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Impact of Rural Marketing on Buying Behavior: An Empirical Study

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ABSTRACT: There are now more than 600,000 communities and more than 70 percent of the country's inhabitants in rural areas. Consumption of fast-moving consumer items has become commonplace in rural areas (FMCG). In order to be successful in the rural market, FMCG companies must simply use their usual marketing tactics to promote their products. Instead, they need to focus on rural-specific solutions. Consumers in rural areas, especially those in different parts of the nation, have unique issues and concerns that must be taken into account. Eight districts in India were studied to identify the most significant factors. Using factor analysis, we were able to separate 24 important variables into five distinct categories (influencing factors). When it comes to building trust, one of the most critical factors is the weight retailers place on customer recommendations. Rural Indians feel that using FMCGs improves their quality of life, according to the survey.

KEYWORDS: Price points, brand awareness, and trust factor Money well spent, Product Education, Rural Purchase

I. INTRODUCTION

With its concentration on rural development since the 1950s, it is one of the most desired rural markets in the nation. Rural marketing has undergone a paradigm shift as a result of increased public awareness and economic success (Velayudhan, 2002). Growing rural demand, media reach, and the packaging revolution all helped to expand rural markets (Bijapurkar, Rama, 2000; Kotler et al., 2009). Rural India may be a new market for India's fast-moving consumer goods (FMCG) (Kashyap, Pradeep, and Raut, Siddharth, 2007). It is vital for a successful rural FMCG marketing strategy to include a wide range of product categories, price levels, and sizes (Kumar & Madhavi, 2006). As contrast to common assumption, Indian rural areas may be able to offer more than only agricultural products. Products and services may be promoted in a variety of ways in public spaces (Khosla, Ashok, 2000). Compared to 2010, rural FMCG sales in India increased by 15% in 2011. At least 425 billion dollars in market value was generated in 2008 by the Indian rural population, according to the Nielsen Company (2012, p. 8). Quarterly Report of the CII-Technopak. FICCI Technopak predicted in 2009 that the FMCG sector will generate \$43 billion in sales and \$72 billion in income by 2018..

Rural Market and Rural Marketing

People and organizations use the word "rural" in a variety of ways. According to the Collins Cobuild Dictionary, one must be "far from towns and cities" in order to be considered "rural" (2001). (2001). Retail, institutional, and service sectors are all included in a rural market (Dogra & Ghuman, 2008). There are two studies that show this to be true.. When commodities and services move from rural to urban areas and back again, two-way marketing occurs. (George & Mueller, 1955) George & Mueller Published in the year 1955. Roughly speaking, it's rural marketing when at least one of the primary players comes from the countryside (Kotler, et al., 2009). According to (Kotler et al., 2009),

II. LITERATURE REVIEW

Marketing in India was transformed by a law that liberalized its market conditions in the early 1990s (Gopaldaswamy, 1997). Because the vast bulk of rural India's marketplaces are thought to remain mostly untapped, many different packaged products and product types may now be sold there (Habeeb-Ur-Rahman, 2007). Rama Bijapurkar is the name

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of the town in Rajasthan (Bijapurkar, Rama, 2000) Bijapurkar Businesses in rural areas must differentiate themselves from those in urban areas in terms of the quality and value of their products (Anand& Krishna, 2008). Finding out what inspires consumers to purchase FMCGs is the first step in rural regions (Krishnamoorthy, 2008). a slew of variables have a role in the buying choices of customers (Blackwell and Talarzy, 1977). Many criteria, including packaging, brand name, quality (Rashmi&VenuGopal, 2000), price and promotions (Bhatt &Jaiswal, 1986), are taken into consideration by rural customers when making purchasing choices, according to the research. Additionally, public opinion leaders' views impact rural consumption (Sayulu&Ramana Reddy, 1996). It is because of this tendency that shops have emerged as the most important influences on rural FMCG consumption (Ying Zhao, 1994).

Research Gap

There is still a need for greater study in rural markets, even if the present literature is acceptable (Jha and Mithileswar, 2003; Bijoor and Harish, 2004). Consumer buying behavior varies by product category and market location in rural areas (Sinha, 2008). Even after two decades, a rural marketing specialist in India claims that we still lack a thorough grasp of rural clients. Many more studies are needed on rural marketing issues, such as how difficult it may be to reach people in these areas, the need of being creative when developing and implementing marketing messages, as well as the general concerns about rural markets (Khatri, 2002; Bansal &Easwaran, 2004). (Bijapurkar& Rama, 2000).. Because of this, an investigation into rural Indian customers' FMCG purchasing habits was launched.

