

# RECENT FACETS OF CONSUMER BRAND LOYALTY OF BISCUITS IN RURAL MARKETS OF TIRUPUR DISTRICT - A CASE STUDY

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## ABSTRACT

Companies marketing FMCG to rural consumers cannot merely extend their general marketing strategies to rural markets. Instead, they need to devise rural specific strategies. In this process, they need to understand crucial issues relating to rural consumer behavior and more specifically relating to different geographic regions of the country. Every customer in the market has his/her own Brand Preferences. Customers will be looking for certain attributes before purchasing the products i.e., FMCG.. Majority of the customers give more preference towards the quality of the product followed by the price, design, sales and service etc. so it also deals with knowing the customer requirements and their satisfaction towards the FMCG goods. In general, the study reveals the attributes of the customers towards the FMCG goods and services for their brand preference and satisfactions.

## Key Words

Brand preference, Biscuit brands, factor influence, Consumer satisfaction & recommendations.

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## Introduction

With more than six hundred thousand villages and more than 70% of the population, rural India has become a massive consumer goods market. FMCG has emerged as a major product category in rural consumption. Thrust on rural development since 1950 eventually made India into an attractive rural market (Ali et al., 2012). Companies marketing FMCG to rural consumers cannot merely extend their general marketing strategies to rural markets. Instead, they need to devise rural specific strategies. In this process, they need to understand crucial issues relating to rural consumer behavior and more specifically relating to different geographic regions of the country. Collins Cobuild Dictionary (2001) describes the word 'rural' as 'place far away from towns and cities'. A rural market broadly comprises of consumer markets, institutional markets and services (Dogra&Ghuman, 2008). Rural marketing is any marketing activity in which one dominant participant is from rural area (Kotler, et al., 2009).

Thrust on rural development since 1950 eventually made India into an attractive rural market. Increased awareness along with rise in income levels influenced the rural marketing environment in the country (Velayudhan, 2002). An effective FMCG marketing strategy in a rural setup essentially includes product variants, product categories, price points, sizes and widespread distribution network (Kumar & Madhavi, 2006). Fast moving consumer goods (henceforth referred to as FMCG) market has emerged as one of the most attractive rural markets in India (Kashyap, Pradeep&Raut, Siddharth, 2007). The rural FMCG market in India has grown 15% in 2011 (Nielsen Report, 2012). The Indian rural consumer market grew 25% in 2008 and would reach US\$ 425 billion in 2010-11 with 720-790 million customers (Quarterly Report, CII-Technopak, 2009). According to FICCI Technopak Report 2009, FMCG industry is projected to grow by 12% and reach a size of US \$ 43 billion by 2013 and US \$ 74 billion by 2018.

## Literature Review

Marketing scenario in India changed with market liberalization policies after 1990's (Gopaldaswamy, 1997). Most of the Indian rural markets are 'Virgin' in nature and they are now opening for most of the packaged goods (Habeeb-Ur-Rahman, 2007) and for a number of product categories (Bijapurkar, Rama 2000).

Rural marketers have to differentiate themselves on quality and value for money (Anand& Krishna, 2008). For this purpose, they need to understand the factors that influence the rural purchase

of FMCG (Krishnamoorthy, 2008). Various factors influence the purchase decisions of customers (Blackwell and Talarzy, 1977). Available literature mentions that packaging (Pandey, 2005; Venkatesh, 2004), brand name (Narang, 2001; Bishnoi&Bharti, 2007; Sahoo& Panda, 1995), quality (Rashmi&VenuGopal, 2000; Kumar &Madhavi, 2006), price (Sarangapani&Mamatha, 2008) and promotions (Bhatt &Jaiswal, 1986) influence the rural purchase. Opinion leaders also influence the rural consumption behaviour (Sayulu&Ramana Reddy, 1996). In the process, retailers have emerged as key influencers of rural purchase of FMCG (Ying Zhao, 1994).

### **Objective of the Study**

Main objective of the current study is to identify the factors influencing the purchase of Biscuits of five brands by rural consumers in Tirupur district.

### **Research Methodology**

Primary data is collected through administering a well-structured questionnaire. For the convenience of the respondents, the questionnaire is translated in to the regional language, Tamil. The survey is limited to a region called Tirupur. Sample unit for the current research consisted of rural population living in villages who are both buyers and consumers of biscuits. Five brands of biscuits have been chosen for the study . The time taken for the survey was between January 2014 and January 2015.

