalry. With a 34% market share for both Colgate and its pepsodent, HLL is Colgate's closest competitor.

(2) heavy taxes: As a result of the policy's heavy taxation, tube prices have increased,

occasionally impeding the company's ability to grow.

THREATS: (1) Possibility of failure: The corporation manufactures a variety of pastes under the Colgate name, including orange gel, gel, and crystal forms. Since the product is new to the market, consumers may be open to accepting it. the new toothpaste flavour, or they might reject it—the company doesn't know if it will succeed. (2) There are numerous businesses competing in the market for the same goods. In the market, there is intense competition. (3) Occasionally because of erratic political environments when various governments offer varying subsidies.

Recommendations and Ideas

1. There are more advertisements on press and radio in remote areas.
2. A robust physical distribution route needs to be established.
3. People's awareness of the product needs to be raised.
4. The retailers' profit-margin percentage on the product should be raised.
5. Road and electrical facilities need to be improved, as most MNCs find it difficult to enter the rural market because of these issues.
6. Local languages can be utilised in advertising to draw in an increasing number of viewers.

Conclusion

With over 65% of the population living in rural areas, the Indian rural market has enormous potential and calls for careful consideration, a well-thought-out plan, and a broad marketing network. Due to their varied nature, rural and urban markets cannot be served by a single marketing approach. Although there is a lot of unrealized potential in the rural market, it should also be acknowledged that there are a number of

associated issues that make operating in this area difficult. Therefore, developing effective strategies to address the issues in rural marketing is a time-consuming process that costs a lot of money.

The following are the main issues that manufacturing and marketing professionals in rural areas deal with: low literacy, seasonal demand, multiple languages and dialects, inadequate physical communication infrastructure, and low per capita income.

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