

## SYNOPSIS

### Title :

'Marketing of consumer goods in Rural Market.  
A study of Brand Loyalty for convenience goods.

### Marketing :

"Marketing is a social process by which individuals and groups obtained what they need and want through creating and exchanging products and values with others." - Philip Kotlar.

Marketing is consumer satisfaction engineering.

Marketing is the creation and delivery of standard of living to society.

Marketing involves - a) The recognition of demand,  
b) The stimulation of demand, c) Satisfaction of demands.

Marketing is and should be considered as a King pin of all the business activities in the modern world. There can hardly be any production which does not aim at providing for the wants of the people and this necessitates marketing of the product. Profit being the ultimate motive

of any business activity, the better the marketing, the greater are the chances of earning profits.

Rural Marketing :

The urban areas and the metropolitan towns like Bombay and Delhi have emerged as marketing centres but the rural section of the country has been neglected by most of the producers. Rural markets obviously occupy a predominant position since India lives in villages. Rural marketing has certainly not developed in India but with the passage of time the country side is gradually developing and providing better opportunities for marketing of the product.

Marketing in the rural areas particularly in India has got tremendous potential mainly because so far. It has not been exploited, to the mark. Awareness of brand name and brand loyalty can be easily observed in the urban markets and among the urban consumer. In the rural India brand loyalty among the customers has perhaps not yet emerged as a result of failure on the part of the producer's to reach the rural markets.

Quite a good number of commodities which may be described as 'convenience goods' have been introduced which have facilitated the lives of thousands of people living in the rural India. Soap, tea, match-box, cigarette are some examples of convenience goods.

Branding and brand loyalty :

The word 'brand' is a comprehensive term which includes brand names, designs and symbols.

Brand loyalty may be defined as the insistence of the consumer on a specific brand of the product. The degree of brand loyalty may vary from customer to customer. The present study makes an attempt to identify the "brand loyalty" of rural people in respect of certain convenience goods and with special reference to a village, selected as a sample village for the purpose of conducting an exhaustive study.

The objective of the study were as follows :

1. To identify the brand awareness and the brand loyalty of the rural customers in respect of certain convenience goods.
2. To assess the degree of brand loyalty among the customers.
3. To understand the reasons for the presence/absence of brand awareness and brand loyalty of the rural customers in respect of certain convenience goods.
4. To study the consumption pattern of the rural customers with a view to understanding the relationship

between availability of credit facilities, the availability, quality and quantity of goods and the price of goods with brand loyalty.

#### Chapter Scheme :

In the first chapter the introductory discussion of various concepts significant to this study has been presented.

In the second chapter the objectives of the study and the methodology have been described.

The third chapter elaborates the profile of the study area i.e. the Sonyal village.

The fourth chapter brings out the results of Sample survey and also indicates the conclusions of the sample survey.

The last chapter presents a summary of the main findings and suggestions.

#### Methodology of the study :

The present study is based on the facts and figures collected by conducting a sample survey of a rural market.

We present here the methodology of the study in the

following steps :-

- a) Selection of the village,
- b) Selection of the Sample,
- c) Sample Design,
- d) General Methodology.

#### Selection of the village -

In the course of the research the first decision that was to be taken was in respect of selection of the village. The selected Sonyal village is centrally located in the Jath Tahasil of the Sangli District from Maharashtra State. It is comparatively a small village located in a traditionally dry area. Considered as draught prone area. It is a typical tradition bound poverty stricken, agricultural village, where even agricultural sector is not properly developed. The average standard of living of the people is very low and as is normally believed the poor customers are not insistent in respect of specific brands of the non essential goods.

#### The Survey :

A sample survey was conducted in respect of selected families from Sonyal village. From the '352' families, '88' families were selected as Sample families and from them, one respondent was found to give the required information. Thus, 25% of the families were covered by the survey.

A structured questionnaire was designed to get the information of the '88' sample families interviewed, 86% families used washing soap. By and large the commodities, like tea, match-boxes and hair-oil were used by all the customers while the toilet soap and talcum powder were used by a very few families. Thus, the convenience goods selected were mostly used by all the customers. The commodity 'snow' was however, found not being used by any of the customers. This information helped in asking the subsequent questions relating to the choice of brand and brand loyalty.

