CHAPTER 8

FINDINGS AND OBSERVATIONS
8. Findings and Observations:

As the objective of the study was primarily related to the analysis and study of the Rural Marketing Mix with respect to essential commodities Ahmednagar District, study the attributes of rural consumer; study the factors of buying decision making of rural consumers for essential commodities; study consumers market awareness and study the factors affecting consumption pattern of rural household; the findings and observations are as below.

8.1 Attributes of Rural Consumer:

Rural Culture is a system of shared values, beliefs and perceptions that influence the behavior of consumers. There are different groups based on occupation, income, age, education and family size and each group exerts influence on the behavior of people in villages.

Rural consumers are agricultural laborers, land owners, landless, small businessman, traders and Government; bank officers and traders. Their disposable incomes are low. The rural population is predominantly illiterate, having low income, characterized by irregular income, lack of monthly income and flow of income fluctuating with the monsoon winds. Rural consumer buy essential commodity goods at least once a month and the sector covers a wide gamut of products.

Rural consumers are very open to change, to trying out new things. The level of innovation is quite amazing. Not only are rural folk ready to try out new products, but they are also eager to improvise and find new uses for them.

The reluctance of rural consumers to buy a machine that heats the mats Good Knight mosquito repellent mats are kept over a hot light bulb to get the same benefit. The story, however, doesn't end there. Even after the mat is over, burning it over a stove or gas flame extends the benefits. Because of lack of infrastructure facilities like power, difficult logistics and high cost of living; rural customers found innovative uses of the same old product.
Strong Rural Community Building- There are small groups of people living in rural regions and this helps in developing strong community buildings amongst people. They are similar patterns of lifestyle and occupation for most in a village and this makes them closely associated with the problems of each other. An interesting observation from the study is the folk culture, haripatha, bhajan, kirtan and satsangh interests are important to form ‘circle’ in the bonding of rural consumers.

Rural consumer regularly frequent the places like tea stalls. The villagers sit there for chatting in groups, generally during evenings. Temples are another place of attraction of each of the villages. It is a possible venue to gather people. Bhajan and kirtan mandals, Haripath mandals are groups that visit this place frequently. The buyer can be found in retail shop along with relatives of the retailer, who would be seating there;,. Gram Panchayat office is the most common place for formal meetings. People would definitely come, if called here. The Pucca Road inside the village, people would use it for common meeting place; Phatta if there is no such a road running inside the village, then people would use it for going to work.

Rural youth are very family and community oriented. They are obsessive about keeping in touch, of which social networking is a huge component. Rural Youth visit places like playground and are spend a long time playing in groups since they have a lot of free time. At School children found here. They are generally small but curious and receptive to the branded products. Bus stop is another venue for meeting . Rural consumers look towards the urban areas for lifestyle as well as work and bus is a means for connecting them to their destination.

The younger rural consumers have been found more variety seeking in comparison to their old aged counterparts. Once satisfied, they become loyal to the brand.

Personal ownership against devices shared within the household but not owned, and those used outside the family unit. The rural families; not having T.V. sets are not bothered to see TV at neighbors’ home or Gram panchayat office as well as sharing mobile phone among family and neighbors circle.
Rural consumers are looking for are not only cheap goods but they wanting value for money, and if a brand fits into this category, they are ready to pay for it. Also when they can afford, they experiment with brands.

Consumer behavior is often based on perception rather than reality. Most rural residents want to shop locally, but there is a perception that prices are higher and there is a lack of variety, selection and availability in smaller retail markets.

Three forth families live in nuclear families. Once it was considered big families are good for financial development but trends are changing. Seventy three percentage families are separate or divided which minimizes member size in a family household and 27 % are joint families.