Objective of the Study

This study's major objective is to identify the factors that impact rural Indian consumers' purchases of FMCG.

III. RESEARCH METHODOLOGY

A well-structured 5-point scale questionnaire is used to collect the main data. For the benefit of the respondents, the survey is available in Hindi. The scope of the investigation is restricted to a certain area of India..

Table 1 Titles of affecting variables and their related factor loadings

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Factor	Variables	Factor Loadings
PROMOTION FACTOR	• Promotions	0.951
	• Relationship marketing	0.912
	• Product education	0.903
	• Free offers/sales promotions	0.896
	• Brand endorsement	0.871
	• Shelf display	0.810
LIFESTYLE FACTOR	• Brand awareness	0.847
	• Packaging	0.847
	• Dignity	0.816
	• Brand visibility	0.799
	• Lifestyle	0.750
TRUST FACTOR	• Friend's recommendation	0.883
	• Brand loyalty	0.791
	• Government promotions	0.790
	• Shop keeper's recommendation	0.784
	• Availability	0.746
VALUE FACTOR	• Intended benefits	0.880
	• Affordability	0.862
	• Need based	0.827
	• Low price	0.760
PRODUCT FACTOR	• More features	0.780
	• Size	0.726
	• Quality	0.713
	• Long lasting	0.624

Data Analysis and Interpretation

It was the purpose of this research to identify the factors that impact rural consumers' FMCG purchasing choices. Rural FMCG purchases are influenced by the following twenty-four factors.:

Test Statistic

In Bartlett's sphericity test, no connection could be detected between the variables tested. According to the KMO Statistic, the sample adequacy is 85.55%. For factor analysis, these two values might be used (Malhotra, Naresh, 2007). When the "eigenvalue larger than 1" condition was applied to evaluate the data, 5 variables accounted for 71.057 percent of the variation. The five factors in Table 1 were chosen based on the Rotated Component Matrix loading

IV. CONCLUSIONS AND RECOMMENDATIONS

They have a deep faith in their local companies, and this faith is reflected in their purchases. The "Trust Factor" was discovered during the field visits, even though merchants are aware that their customers pay attention to what they have to say. In order to receive the greatest results, enterprises must educate rural retailers on the newest marketing methods.

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It is recommended that rural FMCG marketers use a low-cost strategy because of the significance of pricing in rural FMCG sales. Prices must be kept low via the use of cost-effective marketing strategies like advertising and distribution. Products may also be sold using a pricing plank model. Investing in an FMCG that meets the needs of rural clients is a wise move. Based on the outcomes of the study, it is advised that FMCG be pushed along acceptable lines rather than only appealing to low price.

It is critical for rural marketers to come up with new ways to reach out to the broader public that are acceptable for the individuals they are attempting to reach. FMCG items should have a longer shelf life. Longevity is associated with both product size and hardness among rural buyers. As a result, it is suggested that FMCG products be promoted in this manner. Rural FMCG purchases and consumption are crucial since rural customers are looking for high-quality FMCG. Researchers and experts like Harish Bijoor, C.K. Prahalad and Rama Bijapurkar have all made this argument in the past as well. As a result, no shortcuts should be used while manufacturing FMCG goods. Low prices must not come at the expense of quality. Rural marketing relies heavily on packaging. Customers in rural areas are more inclined to buy a product if the packaging appeals to them. People in rural areas will remember the packaging of a fast-moving consumer goods product for a long time. Designing eye-catching packaging while keeping prices as low as feasible should take a significant amount of time and work. Rural FMCG products may also be packaged attractively for marketing purposes. Marketers in rural areas should connect their goals with the government's rural development initiatives and include information about these policies in their marketing materials. Rather, this is a result of rural residents' reliance in government assurances. Demonstrating the product's functionality and educating rural clients may both be accomplished via product demonstrations. Promoting using animated celebrity characters is encouraged because of the efficacy of celebrity endorsements in rural marketing. In addition, quality should be preserved, marketing campaigns should be designed and implemented effectively, retail tactics like shelf display should be used, and customer relationship management strategies like consumption points should be implemented.

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