



Digital form of marketing strategies on rural markets with reference to fast moving consumer goods in Guntur and Vijayawada (CRDA Region)

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Abstract

Marketing is a business area that's built on passion. It's about passion for the consumer. Passion for knowing what consumers think on a daily basis. And passion for developing the simplest solutions to match. The majority of emerging market nations continues to have largely rural, agrarian – based economies. In India alone, of the one billion residents counted in 2011 census, roughly 720 million people in rural areas. Delivering products and services into this market presents both challenges and opportunities for the companies. Most marketers understand that India is on the cusp of momentous change. The economy is vibrant, incomes are raising, the habits, preferences and attitudes are changing quickly. But nowhere is it more evident than in rural India. There is, thus an emerging need to build proficiency in rural marketing. Over the years there has been change immensely noted in relation to income and standard of living of rural and urban consumers. In this paper an attempt is made to present the Digital Marketing and its influence on the Fast-Moving Consumer Goods.

Keywords: digital marketing, fast moving consumer goods, consumer taste and preferences

Introduction

Marketing is a business area that's built on passion. It's about passion for the consumer. Passion for knowing what consumers think on a daily basis. And passion for developing the simplest solutions to match. The majority of emerging market nations continues to have largely rural, agrarian – based economies. In India alone, of the one billion residents counted in 2011 census, roughly 720 million people in rural areas. Delivering products and services into this market presents both challenges and opportunities for the companies. Most marketers understand that India is on the cusp of momentous change. The economy is vibrant, incomes are raising, the habits, preferences and attitudes are changing quickly. But nowhere is it more evident than in rural India. There is, thus an emerging need to build proficiency in rural marketing. Over the years there has been change immensely noted in relation to income and standard of living of rural and urban consumers.

Review of Literature

Shin and Eksioğlu (2014) tried to investigate whether a firm's adoption to RFID Technology helped to attain better financial performance ratios in retail supply chains in the United States. The study indicates that using RFID by Retailers has helped them to lower days-in-inventory and per employee cost. At the same time with RFID retailers experience positive gross margin and improved inventory management.

Manoj Pant and Shoba Bagai (2015) tried to model a scenario where organized and unorganized sectors can compete and where the organized sector is only restricted by statutory rules of setting up business. The model indicates that co-existence of the two sectors is a knife-edge problem

and generally unlikely. It is seen that while low growth rates of demand would eliminate the organized sector, high growth rates and product competition will eliminate the unorganized sector. The study suggests that the political need to ensure coexistence for some time would require some market segmentation via regulatory restrictions like zoning.

Patil, Pramod. (2016) in his article he studied FMCG product touches every aspects of human life. These products are frequently consumed by all sections of the society and a considerable portion of their income is spent on these goods. Apart from this, the sector is one of the important contributors of the Indian economy. This sector has shown an extraordinary growth over past few years, in fact it has registered growth during recession period also. The future for FMCG sector is very promising due to its inherent capacity and favorable changes in the environment. This paper discusses on overview of the sector, its critical analysis and future prospectus

Sivaji Ganesh. K, Prof. G. V. Chalam (2017) in their article It is suggested to the unorganized retailers to adopt changes as per the needs of the customers in terms of range of products with necessary quality and in suitable quantities to maintain its market share. They are also needed to maintain cleanliness in the store to attract customers. Unorganized retailers should ensure ready availability of demanded items and drop product lines less demanded to prune costs while improving store display. This will enable them to increase the customer base. Building on existing trust and good will also help them to retain the customers.

Sivaji Ganesh. K, Prof. G. V. Chalam (2017) in their paper it is suggested that the organized retail stores must arrange for additional billing counters during weekends & festival seasons to ease the crowd and make them feel comfortable.

Organized retailers should correct their HR planning in order to post sufficient number of staff to attend the customers. It is advised to the traditional retail (Kirana) store keepers to take measures to keep the stocks in a protective mode and to maintain hygiene & cleanliness in the stores to retain the customers as customers attach more importance to hygiene conditions in the store.

Objectives of the Study

1. To examine the existing Digital Rural Marketing strategies followed by FMCG companies to know the impact on the buying behaviour of rural consumers in Guntur and Krishna districts.
2. To identify the factors that influence Digital rural marketing strategies of FMCG companies in Guntur and Krishna districts.
3. To elicit the views of consumers on Digital Rural Marketing strategies being followed by FMCG companies in Guntur and Krishna district.
4. To offer findings, suggestions and conclusions of the study.

Methodology

Primary data

Primary data is the information collected or generated by the researchers for the purpose of the project immediately at hand. Questionnaires are used to collect this primary data. Questionnaires are the most frequently used methods of data collection.

Secondary data

Secondary data refers to the information that has been collected by someone, other than those involved in the research project at hand for the purpose. Secondary data has been gathered from various sources.