Family Members staying out of village for acquiring education, employment opportunities like service or business. As they had city assess and had consumption capacity they influence consumption pattern of rural consumers. Sixty four percent of house holds are having 4 to 7 degree of lifestyle out of 10 degree. Total 467 families are observed that their members staying out of village are for acquiring education, employment opportunities like service or business. They had a great impact of urban lifestyle. Along with this almost all respondents either hears radio or se TV, the epact of advertisements also had some what contribution in urban lifestyle.

8.2 Rural consumers market awareness

There has been a visible shift in the rural consumers’ preference for brands. People are upgrading from the use of tooth powders to tooth pastes, and from using traditional mosquito repellants to using mats and coils. Also there is shift from low priced brands to semi-premium brands.

Rural consumers stick to a particular brand once they are satisfied as they are using these brands for more than a year. It reflects is their brand loyalty in essential commodities.

Brand awareness level of the rural consumers, has been found that they are aware of the leading brands in case of essential commodities. But it is moderate regarding few
brands of washing soaps and detergent.

Almost all the respondents were aware of the availability of the products. They preferred quality over price and believed it customary to visit city for making purchase for marriages and social functions for it will help them to have better choice though they were not sure about the service part. They waned to be very sure about such buying decisions because it involves their social status and social norms.

8.3 Rural consumption Pattern

The economic environment in rural India has changed considerably during the planning period resulting in changes in consumption pattern of rural people and thereby creating new opportunities for marketing.

Rural consumers have an exceptionally sound commercial sense, and bargaining ability. It has also been found from the study that there is a clear association between income level and expenditure pattern regarding of essential commodities in rural customers. A factor that adds an entirely new dimension to rural marketing is that trust plays a more important role in decision-making than does product merit.

The combination of irregularity, uncertainty and less income has a direct bearing on marketers of essential commodities. The overriding picture is that of low income, which has a bearing on the rural purchasing power. In the rural space there are few people who draw regular incomes through monthly salaries, such as staff of government run schools and hospitals; employees of post offices and banks. But they are scattered across the rural landscape. Therefore a collection or grouping of large masses with reasonable income levels to purchase products in quantities and at frequencies desired by marketers is missing. The tastes and preferences of the rural consumers are not all same for all over rural market.

Rural consumers are having traditional outlook because of it; they are resistant to change their buying and consumption habits. Their buying decision is low and delayed.

Demand in rural market depends on the agricultural situation as it is the main source of income. But agriculture depends on monsoon. Thus the buying capacity of rural consumers varies and it becomes difficult to predict demand.
Consumption expenditure increased considerably. Many new commodities found place in the consumption basket of rural people. Most of them are nontraditional and belongs to commodity groups listed above. Thus there is qualitative and quantitative change in rural consumption pattern. Though expenditure went on increasing with declining trends, this leads to the conclusion that consumption stabilizes at a specific level after initial increase.

**Commodity wise consumption**

Changes in the overall consumption pattern may be attributed to consumption of new commodities, increased consumption of commodities already consumed as well as new commodities and Consumption of superior commodities.

As regard to packed food commodities, readymade chilly-powder, Milk are new entrants in the rural consumption basket. Hygienic commodities entered rural household recently. Items like toilet soap and Washing Soap/ Detergent and Tooth paste/powder has occupied stable position in a consumption list and tendency to shift for better quality product was clearly seen. Cosmetic commodities have also entered very recently in the rural market. Items like snow/ cream, face powder has also occupied a stable position in households. The tendency to shift for superior products and high cost products was also seen. The facts discussed above lead to a conclusion that consumption of the commodities under this study has become a regular feature resulting in continued response to these commodities. Further, after initialization because of need and available substitutes, it tends to be stabilized and shift with the superior quality products. With changes in economic condition of rural buyers’ changes in consumption pattern may be a continuous process as mentioned above.

**Impact of urban proximity and consumption pattern of rural people**

Urban proximity contributes in shaping consumption pattern of rural households. Urban proximity provides an opportunities to interact with urban people, broadens consumers outlook through exposure to modern living styles. Statistical evidences provided in relevant chapters shows that villages having urban proximity.

