CHAPTER VII

SUMMARY OF FINDINGS, CONCLUSIONS AND SUGGESTIONS

7.1 INTRODUCTION

Rural marketing plays an important role in India’s development strategy, particularly in the areas of structure diversification, modernization, globalization and self-reliance. India lives in villages. The progress of Indian markets is general and rural markets in particular over the last forty years is manifold and contributing to economic and social terms formations. Rural India and rural marketing activities have witnessed an era change in the Post-Independence period. Due to liberalization, companies are increasingly targeting villages since 90 per cent of the rural population is concentrated in such villages. This neglects the great potential that rural India has to drive the much needed volumes and help Fasting Moving Consumer Goods (FMCG) companies to bank upon the volume driven growth. There has been always a vast difference between the urban and rural markets for a long time now. The kind of brand choices that an urban consumer enjoys is different from the choices available to the rural counterparts. The rural consumer usually has 2 to 3 brands to choose from, whereas the urban consumer has
multiple choices. There is a difference also in the way of they think. The rural consumer has fairly simple thinking as compared to the urban counterpart. Hence, it is interesting to understand the buying of practices of rural consumers on FMCG products. The present study is an attempt to analyse the buying practices of rural consumers for selected Fast Moving Consumer Goods in Madurai district.

**Objectives of the Study**

The specific objectives of the study are:

1. To discuss the characteristics of the sample respondents and their shopping pattern.
2. To study the extent of consultation and factors influencing the consultation with other family members.
3. To analyse the role of influences and the extent of consideration of influences on suggestions.
4. To discuss the different types of promotion schemes and incentives.
5. To analyse the belief structure of consumer towards sales promotion.
Sample Design and Period of Study

The study was based on primary data collected from 600 randomly selected rural consumers by personal interview method. For this, a well designed pre-tested schedule was prepared. The secondary data relating to rural marketing practices and the like were obtained from the journals, books and websites. The period of data collection pertained to the year 2007-08.

In the foregoing chapters, characteristics of the sample respondents, family profile of the respondents, general shopping pattern, extent of consultation, degree and determinants of consultation, brand loyalty, factors influencing the purchase of a particular brand, brand preference of the consumer, role of influencer, promotion schemes, incentives, incentive outlays and belief structure of consumers towards sales promotion identification of brand loyalty, factor influencing purchase of particular brand and brand preference of the consumer have been discussed. The major findings of the analysis are now summarized in the present chapter.
7.2 SUMMARY OF FINDINGS

In chapter IV, an attempt has been made to analyse the characteristics of the sample respondents, their family profile, shopping pattern of the respondents, extent of consultation, degree of consultation and its determinants.

It is revealed from the analysis that majority of the rural consumers (57.67 per cent) were in the age group of 40 to 50 years (22 per cent). Among the sample respondents, 58 per cent were female and remaining 42 per cent were male. It is inferred that only 13 per cent of the total respondents were illiterate.

Among the respondents Hindus numerically outnumbered other religious groups, followed by Christians and Muslims. About 55 per cent of them were BCs and MBCs followed by Scheduled Caste (23 per cent).

Occupation-wise classification revealed that nearly 27 per cent were housewives followed by self-employed professionals (23.67 per cent) and those working in private concerns (16.33 per cent). In family circles,
mothers constituted 32.67 per cent, fathers 21 per cent and grandfathers 16.33 per cent.

It is inferred from the analysis that nearly 54 per cent of the sample respondents have their monthly income below Rs.5000 followed by Rs.5000 – 10000 (32.33 per cent). Regarding the family size of the sample respondents, majority of them (33.33 per cent) have 4 to 6 members followed by members 6 and above (30.67 per cent). Nearly, 70 per cent of the sample respondents were in nuclear family. Majority of the respondents (45.33 per cent) family income was below Rs.10000 per month followed by Rs.10000-15000 (32.67 per cent).

It is revealed from the analysis that among the male and female respondents, 88 per cent and 79 per cent respectively were earning members.

Out of 600 sample respondents, nearly 56 per cent of them have electricity facilities. It is followed by TV with cable (16.33 per cent). Regarding the shopping pattern, out of a total of 600 respondents, 432 (72 per cent) of them have used toothpaste, 252 (42 per cent) of them have consumed health drinks, 480 (80 per cent of them have used toilet soap and 236 (39.33 per cent) of them have used shampoo.
It is inferred from the analysis that out of 600 respondents, majority of them (51.33 per cent) have purchased from local petty shop followed by town retail shop (16.33 per cent). Majority of them (73 per cent) have purchased goods whenever need arises and 76.33 per cent of them have purchased goods with ready cash. Among the credit holders maximum number of respondents (78.87 per cent) have repay their credit weekly once followed by monthly once (15.49 per cent). Majority of the sample respondents (59.67 per cent) go by bus to purchase goods.

