LITERATURE REVIEW

2.1. Introduction to rural markets

It is said by Mr. Adi Godrej of the Godrej industries that the rural markets are vibrant and the rural consumers are discriminating. It is at the current rate of development, and growth, the rural market will soon outperform the urban market. He also said that, the rural market will not be sleeping any longer. This clearly shows that the significance of the rural market at the current competition is to capture the consumer loyalty and the market share. India is mainly comprised of villages and it is considered as the land of villages. It is even today; about 70% of its overall population survives in villages. Always the private sector used to ignore this huge population because of the low literacy rate, low level of income and the greater cost due to the inappropriate infrastructure facilities. The unavailability of the appropriate distribution media and the channels and the low awareness makes the rural market to never view upon as the market of profit making. Though, as the development in the urban market began stagnating, the requirement for discovering the new market became apparent. Thus, the organizations began searching for the forays into rural market for development. Though, the consumers in the rural areas are divergent from that of the consumers in the urban market in terms of the attitudes, priorities, interests etc., they possess to be dealt in various ways (Dhumal, Tayade & Khandkar, 2008).

The rural population in India accounts for about 70% of the overall population and it is growing at a great rate in compared to that of the urban population. According to Madaan (2009), Haats (weekly Markets), Melas (village fairs) and Kirana stores dominated the rural market in India. The consumers of urban and rural get varied in their characteristics at the time of purchasing any goods. The explanation behind this variation is numerous, like the occupation, life style, age and life – cycle stage, personality and self concept, the psychological features like the cognition, motivation and perception and economic situation. The purchasing decision of the customers of diverse occupations, age varies
from urban to rural areas. It is that the rural areas get bounded by the numerous customs, values and traditions that brought a huge change in the personality and the life style of the customers of the rural area in contrast to the urban areas in which the people are much concerned towards the western culture. The low per capital earnings of the customers in the rural areas confined them for less range of consumption in compared to that of the people in the urban areas where the consumers are much conscious about the brand and they are very much prepared to pay high.

The main variation in the urban and the rural market is that the rural market is in the under developed condition and the people are also much lower aware regarding the new brands and trends as contrasted to that of the urban customers. Also the medium of correspondence in the rural areas are dissimilar in comparison with the urban market. Print, melas, word of mouth, folk theatres and the radio are some of the medium of communication for the promotion of the goods whereas the advertisement through the print media and the television are the major source of promotion in the urban market. The diversification of languages is also a great problem in India, since the country never had a language that was in common that could be able to understand by huge masses of people. This is considered as a barrier in the effectual communication in the rural market as the language differs from the place to place, state to state and even district to district (Dhumal, Tayade & Khandkar, 2008).

The potency of the rural marketing placed in the 4A approach that is, acceptability, awareness, awareness and affordability of the customers. Though the weakens like that of the illiteracy, low per capita income and etc. could be conquer as much more firms are taking attention into the rural marketing in India in order to conquer the untapped market. The chances and opportunities for the rural marketing in India are that of more than 128 million households, the huge dimension of the rural market, vast potential market for the durables and FMCG, easy reach of the television and mass media, increase in the rate of literacy among the rural population has manipulated the consumer behavior. The threats of the rural marketing are its astonishing nature as contrasted to that of the urban market (Dhumal, Tayade & Khandkar, 2008).
Foxall (2005) mentioned that, consumer behavior is the process which engages the people in searching for, using, evaluating, selecting, purchasing, and disposing of services or products with their own desires and needs.

Loudon (1988) mentioned that consumer behavior is the process that focuses how the groups or individuals make decisions in order to spend their own resources (effort, money and time) on the related consumption items. Today, most of the organizations are considering that the consumer’s buying decision is the most important factor for their business success. So that, organizations believe in advertising about their services or products and other details in order to reach consumer quickly (Low, George, and Fullerton 1994).

Russell (2002) and Lehu and Bressoud (2008) mentioned that, marketing is the process of planning and executing the pricing, conception, promotion, and distribution of goods or services, products and ideas in order to attract more customers towards the product thereby satisfying their industrial objectives and goals. Advertisement and branding plays a key role in selling products. Lehu and Bressoud (2008) mentioned that, peoples have more awareness about the branding. But still the people in rural areas are not having awareness about branding products and this due to their illiteracy and unawareness about the recent happenings.

According to Schiffman and Kanuk (2007), brand name plays an important and key role in marketing and also results in the success of a particular service or product. Blackwell, Miniard and Engel (2006) mentioned that, branding ensures the customers about the quality of product or services. Apart from these, Low and Lamb (2000) stated that branding is the one which have ability to promote the sales volume stability and also to enhance repeat sales. Branding is a most important strategy to be adapted by marketers in order to attract more customers towards them. Marconi (2003) mentioned that, brand is a unique name or symbol (such as trademark, logo or package design) which helps to identify the products or goods of either group of sellers or one seller and that helps to differentiate those products or goods from the competitors. According to Rooney (1995), the industries or organizations use brand name as a new way to attract customers and also
to keep them by promoting image, value, lifestyle, and prestige. The industries’ brand name helps people to identify the goods or services and also it conveys about the quality of service or product. Hudson and Hudson, (2006) mentioned that, advertisement is one of the best measures in order to attract the customers to purchase their products. Advertising about the particular products or brands will reach quickly to the people in urban areas and it is most difficult to reach the people in rural areas.

The consumer behavior has been explained to indicate the decisions, actions and procedures of people who buy services and good for personal utilization. It is reported by Balram Dogra & Karminder Ghuman (2008) that with around 72 percent of the population surviving in the villages and producing around half of the income of the nation, the rural market is being viewed as the avenues of future for the growth of business. It displays regional, linguistic, economic disparities and cultural diversities, therefore could be recognized as much composite as that of the complete market of a particular continent.

Probably the rural consumers indicate the much continuing cultural traditions those budding economies and might offer an unexplored cultural point of view of economic development (Martinez and Carbonell, 2007). The standard MPCE (monthly per – capita consumer expenditure) was about Rs. 511 for rural India that encompasses of about Rs. 206 for non – food commodities Rs. 305 for food. For the urban population, it is about Rs. 1060 that encompasses of about Rs. 619 for non – food commodities Rs. 441 for food.

There was a turn down in the allocation for food in the total expenses that is about 54 percent in the rural areas compared to that of the 64 percent during the year 1987 – 88 and about 42 percent in the urban areas compared to that of about 56 percent during the year 1987 – 88 (National Sample Survey Organization, GOI). The marketers have unstated the hidden potential of the rural groups therefore they are intending the rural regions to the fullest to achieve greater market share and to beat the thrash the opposition due to saturation of urban markets.
2.2. Theoretical reviews on rural consumer behavior in India

According to Tykkylainen (1988), the economic improvement of an area is resolute by its policy measures, past development and structure, alterations in the resources and demand. Particularly, the rural markets in the budding country India indicates the last cutting edge for the international brands that looking for the extension into the newer geographies. The current hold back in development in the wide economy has done rural markets much attractive as that the marketers struggle to renovate the top – line development. Though, the enthusiasm for the rural markets required to be tempered since the scale of investment and the complication of these types of markets need to attain penetration. The marketing policies that worked for that of the urban markets do not automatically work for the rural areas. The retail shops in the rural areas react to the alterations in the fundamental sectors of the restricted economy and to the progress of the rural area in general.