1. They were recorded more expenditure on commodities under consideration, than other rural household.
2. They were first to accept new product and new ideas.
c. They were keen to adopt living style akin to their urban neighbors.
The facts stated above lead to an observation that, urban proximity influences consumption pattern of rural people. In turn villages situated near urban centers may influence consumption pattern of villages in interior.

8.4 Rural Buying Behavior

With the increase in rural literacy levels and the exposure to media, people in rural areas are also becoming conscious about their buying decisions. This makes it even more challenging for the companies to understand the buying behaviour, the consuming pattern, the need and wants of the rural consumer.

The rural consumers prefer brands and products that are different from their urban counterpart. Often they buy unbranded commodities considering price of branded product.

Opinion leaders play a key role in popularizing products and influence in rural market. Now a day’s educated youth of rural also influences the rural consumers. Rural consumers are influenced by the life style they watch on television sets. Their less exposure to outside world makes them innocent and fascinated to novelties. The reach of mass television media, especially television has influenced the buying behavior greatly.

The rural consumer expects value for money and owing to has unsteady and meager status of weekly income; increasing the household income and improving distribution are the viable strategies that have to be adapted to tap the immense potential of the market.

While cost comparisons for saving in cost, it is observed that rural consumer perceive an immediate saving, benefit or reduction in costs. Latent or intangible benefits are considered, but are given a lower priority. The rural consumer is looking for tangible price advantages. There was a time when rural consumers had no option but to purchase most of their requirements from nearby towns. It has been observed that they have shifted towards the local rural shop. This change has important implication for the rural marketer.
The consumer loyalty may be to the brand or to the retailer. Thus, consumer loyalty has implications for marketers. In rural areas, loyalty to the shop rather than to the brand is higher.

Rural consumers are cautious in buying and decisions are slow and delayed. They like to give a trial to others and only after being personally satisfied, they do buy the product.

A study revealed that the rural consumer takes more time to decision of buying. Rural consumers don’t take buying decision unless they are totally convinced that they are getting value for money. Impulse buys and purchases for conspicuous consumption are also extremely few and far between considering the “value for money” factor that reigns supreme in most rural purchase decisions.

A feature of rural markets is that the decisionmaking process is collective. The persons involved in the purchase process - influencer, decider, buyer, one who pays can all be different. So marketers must address brand messages in their campaigns at several levels.

The rural new generations are becoming increasingly evident in villages. The rural youth bring brand knowledge to the households. This has forced several companies to change the focus and positioning of their products and services towards this segment that is growing in absolute number and relative influence.

Rural consumers, given their social context, are equally more trusting. The impersonal projection of brands/services needs to be overhauled. They seek comfort not just in the brand but equally from the person who is selling them the product brand.

The brand loyalty for rural consumers is quite strong in particular segments and brands. However, if a company becomes complacent and takes the rural consumers for granted it is ultimately going to lose in the market. The companies have to constantly innovate and make their products appealing to the consumers to succeed.

The pressure group/social status has a very significant effect on the purchasing pattern of the rural consumer while purchasing the branded products. It supports that the consumers are accepting new brands, are able to afford them, and are very much aware about them.
The head of the family mainly takes the decision regarding the purchase of convenient commodities, so the tradition and customs which are followed by the rural consumers are very important as decision depends upon the head of the family and thus should be taken into consideration while planning promotional activities.

While planning the rural market; companies should plan considering the factors of buying decision like life style, buying capacity of the buyer and etc. The products and brands suggested by the peers, neighbor or relatives; which are using are also a very important factor to influence buying decisions.