Regarding consultation preceding purchase, out of 600 sample respondents, nearly 31 per cent consulted extensively with their family members.

In order to examine the relationship between the degree of consultation and profile variables, Chi-square test was used.

The Chi-square result revealed that the degree of consultation depended on age, education and family size of the respondents. The computed results of multiple log linear regression model showed that the age and family size were positively related to the degree of consultation while
the variable education had negatively related to the degree of consultation with other family members.

The chapter V dealt with the role of influencer, the extent of consideration of influencer on suggestions, different types of promotion schemes and incentives, incentive outlay ratios and belief structure of consumer towards sales promotion.

It is observed that there are about 882 members in 600 respondent families who have acted as influencers.

Among the influencers, 53.06 per cent and 46.94 per cent are male and female respectively.

Majority of them (58.96 per cent) are under the age group of 15 – 35 years. It is followed by 35-50 years (19.05 per cent). All of them are educated. Among them 32.43 per cent are graduates and 9.52 per cent are professionals / technically qualified.

Out of 882 influencers, 23.51 per cent of them are having their own business followed by the working in Government concern (19.50 per cent) and housewives (17.23 per cent).
It is observed that out of 882 influencers, majority of them (35.37 per cent) are husbands to the respondents followed by wives (31.29 e cent), children (12.70 per cent) and grand fathers (7.71 per cent).

Out of 882 respondents, the maximum numbers of influencers are husbands for tooth paste, and wives for health drinks, toilet soap and shampoo.

Chi-square test was carried out to examine whether there is any relationship between influencer members and product purchased. The results revealed that a relationship was found between influencer numbers and product purchased.

Regarding the extent of consideration of influencer’s suggestions, majority of the respondents (58.67 per cent) have completely considered the product purchased.

In order to examine the association between the characteristic variables such as monthly household income of the respondents, age, education sex, occupation and family size, chi-square test was applied.
The chi-squares test revealed that income only influences the choice of the product purchased.

In order to promote sales, companies have followed on price promotions namely price offs and coupon offers. The analysis of incentive outlay ratios revealed that the health drinks had the lowest mean value whereas the highest was observed in toothpaste. The highest and the lowest range values were observed for tooth paste (0.98) and health drinks (0.42).

The analysis of nature of schemes inferred that bonus pack, price off and special offer were given maximum to tooth paste. Free gift was given to toilet soap. In the case of shampoo, bonus pack was found to be the most influential sales promotion.

Chi-square test was used to find the relation between the scheme and product category. The test revealed that there is an association between incentive scheme and product category. Analysis of variance was carried out to test the significant difference in incentive-outlay ratio. The result revealed that mean I.O. ratios are significantly different for four products under study.
Factor analytical method has been used to extract the important factors of belief structure of consumer towards sales promotion. The results revealed that ‘materialism’, ‘cheating’, product incredibility, ‘worthless premium’, ‘Quality Deficiency’, and ‘price manipulation’ are the important dimensions of belief structure towards sales promotion.

In chapter VI, brand preferences of fast moving consumer goods among the respondents were discussed.

Chi-square test has been carried out to examine the relationship between brand preference and characteristic of the sample respondents. The results revealed that the age, sex education and monthly income of the respondents have influenced the brand choice of tooth paste, health drinks, toilet soap, and shampoo.

Garrett’s Ranking Technique was used to identify the factors which influence the purchase of fast moving consumer goods. It is inferred from the results that Freshness and company image have been given top priority by the respondents for the purchase of tooth paste. In the case of health drinks, health and taste were ranked first and second by the respondents. It is followed by flavour and company image.
Fragrance and Lather were given first and second rank by the respondents for purchasing the toilet soap. It is followed by price, freshness and company image.

In the case of shampoo, anti-dandruff quality and price were ranked first and second respectively. Brand preference of the consumer has been studied by adopting ‘multi dimensional scaling technique’. The results revealed that the brand close-up, cibaca and pepsodent are in top list in ‘freshness’ perception for toothpaste. In the case of health drinks, boost, Horlicks and Complan are the brands leading to health perception. Brands like viva, Bournvita and Maltova are leading to taste perception. Cinthol, Lifebuoy and Medimix are leading in ‘fragrance’ perception. Brands like Hamam, Rexona and Chandrika are in ‘lather’ perception.

