Chapter 3

REVIEW OF LITERATURE

A literature review discusses published information in a particular subject area, and sometimes information in a particular subject area within a certain time period. A literature review can be just a simple summary of the sources, but it usually has an organizational pattern and combines both summary and synthesis. A summary is a recap of the important information of the source, but a synthesis is a re-organization, or a reshuffling, of that information. It might give a new interpretation of old material or combine new with old interpretations. Or it might trace the intellectual progression of the field, including major debates. And depending on the situation, the literature review may evaluate the sources and advise the reader on the most pertinent or relevant. The format of a review of literature may vary from discipline to discipline and from assignment to assignment. A literature review is an evaluative report of information found in the literature related to your selected area of study. The review should describe, summarize, evaluate and clarify this literature. It should give a theoretical base for the research and helps to determine the nature of your research. Works which are irrelevant should be discarded and those which are peripheral should be looked at critically.

A review may be a self-contained unit - an end in it - or a preface to and rationale for engaging in primary research. A review is a required part of grant and research proposals and often a chapter in theses and dissertations. Generally, the purpose of a review is to analyze critically a segment of a published body of knowledge through summary, classification, and comparison of prior research studies, reviews of literature, and theoretical articles. Some studies have been conducted on different aspects of rural marketing. These studies are briefly reviewed in order to present a broad framework for this research. The studies dealt with brand awareness of rural consumer, self-image, attitude of rural consumers, and purchase behavior of rural consumers and preferences of rural consumers.
The review of these studies is made under the following heads:

1. Rural Marketing in India

2. Brand Awareness of Rural consumers

3. Purchase Behavior of rural consumers.

**Rural Marketing in India**

*Kannan (2001)* studied the rural marketing prospects in selected areas of Tamil Nadu with a view to examine the potential of selected products in the areas under consideration. 100 respondents were selected in this survey and multistage random sampling was used. He concluded that the rural markets are coming up in a big way and growing twice as fast as the urban, witnessing a rise in sales of typical urban kitchen gadgets such as refrigerators, mixer-grinders and pressure cookers. For successful marketing in rural areas, an integration of traditional and modern methods of selling is required. To communicate effectively with the prospective rural consumers and to ensure effective distribution and prompt delivery, organizations must understand the specific requirements and needs of the villagers and then plan their strategy to convert the prospective consumers into active consumers.

*Aggarwal (2003)* found out that an efficient marketing system leads to the optimization of resource use and output management. A well designed system of marketing can effectively distribute the available stocks of modern inputs and thereby sustain a faster rate of growth in agricultural production. An efficient marketing system ensures higher level of income to the farmers by reducing the number of market middleman, regulating marketing services, providing better prices for the products by having competitive conditions for marketing.

A new situation is emerging in India. Governments have been emphasizing economic development by ensuring growth rates of seven-eight percent annually, enhancing the welfare of farmers and workers and unleashing the creativity of entrepreneurs and marketers *{Singh and Bhagat (2004)}.*
opportunity must be fully utilized to bridge the rural urban divide, using knowledge as a tool. As such, there is a need to focus on Empowering Rural India (Kalam 2005) and one of the ways that this can happen is through a strong and transforming agrimarketing.

The strengthening of rural communication services is an important ingredient for the welfare and development of rural India as it gives timely information on business, price, market and demands within a few minutes and that too at a very low cost (Paatnaik and Rao (2006)). The open and transparent franchise policy for rural areas must be worked out to enable the franchisee to provide telecom facility on a revenue sharing basis. The rural literacy and road length, in particular, and other rural infrastructure in general are considered essential for the growth of rural non-farm sectors and for enhancing their employment generation potential, policy measures should be directed towards strengthening these support systems which in turn would lead to the growth of rural India and the Indian economy as a whole (Pradhan (2005)). Corporate and rural India has entered into collaborative partnerships through vertical coordination. A common thread among these is integration and tightening the supply chain (Hans (2006)). The agri-initiatives taken by Indian corporates will play an important part in the dissemination of the right information and knowledge. Corporates can act both as buyers of agri-produce as well as providers of resources for producing the same.

Rural marketing as any marketing activity in which one dominant participant is from a rural area. For the purpose of defining the domain of rural marketing, “rural” and “urban” can be visualized on a continuum, consisting of three broad groups, namely, rural, rurban and urban. The construct called rurban is the overlap between rural and urban, with physical features closer to urban areas and proximity to large urban centers, but with deep rural sociological moorings. The domain of rural marketing, thus can be seen in a two dimensional space as a flow of goods, services, and ideas from one area to another, except in the case of urban to urban flow.