### **Interpretation**

Secondary data is collected from various valid sources such as websites of FMCG companies, books and articles on rural marketing, reports of consultancy companies and Government sourced from libraries. However, Internet is the major source of secondary data.

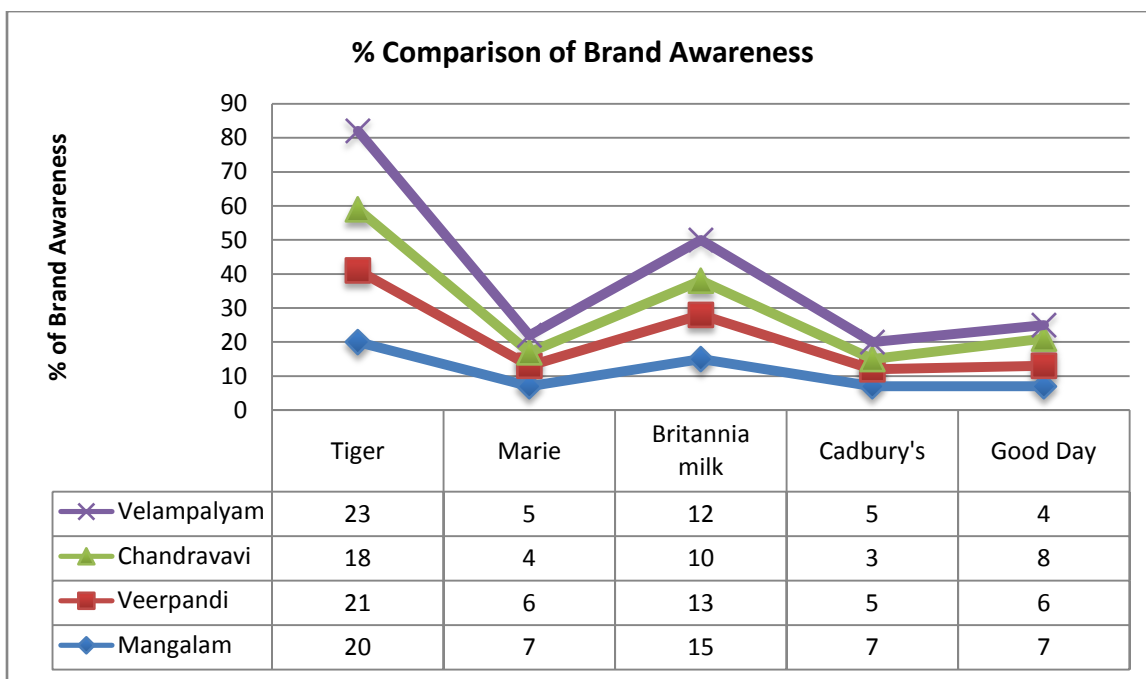
### **Determination of Sample**

The size of the sample was 25 from each of village that constitutes 200 respondents in total from 4 villages.

Table.1 – Brand awareness of Biscuits in villages and number of respondents are 200 in total

Biscuit brand	Mangalam	Veerapandi	Chandravavi	Velampalayam
Tiger	20	21	18	23
Marie	7	6	4	5
Britannia milk	15	13	10	12
Cadbury's	7	5	3	5
Good day	7	6	8	4

Figure.1- Comparison of % of Brand Awareness in 4 villages



The Table.1 and Figure.1 depicts that Tiger brand biscuit awareness is more when compare to the other brands to all the 4 village respondents.

Table.2 Biscuit Brand Purchased in Rural markets

Biscuit brand	Mangalam	Veerapandi	Chandravavi	Velampalayam
Tiger	20	18	19	24
Marie	5	6	4	6
Britannia milk	17	13	13	14
Cadbury's	6	5	3	8
Good day	7	6	7	3

