

Ways of Capturing the Rural Market through Effective Advertising and Promotion in India

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Abstract:

Rural market is one of the most popular and upcoming markets in India and most of the companies especially FMCG companies are looking to stake their claim on the market. The rural market isn't one of the easiest markets to capture and many FMCG companies have been facing a lot of difficulties in controlling the rural market and earn high profits. One of the major areas where FMCG companies lack is how to attract the customers towards their brands product. Advertising and promoting brands in rural areas isn't an easy task at all. Rural customers are now becoming aware of the market situation and also about the various brands available in the market of the same products. The FMCG companies should invest intelligently into the rural market and also should know the various modes of communication which would genuinely promote their brands among the rural customers. The study focuses upon the study of rural customers as well as FMCG shops operating in those rural areas.

The technique used for collecting the data was Multi Stage Sampling technique and the method used for collecting the data was Convenience sampling. The study was conducted in 3 districts of Jammu Division (Jammu and Kashmir) and from each district 2 villages were taken as the sample size. 100 rural customers and 60 FMCG shops were taken for collecting the required data and the whole study is based upon the responses given by the rural customers as well as the owners of the FMCG shops. The place of research was selected based on the convenience and approachability.

Keywords: Rural Customers, FMCG companies, Advertising, Promotion.

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I. Introduction:

Advertising plays a major role in the marketing of any product or brand. Advertising can be termed as a communication process through which a certain product or brand's name can be communicated to the customers. Through advertisement, a product's details are communicated to the customer in a very attractive way to attract the customers towards buying that product. Advertising can be of around 7 main

types which includes Social Media Advertisement, Newspapers and Magazines, Outdoor Advertising, Radio and Podcasts, Personal Sales, Email Marketing.

As much as advertising is important for the company to attract customers, same is the case with promotions. Promotion is also a significant way through which a company promotes its products as well as brand in the eyes of the

customers. “What really decides consumers to buy or not to buy is the content of your advertising, not its form”- David Ogilvy

The Indian Rural market is growing at a tremendous rate and is emerging as one of the main challenges for various companies. The basic challenges which companies face is the fact that how will they effectively promote and advertise their products in rural areas. As most of the rural India is still devoid of basic facilities, the main challenge is to build a strong network of communication with the people living in Rural India. The ‘Rural’ market in India is a very diversified market and it can be defined as a market in which FMCG companies are trying to build a strong network to produce and diversify in a market which is almost 75% of the whole Indian market.

Rural marketing strategies play a significant role for any company which wants to establish itself in the rural market. If companies think that rural market is an easy market to target and get results and earn maximum profits without proper marketing strategies, then it’s not the right way forward. Often the problem lies in the fact that how the companies advertise their products and from which mode of communication they advertise their products so that the rural customers are made aware of the various brands and products and can choose them wisely according to their needs and wants. “Good content isn’t about good storytelling. It’s about telling a true story well”- Ann Handley

This research is quite significant if we look at the prospect of how Rural market can become a base for many a FMCG companies to earn higher profits. There are many ways through which companies can advertise their brands in the rural market, but all aren’t quite significant. This research shows which modes of communication

should a company adopt to attract as many rural customers as possible.

Now talking about the various methods of advertisement and promotion which the companies can adopt in detail.

- 1) Social Media Advertisement
- 2) Newspapers and Magazines
- 3) Outdoor Advertising
- 4) Radio and Podcasts
- 5) Personal Sales
- 6) Digital Media

“Marketers need to build digital relationships and reputation before closing a sale”- Chris Brogan, CEO of Owner Media Group

II. Review of Literature:

The rural market is one of the major markets which is now attracting a lot of companies to invest in. And one of the major ways to advertise in rural areas is through television and newspapers. This observation tends to state that people who say that only television is the main mode of advertising in rural areas isn’t correct. Newspapers act as one of the main modes of communication still in rural areas. Most of the information about various brands are brought to the light of the rural consumers through newspaper and also television. It works as a 60:40 relationship between television and newspaper with television as a mode of communication just edging past newspapers. The Research done on the topic “The Impact of TV Advertising on Buying Behaviour: A Comparative Study of Urban and Rural Teenagers” by Vinod Kumar Bishnoi and Ruchi Sharma(2009) clearly misses to point out the use of newspapers with television for the main mode of communication which affects the buying patterns of the consumers in rural areas.

Now talking about the impact of brand on people's buying pattern in rural areas. According to a few papers which talk about how people in rural areas preferred to buy more branded products than local products due to more awareness of various brands and also because they want to maintain their social status. This is a key point which a lot of companies have to focus upon while trying to control the rural market. People in the rural areas in this era with the use of television and newspapers are well aware about almost all the FMCG brands and want to buy branded products. So various companies can use this opportunity to promote their brands in the rural market and gain a full control over the market as well as earn higher profits. The Study done by Dr. R. Sivanesan on the topic "Impact of Brand Image and Advertisement on Consumer Buying Behaviour – Comparative Study on Rural and Urban Consumers"(2014) clearly indicates the point that brand image makes a lot of difference on the buying pattern of a rural consumer and if a company wants to build its product market in the rural areas, it has to promote its brand image as much as possible.