**Determining factors of buying decision making of rural consumers**

a. In consultation with elders and the ladies of the house, 100% respondents believed in joint decision making view. The females in a family are given due respect and consideration because the lady is considered as the strongest pillar of the family life. Respondents of age group of 18-35 years remarked that for specific items like food items females should make independent decision. The exercise should not be restricted up to decision making but women must visit the market and buy the items. Even elders are also support this.

b. Surprisingly the younger lot endorsed it unanimously for it being it is a part of their culture. But for the items of their own use, they fond to make independent decisions like buying clothes and cosmetics or hygienic items.

c. All the respondents strongly felt about their customs and traditions. Among the younger lot all had the same fill and willingness to follow the blind faith and stick to some old beliefs.

**8.5 Marketing Mix**

The overall marketing mix framework for rural markets must therefore focus around plugging the segments with the right product, using value for money pricing, selecting the most appropriate channel of distribution, building long term relationships with the customers and finally, using the power of emotional brands.
8.5 A Product

Individual items are of small value although all essential commodities products put together account for a significant part of the consumer's budget.

The penetration of essential commodities is low in rural India. By contrast, its cousin the toothpowder is more popular than the tooth paste. This is because the toothpowder is more in line with rural mouth washing habits in rural consumer. A rural Indian typically applies the toothpowder to his index finger and rubs it on the teeth. Therefore, not just the brand, the product itself is different in rural market.

Product expectations in rural consumer are not as high, Therefore a reasonable product at an affordable price is preferred to a great product that is expensive.

Rural affordability, i.e. pricing has led to the customization of the first ‘P’ of the marketing mix the product. This is the most innovative customization, as it revealed a very professional approach to serving the rural markets by developing products keeping their needs and environment in focus. Working backwards from the price rural customers could afford resulted in research to develop products exclusively for them.

Rural customers are illiterate and they identify a product by its packaging (color, visuals, size etc.). So it becomes very easy for fake products to munch into the market share of established reputed brands. The retailer also gets a larger profit on selling the fake rather than the genuine products and hence is biased towards the fakes.

Brands such as "Jifeboy", "Bonds Talcum", "Funny and Lovely" “Ranima” “Like me” etc., which are doing the rounds of rural markets, pose considerable challenge to rural marketers.

As more and more companies entered product category and product uniqueness became difficult to establish growth rates in rural markets started tapering.

Product Development

The Rural market is not a homogenous set of customers with preferences frozen in time. When developing products in any category, marketers must identify the typical rural specific needs. Tailor-made products are better received by the rural consumer as the consumers feel empowered and tend to identify with the offering.
Systematic, in-depth research that can help understand the depths of the mind of the villagers, their buying criteria, purchase patterns and purchasing power are an essential input while developing rural specific products or services.

A common error has been detected out that in the launching of a completely stripped down version of the urban product in the rural market, with the objective of offering the lowest possible price. This is not what a rural consumer wants. What is required is to introduce a product with ‘essential’ features, whose needs are recognized and for which the consumer is willing to pay (value-adding features). Product developers should aim at eliminating all the cost-adding features, i.e., features which a consumer is unwilling to pay for as he sees no obvious utility. This would “redefine value” in the minds of the consumer and tremendously increase product acceptability.

A craze of new product launches, new schemes, brand extensions and new marketing initiatives across companies indicate that only the fittest ideas survive.

The rural markets are not dumping grounds for low-end products basically designed for an urban market. 'Bundling of inputs' is sold to the rural consumer, including arrangements of credit, after-sale service, and so on.

**Branding**

Brand switching is often induced by heavy advertisement, recommendation of the retailer or word of mouth of opinion leader. They sometimes play the role of entry barriers for new products.

The perception of improved social status due to the use of branded products is also one of the major influences on the buying process. Rural consumers use these brands as some of the famous personality is using it, taken by the company as the brand ambassador for advertising their product.

Rural consumers are having brand knowledge but they have to choose brands which are available at the moment of purchase. One of the most significant influences in making the buying decision is the availability of the branded products in the nearby convenience stores.