It is because of the decline in the primary sector, the shops in the rural area have a dwindling number of consumers, at least in the rural areas of the country. Also at the same time, growing mobility, altering in the behavior of the consumers and the requirement to raise the revenues of the shopkeepers manipulates the retail trading. The survey on the household expenditure of the consumers for the year 2009 – 10, that was released by the NSSO (National Sample Survey Office) discloses that the rural Indian households are expending much more on the consumer goods like that of the beverages, services and durables as compared to that of the expensed that was made on such type of things some five years back. It is showed in the 66th round of the NSSO that the MPCE (monthly per capita expenditure) in the rural India was about Rs. 953.05 (that is in, US$ 20.69) during the year 2009 – 10. This is a raise of about 64.6 % from that of the year 2004 – 05 (Murugai, 2012).

The base of the Indian customer is greatly supported by that of the rural population (that is, about 70 % of the population of the country) that gets revenues for most of the foremost conglomerates that operates in the diverse markets in India. The rural market in India with its heterogeneous demand base and its size provides great lucrative chances to
the marketers. After all that, two thirds of the consumers of the country survive in the rural areas and approximately half of the income of the nation is produced in the rural hinterland. India could be classified into about 450 districts and about 6,30,000 villages that could be divided in various parameter like that of the accessibility, income levels, distances from that of the nearest towns, literacy levels, distribution networks, market penetration etc. The rural customers are basically varied from that of their urban counterpart. The restricted exposure to the services and products and the lower levels of literacy are well – known. But there are variations in the options of occupation with a straight impact on the income flows and the income levels, and a greater level of inter – dependency that affects the dynamics of the rural community behavior. All these contribute to make the behavior of the rural consumers obviously distinct from that of the urban (Murugai, 2012).

In the rural market, the consumer behavior is even much perplexing due to the singular be deficient of the steadiness in cluster that is homogeneous in the parameters of the demographics like that of the occupation, income, age and education. It is realized by most of the marketers that, India is located on the cusp of the significant change. The incomes are increasing, the economy is vibrant and the attitude and the preferences are altering rapidly. But it is nowhere much obvious than in the rural India. Thus, there is an emerging requirement to build proficiency in rural marketing. There exist some three challenges that the rural marketers have to overcome. The initial of this is that the challenges of reach – markets located in the rural India that are scattered and small that makes them unreliable and inaccessible or both. But this issue is not at all new and most of the organizations let it obstruct them excessively even as others conquer it with modernism. The next issue is that to make sure that the customers are conscious of the brand and need it. The third challenge is that the influence. It is that the old saying mentioned that the customers are the king since the decision of a customer makes effect on the demand of any of the service or product. The perception of the buyer or consumer decides that how the demand will come forward for a new service and product and how the existing services and goods would endure in future and in which mode (Srivastava & Kumar, 2011).
The learning of the consumer behavior of the rural India entails why and how a specific customer responds to the decisions of the producers. The learning of the consumer behavior is the analyze regarding how the individual make the decision to pay out their accessible resources (effort, money, time) on the consumption associated items. Also this comprises of the study of when they purchase it, how often they purchase it, why they purchase it, when they purchase it and how often they utilize it (Srivastava & Kumar, 2011).

Howard and Sheth (1969) in their research found that consumers decide to purchase a product after considering the characteristics of a product such as price, quality distribution, availability and services.

Pilley and Sexena (2005), stress the importance of disposable income with the rural consumers which affect their needs and buying pattern

There are several myths regarding the rural sector. They are that,

- The rural people do not purchase brands.
- The rural consumer purchase cheap products. It is in reality they look for value for money.
- The rural marketplace is homogenous accumulating. It is in fact it is interestingly heterogeneous.

The census of India by the year 2011 explains the rural areas as any environment with the density of population of less than 400 persons per square kilometers. It is in that at least 75 percent of the male population who are working is engaged in the agriculture. It is where there subsists no board or municipality inclining aside ITC and Hindustan Uniliver Limited, most firms in the sector of FMCG would explain rural as any area with a population of up to 20,000 (Srivastava & Kumar, 2011).
Basically the rural consumers are divergent from that of their urban counterpart and divergent geographies of rural areas display substantial heterogeneity. This calls for the region specific and rural specific strategies. For instance, a farmer in the area of rural Punjab is to a great extent progressive than compared to that of his counterpart in Bihar. In the same way, a farmer in the state of Karnataka will be far more educated than compared to that of the one in the state of Rajasthan and so on. An individual in an urban area is free to acquire independent decision of purchase. On the other hand, in a village because of the reason of strong social pattern, comprising of low literacy level and the community decision making and caste consideration is making quite general (Srivastava & Kumar, 2011).

The firms face numerous challenges in undertaking the rural markets. The marketing is all regarding getting to be familiar with the consumer. But possessing highly ignored cardinal principle; most of the corporations in the rural markets discover that the success has evaded them. The market of rural areas accounted for about $27 billion of the market worth. Around 285 millions survive in the urban areas of India while about 792 million of people survive in the rural areas. About 72 percent of the overall population of India resides in their 600000 villages. Most of the firms like HCL, Godrej and Colgate – Palmolive etc. has been by now furrows into the rural households but yet detain the market is a dissimilar dream (Viswanathan, Sridharan & Ritchie, 2010).

It is for quite some time now, in rural India the life over there has been the subject of the animated deliberations in the corporate suite, with that of the urban markets receiving drenched for more than a few groups of consumer goods and with increasing rural income. For instance, the Tata Chemicals runs a chain named Tata Kisan Kedra that provided services that varied from that of the input of agriculture in order to finance to advisory services. The company Hindustan Levers is providing deals to farmers in order to cover the operation from that of the pre harvest to the stage of post harvest. One of the India’s chief farm equipment company Mahindra & Mahindra Limited and its subsidiary services of Mahindra Shubhla has functioned in about 11 states with about seven lacks a strong customer base of Mahindra tractor. Also about more than 400 dealers offer an
absolute variety of services and products in order to enhance productivity of the farm and institute market associations to the commodity market chain (Srivastava & Kumar, 2011).

2.3. Purchase behavior of rural consumers towards FMCG goods

Fast Moving Consumer Goods companies in India are enjoying the vast potential market due to the large population. Fast Moving Consumer Goods companies improved economic condition of both the urban and rural consumers. The Indian Fast Moving Consumer Goods companies enjoy the diverse industrial base and provide various products to consumers such as personal care products, oral hygiene, toiletries, soaps, grooming products, detergents, beverages, packaged foods, healthcare products, bulbs, glassware, batteries, etc (Jain and Sharma, 2012).

Fast Moving Consumer Goods companies are the fourth largest industries in India, and it creates career opportunities for more than three million people and it have market size of about Rs 110000 crores (Kavitha, 2012). Fast Moving Consumer Goods industry is characterized by well established distribution network, lower per capita consumption, low operating cost, low penetration levels, and intense competition between the unorganized and organized segments. FMCG (Fast Moving Consumer Goods) are popularly called as Consumer Packaged Goods. Consumer Packaged Goods include the items such as consumables (other than pulses / groceries). Consumer Packaged Goods is the items which people or customers buy at regular intervals. For example: most common in the items in consumer packaged goods are toothpaste, packaged foodstuff, toilet soaps, detergents, shaving products, and household accessories and also it extends up to electronic goods such as MP3 players, mobile phones, batteries, digital cameras, Laptops and so on. The Indian Fast Moving Consumer Goods market is playing a main role in both domestic and international economic level. In India, all international brands and Indian brands are enjoying higher acceptance in urban market, where the rural market is mostly dominated by the local and regional producers. The Fast Moving Consumer Goods industries act as the corner stone of Indian economy. These industries touch every aspect of the human life. Fast Moving Consumer Goods producers realized the importance of rural customers and their opportunities in the rural market and now they
too enter into the rural market. The competition among the manufacturers of Fast Moving Consumer Goods (FMCG) also growing very fast and so investment in Fast Moving Consumer Goods sector is also increasing in India.