A complex set of factors influence rural consumer’s behavior. Social norms,
traditions, caste, and social customs have greater influence on the consumer behavior in rural areas than in urban areas. The seasonality of agricultural production influences the seasonality of rural consumer’s demand. Given the fact that the landless laborers and daily-wage earners get their income in installments, their purchasing is restricted to small quantities of products at a time, mostly on a daily basis or once in tow or three days. (Jha Mithileshwar, 2007)

Kaptan (2004) studied the rural marketing for HDPE pipes in rural areas of Maharashtra with a view to examine the dealer’s awareness and perception towards their respective HDPE pipes and to identify the major competitors and their market share in the agricultural segment.

The area of the study was taken up in three districts of three regions in Maharashtra. The size of sample was 45 dealers who sold agricultural implements like pumps, pipes, starters etc.

He concluded that rural marketing is changing constantly. Continuous marketing research should be conducted periodically and a database should be developed by all the companies. By contributing towards reductions in the cost of distributing goods from producers to farmers, marketing research makes it possible for the farmers to enjoy better products at lower prices.

Lokhande (2004) in his study “Rural marketing- A Study of Consumer Behavior” observed the consumption pattern, purchase behavior and preferences of rural consumers. His study was confined to two villages of Aurangabad and 150 respondents were selected on random sampling basis.

He concluded that Rural India, having more than 70% population living in 6.27 lakh villages, is a huge market. Obviously, a number of FMCG companies are trying their best to harness the business opportunities in rural India. Electronic media, efficient transportation system, increasing income levels and strategic marketing policies are the major contributing factors to enhance the scope of rural marketing. Rural consumer is changing his consumption habits to suit himself to changing environment.
A farmer in rural Punjab is more progressive than his counterpart in Bihar, a farmer in Karnataka is far more educated that one in Rajasthan, and so on and so forth. In an urban family, the husband, the wife and often even the children are involved in the buying process. But in a village, because of the lack of mobility among women and their having very little contact with the market, it is the men who make the purchase decisions. Further, while an urban individual is free to take independent purchase decisions, in a village, because of the strong social levels community decision making is quite common. Companies that took the trouble to understand these needs and peculiarities have tested success. (Kashyap Pradeep, 2005).

Kumar and Madhavi (2006) in their study “Rural Marketing for FMCG” evaluated the level of satisfaction and brand preference of FMCG consumers. Multistage random sampling technique was adopted. Ten villages were selected from Cuddalore district and a sampling of ten from each village was selected resulting in two hundred as sample size.

He revealed that rural marketing is not fully encased by marketers. FMCG products could significantly increase their market share by extending attention to rural areas. More generic product with different advertisement camping surely attract non users. This untapped source could be easily reached by FMCG manufacturing. Most of the consumers are influenced by quality of the product so the FMCG companies should strictly adhere to the quality standards.

Timmer and Peter (2006) concluded that in the rice-based food system in Asia, greater investment in rural human capital, more efficient rural financial markets, and opening of the world rice market to free trade would ensure a more prosperous future for the farmers and greater food security for the consumers.

The rural markets have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the
rural communities. On account of green revolution, the rural areas are consuming a large quantity of industrial and urban manufactured products {Sadangi (2004)}. The rural markets offer great opportunities to the marketers. The need of the hour is correct profiling of rural consumers and detailed study of rural buying behavior and purchasing patterns in rural markets {Jain and Rathod (2005)}. Companies need to design proper communication and marketing strategies to prevent initiation and counterfeiting of their products. The marketers have to depend on rural India for growth and size. Even in lifestyle products, rural India will be significant over next five years. Rural India markets promise to be very lucrative for the Indian incorporation {Prateek (2006)}.

**Brand Awareness of Rural Consumers**


The area of study was Erode district of Tamil Nadu and thesis of the sample taken was 50 respondents and simple random survey was conducted.

He concluded that now day’s products are flowing from rural to urban areas and urban to rural areas. Even premium brands are gaining wide acceptance in the rural bastions. Increasing awareness has led to significant changes in buying behavior and consumption habits. The urban market is getting increasingly competitive and saturated. There is less scope for growth in the urban markets, especially for the already established categories. Today, the rural market is blooming with increase in the disposable incomes of the households.

Nandagopal and Chinnaiyan (2003) in his study “Brand Preference of Soft Drinks in Rural Tamil Nadu,” identified the popular brands of soft drinks and the factors that contribute to the purchase of soft drinks in the rural area of Tamil Nadu.
Pollachi Taluk of Coimbatore district in Tamil Nadu was purposively selected for the study. 200 rural consumers of soft drinks were selected at random. The primary data were collected from the rural consumers using well structured and prestested interview schedule. Percentage analysis was used to study the general characteristic of the consumers and sources of brand awareness.

He concluded that the level of awareness among the rural consumers about the brand of soft drinks is high which was indicated by the mode of purchase of the soft drinks by “Brand Name.” Major source of brand awareness is the word of mouth followed by advertisement. A factor that influences the purchases of a brand of soft drinks is product quality i.e. quality perception in the mind of the consumer.