Essential commodity companies treating rural markets as adjuncts to their urban strongholds and rural consumers as a homogeneous mass without segmenting them into target markets and positioning brands appropriately.
Packaging

A typical rural buyer buys one unit of mosquito repellant coil instead of full pack of tens or twelve.

The re-use capacity and colour of the container or box; in which the product is packed is also a crucial factor in product packaging. For convenient commodities, packaging innovations came in handy to introduce attractive price points for customers. The sachet revolution, squeeze tubes or pillow packs many product categories gained. The benefit as price points ranging from one rupee to five rupees emerged. Lower unit pack sizes, packaging innovations and offering basic, functional products at reduced prices characterized the pricing customization by marketers for the rural markets.

The rural consumers use a product in sachet only once and slowly get habituated to it. Habits take time to change and making unit sachet packs affordable is the key to inducing trial and purchase.

8.5 B Price

Non-price competition devices such as Branding, Attractive packaging, Service after sale, Liberal credit, Free home delivery, Money-back guarantee (return of goods), Sales promotion, Advertising, Personal salesmanship, Product improvements and innovations are adopted in rural market.

Price is not the sole determinant of purchasing. Besides fair price, consumers demand better services, better quality and reliability, fair trade practices, personalized relation with sellers, quality guarantee, credit, etc. Non-price factors are important selling points, in addition to price. Non-price competition tends to increase as buyers put more stress upon quality, fashion, variety, style, finish and service than on price.

Penetration pricing approach is followed for essential commodities in rural market as essential commodities have long life cycle, it has a mass market, entry of rivals into the market is easier and demand is elastic. Penetration price is preferred as rivals are discouraged to enter the market and product can establish a strong hold on the market share, incidentally making future entry of rivals difficult. A higher price generates resistance to sales. For every paisa increase in price, the rural customer asks more and
more justifications for paying a premium. Rural customers are wary of high prices. Moderately priced brands do well in rural market.

Rural consumer does not have a budget problem. He has a cash flow problem. This is because the village folk receive funds only twice a year. At these times, they are capable of making high volume purchases. At all times, however, the unit price is critical and so is the pack size. Because of this, in the lean season when there is a cash flow crunch, marketers need to provide financial products, schemes or solutions that suit the needs of the rural population.

Every rural consumer is not having a saving ability. He is not simply looking for the cheapest product in every category. He understands and demands value for money in every purchase that he makes. Pricing therefore is a direct function of factors including cost-benefit advantage and opportunity cost. Pricing offered to consumers should be for value offerings that are affordable. Price sensitivity is extremely high and comparison with competitive prices is common. Consumers seem to create narrow psychological price bands in their minds for product groups and price elasticity beyond the extreme price points is very high. The perceived utility or value of the product or service is the ultimate decision making factor.

The marketer has to understand that the rural markets are far utilitarian and price conscious and fancy advertisements, high profile sales campaign, introductory discounts or gifts alone may not be enough to penetrate the market.

**Pricing**

Some retailers in rural villages change more than the maximum retail price (MRP). They justify overcharging by pointing out that they spend time and money to fetch the products from distributors/wholesalers. This suggests that higher margins are sought by retailers in rural markets. It is observed that festival discounts given by manufactures to retailers normally contribute to increased stock level in the shops. These concessions are usually not passed onto the consumers. However, a rural retailer may deliberately undercut the price of a fast moving brand in order to increase its turnover.
Retail credit

Rural 54.29% retailers make their purchase in credit. The marketer has to ensure that the channel not only services the product requirements but also extends credit to retailers in villages. The extension of credit facilities by retailers to customers varies by both location and by product. It is all common in interior villages. In some cases, credit facility is given on loose essential commodities but not on packed goods.

Purchase Source

In rural villages, retailers are not visited by marketers or distributors. Therefore they have to go to town once or twice a month to buy their stocks. It is necessary for marketers of toiletries, detergents and packed foodstuffs to ensure that products are delivered to retailers also instead of only patronizing the wholesalers.