There is an obvious change in the pattern of consumption and purchasing of the Bottom of Pyramid and the change could be accredited to numerous components. They are that of the growth in revenue and alter in the distribution of income, enlarged reach of media (specifically television). This also includes the development in education, development in correspondence with the urban communities and specifically the efforts of the marketers to reach out of the rural market. This is due to the extreme competition that results in the near diffusion of the urban market. So, the focal point was transferred from the urban to the new unknown rural markets almost immediately after the propagation of brand. It is found out by Subramanian and Gomez-Arias, (2008) that despite the constraints of the resource and income, the consumers are much creative and sophisticated. They are provoked not just by physiological and survival requirements. But they need to accomplish higher order requirements either to construct the social capital, for the cultural reasons or as a mechanism of compensatory. The consumers are in need of greater requirements. It is also found by them that when the organizations offer goods that also accomplish these greater order requirements, particularly through the linkages to job offerings and education, there is a higher opportunity of their accomplishment. It is said by Martinez and Carbonell (2007) that there persists a marketing myopia that limits the firms from considering the realism, finding out the chances and getting into the unfamiliar markets.

There is growth of 3 to 4 % in the Indian rural market per annum. Every year, there is an adding up of more than one million new customers. In India, this accounts for nearly 50 percent of the volume purchase of the FMCG (fast - moving consumer goods). The purchase of FMCG’s in the rural India got increased year by year. Due to the increased purchase behavior of the consumers, the size of the market of the sector of fast moving consumer goods is anticipated to more than double to about US$ 23.25 billion by the year 2010. As a result, the rural market in India is becoming a significant place of market for
the goods of FMCG and also for the consumer durables. Also the purchasing behavior of the rural consumer towards the FMCG goods have been changing that could be viewed as an evolutionary approach.

It is as per the study of ASSOCHAM, the companies like Dabur India, and Hindustan Unilever Ltd generates half of their revenue from the sales in rural India. Then the companies like Marico and Colgate Palmolive India comprises about 37 percent respectively. Though the GSK and Nestle India Ltd consumer making about 25 % of the sales in the rural India. A study had been made by Banumathy and Hemameena (2006) on the preference of the brand of the soft drinks with reference to rural areas in Tamil Nadu, India. This study was done with the use of Garrets ranking technique in order to rank the components that influence the purchasing behavior of soft drinks by the rural consumers. It is found by them that the quality of the product had been ranked first and it is followed by the retail price. The availability and good quality was the main factors that influence the consumers in the rural areas regarding the specific brand of a product. Also it is accordingly the purchasing behavior of the consumers get change.

In order to understand the purchase behavior of rural consumers, it is necessary to analyze the factors that manipulate their preference, purchase behavior and at the end the decision making. The factors comprise of the Cultural Environment, Occupation, and Involvement of the users, social environment, Media and education. All of these factors manipulate and trigger the purchasing behavior of the rural customers and also assist in decision making. It is that when Bhanumathi and Hemameena (2006) evaluates the impact of advertising on the market of consumer durables, it was found out that the friends are the major influence that was followed by the relatives and therefore they have to be provided while planning of the promotional strategies.

It is in the study made by Viswanathan and Rosa (2010) on the factors that influences the consumer decision for purchasing of biscuits found that that rural customers purchase biscuits at least once for in a week. It was also found that the customers use to prefer for the packed biscuits to that of the loose ones and small packets compared to that of the
bigger ones. It is observed by Subrahmanyan and Gomez-Arias (1999) that the rural customers in general were manipulated by wrapping of the product on the other hand, the urban people buy the product features and promotion.

Randhawa and Chahal (2005) observed that the rural customers are much influenced by the advertisements and the impact created by it. They are also much triggered by the electronic media compared to that of print media. For instance, an analyze made by Chikweche and Fletcher (2010) in Zimbabwe found that the price which is recognized as the only and much significant components in the purchase decisions of customers, was not the only much significant component in the purchase decisions of personal hygiene or food products to the consumers. Same type of outcomes was found in another study made by Viswanathan et al (2010). Also the purchase decision is influenced by the women of the rural India contrasting to that of the earlier time during when the decision was mainly based on the choice of males.

It is identified by Hanumantha Rao (2000) the factors that influences the greater per capita utilization of cereals in the rural areas. They are the higher energy necessity because of high manual labor, greater prices of non – food items and non – food grains, reimbursement of wages in manners by the huge farmers in the form of the cooked food. Also the poor state of environment and health results in the low effectiveness of translation of food into energy.

**From the above literature on behavior of the rural consumer we can sum up that:**

Consumer behavior in the rural area market is difficult to identify and it is more perplexing and this is due to the lack of consistency in the groups and also due to parameters such as occupation, education, age and income. There are two main challenges that rural area marketers should overcome. First, reaching the rural area is quite difficult due to its nature, small & scattered making them unreliable and inaccessible. Secondly, it is essential for rural area marketers to ensure that customers are aware of the product or brand. The rural area people in India were about nearly 73% of the total customers. In past few years, lifestyle of large number of rural area customers has changed dramatically and this is due to their awareness. The product buying behavior
of the rural area customers are influenced by various factors such as literacy level, cultural environment, geographical location, occupation, socio economic conditions, efforts on marketers or sellers, and exposure to media and so on. But still, many of the people in rural area have not changed yet and this is due to the illiteracy and unawareness about the recent happenings. Some of the middle class citizens in rural areas have awareness but they still buying the fake products and this are due to their income level and poverty. The rural customers are conscious with respect to “value for money”, but they do not always go for cheap products, they look for medium level products. It is not very easy to convenience the rural customers and because they do not trust anyone easily. So, it is very challenging for marketers to convenience the rural customers. In rural areas, literacy level is low but they can recognize the products through color, packing, symbol and logo. This will give a way for fake products to enter into the rural area markets. The rural area customers have traditional values, perceptions and customs stronger than the urban area customers which impacts in developing common communication.

2.3.1 Differentiation of original Vs. Counterfeit FMCG brands by rural consumers

With the annual record sales of the fake goods at about Rs. 15,000 crores during the year 2006, the loss in the revenue to the country through the way of avoidance of local taxes and excise by these fake goods are estimated to be about Rs. 1250 crores. This data is according to the study made by the ASSOCHAM (Associated Chambers of Commerce and Industry of India). The economy of India underwent a numerous alterations during the last decade because of the globalization and liberalization. India, being a country in the condition of developing has a bright future due to the high growth rate and all round progress of its service and goods industries. This exponential intensification also has brought some pessimistic effects of adulteration, counterfeiting and spurious goods and during these days it has turned out to be a more and more hazardous threat to the choices of consumers, the economy and the health. The customers are frequently uninformed that they purchase goods that look like what they desire. This creates worries to the companies since the fake products frequently ride to the victory of the original manufactured goods, eating into sales. Also it might be in some cases, creates harm to the
health and safety of the consumers. But there are numerous goods that the customers willingly use to buy with knowing that they are buying duplicates or fake product like that of the MP3 and VCD discs. This is only because they are of the lower price (Srivastava, 2006).

The foremost victims of these products are government, customers and companies. A survey was conducted in India in order to calculate the size of counterfeiting of fast moving consumer goods products. It is that the study exposed a stark realism that the FMCG companies possessing a maximum loss of up to 40 per cent and an average loss of about 20 per cent of the market share of their recognized and well-known goods. This issue is not at all new in the country like India but currently it is attacking all the features of the lives. It is from the goods like that of geysers, phones, radios and computer software to food items, cosmetics, medicines and beverages all have been unlawfully copied, counterfeited and duplicated. The chief victims of these spurious and fake goods are the customers themselves who have been cheated by the producers of such goods again and again. A chief chunk of the Indian customers survives in villages also who is not knowledgeable and aware of such goods.

