

A STUDY ON BRAND AWARENESS OF FAST MOVING CONSUMER GOODS (FMCG) WITH REFERENCE TO RURAL MARKETS IN INDIA

Dr. Kamallesh Kishore Shrivastava

Assistant Professor

Department of Commerce

Shri Shankaracharya Mahavidyalaya Junwani, Bhilai, Chhattisgarh

Abstract

Each and Every household having major portion of the monthly budget which spent on FMCG products. Similarly companies have also understand the demand from both the segments like Urban and Rural. Rural market is also on boom and keeping in mind this demand and growth companies have already introduced FMCG products in sachets made rural people who are traditionally not accustomed for quantity purchase. So, branded FMCG products in rural shops started with tooth pastes, Re. 1/- shampoo, cleaning powders & liquids, nut powders, oils, detergents etc. This has changed the pattern of buying of rural consumers from traditional products to branded products. This segment touches each and every aspect of human life and the FMCG producers have also realized that there is ample opportunity for them to enter into the rural market in India. It is noticed that it is a result of Socio Economic & Political changes in the last 5 years and this shift towards branded FMCGs in rural areas create a hype in the local and global market. This has made rural areas more and more targeted and viable markets even compared to urban areas in India.

Keyword: FMCG Products, Rural Market, Rural Consumers, Branded Products.

Introduction

Indian consumer segment is broadly segregated into urban and rural markets, and is attracting marketers from across the world. The sector comprises of a huge middle class, relatively large affluent class and a small economically disadvantaged class, with spending anticipated to more than double by 2025.

India stood first among all nations in the global consumer confidence index with a score of 133 points for the quarter ending September 2016. Further, in the discretionary spending category, 68 per cent respondents from India indicated the next 12 months as being good to buy, thus ensuring once again that India leads the global top 10 countries for this parameter during the quarter.

Global corporations view India as one of the key markets from where future growth is likely to emerge. The growth in India's consumer market would be primarily driven by a favourable population composition and increasing disposable incomes. A recent study by the McKinsey Global Institute (MGI) suggests that if India continues to grow at the current pace, average household incomes will triple over the next two decades, making the country the world's fifth-largest consumer economy by 2025, up from the current 12th position.

India's robust economic growth and rising household incomes are expected to increase consumer spending to US\$ 3.6 trillion by 2020#. The maximum consumer spending is likely to occur in food, housing, consumer durables, and transport and communication sectors. The report further stated that India's share of global consumption would expand more than twice to 5.8 per cent by 2020.

Review of literature

The difference between the rural and the urban market is presented wonderfully in the A book titled **A Practical approach to Marketing Management** authored by Kugnish Washisht, published by Atlantic Publishers and Distributors with ISBN- 91-269-0473-9, which is also reviewed in reference to current research.

The important role played by rural market is explained in the book by explaining the situation of urban market. In the urban market, while overall volumes continue to grow reasonably well, there are too many players eating into each other's market share. Many products categories are even getting saturated. With no further prospectus of growth, operating margins are coming under pressure, and there is a need for new growth markets. This is where rural markets play an important role. Companies that have expanded in the rural areas find that they are able to increase their sales or position. Rural market today offer growth opportunities to firms caught up in intensive inter-firm rivalry in urban and metro markets.

The research paper titled **Rural Marketing Potential in India – An Analytical Study** authored by Anil Kalotra published in International Journal of Advanced Research in

Computer Science and Software Engineering with ISSN: 2277 128X is also reviewed. The paper dealt in potentials with reference to rural India.

The abstract of the study was placed as follows:

Fast pace of technology advanced every sphere of social, economic, political cultural life, produce, reduce costs, distribute, and expect higher profits. The focus is on tapping the rural markets. This paper presents a review of rural markets' environment, Problems and strategies in India.

The author has highlighted that, rural marketing has become the latest mantra of most corporate even MNCs are eyeing rural markets to capture the large Indian market. The rural market consist 70 percent population, twice as entire market of USA and would become bigger than total consumer market in countries like South Korea, and Canada in another 20 years. It exhibits linguistic, regional and cultural diversities and economic disparities. Increase in purchasing power fuelled lot of interest, it was found in the research that several companies like HUL, ITC, Colgate, Godrej, Nokia, BPCL etc s are exploring cost effective channels to tab rural market.

Research Methodology

The research methodology for current topic is mentioned by keeping the Objectives, Hypothesis and research gap for the current study in mind.

Objectives of Study

- To study the rural areas consumer perception towards FMCG products
- To examine whether unbranded products provide same satisfaction as branded products and customers' preference for unbranded products.

Hypothesis

H₀: There is no significant difference in attitude towards brands with people having different Education Background

H₁: There is significant difference in attitude towards brands with people having different Education Background

Sample size- FMCG Customers: 384

Personal Interview of Retailers: About 50

Data analysis

To test the hypothesis “There is insignificant difference in attitude towards brands with people having different Education Background” one way ANOVA test is applied to study the mean difference between customers of different educational background towards brands, where educational background of respondents is taken as fixed factors and brand is important while choosing a FMCG product, most of the FMCG consumers are brand conscious, there is enough brand awareness among FMCG Consumers and While choosing FMCG brand you go with best in class as dependent variables representing attitude of respondents, where following results were obtained:

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
You think brand is important while choosing a FMCG product.	Between Groups	5.929	2	2.965	5.098	.007
	Within Groups	165.144	284	.581		
	Total	171.073	286			
You think that most of the FMCG consumers are brand conscious.	Between Groups	5.209	2	2.604	4.754	.009
	Within Groups	155.593	284	.548		
	Total	160.801	286			
You think that there is enough brand awareness among FMCG Consumers.	Between Groups	1.297	2	.648	.715	.004
	Within Groups	257.630	284	.907		
	Total	258.927	286			
While choosing FMCG brand you go with best in class.	Between Groups	.089	2	.045	.097	.908
	Within Groups	130.879	284	.461		
	Total	130.969	286			

Interpretation

It was found from the above analysis that in majority of the cases the significance 2-tailed value obtained in 0.007, 0.009 and 0.004 which is less than the alpha value of 0.05 ($p < 0.05$) which states that null hypothesis is rejected and alternate hypothesis i.e. There is significant difference in attitude towards brands with people having different Education Background **is accepted**. Which means that banding in FMCG product is different for customers of different educational background.

FINDING

- Majority 60.28% of the respondents agree that brand is important while choosing a FMCG product which is supported by 13.59% of the respondents who strongly agree to this. Around 26% are disagreeing to this.
- It is observed from the study that Majority 52.26% of the respondents agree that they have some identified brand for FMCG product, before they go for shopping which is supported by 23.69% of the respondents who strongly agree to this.
- Majority 47.39% of the respondents agree that they prefer branded FMCG products over unbranded products if prices are similar which is supported by 26.48% of the respondents who strongly agree to this. It is a good sign where the new market enters provide the same price level compare to other rivals. Consumers are seems to be well versed with the market and market competition and wanted to take best out of this from the suppliers.

Conclusion

In the study it was found that few consumers do not believe in changing their traditional brand which they are using further they consider that the FMCG advertisements as invasive. Although, this is a preliminary work in studying the impact of brand awareness on FMCG in creating responsiveness among the consumers, future work by capturing the consumers' responses before and after awareness on FMCG. educated consumers make more sensible decisions even though they belong to the rural areas/regions. In Purchase decision influencing factor is Income had a significant difference across Marital Status and Gender of respondents.

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