Competition

The SSI and tiny cottage sector and local producers enjoy exemption/lower rates of excise duty, sales tax etc. This makes them more price competitive vis-à-vis the organized sector.

A highly scattered market and poor transport infrastructure limits the ability of MNCs and national players to reach out to remote rural areas and small towns. Low brand awareness enables local players to market their spurious look-alike brands. Lower overheads are append due to limited geography, family management, focused product lines and minimal expenditure on marketing.

8.5 C Place

A marketer need not be present in all markets at all times. It is virtually impossible for an organization of any size to be present in every market. Rural wealth and demand is concentrated typically at towns, district headquarters, assembly markets and such central locations. Rural distribution has a rigid hierarchy of markets that make channel decisions relatively structured.

Rural customers are habituated to traveling once a week for their weekly purchases to a town; where the outlay is typically large, the purchase would be made in town for reasons of choice and availability of adequate cash flow.

Haats are the nerve centre of Rural India. They are a readymade distribution network embedded in the fabric of rural society for over thousand years. They have been
held on a regular basis across the length and breadth of the country. Right from the time of Chandragupta Maurya, Haats are seen as a place for social, cultural and economic interchange. Typically, an average haat will have close to 200 stalls. A haat usually serves around 5000 visitors. A lot of re-distribution also occurs through haats. This is because, a large number of retailers and Sub-wholesalers buy from haats for their village stores. The attractive thing to marketers is that sales in haats are always on cash basis.

Traditionally, in village shops a lot of credit sales occur due to the fact that in a small geographic area of a village, everybody knows everybody.

In haat market out of total sales; 80.14 % cash sale, 04.43 % is conducted on barter system and the rest 15.43 % is on credit. Also attractive to companies wishing to use the system is the low selling overheads. Participation fees at haats are a flat Re.1 to Rs.5 per stall and this rate is common to all.

Haats and mandis are one of the first used for distribution. A combination of dealers and the marketers working together or independently worked on using haats and mandis. These are used to not only generate awareness levels and sell directly to consumers, but also sell bulk quantities to rural retailers. They use these as locations to replenish their stocks, to be sold in their far flung villages where the traditional distribution network did not reach.

A good distribution system means that the company has a greater chance of selling its products as compared to competitors. A company that can make its product available over wide areas and at lower cost as compared to its competitors will capture larger market share. In rural India, the major road-blocks related to distribution and channel management are identified as; Lack of retail infrastructure, Lack of proper warehousing facility, Transportation problem, Large and scattered market.

Warehousing facility is very limited in rural markets. There is hardly any organised agency to look after the storage facility. Without proper storage facility, distribution of product to remote areas becomes a challenge for marketers.

Only about fifty percent rural villages are connected by road. The rest of the rural markets do not have proper road-linkages due to which physical distribution becomes a tough job.
Physical distribution and channel management adversely affect the service as well as the cost aspect. The existent market structure consists of primary rural market and retail sales outlet. The structure involves stock points in feeder towns to service these retail outlets at the village levels. But it becomes difficult maintaining the required service level in the delivery of the product at retail level.

**Channel Promotion**

Retailers in villages do not avail of discount schemes and they prefer not to hold heavy stocks.

Discounts for retailers in rural markets are relevant as the additional stocks carried by outlets in the feeder markets meet the needs of not only consumers but also retailers in rural villages.

**Retailer spread**

The rural market comprises small, dispersed village settlements, infrequent retail outlets and low off take per retailer. The high distribution cost due to the geographical spread and the low volumes result in a slowdown of products’ turnover in the rural market.

**Retailer Promises**

In villages retailing is a part time chore. In villages, a part of house makes retail counter. The maintenance cost for such retail outlets in villages is low as most of the cost relates to traveling and transportation. Only 41.43 % of shops in small towns had electricity. In villages, 67.50 % have two or three persons (owner, wife and children) working on a part time basis.