It is according to web site named De La Rue, a UK based paper maker and commercial security printer concerned in the manufacture of more than 150 national currencies and a broad variety of security documents:

- About 10 % of the cosmetics and perfumes and 11 % of footwear and clothing bought by customers are duplicates.
- There are about 160 web sites providing authentic Channel products, regardless of the truth that Channel doesn’t put up for sale any of its goods on the Net.
- It is that the US FDA recalled about $7 million worth of intra-aortic pumps utilized at the time of open-heart surgery after it had been discovered that the malfunctioning counterfeit elements on the devices.
- Fake baby method resulted in some babies emerging seizures and rashes after imbibing.
- The US investigators found out that over 600 helicopters put up for sale to NATO and US civilians were prepared with counterfeit parts.
Duplicate perfumes have been discovered to comprise of urine as a stabilizer.

In addition to affecting the financial health of the firm, these fake products also affect the image of the firm, as customers would relate these ineffective goods with the firm – not knowing that they are fake products. The goods of almost all chief firms are being duplicated and put up for sale in the open market. It is among the firms that hit by the trend are Hindustan Lever, Colgate Palmolive and Ranbaxy (Pharmaceutical sector); Pepsi, Bajaj, Maruti and Britannia (automobile spares) besides Tizza, Timex, Titan and Raddo (Watch components).

The fake FMCGs could be categorized into two types, they are, second – pass – off products and the counterfeit products. The counterfeit product is a type of duplication in which even the unique producer would not be capable of discriminating among a fake and a genuine product. It is these fake goods bear the indistinguishable name of the unique product, its graphics, design, packaging and color pattern and even the same address and the name as the authentic producer. On the other hand, a pass – off product, is one that emerges with a little minor alteration from that of the unique product. The minor alterations are done to avoid being grouped legally as the counterfeits (for instance, “510” for “501”, “Luk” for “Lux”). They utilize same kind of color or packaging or designs. These pass – off product come into the market with a motive of cheating and misleading the ordinary customers who are unqualified or in urgency in procuring products (Velayudhan, 2003).

Counterfeiting continues to increase globally because of the high margins achieved through counterfeiting by manufacturers and the demand for trade name goods at value prices by consumers (Amine and Magnusson, 2007)

The foremost victims of spurious or fake goods are the customers themselves who are being cheated by the producers of such kind of goods again and again. A chief chunk of the Indian customers who survive in villages and also who are not educated are conscious
of such king of practices. There are different reasons for the rural consumer exploitation. The most significant of those are as follows:

2.3.2 Customer Exploitation Reasons:

**Traditional life:** The principle profession of the rural population is the agriculture and the corresponding actions. They are very simple and they don’t understand regarding the unfair performances of Marketers (Kashyap & Raut, 2006).

**Low income group:** Even though India is currently seeing to a dramatic transfer towards richness in rural families, they are far at the rear from that of their urban equivalent. The lowest class of income has got reduced from more than about 60% during the year 1994–95 to about 20% during the year 2006–07 (Kashyap & Raut, 2006).

**Low Level of Literacy:** The lower level of literary in the rural segment is also a principle reason for accommodating fake products. Even though the education level has been raised from 36% during the year 1981 to about 59% during the year 2001, but it is once more very less compared to that of the urban consumers (Krishnamacharyulu & Ramakrishnan, 2006).

**The poor distribution of network:** The people who survive in the village are got scattered. It is not at all probable for all the firms to enhance a strong network of distribution in order to make the product accessible to each and every people in the village. This becomes a chance for the producer of the fake products and they are dumping their stumpy quality goods in the shops in the villages. Also the shopkeepers are provided with huge margin on promoting and selling these fake goods (Krishnamacharyulu & Ramakrishnan, 2006).

**Lack of Awareness:** this factor lack of awareness would be applicable to the urban consumers also. The consumers might not know that they are purchasing fake products since they resemble in the same way as the product they need.
Often the consumers are unaware that they purchase products that look like what they need, but there are numerous goods that a customer willingly procures with knowing that they are buying duplicate or fake products. This is only because those products are low in prices. Even though the foremost companies trying to decrease their price in order to handle with the challenges that are posed by these fake goods, but the business of these fake products are growing at its greatest pace (Habeeb-ur-Rahman, 2004).

People in rural area are mostly illiterate and they identify the goods or product by its packaging (size, color, visuals, etc). This provides major chances to the counterfeit products to enter into the rural market and they easily eat lot of profit in market share of reputed brands. Apart from these, the retailer also gets major profit on selling the fake i.e. duplicate products rather than the original or genuine products. It is essential for fast moving consumer goods industries to use most effective rural strategy in order to avoid the entry of fake i.e. duplicate products and its strategy must include the traditional media in order to create the awareness about their brands and products in the rural area markets. The fake or duplicate products are the imitations of original or name branded products. Fake or duplicate products spell alikes or look-alikes the original or genuine products. The availability of fake or duplicate fast moving consumer goods products are growing largely in the rural village areas. From food processing goods to personal care products, everywhere fake or duplicate has grown in the rural area markets. The growth in counterfeiting makes an economic impact in the Indian marketplace and also on the manufacturers of original or branded products. Meghrajani, (2012) mentioned that, the price and availability are most common reason for customers buying fake products.

Counterfeits are reproductions of a genuine brand (Cordell, Wongtada and Kieschnick Jr., 1996), which are closely identical to genuine products, including packaging, labeling and trademarks purposely to pass off as the original product (Ang et al., 2001; Chow, 2002; Kay, 1990)

More commonly, price is thoughtful of consumer attitudes towards the value of counterfeit products. Due to the low prices of the counterfeitors the quality would not be
as good as the genuine goods but the basic functionality of the product can be met and also the similar packaging and symbols (Eisend and Schuchert-Güler, 2006).

The main reasons for buying fake products is getting the prestige of branded products without paying for it as the genuine products may be expensive (Cordell et al., 1996; Grossman & Shapiro, 1988).

**From the above literature for the counterfeit products we can assume that:**

Some of the major challenges for manufacturers of original or branded product marketers are price, quality, product or service, and recognition. Price is considered as the most common issue for all the brand marketers, but the brand marketers should consider the price rate of other marketers of same product. The recognition is most important for each and every product. Nowadays, fast moving consumer goods (FMCG) products are mainly affected due to the recognition process. Today, lots of fake or duplicate products enter into the market place and this is due to the less recognition about the product, especially in the rural area market. Manufacturers of original or branded product marketers should concentrate in improving the strategies that makes people to recognize about their products. Manufacturers of original or branded product marketers should concentrate on rural area market to increase their sales and to avoid the fake products with their name. Customer satisfaction and recognition are most important to succeed in the business. It is suggested for fast moving consumer goods (FMCG) products to create brand awareness in rural area markets in order to avoid the fake products and to increase the sales level as equal to the urban areas. Customer satisfaction is considered as the first step to obtain the success in this competitive market. Gaining the customer satisfaction is only way to avoid the fake products. Customer’s belief about the fast moving consumer goods (FMCG) products and their quality makes their products success.

**2.4. An overview of rural retailing in India**

With quite a few states in India allowing retailers to consume straight away from the farmers and the farmers are also get utilized to the new opportunity to cultivate the assigned harvest and take extraordinary concern of the same. This brings them
instantaneous credit at superior prices than what they got from that of the erstwhile middlemen / traders. The corporate retailers like Godrej, AV Birla, ITC, Reliance and most of the others have been already established the linkages to the farm. Finally the farmers in India are making very good money, after some centuries of economic and social exploitation. The government of India also has chipped in with a huge loan waiver value of about Rs. 60,000 crore in order to lighten the debt burden of the farmers (Kesari & Srivastava, 2012).