Figure.2 Comparison of Biscuit Brand Purchased in 4 villages

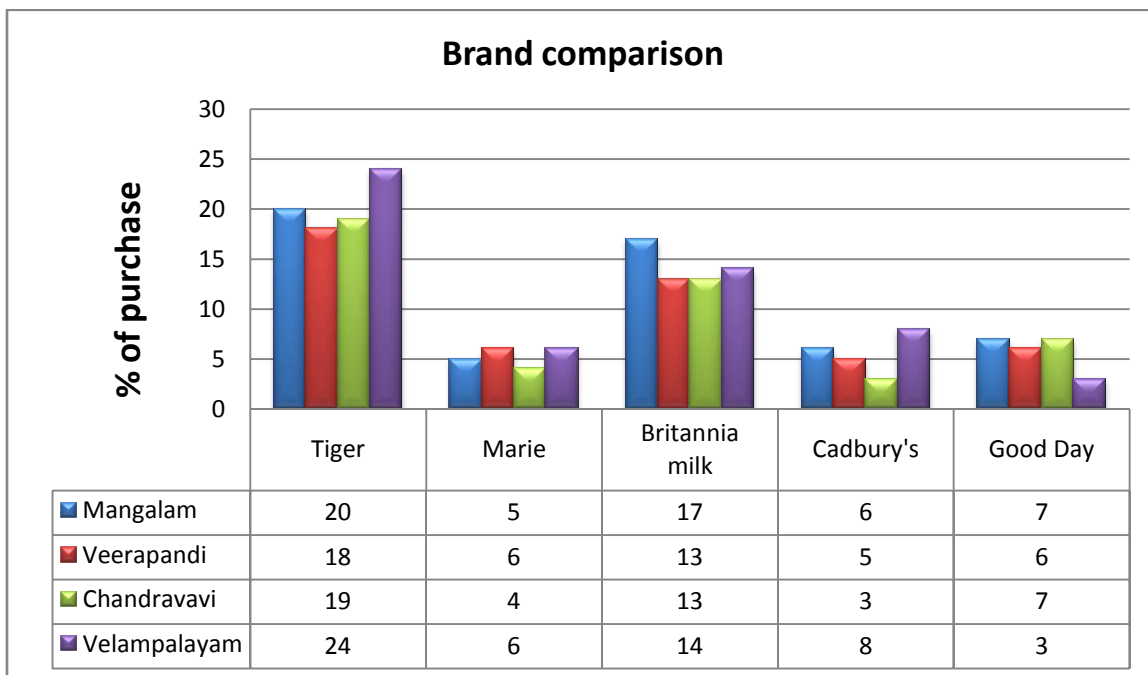
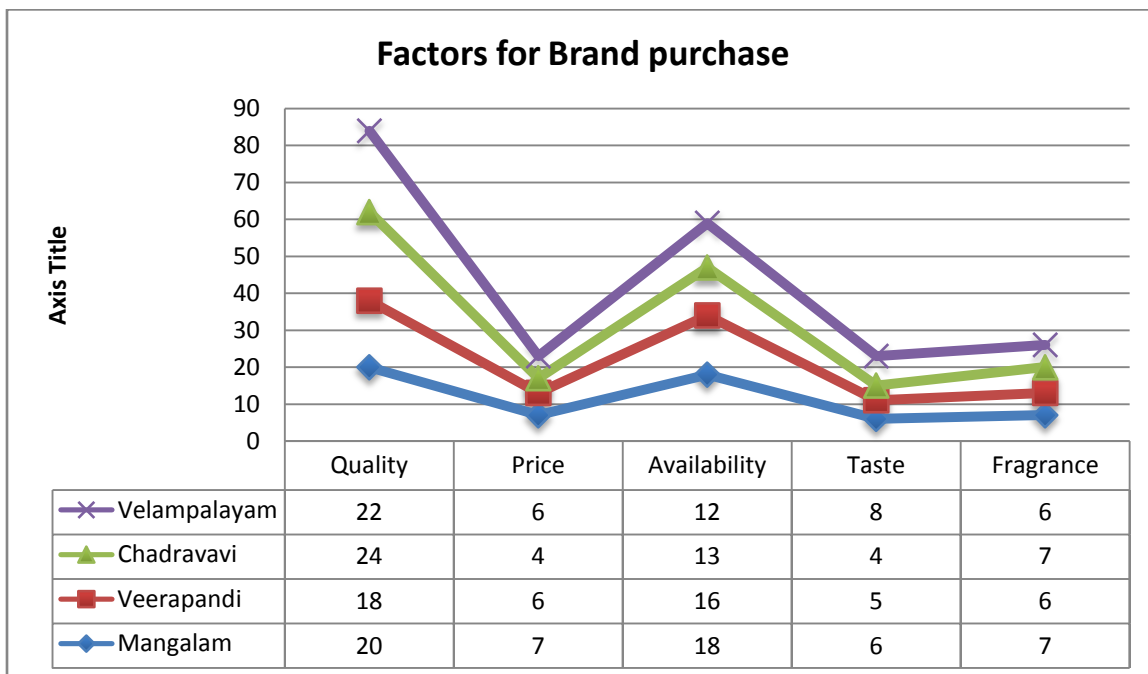