Raman (2003) in his study “Strategies of Multi National Companies in Rural Marketing,” analyzed the strategies of MNC’s to enter into rural areas for the introduction of new products.

He examined areas like automobiles, telecommunication and service sector where strategies like joint venture have been used to enter into rural area.

He concluded that the growth and success of the MNC’s in rural areas depends on how they adopt different strategies in marketing their products. The strategies to be adopted by the MNC’s may be based on the cultural, sociological, economic and psychological background along with a factor of 4P’s in that area. Further, these strategies have to be changed over a period of time to meet the varied demands of the consumers. After a decade of experimentation the multinationals have settled on a strategy “think small and keep the product simple”. This strategy is identified and implemented by many of the MNC’s in the rural areas.

Nagaraja B. (2004) in his study “Market potential of durable products in rural areas” examined the awareness and potential of durable products in rural areas of Gujarat.
His study was conducted in the villages nearby Ahmedabad and judgement sampling was used on 100 respondents.

He revealed that the Indian rural market with its vast size and demand base offers a huge opportunity that MNC’s cannot afford to ignore. With 128 million households, the rural population is nearly three times the urban. To expand the market by tapping the countryside, more and more MNC’s are foraying into India’s rural markets. The rural market accounts for half the total market for TV sets, fans, pressure cookers, bicycles, washing soap, blades, tea, salt and toothpowder, What is more, the rural market for FMCG products is growing much faster than the urban counterpart.

Naidu (2004) evaluated the consumer awareness in rural markets with a view of studying the awareness of the consumers regarding consumer movement and to study the awareness of the consumers towards cosmetics, shampoos and toothpaste.

The study was an empirical research based on survey method. Ranga Reddy district in Andhra Pradesh was chosen for the study. Ten villages were selected for this purpose. Agriculturists, Businessmen, Professionals, Housewife’s were included in the sample. Altogether sample of 125 respondents had been selected for the study.

He concluded that awareness of the rural consumers about the consumers movements are qualitative in character and cannot be measured directly in quantitative terms. There is no fixed value or scale which will help to measure the awareness. But the awareness has been studied with the help of their responses to various questions. Little wonder then that success has eluded most corporate in rural markets but with urban markets getting saturated and fiercely competitive, they have to look at rural markets due to the emerging potentiality in these markets.

Oza (2004) in his study “Where the FMCG market is sizzling- A Study of Rural Markets,” examined the rural consumer’s psyche for FMCG products.
The survey was conducted with a sample size of 200 in villages of Baroda. Convenience sampling was used.

He concluded that using easily available technology, strong local area knowledge, a short supply chain and quality raw material regional players are giving big brands a run for their money. The regional brands are making their aggressive presence in smaller towns by participation in melas and exhibitions. They are giving distributors and retailers better margins in rural areas.

**Purchase Behavior of Rural Consumers**

*Jamal and Goode (2001)* in their study “Effect of self image on purchase decision of rural consumers,” examined the relation of self image with product preferences.

They covered various rural areas in Maharashtra with the sample size of 100 respondents and the sampling technique used was random sampling.

They revealed that the self-image/product image congruity (commonly known as self-image congruence) can effect product preference and purchasing decision of the consumers. It suggests that purchase behavior can be reversed depending on factors such as price, quality, quantity, shape, color, and promotional schemes etc

*Sakkthivel (2005)* in his study “Effectiveness of Sachets in Modifying Rural Consumer’s buying behavior and their Consumption Pattern,” examined the effectiveness of small sachets in modifying consumer’s buying behavior and found out the quantity and frequency of purchase of products by rural consumers.

The purposive survey was conducted among 150 consumers who resided in Tumkur district in Karnataka and the sampling technique used was judgment sampling.
He concluded that sachet is a bold move by FMCG conglomerates to motivate rural consumers to try new products. It is a positive step towards the modification of buying behavior and consumption pattern of rural consumers who are long neglected and hidden in shells. This new avenue would positively create more demand and would bring more money to companies as it introduces new products to rural consumers. The study revealed that only some selected products like shampoo, fairness cream, spices, mosquito repellant etc. could create impact among the rural consumers and rest of them could not. Hence, the companies need to focus on the reasons behind the modification in consumers’ buying behavior and consumption pattern toward the products expected in medium or large containers. Yet, the study indicates that these sachets facilitated rural consumers to try new products and also played a vital role in modifying their buying behavior and above all, a major change in their life styles. Hence sachets may be viewed as a promotion tool for modifying buying behavior rather than a yet another innovative form of packaging.

Vanniarajan(2005) in his study “Comparative Analysis of Rural and Urban Consumers on milk consumption evaluated the consumption pattern of rural and urban consumers.