The final phase in the distribution channel is the retailing and by now it is very clear that it is accessibility and dispersal that initiates and drives the development in Indian rural markets. Therefore, retailing would be an important and would undergo superior maturity and organization as is being observed in the urban markets and also even in the rural markets. The models of innovation retailing that takes into consideration the distinctions of markets in rural is the way forward. According to Bhatia (2008) not many people are willing to set up shops in rural areas and the existing ones are far away from each other thus with almost no competition the shopkeepers enjoy a monopolistic situation in rural areas. The learning on the rural consumers’ buying behavior points out that the rural retailers manipulate 35 per cent of the purchase decisions. Hence, the availability of the sheer product could affect the decision of the volumes, market share and brand choice. India provides a sustainable, huge and developing rural market that could be tapped efficiently. This could be done through the innovative channels of distribution with the retailing being much critical component of this strategy. Since, this is the concluding touch point and the definite touch point with the consumer that could be the much critical impact in the process of buying (Bailay, 2003).

In India, the rural sector is witnessing a great alteration in the retail industry as such the traditional markets make the way for new arrangements like that of the hypermarkets, speciality stores, departmental stores and supermarkets. The challenges that are faced by the rural retailing in India is the opening of the multi brand retail to the foreign players, who are now at present are only allowed to capitalize in a singly brand and that also retail up to 51 per cent and 100 per cent in the wholesale retail through foreign direct
investment. Also the threat obsessed by the foreign players like that of the Carrefour, Wal–Mart and Tesco since it is frequently said that the development of this player alters the whole game of the retail in the country. This would be a great challenge for the Indian players to develop in this market and grasp the clutch on the customers in order to carry them up shopping in their stores (Bullis, 1997).

According to Prahalad (2009) if organizations want to succeed they should start changing their outlook towards poor people and start looking at them as value driven clients rather than victims.

Further Bhatia and Batra (2000) suggest that a vocational training on supply chain management, technology, salesmanship, pricing, capital expenditure, management of inventory, along with a market data of customer requirements, preferences and reactions if provided to the rural retailers will be a breakthrough to modernization of rural retail marketing.

Is the same way, Vedamani(2003) states that the retail revolution is not far from now where we can expect internet retailing websites offering products in vernacular languages and simultaneously offering services like” cash on delivery” and “easy EMI” will be accepted and embraced easily by the customers in rural areas along with the traditional haats and melas.

### 2.5. How do rural retailers gain competitive advantage?

It has been supposed that an effectual networking among the retailers could provide advantages to the small firms, when collaborating with each other. These benefits comprises of attaining access to the markets and information that is problematic to influence without correspondence with others (Ramachandran & Ramnarayan, 1993; Aldrich & Zimmer, 1986). The theory of social network suggests that the stakeholder could provide control and access of the information and could provide benefits when it comes to the vitality of the organization (Kumar, et. al. 2001). Even though, in the literature of network there was only been a slight minor responsiveness to the settings of smaller organizations (Frazier & Niehm, 2004). This is because small businesses accounts for the majority of the organization in the rural areas (Tosterud & Habbershon,
1992). The study inside the theory of network is inconsistent in the rural perception. It is according to Curran, Jarvis, Blackburn and Black (1993), the process of networking is much time-consuming and it leads to the lack of resources and motivation in the smaller firms. Hence, it is challenging for the owners of the smaller retail organizations to participate in any of the network activities.

Regardless of all this, there is a reason to have confidence in that the collaboration and the networking could contribute to benefits within the rural retail. It is according to Burt (1992), the theory of network arguments that the network comprises of information gaps. It is since the retailers’ acts as a bridge among the markets and consumers; they could attain competitive advantages by networking. This is because of the information they could get access to, through these networks and connections. In these networks, the participators get the competitive benefits over the retailers who does not involve in the association (Burt, 1992).

**From the above literature of rural retail we can observe that:**

In India, difference between urban and rural consumers always exists. Rural customers in India are largely affected with poverty and illiteracy. Poverty and dependence makes the rural customers to change their product buying decisions due to unpredictable and low purchasing power because of their income. Illiteracy leads to inability to identify the product brand differences. Illiteracy and ignorance are accompanied by the strong influence leaders like religious and caste leaders, local panchayat members, etc. The rural consumers are psychologically, socially and economically different from the urban customers. The Retail Industry is one of the largest industries and fastest growing industry while comparing with other industries in India, particularly in the last few years. The retail industry is can be broadly divided into two main sectors: unorganized sector and organized sector. The unorganized sectors are playing a main role in rural areas. In India, the consumers in rural area make a good deal and faith with the retailers and this reason makes customers to buy most of the products from the same retailers for several years. The retail marketers in rural area make a good friendship with people in rural area in order to increase their sales level. Apart from these, the retailers in rural areas know to
satisfy the customers by prescribing goods and also by recommending the good and better products.

2.5.1 Impact of rural retailers on consumer buying behavior towards FMCG goods

A retailer may be viewed as a business that focuses its efforts of marketing on final customers with the intention of delivering services or goods to them. According to Dunne, Lusch and Carver (2010) retailing consists of the last tasks and steps required either to fix a product in customer’s hands or to offer a service to the customer. In fact retailing is actually the final step in a supply chain and therefore any organization that delivers a service or product or offers a service to their last customer is performing the retailing function. Regardless of whether the organization delivers to the customer in a store through the mail over the telephone, through the internet, door to door or through a vending machine the organization is involved in retailing. This means that any business that delivers a service or product to a final customer whether it is to a customer in a shop over the telephone by mail, door to door or by means of a vending machine is a retailing business. Usually retailers purchase in bulk and deliver these items in smaller quantities to customers for family, household or personal use. Thus retailing has a profound effect on the society and the people in it. Retailer often plays a major role in adding and creating value to last services and goods (Mehta and Lalwani, 2000). The rural markets in India with the demand base and colossal size provide superior opportunities to the marketers. Two thirds of the consumers survive in the rural areas wherein almost one third of the overall income of the nation is produced. It is viewed as a profusion of chances, whether for the marketing textiles, durables and garments, financial services or personal care products. In the rural market, the marketer is faced with a completely diverse set of problems and conditions while marketing in the rural areas as compared with an urban area. It is for numerous marketers who are planning to enter into the rural markets, the serious challenge that was faced by them is the distribution. For the effective consideration of rural markets, a fundamental necessity is that the infrastructure. The nonexistence of such kind of infrastructure is provoking the challenges of distribution in the rural India. There are numerous other challenges that the companies of FMCG face in attempting the rural markets, like that of the geographically dispersed nature of rural
markets, remoteness, tremendous heterogeneity, their small size, and poor connectivity. The meager level of literacy, cultural diversities, spurious products, acute dependence on the monsoon, media darkness, too many dialects and languages, inadequate banking facilities, low per capita disposable incomes, and seasonal demand are some of the serious restrictions. Hence, the real issue for the marketers to infiltrate into the rural markets is in the understanding of heterogeneous rural customers, reaching the goods to these remote places, and corresponding with the media – dark rural people. One more challenge that is even greater lies in the terms of huge variations in the rural areas that severely restrict the ability of the marketers’ to segment, position and target their contributions.