**Retail stock Turnover**

Most retail outlets stock a few standard product categories. These outlets carry very few items within a category and the paucity of products available on the retail shelf in the villages.

Rural retailers stock a particular item usually because consumers request for it and, to a lesser extent, because of the distributor’s push. This implies that the marketer have to direct their effort to promoting the brand both to the consumer and to the retailer.

Retailer pushing imitation or fake products in place of branded ones for better commission.
Limited inventory of essential commodity products are kept by consumer and prefers to purchase them frequently, as and when required.

**Lack of Retail Infrastructure**

Availability of retail infrastructure is directly related to the size of the village. Thus, small Wadi and vasti villages may not even have a shop from which products can be made available. Thus, it is very difficult for marketers to make their product available to rural consumers. Marketers find it very difficult to make their products available in those retail outlets spread over such a vast area.

Average sale per customer is below 100Rs. of 66.43% retailers. i.e. their customers are having very less needs or buying capacity. Only 33.57 % purchase in Rs. 100 and above goods in rural market and that too mostly on credit. Rural people also prefer to buy from haats or melas as compared to retail shops where there is less chance of bargaining. Rural retailers have to deal in a large number of products which results in large inventory and high inventory costs for minimizing inventory cost they keep selective fast moving brands. Rural retailer cannot charge higher mark-up as the consumers can not afford to pay higher prices. Major purchases are done by rural consumers on credit basis. Retailers have to travel frequently to feeder town / mandis to collect products. Due to this additional cost of traveling, their total expenditure towards collecting product increases.

**Retailer Promotion**

The marketers are providing attractive commission and credit facility to motivate the rural retailer to promote their brands.

Consumer loyalty to the retailer is higher in rural markets. Marketers should consider alternative ways to reach the rural consumer instead of being totally dependent on urban markets and wholesalers. POP represents important role as a sales promotion device in rural market. It covers the display material used in advertising programme. Such point-of-purchase material may include advertising on the package, window banners, shelf-talkers, merchandise tags, package stuffers, information folders and booklets and such other displaying materials are having positive impact on rural consumers.
**Wholesaler**

In rural market, the wholesalers play an important role in distribution structure. Wholesalers are based in feeder town / mandis. They pick up their stocks from nearest company stock point. Rural people and retailers purchase products from these wholesalers when they visit the mandis. The wholesalers usually operate on a cash and carry basis and at a very thin margin and manage a return on investment only by achieving a high inventory turnover. Though the wholesale channel is a low cost channel, marketers have lack of control over their operation.

When it is the question of pushing one product between two substitutable products, the wholesaler generally pushes the one which will earn him higher margin. There is high chance that they will push fake or duplicate products as they attract high incentives as compared to those from reputed brands. Also, wholesalers are reluctant in pushing new products due to risk factors associated with them.

In rural distribution; the lack of fair weather roads, widely dispersed villages, low density of population, lack of bank and credit facilities, multiple tiers, higher costs and administrative problems, and lack of retailers are the problems.

**8.5 D. Promotion**

The television has been the primary source of information besides newspapers. They also seek information from their relatives and the concerned retailers. The study revealed that the rural consumers are very much quality conscious and consider the advertisement and retailer’s advice while deciding about purchasing a particular brand. They are also little cautious about the prices as well.

The consumer loyalty pattern also suggests that promotion by the retailer is very important in rural markets because he has been serving buyer for long.

The rural consumer likes to touch and feel a product before making a choice. Demonstrations are undoubtedly the most effective promotional tool that shapes purchase decisions of the rural population. Demonstrations establish the credentials of any new technology used in developing the product.

Consumer and Trade schemes that incentives spending using discount coupons, off season discounts, free samples, etc. encourage spending. Lucky draws and gift
schemes are a major hit in most of the villages. Due to the social and backward condition the personal selling efforts have a challenging role to play in this regard. The word of mouth is an important message carrier in rural areas. Infect the opinion leaders are the most influencing part of promotion strategy of rural promotion efforts. Relevance of Mass Media is also a very important factor.