The rural market is a very homogeneous market and caters almost the same needs of all the individuals. Rural market is still a market with low literacy people. It's not changing overtime and that's the main goal of the companies to attract customers who are illiterate in this era of modernisation. The education level has grown over the recent years in rural areas. The literacy rate in rural areas according to the 2011 census was 78.24%. So, to attract customers, the FMCG Companies have to advertise their brands in a way to attract customers as the rural customers are very price conscious. The study done by Pawan Kumar and NehaDangi on the topic "Rural Marketing in India: Challenges and Opportunities" (2013) focuses on this aspect and tells that due to the barrier of low literacy rate in rural areas, its even

more hard for FMCG companies to establish their brands in the market.

Marketing is the need of the hour, that too if someone wants to acquire the rural market. With the passage of time, the rural market has become a hotspot for many companies to invest in as it is one the best means possible for them to attract huge amounts of profits. The customer has become the king and with rural customers getting to know more about various brands, their demands have increased and this is what the FMCG companies need to keep in mind. The way to advertise their products in the market isn't just through advertisements of their products in the television but through the use of effective advertisements which caters to the demands of the rural customers. The study done by Deepti Srivastava on the topic "MARKETING TO RURAL INDIA: A CHANGING PARADIGM" (2010) also has talked about the importance of proper marketing techniques and the use of proper advertising and promotional techniques to establish a threshold in the rural market.

III. Research Design:

This research is based on the rural areas of the Union Territory of India, Jammu and Kashmir. I have specifically chosen rural areas of Jammu Division as part of my research as it was convenient for me to conduct my research. The research primarily focuses on the most impactful ways in which FMCG companies can advertise and promote their product brand in the rural market and obtain a large market share in the rural areas. The main objectives of the research are to know the Most effective medium of communication in rural India, Understanding the rural customers in India, Present Scenario of rural market in India, Major challenges faced by FMCG companies in rural market in India, Promotion techniques used by companies in effective ways in

Rural India, Different communication techniques used by companies to advertise.

Notes

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Hypothesis:

H₀: there is no relation among set of people on perception and buying decision

H_a: there exists a relation between the people perception and buying decision

Data Collection Method:

In this research, the data collection technique used is Multi Stage Sampling technique to collect the

required data and conduct the research. Multiple questionnaires were prepared to collect the data. The sample size of the research conducted was 100 rural customers from 3 districts in the Jammu Division namely Samba, Reasi and Jammu and from every district, two villages were taken for conducting the research. The villages under Samba district were GurhaSlathia and Badwal, under Reasi were Sool and ChakBhagta and under Jammu were ChatthaGujjara and Marh. According to the 2011 Census, population of Jammu district is 1.25 crores, that of Samba district is 3,18,898 and that of Reasi district is 3,14,667. Also, along with the 100 customers, around 60 FMCG shops were also taken as a part of the sample size. 10 FMCG shops were taken from each village in every district. Both the questionnaires included 15 questions each. The method used for collecting the data was Convenience Sampling method.

Analytical Tools:

N Par Tests

a. Based on availability of workspace memory.

[DataSet2]

Friedman Test

Ranks

	Mean Rank
Sports Channel	2.65
News Channel	2.29
Entertainment Channel	3.46
Movie Channel	2.57
Mythological Channel	4.03

Test Statistics^a

N	100
Chi-Square	83.360
Df	4
Asymp. Sig.	.000

Notes

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*Nonparametric Tests: Independent Samples.

NPTESTS

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Nonparametric Tests

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Sports Channel is the same across categories of Mythological Channel.	Independent-Samples Kruskal-Wallis Test	.125	Retain the null hypothesis.
2	The distribution of News Channel is the same across categories of Mythological Channel.	Independent-Samples Kruskal-Wallis Test	.002	Reject the null hypothesis.
3	The distribution of Entertainment Channel is the same across categories of Mythological Channel.	Independent-Samples Kruskal-Wallis Test	.001	Reject the null hypothesis.
4	The distribution of Movie Channel is the same across categories of Mythological Channel.	Independent-Samples Kruskal-Wallis Test	.026	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

Null Hypothesis H_0 : There is no significance of the samples to represent each preferred TV channel

Alternative Hypothesis H_1 : There is significance of the samples to represent each preferred TV channel

Null hypothesis rejected as P value ($P > 0.05$) is 0.000. hence, we conclude that there is sufficient significance the samples which depict each category and all samples are drawn from same population

Tests for equal variances

q3 q8

N: 100 N: 100

Variance: 2.4318 Variance: 1.2784

F: 1.9023 p (same var.): 0.0015549

Critical F value ($p=0.05$): 1.4862

Monte Carlo permutation: p (same var.): 0.0001
As the P value is < 0.05 , we reject null hypothesis, and accept H_a that there is clear relation between the perception of TV commercials and buying decisions.