The purposive sampling method had been adopted to collect data from the consumers of milk. Madurai district was chosen for the present study. 150 samples were randomly selected in Madurai city and 150 respondents were selected from the three different blocks in Madurai District- Tamil Nadu. Thus the total number of sample households was 300.

He concluded that consumers in rural areas fall behind the consumers in urban areas in per capita milk consumption and this is due to the fact that the food habits of rural consumers are different that of urban consumers. The urban consumers prefer branded milk whereas the rural consumers prefer mostly unbranded milk as most of the rural households have an easy excess to milk diaries in the villages.

Simple random sampling was done and 125 respondents from the selected rural areas of Kanpur, U.P. were taken into consideration.

He concluded that factor affecting customers who prefer to purchase a new generation bike by putting more emphasis on fuel efficiency, easy finance and whose price is within their affordable range may be labeled as economic benefit factor. They are ready to compromise with luxury to some extent at the cost of economic benefit. On the other hand customers of second type are of aristocrat class who are least concerned with fuel efficiency and price of the bike. They seek benefits of luxury, safety and dignity from a new generation bike at any cost. Factor affecting customers of this class may be labeled as social benefit factor.

Though change is common, some changes seem peculiar and paradoxical. Today Indian economy is witnessing one such bifurcated change- a change from national to global on one side and urban to rural on the other. Keeping in mind the above facts and opinions this research is undertaken, as the rural markets possess a vast potential, which remains untapped by the marketers. The objectives of the research were kept in order to understand the marketing pattern of FMCG branded products in rural areas.

More literature that was reviewed

Sayulu and Reddy (1996) suggest that the rural market offers a very promising future. But this market has certain characteristics that hinder marketers from exploiting the opportunities. These include low literacy level, ignorance of right consumers, indifference to quality standards and lack of cooperative spirit.

Rao (1997) observes that the boom in rural areas is caused by such factors as increased discretionary income, rural development schemes, improved
infrastructure, increased awareness, expanding private TV channel coverage and emphasis on rural market by companies.

Rao (2002) the study of product penetration in rural market shows that different products have different product penetration rates. Some of the products such as soaps, detergents and hair oil in the non durable category have shown high penetration rates. There is a need for creating mass awareness towards increasing the quality of life, standard of living in rural areas. Low penetration rates may not imply unaffordability factor rather it could also be due to indifference and consumers not perceiving the value of a product.

Malhotra (2003) conducted the study on cosmetic industry in rural areas of India which described the main reasons for boom in cosmetic industry in rural areas as increasing fashion and beauty consciousness coupled with rising incomes and focus on health and fitness.

Gruen (2004) in his study examines the efforts of suppliers and retailers in the FMCG channels to adopt more efficient consumer base. He examined the relationship between the channels and the customers. People understand the local dialect and prefer to be informed in their local language and dialect. Therefore it can be useful for promotion of brands in rural markets by major players (Patel & Prasad, 2005).

Sakkthivel (2006) has gauged that companies intended to attract the rural consumers ought to very courteous in their approach and should try to develop the personal rapport by offering better products and supportive services. Once this is done, they don’t have to worry about promotion as word of mouth will take care of it. Mahapatra (2006) claims that once the marketer creates a positive attitude for the brand/service then it is very difficult to deviate the rural consumers. They not only seek comfort in their brand but also from the person who is selling them the brand. Kumar & Madhavi (2006) brings out that rural consumers are quality conscious but with reasonable price offers.
Tulli (2006) revealed that the rural consumers are very satisfied from price and quality factors and satisfied from the factors like color, packaging, fragrance, discount offers etc. The rural consumers are influenced by the electronic media and print media also. Affordability, local language, simplicity, value pricing are the factors that are influencing rural markets and have to be taken care by the marketers (Ramakrishan, 2006)

Chaturvedi (2007) revealed that rural people prefer brand name although price is also the leading factor that affects the purchase decision of rural consumers. Durability also attracts the rural customers.

Balaji (2007) the study explores the differences in the consumer’s evaluation of FMCG brands. Advertisements are very useful in increasing of sales and majority of respondents have purchased the brand first time on account of massive TV advertisements. Discounts and sales promotion schemes are one of the major points of attraction for huge sales. Singh (2007)