The Rural brands have strong brand equity, consumer demand-pull and efficient and dedicated dealer network which have been created over a period of time. The rural market has a grip of strong country shops, which affect the sale of various products in rural market. The low rate finance availability has also increased the affordability of purchasing the costly products by the rural people. The customers in rural market are price sensitive.

One of the non-traditional media emerge in the rural context is wall painting. Brightly painted walls near the village bus stop, cinema hall, banks, post offices, panchayat office; generated lot of visibility among the rural audience. Another prominent gathering place is the common well, which also began to be used as an advertising medium. Bore-well pumps, where available, are also used to paste stickers to promote brands.

**Media Habit**

Over the years, the attitude and lifestyle of rural folk has changed due exposure through TV and awareness through an increase in literacy level and urban proximity.

Media reach is a strong reason for the penetration of essential commodities. Increasing awareness and knowledge on different products and brands accelerate the demand. The rural audience are however critical of glamorous ads on TV, and depend on the opinion leaders who introduce the product by using it and recommending it.

The classic challenge of reach and coverage of the media are compressed. Several creative communication media have been used by various companies to tackle the problem of having to use visual communication and non-verbal communication to reach the rural audience. This is required because a large proportion of the rural population cannot read or write. Alliances with co-operative societies, panchayats, post offices for
advertising have also helped immensely. In rural India, word of mouth is the key influencer.

The use of local dialect and colloquial expressions are an excellent way to strike a rapport with the rural consumer and must be borne in mind when developing media plans and public relations programmes.

**Advertising**

Rural mindset accepts the brands easily, which are close to their culture. This point must be reflected in ad for rural markets.

All 4 P’s; (Product, price, promotion and place of distribution) communicate and act as senders of marketing messages. Of course, promotion proper is the most substantial and most eminent component of marketing communication mix. Without it marketing is impossible in a competitive and changing marketing environment.

Admissibility of brand ambassadors plays an important role in this regard. It is observed that the effect of T.V. and radio has a very important role in rural communication. Rural marketing has shifted its promotion mix strategies from conventional like puppetry, fok theatres and melas to the modern promotion mix strategies of mass media and T.V. and radio advertisement in influencing the buying decision of the rural consumers.

Children represent an important demographic to marketers because even though they don’t have their own purchasing power, they influence their parents' buying decisions and they're the adult consumers of the future.

The positioning communicated by these TV and newspaper medium have a very significant effect on the purchasing pattern of the consumers as literacy rate of rural population is increasing at a very high rate and thus creating the awareness about the product and its brand.

**Communication media**

It is observed that a high degree of illiteracy still exists in rural India. In rural villages of Ahmednagar district; hardly 43 per cent male literates and 27 per cent female are literates. Hence, press and other print media are playing a very minor role in our rural markets. TV and radio are ideal media with the rural consumers. But they are only
partially available for use in the rural regions. Hardly 20 percent of the rural consumers can be tapped by the print media of advertisement. Cinema is relatively acting as a better medium of communication in rural markets.

Marketer cannot use printed word or message as a means of communication. In addition to low literacy, rural consumers have diverse cultural backgrounds, different languages changing from region to region, varied customs, and traditions, economic backwardness. As marketer cannot use Marathi, Hindi or English languages for marketing communication, the problem of rural communications becomes quite formidable. Thus, marketers encounter a great difficulty in the formulation of appropriate media mix to establish effective rural communication to a target rural market

Sales Management

The important of the salesmen is massager because of their urban culture and their exit after the campaign is over. Retailer in rural markets promotes products, through the company sales staff the retailer to provide relevant information and guidelines concerning the product. They are influence by the commission and credit facility received by them with the result that their recommendations are unbiased.