Table.3 Factors for Purchase of Biscuit Brands in 4 villages

Factors	Mangalam	Veerapandi	Chandravavi	Velampalayam
Quality	20	18	24	22
Price	7	6	4	6
Availability	18	16	13	12
Taste	6	5	4	8
Fragrance	7	6	7	6

Figure.3 Factors affecting Brand purchase



It is very clear, from the above picture that all village consumers prefer the quality than price,availability,taste,fragrance.

Figure.4.Illustrating the Brand Loyalty % in Mangalam Village

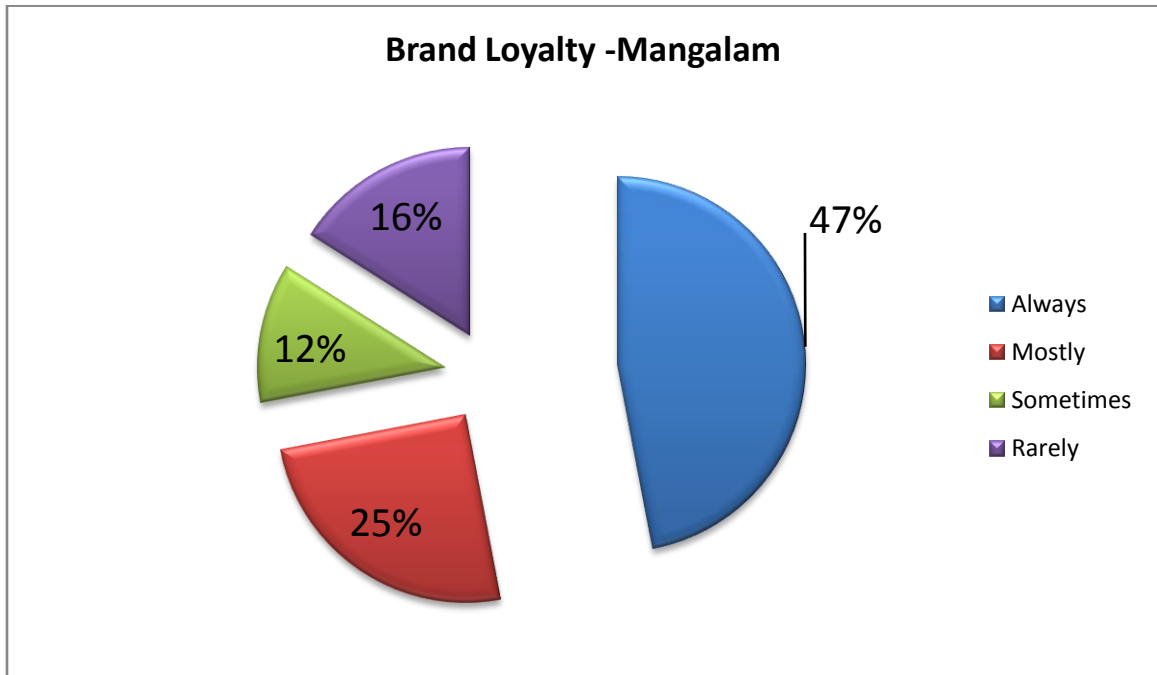


Figure5.Illustrating Brand Loyalty % in Veerapandivillage

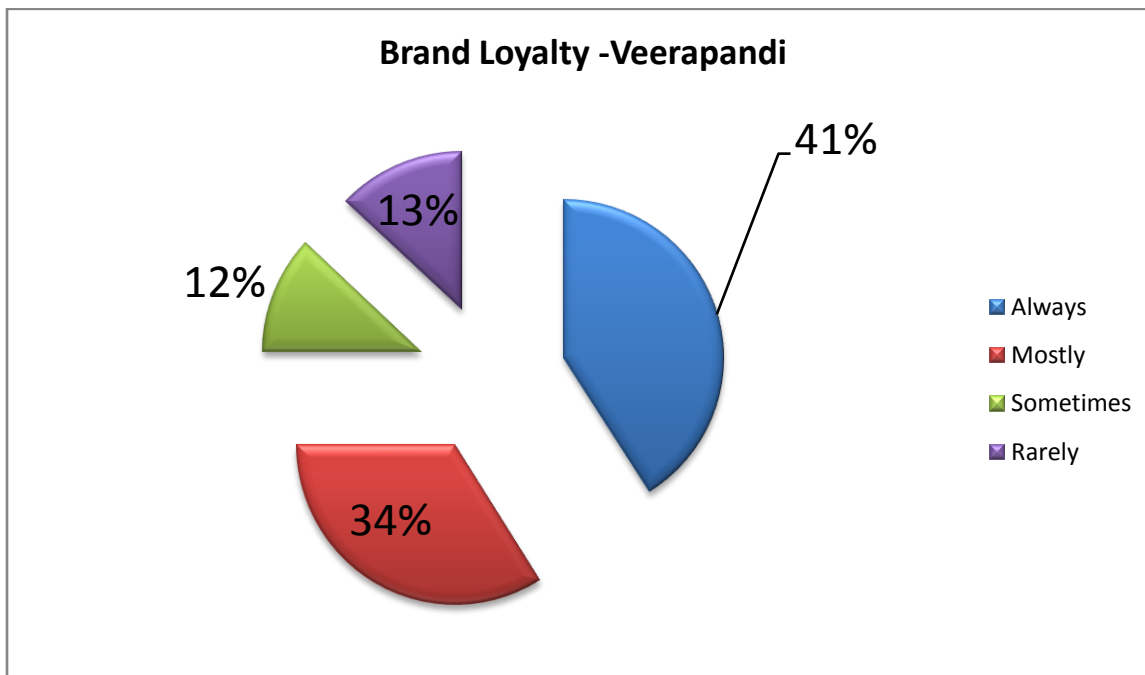


Figure 6.Illustrating Brand Loyalty % in Chandravavi Village

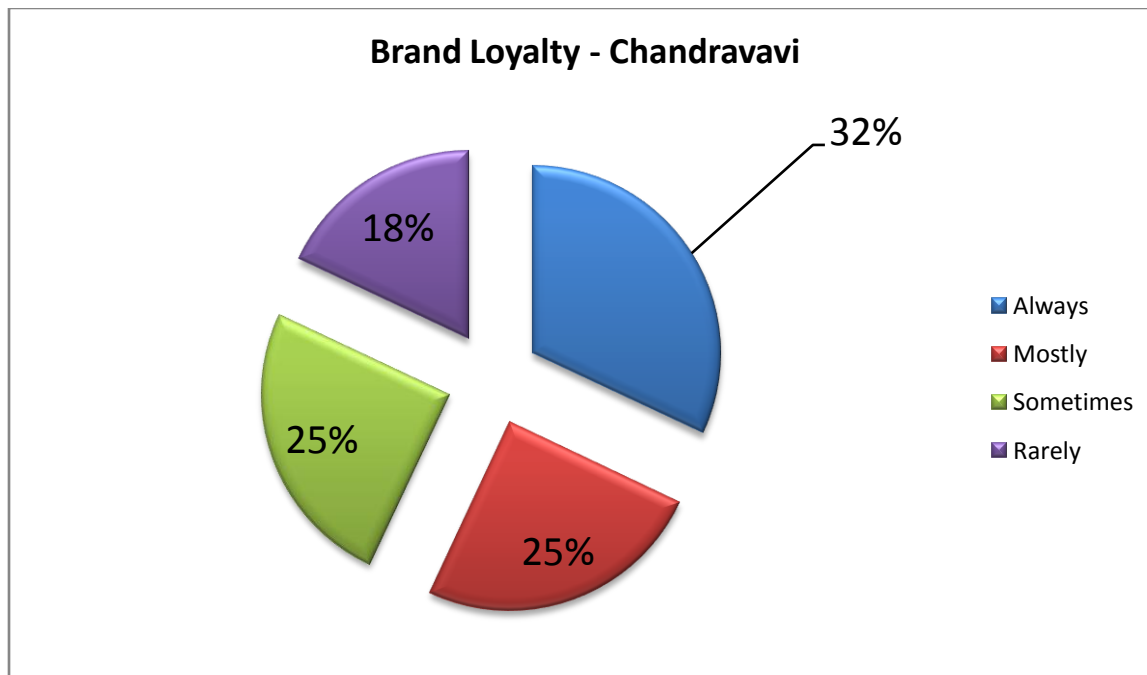
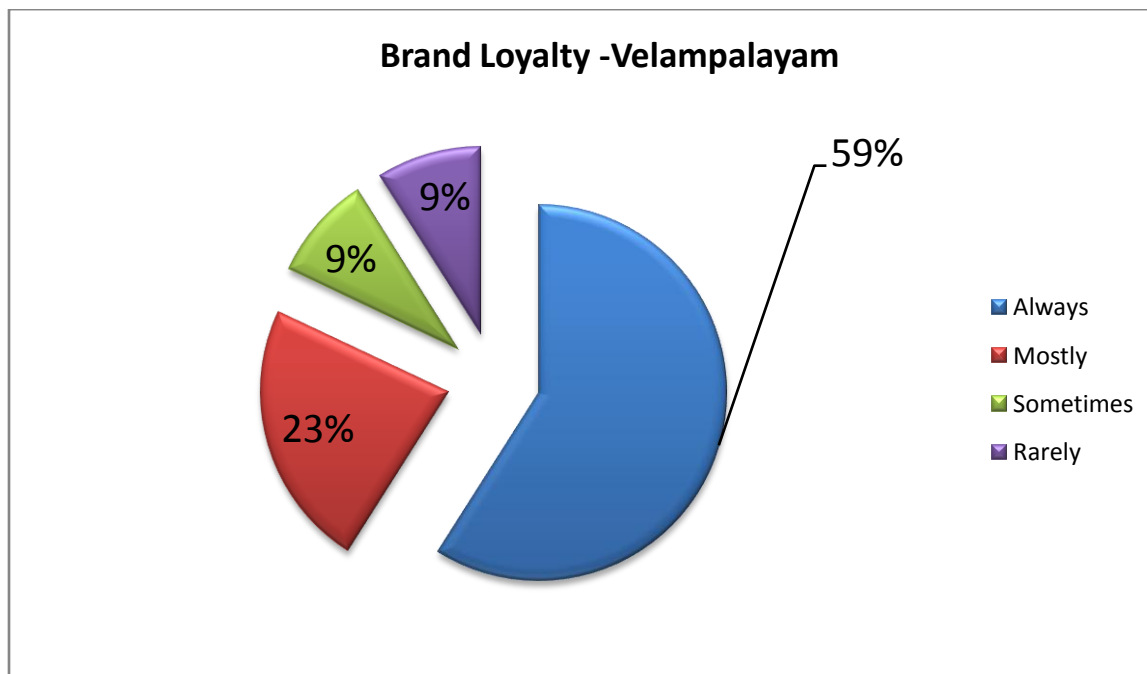


Figure.7.Illustrating Brand Loyalty % in Velampalayam village



The above picture reveals that all village respondents always buy the same brand i.e., tiger biscuit.



### Scope for Future

Research Future is bright for rural research particularly in FMCG category. Research can be done to suggest how marketing of FMCG in rural areas in India can also be performed through encouraging rural entrepreneurship. Also in future research can be oriented towards each sub-category of FMCG like, hair care, child-care, house cleansers, premium product categories like, colour cosmetics and body deodorants, etc. Sample unit for the current research consisted of rural population living in villages who are both buyers and consumers of FMCG. The choice of brand ambassador has a very significant effect on the purchase behaviour of rural consumer (Nain & Kumar, 2009).

### Conclusions and Recommendations

- Quality is important in the context of rural purchase and consumption of FMCG as rural customers prefer quality FMCG.
- Low prices have to be charged while maintaining the quality.
- Preference for attractive packaging is noticed in rural marketing.
- It is recommended to allot great deal of attention towards designing attractive packaging while keeping the costs low.
- Recommended to devise and implement sales promotion campaigns.
- Make retail strategies like shelf display.
- Apply CRM techniques like consumption points, etc.
- Choice of brand ambassador.
- Rural consumers associate long lasting feature with bigger size and/or hardness of the product.

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