Ananda, Raj &Madha (2007), in their studies titled, “Where FMCG market is sizzling”, concluded that, India’s rural markets have seen a lot of activity in the last few years. Rural marketing has become the latest marketing mantra of most FMCG majors. To gain advantage of this, the Indian FMCG sector is busy putting in place a parallel rural marketing strategy. FMCG majors are aggressively looking at rural India since it accounts for 70% of the total Indian households. The annual consumption of detergents in India ranges to thousands of tonnes. Each brand claims to clean whiter, boasting of technologically dubious terms such as fighting granules, power pearls, etc. Their study aims at finding the factors influencing the rural customers to prefer a particular brand in detergent soaps. This study concludes with suggesting the strategic framework for marketers to win over the hearts of the rural customers.
Shinde Rajesh (2007), in his studies titled, “Recent Facets of Consumer Behaviour: A Case of Rural Market”, concluded that, India’s total population is 102 crore of which 71.89 crore was of rural India, constituting 70% of the total population. Inspite of this fact, marketers earlier concentrated on the urban markets and scheduled their strategy accordingly. But now marketers found different strategies to penetrate in the rural segment. The pioneer corporate was HLL. Various surveys reveal that average rural household spends almost 60% of their income on the food, which is reasonably a high amount. The demand for FMCG in that way was going rapidly high as compared to the urban market. The market for FMCG is estimated at around Rs. 50,000 crore.

Garg Bhawna (2007), in his studies concluded that, rural markets are growing rapidly because of social, political and economic changes. Rural consumers are fundamentally different from their urban counterpart. In present scenario hair oils is one of the many products, which is consumed by the rural consumer more than their counterpart. The rural consumers consume hair oils as essential goods. Many companies are marketing their hair oils under different brand names. This has made it essential to probe in to and analyse the impact of socio-economic influences in rural consumer behaviour in terms of their buying practices, brand loyalty and behaviour changes of rural consumers.

The rural market in India is vast and scattered and offers a plethora of opportunities in comparison to the urban sector. It covers the maximum population and regions and thereby, the maximum number of consumers (Shamim 2008). India is an agro-based economy and the growth of most of the other sectors of economy is driven by rural demand. Urban market is reaching towards the saturation point, thus bringing in and urgent need to focus on rural development. (Viswanathan 2008)

Banerjee (2009) though there are number of road-blocks in the path of proper distribution in rural markets, by designing and adopting effective strategies and proper use of resources, marketers can overcome these barriers and explore the opportunities lying untapped in rural market to achieve the
organizational goal - profit maximization. Sharma (2009) has gauged the importance of Dabur India Products in rural India. The rural India is becoming aware about the branded products as the literacy rate is rising. NRI’s also playing a vital role in rural India. They also affect the decision process of buying branded products in rural India.

Rajshekar M (2009), in his study titled, “Quest for rural rest” had searched about the potential of Indian rural market about different toiletry products. Rural market in India accounts for more than 70 million consumers or 70 % of Indian population and accounts for 50% of FMCG market. The working rural population is approximately 400 million and average citizen in rural India has less than half of purchasing power as compared to urban counterpart. Still there is an untapped market and most of FMCG companies taking different steps to capture the different market share.

GargaPawan (2009), in his study concluded that, instead of smaller packages, medium packages were reported to be the most preferred with only exception of shampoo. From testing of hypothesis relationship was observed to be existing: between consumer’s purchase decisions on the basis of price and the select FMCG product categories; consumer opinion about inferior quality of loose products and district of respondents; consumer’s opinion about the quality of products stocked by rural retailer and district to which they belong; rural consumer’s trust on the matter of the advertisements and the different districts. It is recommended that neither rural Punjab should be treated as single homogeneous market nor different FMCG products categories be planned in a similar manner. Specific marketing strategies based on the different elements of Marketing Mix have also been developed in the paper.

Bijoor (2009), in his article titled, “The Fakes Market” has remarked that fakes are rampant in rural India. There are spurious brands present in the market. For Example Bond’s (for Ponds), Fare & Lovely (for Fair & lovely), Likeboy (for Lifebuoy), etc.
Balsara (2009), in his article titled, “Brand Loyalty vs. Stickiness” has concluded that low level of literacy and awareness make rural people less likely to switch brands as they do not have the required knowledge or information to exercise a choice. They feel more comfortable in purchasing tried and tested brands. They are, therefore, ‘brand sticky’ rather than ‘brand loyal’.

Garga (2009) this research paper based on primary data examines the domain of Rural Marketing for the select FMCGs for the state of Punjab with an objective to develop an insight into the buying behaviour of rural consumers. Instead of smaller packages, medium packages were reported to be the most preferred with only exception of shampoo. The quality of goods stocked by the rural retailer was reported to be average and majority of respondents reported lack of trust in the matter of the advertisement with significant variations across the different districts. From testing of hypothesis relationship was observed to be existing: between consumer’s purchase decisions on the basis of price and the select FMCG product categories; consumer opinion about inferior quality of loose products and district of respondents; consumer’s opinion about the quality of products stocked by rural retailer and district to which they belong; rural consumer’s trust on the matter of the advertisements and the different districts. It is recommended that neither rural Punjab should be treated as single homogeneous market nor different FMCG products categories be planned in a similar manner. Specific marketing strategies based on the different elements of Marketing Mix have also been developed in the paper.