In India the marketing scenario has been changes with the policies of market liberalization after the period of 1990’s. Most of the rural markets in India are virgin in nature and currently they are opening to much of the packages products. Also the market had been opened for the numerous categories of products (Bijapurkar, Rama 2000). The marketers in the rural areas have to distinguish themselves on value and quality for money (Anand & Krishna, 2008). It is for this reason; they require recognizing the components that manipulates the rural acquisition of FMCG (Krishnamoorthy, 2008). Different components manipulate the purchasing decision of the consumers. The literatures that are available mentions that the brand name (Sahoo & Panda, 1995; Bishnoi & Bharti, 2007; Narang, 2001), price (Sarangapani & Mamatha, 2008), packaging (Venkatesh, 2004; Pandey, 2005), promotions (Bhatt & Jaiswal, 1986) and quality (Kumar & Madhavi, 2006) manipulate the rural purchase. Also the leaders opinion influence the consumption behavior in the rural market (Sayulu & Ramana Reddy, 1996). It is in the procedure, the retailers have been emerged as the key influencers of the purchase of FMCG products in the rural market. As it is shown in the following figure 1, there are about 24 variables have been identified that influences the rural consumption of the FMCG.
2.5.2 Titles of factors with influencing variables & respective factor loadings

<table>
<thead>
<tr>
<th>Factor</th>
<th>Variables</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROMOTION FACTOR</td>
<td>• Promotions</td>
<td>0.951</td>
</tr>
<tr>
<td></td>
<td>• Relationship marketing</td>
<td>0.912</td>
</tr>
<tr>
<td></td>
<td>• Product education</td>
<td>0.903</td>
</tr>
<tr>
<td></td>
<td>• Free offers/sales promotions</td>
<td>0.896</td>
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<td></td>
<td>• Brand endorsement</td>
<td>0.871</td>
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<td></td>
<td>• Shelf display</td>
<td>0.810</td>
</tr>
<tr>
<td></td>
<td>• Brand awareness</td>
<td>0.847</td>
</tr>
<tr>
<td></td>
<td>• Packaging</td>
<td>0.847</td>
</tr>
<tr>
<td></td>
<td>• Dignity</td>
<td>0.816</td>
</tr>
<tr>
<td></td>
<td>• Brand visibility</td>
<td>0.799</td>
</tr>
<tr>
<td></td>
<td>• Lifestyle</td>
<td>0.750</td>
</tr>
<tr>
<td>LIFESTYLE FACTOR</td>
<td>• Friend’s recommendation</td>
<td>0.883</td>
</tr>
<tr>
<td></td>
<td>• Brand loyalty</td>
<td>0.791</td>
</tr>
<tr>
<td></td>
<td>• Government promotions</td>
<td>0.790</td>
</tr>
<tr>
<td></td>
<td>• Shop keeper’s recommendation</td>
<td>0.784</td>
</tr>
<tr>
<td></td>
<td>• Availability</td>
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</tr>
<tr>
<td>TRUST FACTOR</td>
<td>• Intended benefits</td>
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</tr>
<tr>
<td></td>
<td>• Affordability</td>
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<td></td>
<td>• Need based</td>
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</tr>
<tr>
<td></td>
<td>• Low price</td>
<td>0.760</td>
</tr>
</tbody>
</table>

Figure 1: Titles of factors with influencing variables & respective factor loadings


First factor: Promotion factor

The advertisements and promotions have been emerged as the key influencing component in the promotion factor. Therefore it is suggested that the greatest preference have to be provided to the promotional actions (Shapiro et al., 1987). The relationship marketing by the companies does manipulate the decisions of purchase by the rural customers. The companies take up the activities of associations as a segment of their programs of public relations (PR) (Arens, 2006). It could be understood that the activities of association give out as the promotional policies in the rural marketing. The attempts of rural marketers’ to
Second factor: Lifestyle Factor

It is that the rural consumers relate the consumption and purchase of FMCG with that of the enhancements of their lifestyles. The brand awareness is the core factor as generating awareness is much significant in the rural marketing (Ramana Rao, 1997). The packaging influences the purchasing decisions among the rural consumers (Sehrawet & Kundu, 2007). It is that the rural customers attach their standard of living or their lifestyle to the attractively / better packaged goods. The rural consumers always prefer to purchase the FMCG that put them feel distinguished while possessing, using and even during purchasing them. It is that feeling adds up to their lifestyle. The brand visibility also gets comprised in the lifestyle factor. It could be inferred that if the marketer could generate brand visibility for their fast moving consumer goods, it add up to generating awareness and additionally to the rural consumers’ lifestyle.

educate the consumers regarding different features of the brand / product do manipulated the purchasing decisions of the rural market (Krishnamurthy, Jagadeesh, 2009). This variable makes a segment of the promotion factor. According to Anand & Hundal (2008), the sales promotions could play a significant role as the rural consumers could get attracted by different techniques of promotion like that of the free offers. The endorsements of brand also emerged as the significant component in the promotion factor. Also the rural marketers could use the celebrities’ endorsement as the part of the promotion of product in order to influence to buying behavior of the rural consumers. Also the self display contributes to the promotion of the FMCGs and is one of the significant variables that contribute to the promotion of the product. It is that the visibility is very much important in the retail outlet (Young & Robinson, 1992). The consumers used to take decisions based on the visibility of the fast moving consumer good on the retail shelves (Pandey, 2005).
Third factor: Trust Factor

The recommendation by the friends acts as the key variable in the trust factor and hence it is that the rural consumers esteem and follow the suggestions of their relatives and friends to purchase or try to an FMCG. In the rural markets, the brand loyalty is noticed as such it is confirmed that the rural consumers desire to purchase the FMCG brands that they have been utilizing. One of the trusted sources is the Government for the rural people. The rural consumers have faith and purchase products / brands that are promoted by Government. The companies that include their brands / products in different government strategies would be capable of influencing the rural procuring decisions. It is said by Khatri (2002), the associations among the customers and the shop keepers are very strong in the rural areas. Also the rural people have belief in the shop keepers. According to Ramanathan (2007), in the rural marketing, the availability is the principle to success. The availability created a segment of the trust factor. It could be interpreted that if a sought – after fast moving consumer good is not accessible, the rural customers might lost trust on it.

Fourth factor: Value Factor

It is identified that the rural customers look for value in their consumption of FMCG. It is according to them, the FMCG that are low priced, affordable and fulfill their proposed benefits are the value products. Also it is proved that the rural customers purchase the FMCG only when it is desired.

Fourth factor: Product Factor

The product factor that influences the rural acquisition has been loaded with some four significant components, size of the FMCG, long lasting FMCG, more features and better quality. Hence it could be deduced that the rural consumers seek numerous features in a good. Also at the same time they look for huge sized FMCG. Once again it is proved that the rural people look for quality (Prahalad, 2005).
2.5.3 Awareness of rural consumers towards various marketing media that promote FMCG goods

The existence of a brand in the rural market would be purely based on its performance. It is claimed by Mahapatra (2006) that once the marketer develops an optimistic perception for the service / brand, then it would be very complicated to deviate the rural customers. The rural consumers are not only look for the comfort in the brand but also from that of the person who are being selling that brand to them. During recent days, there is an increasing rate of literacy and there is a huge penetration of the conventional media that had altered the attitudes of the rural customers. The rural consumers are highly aware of the marketing Medias like television, radio etc. It is that the television has been found to be the leading source of information. It is then followed by the radio and then their friend circle also plays an important role in this regard. It had been brought out by Kumar and Madhavi (2006), that the rural customers are conscious of the quality but together with sensible price offers. The rural people comprehend the local dialect and desire to be informed in their local dialect and language. Hence it could be useful for the endorsement of the brands in rural markets by chief players (Patel & Prasad, 2005).

2.5.4 Impact of communication media on consumer buying behavior towards FMCG goods

The effective, repetitive, educative and informative advertisements by the means of electronic media can be able to increase the probable consumers for such products. The ads are telecasting predominantly during the time of daily serials, programs like competitions that are being watched by most of the housewives. Such advertisements would absolutely influence this group of people who are in turn would influence others people like friends, relatives and also their better halves and make them to purchase the specific brand product. They use to justify the reason for purchasing of such branded product by bringing in the prominent characteristics in that specific advertisement by quoting the names of the brands by the well – known and reputed personalities.
During recent days, the same goods in various brands are available. These communication media makes the people to know regarding various brands. This surely generates awareness of the brand among the people and offers various alternatives for a solitary product. This is the circumstance where the advertisements in the communication media place a decision part in transferring the attitude of the people in favor of a specific brand (Amarnath & Vijayudu, 2009).