It can be seen that of the 88 respondent families as many as 80% of the families were coming from the income group of less than Rs.10,000/- (Annual Income). It is also to be seen that only '3' of the '88' families had an annual income of over Rs. 20,000/- but below Rs. 30,000/-. It can thus be concluded that most of the families are poor families and as such they have a very little choice in respect of brands of various commodities. Out of the 88 families, 82 belonged to the agricultural sector.

The study of the '88' families selected for the Sample Survey revealed that the convenience goods were used by most of the customers. It was also found that the purchases of those convenience goods were made mostly by the wives of

the customers. The economic conditions, and the occupation of the customers had an important bearing on the consumption pattern of the customers. The brand awareness was found to be of a fairly high order but the customers were not in a position to identify the brands by their names. They could identify the commodities on the basis of the colour and the size and most of them were found to be quite familiar with the colour and the size of the commodities. It was also found that of the '10' convenience goods selected the commodity of snow was not at all being used by the customers.

In respect of 'Brand Loyalty' it can be stated that only '11' of the '88' respondents were loyal to the 'brands' once selected. However, it must be recorded here that the commodities such as 'tobacco', 'beedi' and 'cigarette' which are infact the addictions of the people were found to be commonly used and incase of these commodities the consumers were quite loyal to their brands. It can be concluded that -

The decisions of choosing particular brands were affected by the economic conditions as well as the price of the commodities.

Shop loyalty was found to be of a very high order and which was mainly affected by the credit facilities being made available by the shop keepers.

Most of the consumers made their purchases on the basis of the advise given by the shop keeper himself.

The degree of 'Brand Loyalty' is of a very lower tune among the rural customers.

Reasons for the low degree of brand loyalty among rural customers :

1. Rural marketing in India as is found is still substantially under developed. The customer retailer relations in the rural markets are quite intimate.

2. Advertising and other sales promotion compaigns have not so far reached the rural markets.

3. Most of the rural customers are illiterate and hence, they are not in a position to read the brand names nor even to identify the commodities by the brand names.

4. The economic conditions of the rural customers are very poor. Most of them are the marginal farmers.

5. The communication media such as news papers, radios, and T.V. have not reached to the rural areas.

6. The people receives weekly incomes and most of them makes weekly purchases at the time of the weekly bazaar.



7. It is a general observation that the consumption pattern of the rural people mainly includes the essential commodities only and as such the producers of such commodities like tea, coffee, washing soaps, etc. are not required to make any specific efforts to create the brand loyalty. What all the producers must do is just to have a firm grip over the retail traders in the rural markets.

As we have already mentioned most of the customers in the rural market decide their choice of the brand of the advise of the retailer. We suggest, therefore, that the following steps be taken by the concerned to create brand awareness and brand loyalty among the rural customers.

- (1) The producers of various commodities should establish proper relations and rapport with the retail traders in the rural markets.
- (2) To create the brand awareness the retailers themselves must be induced to make a proper propaganda of various brands.
- (3) For motivating the retailers to do so cash incentives in the form of handsome commissions must be given to the retail traders.
- (4) Steps must be taken to reach through agents or sales representatives to the rural customers in the Interior parts of the country where there is substantial potential of marketing activities.

- (5) Schemes of giving free gifts with the various brands of the commodities should be introduced by the producers of those brands.
- (6) The economic conditions of the rural people being poor prices of the commodities should be minimum and steps should be taken to see to it that the retailers do not charge higher than the normal price.
- (7) The retail traders should be motivated to make proper display of the commodities in their shops.
- (8) The producers should make such arrangements as would allow the retail traders to sale their commodities on credit to the customers.
- (9) Proper studies must be conducted by the producers to assess the market potential in the rural paprts particularly in respect of the convenience goods.
- (10) Finally, since most of the customers in the rural areas are illiterate. The producers of various commodities should establish the identify of their commodities and their brands with the help of coloured differentiation and the size differentiation.

Thus, the present study indicated a wide scope for marketing of convenience goods in the rural areas which may create brand awareness and brand loyalty in the subsequent years.