Jain (2009), in his article titled, “Issues related to rural marketing” has remarked that rural marketing must find its own distinct perspective before theory construction can begin in the field. After reviewing the literature on marketing and economic development, it is proposed that development of rural people should be the perspective of rural marketing.

Rajendhiran (2009), in his report titled, “Rural Marketing – A critical review” has remarked that the method of promotion needs to be tailored to suit the
expectations of the market. Techniques that have proved to be successful are Van campaigns, edutainment films, generating word of mouth publicity through opinion leaders, colorful wall paintings.

**R. Piraktheeswar (2010)**, in his study concluded that, rural market buy small packs as they are perceive for value of money. There is brand stickiness where consumers buy a brand out of habit and not really buy choice. Brand rarely fight for market, they just have to be visible in right place. Even expensive brand such as close up, marigold biscuit and clinic shampoo are doing well because of deep distribution many brands are doing well without much advertising spot Ghadi a big detergent brand in north India is in example.

**Kashyap (2010)**, in his book titled, “The Rural Marketing” has said that villages with clear surveyed boundaries not having a municipality, corporation or board, with density of population not more than 400 sq. km and with at least 75 percent of the whole working population engaged in agriculture and allied activities would qualify as rural markets. According to this definition, there are 585, 764 villages in the country. Of these, only 0.5 percent has a population above 10,000. Around 50 percent of the villages have population between 200 and 1,000 and another 18 percent have a population less than 200.

**Kashyap (2010)**, in his book titled, “The Rural Marketing” has remarked that a number of variables come into play when while trying to map consumer behavior in rural India. The differences of behavior to the same stimulus between two localities in the village, between two villages, between districts and between states, are so large that no single model can be applied blindly to the whole of rural India.

**Bijapurkar (2010)**, in its article titled, “Rural India” has remarked that consumer behavior in rural India has attracted a lot of discussion and theories, but there has been holistic and structured framework within which to understand it and use it for marketing decision making.
Authority of rural Development (2010), in its report titled, “Rural Economy” has said that the rural consumer market, which grew 25 per cent in 2008, is expected to reach US$ 425 billion in 2010-11 with 720-790 million customers. The Union Budget for 2010-11 has hiked the allocation under the National Rural Employment Guarantee Act (NREGA) to US$ 8.71 billion in 2010-11, giving a boost to the rural economy.

The Economic Times (2010), in its news titled, “Companies eye the purchasing power of rural youth” has remarked that high degree of awareness facilitated by communication devices has empowered the youth in the villages. And now youth has grown to be more aware about the branded products and wants high quality products.

Purohit (2010), in his study he concluded that Brand names become more important in some categories but not in others depending on the extent of information available to customers-brand names are more valuable when information on fewer attributes is available. Sensory search attributes, particularly visual cues about the product packaging and design also have impact on choices. Price sensitivity is higher, but this is due to promotion campaigns being stronger signals of price discounts.

Radhakrishna(2010), in his article titled, “Rural markets” has remarked that, India Inc. is witnessing an emerging paradigm shift in rural marketing. India has traditionally been an agrarian economy. Rural sector was the only one which withstood the global economic down turns and continues to grow. For many companies, rural market contributed almost 50% of their total sales revenue. Companies have well realized that if growth is the only option, rural market is the only way to grow ahead. And the organizations who that take initial steps and leaps in the approach will benefit from the first mover advantage, gain brand loyalty and better business growth.

Ramanujan (2010) in his study explores the suitability of Gandhian model as a possible remedy for the various socio-economic problems in rural India. Uncontrolled, unplanned and un-regulated industrialization and urbanization
have led to many disastrous consequences. Gandhian vision of village republic therefore, seems to provide a credible alternative for rural India. It is high time that policy makers and intellectuals of India look seriously at the issues relating to rural development. In his another study “Gandhian Thought On Rural Development” he concluded that It is time to solve rural problems first in order to solve our national problems. Relevance of Gandhian thought has increased with the passage of time. Gandhian vision of village republic therefore, seems to provide a credible alternative for rural India. It is high time that policy makers and intellectuals of India look seriously at the issues relating to rural development. Gandhi’s message of “back to the village is still relevant for us because “India begins and end in the villages.”

**Business and Management Chronicle (2011),** in its article titled **Consumer Space in Rural Markets** stated that the dynamic trend of consumerism in India is gradually shifting from urban to rural India. Gone are the days when companies in the consumer space would be content with the huge number of consumers in fact they are leveraging on their product portfolio. In the past few years the growth in sales of products for companies in the consumer space in rural markets has been faster than urban markets.