Companies spend billions of dollars in marketing communications every year (Mela, et al., 1997).
To generate a strong impact on the short-term consumption behavior Promotion, one of the component of marketing mix, has been used as a means of communication (Laroche et al., 2003).

2.5.5 Challenges Faced by FMCG (Fast Moving Consumer Goods) Sectors for Rural Marketing:

The peculiarities of rural consumers and rural markets pose various challenges to marketers in reaching the rural customers effectively. Rural consumers are less similar than the urban consumers. The following are the few main problems with respect to rural marketing:

- **Transportation problems**: The infrastructure of transportation is quite poor in the rural India. It is about 80% of the villages in India are not connected to the well constructed roads (Kavitha, 2012). Transportation facilities are most important activity that needed for the marketing activities. It is difficult for farmers and marketers to reach the markets due to poor transportation facilities.

- **Packaging**: The first important process in product processing is packaging. Total cost of the products will be increased due to the increase in packaging cost.

- **Literacy Rate is Very Low**: The literate people are low in rural area while comparing with the people in urban areas. This leads to the communication problem for promoting the products. Apart from this, print medium becomes more ineffective in the rural regions.
• **Seasonal Marketing**: The seasonal demand in rural areas is considered as the major problem for the rural marketers and this is because nearly about 75% of the rural income is seasonal. Rural marketing basically depends on the demand of rural people and their demand depends on the consumer behavior and income.

• **Low Income**: Income of rural people is mostly less than the people in urban areas.

• **Distribution**: Distribution is one of the processes, which is more essential for retailing. Effective distribution system requires preferred dealer, stockiest or distributor at district level, village level shopkeeper, Taluka / Mandal level wholesaler, consignment distribution at state level or company owned depot. Apart from these, the presence of many tiers in distribution system may have capacity to increase the cost of distribution.

• **Media Problems**: Television is considered as the good media of communication in the rural areas (Kavitha, 2012). Media also faces lots of problems in the rural areas. This is because of non-availability of power supply as well as not enough awareness about Medias. Majority of the rural people are not obtaining any benefits with respect to media.

• **Warehousing**: In rural areas, there are no possibilities for private as well as public warehousing. Storing goods is most important for marketing. Marketers face lot of problem in goods storage.

• **Cultural Factors**: Rural people give more importance to the culture and values. Culture is the system of shared beliefs, perceptions and values which influence the customer behavior. Culture can be viewed as different groups based on caste, education, religion, income, politics, age, and occupation. These different groups may have ability to influence on the behavior of customers or people in village (rural areas).

• **Rural Market and Career Opportunity**: Rural marketing offers challenging career to the marketers and it is essential that rural sales person must have specialized qualifications with enough talent to deal with the rural consumers.

Thus, there are many difficulties confronting the effort of rural marketers. The rural market and their concept are still in evolving shape in India and the rural market poses
variety of challenges. Non-availability of retail outlets and distribution costs are the major problems faced by the rural marketers.

2.6. Research Gap and Hypothesis
Currently there are available literatures on the influencing features that seemingly appear to be sufficient. Also there are studies on the particular geographic rural markets as such the consumer behavior in the rural market various in different categories of product and the geographic markets (Sinha, 2008). The studies have been conducted on the different aspects like the issues in the rural markets (Khatri, 2002), significance of the creativity in the generation of message and the execution of message while corresponding with rural markets (Bansal & Easwaran, 2004), advertising challenges in the rural marketing (Balakrishnan, 2007), and general problems associated to the rural markets (Bijapurkar, Rama, 2000). Also there are studies regarding the factors influencing the buying and consumption of the FMCG products and the FMCG purchase behavior by the rural consumers (Ali, Thumiki & Khan, 2010). The research gap found in this study is that regarding the generation of awareness regarding the selected FMCG products in the rural areas by the retail marketers. There is a contradiction in the various studies done till now regarding the demographics, preference, major influencers, availability of the brand and the role of media in the preference for a brand in the villages. There were very few studies on the rural consumers of Gujarat with respect to FMCG products. Thus it is in this study, the analysis on the awareness of the selected FMCG products in the rural areas with specific reference to the villages in the state of Gujarat.

2.6.1. Research Questions

i. What is the demographic profile of the respondents

ii. To what extent are consumers belonging to rural part of Gujarat aware of the availability of various brands of skin care, hair care and laundry products in the market?

iii. How does demographic profile of rural consumers in Gujarat affect their purchase decision towards a particular brand?
iv. How much do the consumers know about the counterfeit products available in the market?

v. Which factors influence the rural consumers to purchase the counterfeit products?

vi. Are the rural consumers aware of various communication medium used by FMCG marketers in promoting their brands?

vii. Do consumers have the ability to differentiate between the genuine and the counterfeit brands?

viii. How do rural retailers’ influence the purchase decision of rural consumers in Gujarat?

ix. Are retailers influencing the customers in buying of the counterfeit products?

x. How does the various communication medium used by FMCG marketers in promoting their brands influence the purchase decision of rural consumers of Gujarat?

2.6.2 Objectives

i. To study the preference of rural consumers in Gujarat towards the selected FMCG products -

**Skin Care Products:**
- a) Bathing Soap
- b) Face cream
- c) Talcum Powder

**Hair Care Products:**
- a) Hair Oil
- b) Shampoo

**Laundry Products:**
- a) Washing soap
- b) Detergent powder
ii. To understand the demographic profile of the customers

iii. To understand the various influencers which impact the customer’s purchase decision of selected FMCG product categories.

iv. To determine the effect of demographic profile of rural consumers on the purchase decision of selected FMCG product categories.

v. To comprehend the ability of rural consumers towards differentiating original and counterfeit brands in the selected FMCG product categories.

vi. To assess the role of various media instruments utilized by marketeers of selected product categories, in order to reach out to rural consumers.

vii. To determine the role of retailers on spreading awareness of selected FMCG products, and its impact on the consumers’ purchase decision.

viii. To evaluate the availability of counterfeit or fake products with the retailers, and the role it plays in the purchase decisions.

2.6.3. Hypothesis

The following are the hypothesis framed for this study.

H0A: Age and preference for skin care products (soap, face cream, talc) brands are independent

H0B: Gender and Preference for skin care products (soap, face cream, talc) brands are independent

H0C: Educational qualification and Preference for skin care products (soap, face cream, talc) brands are independent

H0D: Age and preference for hair care products (hair oil, shampoo) brands are independent

H0E: Gender and Preference for hair care products (hair oil, shampoo) brands are independent
H₀F: Educational qualification and Preference for hair care products (hair oil, shampoo) brands are independent

H₀G: Age and preference for laundry products (Washing powder, washing soap) brands are independent

H₀H: Gender and preference for laundry products (Washing powder, washing soap) brands are independent

H₀I: Educational Qualification and preference for laundry products (Washing powder, washing soap) brands are independent

H₀J: there is a positive association between the income of the respondents and price being the factor to buy fake products

H₀K: there is a positive association between the educational qualification and ability of respondents to differentiate between fake and genuine brands

H₀L: There is significant difference between the attitudes of rural consumers towards various support media.