Source of the Data

The significant and distinctive stage of research in social science is collection of necessary information to provide hypothesis. The sources of information are generally classified as primary and secondary data.

Selection of Sample

Indian rural market its size and demand base offers a great opportunity to markets. Rural market has 742 million consumers throughout India. Urban market is 27% in the total market. Durable products in the rural marketing are one of the latest mantra of business organization. The investigator selected CRDA Region i.e., Vijayawada, Guntur, Tenali, Mangalagiri for the collection of data from sample respondents, as he belongs to CRDA Region.

Table 1: Details of sample respondents taken for the study

CRDA Area	Men	Women
Vijayawada	125	100
Guntur	125	100
Tenali	100	50
Mangalagiri	100	50
Total	450	300
Grand Total	750	

Selection of the Sampling Technique

Random sampling method was used in selecting samples. It was decided to select respondents from all age groups. Both

male and female samples were chosen for data collection and opinion survey. The purpose of selecting from all age groups was to get a comprehensive idea of what the respondents think of FMCG products and brands, and what factors influence them for buying decisions. 750 respondents were selected from 300 women and 450 men.

Design of questionnaire

The purpose of this research was to analyze the respondent’s awareness of brands, branded products, what promotional measures attract them for buying decisions. It is the consumer who dictates the success of a Brand. To collect the information on all above-mentioned aspects, a detailed questionnaire was prepared comprising 27 questions. The questionnaire is designed in an easy way for the convenience of rural people.

Statistical tools

To make the analysis more pointed and explanatory, Frequency Distribution, Chi-square test, ANOVA statistical tools are used in this research.

Data analysis

Data analysis is the significant function of the research. After collection of data, the next step is data analysis and interpretation. The analysis of data involves processing of data and statistical analysis. The data collection through the interview schedule has been classified and tabulated into many tables for analysis purpose. Simple statistical tools like averages, percentages and values have been used to analyze the data.

Findings of the Study

1. From the analysis of profile of respondents it is observed that majority of respondents belongs to the age group of below 25 which includes both male and female having 3 members as family members, in the income range of Rs.1,00,000/- to Rs.2,00,000/-, with educational qualification of graduation and a majority of them who participated in the study are employees.
2. More than 90% of the respondents are aware of the fast-moving goods in the market. There are no significant differences in the views of both male and female respondents in this regard.
3. Majority of the respondents buy their day to day requirements from nearby shops in the village and towns.
4. The observation relating to frequency of purchase reveals that majority of respondents make weekly purchase of these day to day requirements.
5. When buying a product, both product and brand are considered by majority of respondents of both male and female.
6. In case of a return of goods, the online seller returned money in a majority of cases for both male and female respondents.
7. Majority of respondents have observed promotional schemes of online sellers.
8. Most of the online sellers have used ads in internet to promote their products.
9. Low price is the only influencing factor that motivated the respondents to go for online purchases.
10. The only major difference that was observed between store purchase and online purchase is availability of

more number of offers.

Suggestions for the Study

1. Rural consumers are price sensitive nature, they are very much attracted towards that price sensitive, so the FMCG companies should have to consider price sensitive.
2. *Potential of Rural markets:* In India 70% of people located in Rural areas only, comparatively with urban people their income, expenditure and savings are different. Now a day's in a changing environment rural consumer are changing their attitude towards product preferences particularly in FMCG. So the companies should have to capture their attitude towards buying FMCG products.
3. With regard to communication, the messages being communicated are influenced by western culture, to which the women respondents are alien. The messages to the women respondents should be such in a manner that they must be familiar to rural culture.
4. With distribution in place, communication needs to be simpler and have a regional flavor. The strategy to tap the rural market has to be more customized, simpler and based on one-to-one communication. One has to reach the doorstep of the women respondents to educate him on brands.
5. Like in other parts of country FMCG Companies should launch the scheme of Self-Help Group to increase sales in the villages of remote areas.
6. It is advisable that FMCG Companies should improve its distribution channel in Villages either through its current stockiest/wholesalers or by setting up new distribution channel for rural areas. Because it is normal complain of shopkeepers that they are not receiving goods with in time.
7. To increase sales in remote villages FMCG Companies should start personal Selling under the nearest dealers.

Conclusion

Digital marketing in rural area is quite untouched area and has lot of untapped potential but the techniques are yet being devised to explore this area. Being the time efficient, largely impacted and easy availability, there are certain benefits of digital marketing. The increase in technology diversification also increase the exposure to the people, and it opens up the possibility of social networking, online courses, ticket booking system and various much more. Up until now rural market is product driven not the service driven, with information of product available beforehand to the consumers lets the company to predict behaviour of actual product before launching it, which helps in planning for the outcomes.

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