**Bhattacharjee (2011)** in his study revealed that influence of media in the purchase of FMCG products seems to be similar for both the rural as well as the urban households in different income classes and types. It is found that media has considerable influence upon the rural folks. With the increasing rate of literacy, print media in the form of newspapers, magazines etc are also gaining popularity in the rural context. It is for the marketers to understand the implications of the influence of the various media and utilize the appropriate media applicable for marketing their products, especially to the rural areas.

**MNCs in Rural India: At a Turning Point (2010)** yet now there’s a shift in how MNCs look at their entire rural India investments beyond CSR. With growth drying up in developed markets and their center of gravity shifting to emerging markets, MNC businesses in India are under pressure to prove that their rural strategies aren't just about doing well from a CSR perspective. They
also need to show head office that these strategies are doing well from a business perspective. In short, the strategies must start delivering top- and bottom-line results. In fast-moving consumer goods, for example, MNC products are capturing a sizable portion of rural consumer spending in a number of areas, with year-on-year increases in rural spending in 2009 on MNC shampoos (70%), washing powder (60%) and toothpaste (112%), say researchers at IMRB. What's more, they say, the average spending on these products is growing faster in rural than in urban markets. In rural areas, finding the magic price points that don't eat into margins yet boost volume is an ongoing battle, with a lot hinging on distribution. The rural incubation work of multinationals is part of their business. The companies need to be less focused on [year-on-year] success and spend more energy on building innovative solutions and business models for this segment.

**Winning over India’s Rural Consumers (2010)** That is a question many multinationals have been asking since rural India emerged as an important market not just for local companies but for global firms seeking new sales opportunities amid the global economic slump. Multinationals such as Coca-Cola Co. and Cadbury (now part of Kraft Foods Inc.) are trying to crack this market with television advertisements specifically targeted at rural consumers. Yet product consumption remains low in rural India despite the fact that the area is home to half of the country's total disposable income, according to a 2008 report from FICCI-Price water house Coopers. There are televisions in an estimated 26% of India’s 145 million rural households, according to a recent NSSO survey.

**LG Electronics: Rural Is the Future (2010):** Not only in India, in all emerging markets the rural sector has been very important. In terms of population and numbers of households, rural has become the future. It has become very critical for LG to grab mindshare by catering to all segments. About 73% of India’s population lives in rural areas [and] 35% of the rural population own a color television set, 5% own refrigerators and 1% own a washing machine. Disposable incomes in rural areas have gone up considerably, primarily
because the domestic market has maintained a healthy growth rate, despite
the recession worldwide. Over the next five years, as the economy continues
to grow, we expect disposable incomes to go up even further.

**Winning over India's Rural Consumers (2010):** Multinationals such as
Coca-Cola Co. and Cadbury (now part of Kraft Foods Inc.) are trying to crack
this market with television advertisements specifically targeted at rural
consumers. Yet product consumption remains low in rural India despite the
fact that the area is home to half of the country’s total disposable income,
according to 2008 report from FICCI-PricewaterhouseCoopers. There are
television in an estimated 26% of India’s 145 million rural households,
according to a recent NSSO survey. Effectively pitching a global brand to a
rural household requires more than just a catchy phrase or a Bollywood face

**Consumers in Rural Areas Care for Value (2010):** More than Price Colgate
and Philips have invested right from the beginning in rural India, saw the
value of the market, developed products that were useful for the rural market,
gone into the rural markets with their distribution systems, and were very
successful. In fact, the rural market always provided them with a nice buffer
they could bank on. A significant part of their sales came from the rural
market. These companies have been in rural markets for more than 50 years
now

**Rural Calling: Can Nokia Sustain Its First-mover Advantage? (2010):**
Nokia’s first mover advantage in rural India is being chipped away. Both
home-grown and foreign rivals are muscling in on Nokia’s rural territory,
beating it down on price. All eyes now are on Nokia, as it rolls out innovative
services that can be sold alongside its handsets through a range of
partnerships. Nokia was the first mobile phone maker to set up a satellite R&D
center in India as it began tailoring products for the rural terrain. The phones
look as sleek as high-end models, but are also sturdy to withstand rough
usage. They have seamless keypads to protect them from dust and special
grips to make them easier to hold in India’s humidity. Some phones -- Nokia
1200 and Nokia 1208 -- also double up as flashlights because of rural India’s
frequent power outages. Nokia has also embraced the country's plethora of languages, with interfaces in Hindi, Marathi, Kannada, Telugu and Tamil.

**Dutta (2011)** his study leads to the conclusion that in order to utilize the immense potential of rural markets in India, companies need to develop specific marketing strategies and action plans, taking into account the complex set of factors that influence consumers’ behavior. Rural Marketing cannot succeed if the marketing strategy and action plans are only an extrapolation of urban marketing strategies. Innovative companies who adopted an integrated approach have succeeded in utilizing marketing opportunities that rural areas offer.