H₀M: Purchase behavior towards the selected FMCG products is dependent on retailer’s suggestions

H₀N: Rural consumers have an ability to differentiate between original and counterfeit products in the selected product categories

H₀O: Advertisements create awareness about the FMCG products in the selected product categories in the minds of the rural consumer

H₀P: Advertisements with visuals and sound effect are influencing factors on the buying decision of rural consumers for selected product categories

H₀Q: Purchase of counterfeit products in selected FMCG products is dependent on the suggestion of the retailer
2.6.4 Literature Review Matrix

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Purpose</th>
<th>Author</th>
<th>Year</th>
<th>Outcome</th>
<th>Research Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Srivastava and Kumar</td>
<td>2011</td>
<td>Rural markets are homogeneous</td>
<td>The contradiction has been seen here with difference of opinion of different researchers with respect to the demographics of the villagers. None of the study was based in Gujarat. Also there is a gap that only educated villagers are aware of the national brands, where as through television now a days people can know about all the brands.</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Murugai A</td>
<td>2012</td>
<td>Rural markets are heterogeneous</td>
<td></td>
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<tr>
<td>3</td>
<td></td>
<td>Bishnoi and Bharti</td>
<td>2008</td>
<td>Only educated villagers are aware about national brands</td>
<td></td>
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<tr>
<td>4</td>
<td></td>
<td>Bhatt and Jaiswal</td>
<td>1986</td>
<td>Females are important decision makers</td>
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<tr>
<td></td>
<td>Demographics and general dynamics</td>
<td>Sharma, Gupta and Manhas</td>
<td>2003</td>
<td>Rural people still believe in old traditions and women are not allowed in decision making</td>
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<td>5</td>
<td></td>
<td></td>
<td></td>
<td>The gap identified here was that the villagers do not understand the importance of the various attributes of the products and they are not aware of the brands. The contradiction can be clearly seen in the various literatures. It is not always friend but the family members and the retailers have important roles in the purchase decision.</td>
<td></td>
</tr>
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<td>6</td>
<td></td>
<td>Marconi J</td>
<td>2003</td>
<td>Rural people prefer to purchase brands</td>
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</tr>
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<td>7</td>
<td>Preference for brands and attributes</td>
<td>Srivastava and Kumar</td>
<td>2011</td>
<td>Rural people do not purchase brands as they do not know about brands and go for loose and local products.</td>
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<td>Year</td>
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<td>8</td>
<td>Prahalad</td>
<td>2005</td>
<td>Signifies the importance of the product attributes which make the buyer purchase the product</td>
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<td>9</td>
<td>Anand and Krishna</td>
<td>2008</td>
<td>Importance of making people aware about product attributes</td>
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<td>10</td>
<td>Influencers</td>
<td>2008</td>
<td>The rural retailers manipulate 35 per cent of the purchase decisions.</td>
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<td></td>
<td>Bhatia</td>
<td></td>
<td>Different studies suggested different influencers for the villagers to buy the brands</td>
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<td>11</td>
<td>Bhanumathi and Hemameena</td>
<td>2006</td>
<td>Friends play a major role in influencing the buying behavior followed by relatives</td>
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<tr>
<td>12</td>
<td>Khatri</td>
<td>2002</td>
<td>Points the importance of trust factor between the retailers and the consumers.</td>
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<td>13</td>
<td>Sehrawet and Kundu</td>
<td>2007</td>
<td>Importance of packaging in the buying of the product</td>
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<td>14</td>
<td>Krishnamacharyulu &amp; Ramakrishnan, 2006</td>
<td>Influence of retailers is so strong that rural consumers readily buy counterfeit products</td>
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<td>15</td>
<td>Bailay, 2003</td>
<td>Importance of retailing and retailers in rural markets</td>
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<td>16</td>
<td>Lehu and Bressoud, 2008</td>
<td>Rural people do not have awareness about the branding due to illiteracy and unawareness about recent events. Advertisement and branding plays a key role in selling products.</td>
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<td>17</td>
<td>Randhawa and Chahal</td>
<td>2005</td>
<td>The rural customers are much influenced by the advertisements and the impact created by it specially the electronic form of ads</td>
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<td>18</td>
<td>Advertising and Awareness</td>
<td>Kumar and Madhavi</td>
<td>2006</td>
<td>Television has been found to be the leading source of information</td>
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<td>19</td>
<td><strong>Advertising and Awareness</strong></td>
<td>Patel &amp; Prasad</td>
<td>2005</td>
<td>Found the importance of local language and dialect as an important mode of communication among the rural consumers.</td>
<td>Some studies have been made regarding the various media support. But what kind of media can play an important role to attract customers has not been touched.</td>
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<td>20</td>
<td><strong>Laroche, M., Pons, F., Zgolli, N., Cervellon, M. C., and Kim, C</strong></td>
<td>2003</td>
<td>Promotion, a component of marketing mix, helps the consumers generating a strong impact on short-term consumption</td>
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<td>21</td>
<td>Counterfeit Products</td>
<td>Velayudhan</td>
<td>2003</td>
<td>Studied that rural consumers are easily fooled by look-alike and spell alike products</td>
<td>The study of the counterfeit products has not been made in Gujarat. What make rural consumers to buy these products? Are they aware about what are they buying. The big question is also about if they are able to distinguish between the genuine and the counterfeit brands.</td>
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<tr>
<td>22</td>
<td>Habeeb-ur-Rahman</td>
<td>2004</td>
<td>State that the consumers are attracted towards the fake products due to the lower prices</td>
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48
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<td>23</td>
<td>Cordell, Wongtada and Kieschnick Jr.</td>
<td>1996</td>
<td>Consumers use counterfeits to get the prestige of the genuine.</td>
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<td>24</td>
<td>Selvaraj</td>
<td>2007</td>
<td>Counterfeits give more profits to the retailers and so become popular</td>
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<td>25</td>
<td>Meghrajani</td>
<td>2012</td>
<td>Wide availability of counterfeits in rural markets makes them popular</td>
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<td>No.</td>
<td>Factor</td>
<td>Authors</td>
<td>Year</td>
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<td>26</td>
<td>Price</td>
<td>Banumathy and Hemameena</td>
<td>2006</td>
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<td>27</td>
<td></td>
<td>Srivastava &amp; Kumar</td>
<td>2011</td>
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<td>28</td>
<td>Chikweche and Fletcher</td>
<td>2010</td>
<td>The price recognized as the only and much significant components in the purchase decisions of customers</td>
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<td>29</td>
<td>Pilley and Sexena</td>
<td>2005</td>
<td>Points the importance of disposable income with the rural consumers which affect their needs and aspirations</td>
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<td>30</td>
<td><strong>Price</strong></td>
<td>Habeeb-ur-Rahman</td>
<td>2004</td>
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<td>31</td>
<td></td>
<td>Kumar and Madhavi</td>
<td>2006</td>
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2.7. Summary of the literature Review

In India there is huge rural population that accounts for about 70 percent of the total population. Also it is progressing in a great rate in compared to that of the urban population. The characteristics of the rural and urban consumers get varied in their nature and characteristics. The major difference is that the rural market is in the under developed condition with lower aware regarding the new brands and trends compared to that of the urban customers. But the Indian rural market is growing at the rate of 3 to 4 % per annum. Also there is a problem of counterfeit products in the rural market. The counterfeit product is a type of duplication in which even the manufacturer might not be able to differentiate among the fake and the original product. Also pass – off products are there in the rural markets that comes out with little changes from that of the original product. The consumption of these fake products by the rural people is because of their low literacy rate, low level of income, lack of awareness and poor distribution of network. By now the rural sectors are witnessing a great alter in the retail industry like that of the hypermarkets, speciality stores, departmental stores and supermarkets. The act of retailers’ as a bridge between markets and the consumers helps them in gaining competitive advantage. The rural retailers, by the use of various variables like the Promotion factor, Lifestyle Factor, Trust Factor, Value Factor, Product Factor etc. impact the buying behavior of the consumers in the rural India. The rural consumers are also aware of the various marketing media that promotes the FMCG goods and this communication media impact on the consumer buying behavior towards the FMCG goods.