In the case of Shampoo, clinic plus and chick shampoo are leading ‘antidandruff quality’ perception. Brands like Head & Shoulder, Panthene Dabourvatica and Rejoice are leading to price perception.
7.3 OBSERVATIONS AND SUGGESTIONS

On the basis of the above discussion a few observations can be summarized as follows:

- Rural markets are developing fast and the marketeers (that is local, national and international) are concentrating on this huge market by way of effective advertising, pouring a verity of branded and attractive packaged goods. As a result, the consumption pattern of rural people has changed drastically. They are preferring Pepsi and Coca Cola to tea as these soft drinks are easily available in rural small shops, tea stalls and pan stalls at affordable prices. Rural market is a huge market and to tap it fully it is needed to improve the efficiency of distribution channel so that rural consumers receive required commodities at right time, at right place and affordable prices.

- One of the observations of the study is that illiteracy is a major hindrance in the way of rural marketing. So audio-visual ads are most effective in rural areas to inform the consumers regarding the commodities. While asked about how they differentiate the commodities of the same use, a sizeable number of respondents stated
that it is difficult task to make difference between two branded goods for example Bytc and Bytco tooth powder, Nirma and Neerma. There are a number of cases of cheating and exploitation of rural consumers. In this regard, it may be suggested that consumer protection movements should be activated in rural areas. Consumer awareness must be created by way imparting consumer education.

- It was observed that a few respondents had brand loyalty, Majority of the respondents (Male and Female) stated that brand does not matter to them what they want is to fulfill their needs. However, some respondents had been using only specific branded goods and ignored shift to other brands. In this regard, I would like to suggest that the manufacturers, and the marketeers should concentrate on brand value that is the quality, utility and reliability of their products.

- It can be inferred from the study that majority of rural women consumers use cheaper, low quality goods while men consumers use comparatively high quality goods.

- One of the observations of the study is that rural consumers purchase required goods from retail shops in the villages. Whenever required
purchasing is done from weekly bazzars and Taluka places. Sometimes rural consumers purchase goods from distant places.

- Rural consumers gradually are being habituated to eating at dhabas, small hostels and imitating their urban counterparts. They prefer to purchase small packs and low priced commodities for example small packs of shampoo, tooth paste etc.

- Consumption pattern of rural consumers is dependent on their age, income levels, education, occupations.

- The study revealed that TV, and Movies have deep impact on the minds of rural consumers particularly children and young consumers.

- Most of the consumers go by quality of the product. So the FMCG companies should strictly adhere to the quality standards. As price is the second factor that influences the purchase of the product in most of cases, the product should be reasonably priced. Rural people expect quality oriented functionally based product with reasonable price.

- Among the toothpaste brands available in the market, most of the consumers purchase Colgate. The other brands do not have a good place in the minds of consumers. So, the other brands of toothpaste should try to get more market share in the rural area with the help of
creating brand awareness. The toothpaste companies should create brand awareness with the help of mass advertising through media because advertisements are a major source of information for the rural consumers who come to know of the products through advertisement.

- Among the toilet soaps, Hamam is the leading brand of which most of the consumers are satisfied. Here also the other brands of toilet soap are not having excellent place in the minds of rural consumers. The toilet soap companies should create good brand image and awareness with the help of mass advertising and through the shop keepers.

- Among the rural consumers the use of toothpaste and shampoo is very meager. It shows that they follow traditional methods and are unaware about the product usage and its benefits. So FMCG companies should create awareness about the usage of toothpaste and shampoo, educate the product values and increase their market share.

### 7.4 CONCLUSION

Rural India having more than 70 per cent (72.10 crore) population living in 6.27 lakh villages, is a huge market. Obviously, a number of FMCG companies are trying their best to harness the business
opportunities in rural India. Electronic media, efficient transportation system, increasing levels and strategic marketing policies are the major contributing factors to enhance the scope of rural marketing. Rural consumer is changing his consumption habits to suit himself to changing environment.

7.5 FURTHER RESEARCH DIRECTION

The geographic segmentation variables may be explored for further research in the area of gender difference to understand the role of adolescents in family purchase.

Indian families have different social mores which require a detailed exploration in family research and in particular family purchase decision. The diversity on the basis of caste-based society and religious bondage may give a direction for future research.

The effect of technological development (e.g. internet) as an information source may be investigated to study its impact in developing awareness and knowledge for male and female adolescents.
Below 10000 | 45.33
10000 - 15000 | 32.67
15000 - 20000 | 12
20000 - 25000 | 5.33
25000 and above | 4.67

**Figure 4.1**
Monthly Family Income of the Sample Respondents

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<th>Income</th>
<th>Percentage</th>
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<td>Below 10000</td>
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<td>25000 and above</td>
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Series 1