**Neelmani (2011)** in his findings stated that Consumer's attitude to the Private Labels has been a very important research area in the modern consumer behavior study. Private Label Brands in India is in early phase and is all set to grow by leaps and bounds. The market size of private label brands will expand and therefore a lot of innovativeness and competition will creep in this segment. All these developments in the Private Labels segment would render the consumers with more choices.

**Malik Garima (2011),** In her book titled, “Introduction to rural marketing” remarked that, the Indian rural market is witnessing a boom of late, all very thanks to the saturation being witnessed by the urban counterparts and with the advent of economic slowdown in the economy, the corporates are now on a hunch to look out for greener pastures where it can sell their offerings at reasonable profits. There is an intense competition in the market and none of the corporate wants to lose the golden opportunity offered by the great Indian rural market.

**Memon (2011)** in his study revealed that The Indian rural market is known to all the International FMCG Brands but sometimes rural consumers are very choosy in selecting the brands especially in the consumable sector.
Muthukumaran (2011) concluded that the Indian Restaurant industry has come of age by diversifying its services and trying to cater to Indian rural taste buds and is staying in the competitive arena amongst international giants and is able to provide better services to the customers.

Pallavi (2011), in her research concluded that companies across different sectors are now approaching rural markets with attractive incentives to ensure targeted sales. The income of Rural Population in India and their purchasing power has augmented in recent years. The companies have to ascertain their needs and desires in order to exploit vast potentials of rural markets with suitable marketing strategies. Overall backwardness, preference for conventional way of life of the rural people etc. are some factors, which must be tackled aptly, as these have been hindering the growth of companies in the rural regions. Companies have to find ways to cater to the rural markets by taking into account the 4 As i.e. affordability, awareness, availability and acceptability.

Rita (2011) stated that People in urban areas have various sources to get the knowledge about the investment avenues but the rural still stick to the traditional investment avenues. The rural people must be motivated and given a wider information on investment opportunities in India so as to change their attitudes and preferences. By doing so the rural people will be more educated and the economy growth will also be effected.

Vani (2011) in her study concluded that consumer behavior models are essential for companies and researchers to analyse the rural consumer behavior perfectly. The decision making for buying process have to be analysed properly to study the behavior of rural consumers towards the products they purchase.
Objectives of study:

6. To study the consumption pattern of the rural consumers regarding FMCG products.

7. To know the various factors influencing the purchase behavior of rural consumers regarding FMCG products.

8. To find out the brand awareness of rural consumers regarding FMCG products.

9. To understand the preferences and attitudes of rural consumers for FMCG products.

10. To study the level of satisfaction in purchase of various FMCG products.

Scope of the Study:

The basic scope of this novel initiative will be the mutual benefits of the rural entrepreneurs and industries. The entrepreneurs – primary beneficiaries, bridge with the community, participating companies/industries and rural consumers have befitted through a robust commercial relationship.

Moreover, the prime scope of this study is the creation of opportunities for the rural entrepreneurs for product differentiation and innovation by offering them choices.

✓ Changing Lifestyles:

✓ Rising per capita income, increased literacy and rapid urbanization have caused rapid growth and change in demand patterns. The rising aspiration levels, increase in spending power has led to change in the consumption pattern.

✓ Low penetration and low per capita consumption.
Due to the large size of the market, penetration level in most product categories like hair oil, toothpaste etc in India is low. This is more visible when comparison is done between the rural and urban areas.

Existence of unsaturated markets provides an excellent opportunity for the industry players in the form of vastly untapped market as the income rises.

Increase in literacy level of rural people provides an opportunity

Significance of the Study

The vastness of the rural market poses both challenges and an opportunity to the marketers. The desire to improve the living standards is felt as keenly in the rural areas as in the urban areas. Rural incomes are rising and the poverty ratio is falling. With the increase in real income of rural people a shift has been found to have taken place in the items consumed by the rural consumers. Today most of the consumers from rural areas are developing a brand familiarity with brand names. The growth in rural income has been better than urban income since the minimum support price for crops like wheat and paddy has been substantially hiked. Even prices of pulses, rice, oilseeds and milk have increased dramatically over the last one year. The disposable income with the farmer is higher now. **The FMCG growth in Punjab is at 25 per cent in the April-June quarter (over the corresponding period last year) is higher than earlier years.** Hence this study will help the marketers to develop marketing strategies by taking into account the attitudes and social psychological characteristics of the rural population in Punjab and will help the marketers to bring in transformation of rural areas by making them also aware about the branded products.

The products like soaps, shampoos, cosmetics and hair oil were selected for the study as these are very common products and if rural consumers would be aware about them, then more branded FMCG products can be launched in the rural markets. This study will also help the marketers to develop the strategies for rural Punjab as all the three progressive districts were selected for the research.