IV. Discussion:

Reasons for buying advertised products: Rural customers prefer to buy more of branded products rather than opting to buy local products. The rural market has changed significantly over the recent years. Now the rural customers prefer to buy branded products. This is because of the fact that people have now become more aware about different kinds of brands available in the market and also because they want to maintain their social image in the society.

Customer Preferences: So, the rural customers most preferred means of communication is through television and newspapers to be precise. The FMCG companies who are looking to establish their hold on the rural market should focus upon this aspect or the behaviour of the rural customers in this aspect. They should focus upon attracting their customers through means of advertisements in television channels and in newspapers. About the street plays, it is often seen that street plays aren't used as a means of promotion of products by FMCG companies in rural areas. This mode of communication can be a brilliant tactic to be displayed by the FMCG companies to attract customers towards their products.

Customer's Buying Pattern: The rural customers are very price conscious and their buying pattern usually depends upon the price of the product. The rural customers often prefer to buy low priced goods but won't compromise on the quality of the product they are buying. Most of the rural customers are price conscious and also it has been seen that the rural customers prefer to save money on a regular basis to buy certain brands product.

Products dealt by FMCG shops: The FMCG shops in the rural areas deal mostly in grocery and food items. Cosmetic shops in rural areas are very few in number. The FMCG shops are mostly into

grocery products and the demands of the rural customers are also met. The rural customer demands are mainly for grocery and food products but many or most of the rural customers prefer branded products rather than local products. So, talking about the needs of the rural customers. According to many FMCG shops owners, rural customers prefer both branded as well as local products.

Preferred area for selling: FMCG shops owners generally prefer selling their products in their own village rather than going to other villages and promoting their shops name. Selling of products outside your own village is done by very few numbers of people. They rather prefer selling their goods in their own village. Also, FMCG shops owners aren't really sure of advertising their shops and product brands through street plays. They don't indulge in much advertising processes and rather prefer selling products without much advertisement.

V. Findings:

This study helps us find various unknown things which will help the FMCG companies to have a strong control on the diversified rural market and its customers. The various findings which can be inferred from this research are as follows:

- The rural customers have become more and more aware about the various brands of FMCG products available in the market.
- The rural market is one of the hardest markets for various companies to capture their hold upon and increase their profits
- The best means of advertising in rural areas is through television and newspapers. These are the main means of communications in the rural areas.
- Most FMCG companies don't advertise their products through street plays which is

an efficient way of advertising and promotion in rural areas.

- Mostly FMCG shops in rural areas don't provide door to door services to their customers. Usually, popular shopping websites like Amazon, etc. provide door to door services in rural areas but that too not in all areas.
- It has also been observed that the owners of FMCG shops don't often advertise more about specific brands but rather look to promote their own shop.

VI. Suggestions:

After carefully analysing the research, a few suggestions which could be suggested are:

- It can be suggested that FMCG companies should advertise their product brands through mainly two modes of communication, i.e., Television and Newspapers.
- To maintain a hold in the rural market, FMCG companies should promote their brands in a way which attracts the rural customers.
- For companies to attract rural customers, they should offer certain discounts or use certain promotional offers like buy 2 get 1 free and attain control over the rural market in general.
- For FMCG companies to build their strong hold on the rural market, they should analyse the market situation and focus more on grocery and food items rather than cosmetics which aren't favoured by most of the rural customers.
- Also, it can be suggested that FMCG companies should put their product brands hoardings on various FMCG shops in the rural market.
- For the rural customers, they should be able to use different modes of

communication for getting more aware about the current market situation.

VII. Limitations of the Study:

One of the main limitations of the study conducted is that it was confined only to the rural areas of Jammu Division which comes under the Union Territory of Jammu and Kashmir. So, this study can't be the reflection of all the states of India, as it provides for only 6 villages from 3 districts in Jammu Division as the sample space. Also, another limitation is that no FMCG company was interviewed regarding their advertisement and promotional policies in the rural areas.

VIII. Conclusion and Direction for Further Research:

With all the results concluded, it can be concluded that the rural customers are now getting more aware about various brands available in the market, also they are getting more aware about the market situation and they can't be easily exploited. The FMCG companies should now focus more upon how to attain a control over the rural market and also study the market properly as to what are the major opportunities for them in the rural market. They should also focus upon advertising and promoting their brands through the best means of communication which is in use by the rural customers. As far as FMCG companies are concerned, they should focus upon selecting the appropriate television channels to advertise their brands as per the choices of the rural customers.

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