Chapter 7

RECOMMENDATIONS

As rural consumer’s buying behavior is statistically found to be dependent on the district to which the respondent belonged, it is recommended that rural Punjab should not be treated as a single homogeneous market. Within the state, there exists different type of rural markets, each requiring very different marketing approach. Therefore, national level FMCG companies can tap the potential of rural market in a phased manner. More developed and east to target districts can be approached first, subsequently broader penetration can be attempted in developing districts and finally in the less developed districts. Different products under the ambit of FMCG also need to be planned separately as significant variations were observed in rural consumer’s approach towards different products under the FMCG product category. Some strategies to be recommended are:

- **Product Strategy**: Rural consumers are not likely to switch over to high priced brand3d products, if they do not see any significant functional value. Organizations can target rural market of Punjab by developing value for money products. Then only they will be able to upgrade the rural consumers from buying loose or local products to branded ones. Sachet packaging can be a good strategy for promoting trials of newly introduced product categories and enabling consumption for the weaker sections of rural society. But smaller packages should be presented as one of the option and not as the only solution to all the marketing problems in the rural market of Punjab. Packaging decisions needs to be taken according to the market and product category needs to be reviewed over a period of time with the changes in the consumer behavior.

- **Price Strategy**: It was observed that respondent’s preferred medium and not low priced products therefore organizations cannot be
competitive in the rural market of Punjab on the basis of lower price alone.

- Place strategy: There should be more aggressive and proactive approach by the FMCG organizations and their distributors in the relatively affluent and easy to reach rural market of Punjab. Provision of subsidy for the distributors in the relatively affluent and easy to reach rural market of Punjab. Provision of subsidy for the distributors by the FMCG organizations for the additional cost for distributing products in rural areas and additional freight to the salesman as an incentive to for travelling in the rural areas can lead to availability of better products to rural areas.

- Promotion Strategy: As respondents demonstrated relatively little trust in the conventional promotional messages, corporate world needs to develop rural specific promotional strategy, which is conducted at local level to promote and sell FMCGs in rural areas. As the research clearly shows that rural consumer buys frequently and in less quantity so the packaging of soap/detergent should be very small. Attractive promotional schemes should be there to promote the sale of a product because research shows that brand loyalty in case of soap/detergent is very less and they frequently switch over between the different brands.

Generally the benefits given by the company for the sale of soap/detergents are consumed by the distributors /wholesalers and retailers do not get such benefit. If retailers are provided with sufficient margin or incentives as compared to other product then they can really increase the sale of that very product. Because they are the one who are dealing with mass public. Company should given the enough knowledge to the retailers regarding their product through their selling agents because this study shows that consumer consider retailer as his/her opinion leader or as the source of information before purchase of a product.
Newspaper is the better mode of medium for the advertisement various sale promotional schemes. Advertisement should be through newspaper in rural areas. Many people are still not aware of various other sale promotional schemes like coupons, freebies, scratch cards etc. So we can say that awareness regarding various promotional schemes is required.

Study further shows that due to the lack of awareness among retailers they are not able to get any incentive from company side. Generally these incentives are consumed by the wholesaler/distributor. Sale promotional schemes like 20% extra or Price off exerts significant impact on rural consumer’s psychology and thus motivates them to purchase in bulk.

**Recommendations for Hair Oil:-**

1. Most of the consumers are daily users of hair oil; therefore Indian rural market has very huge scope

2. The companies should have strong distribution channels so that brand can be easily available in the market.

3. The rural consumers are price sensitive, so companies should keep the price comparable with its competitors.

4. Rural consumers are brand loyal so companies have to create a brand image.

5. Small Packaging is preferred by rural consumers, so companies should focus on small packaging i.e. 50-100ml.

6. Word of Mouth plays important role in rural markets and negative word of mouth can create problem for the company and will benefit its competitors.

**7.1 Policy implications**

It is apparent from the study that once the rural consumers convinced regarding the utility of the product for current use, there are every likely
chances of ruralites going for it. Therefore, marketers desirous of tapping rural market must first study the consumers’ requirement related to the utilitarian aspect that they attach to the products and then design the product accordingly. Ruralites in Punjab are conscious about the quality of the products; this underlines a very important fact for the marketers that they must consistently try to build upon the perceived image about the quality of the product along with maintaining the quality. As the main source of information are television and newspaper, it is suggested to the marketers that reaching rural consumer is not a difficult task but strategy needs to be properly designed based on the kind of media and programmes they are exposed to.

During the study some strategies evolved:

- Target consumers on unmet needs vis-à-vis price, products, and features.
- Develop the market through a unique positioning.
- Product and packaging should be creatively used for delivering VALUE and influencing perception.
- Product features can be communicated effectively to create a favorable attitude.
  Distinct colors, designs, symbols help illiterate consumers to identify the brand.
- Leverage strengths e.g. distribution (e.g. Wheel) or costs (Nirma) to deliver the value offering.
- It is quite natural that firms seeking an effective presence in the rural market willingly embrace the private village shops as the major component of their distribution outfit. And on their part, the village shops function as an effective bridge between the scattered rural consumers and the urban-based producers.
- Organising one’s channel out of these private shops, however, requires assiduous efforts on the part of the firm. It has to select its outlets from out of existing shopkeepers or select a few fresher’s and appoint them as the outlets
• As regards transportation, the system of rail-cum-trucks for long
distance movement, trucks for medium/ short distance movement and
delivery vans and bullock carts for local haulage should effectively
serve the purpose. Water transport too, has a role in specific areas.
Bullock cart has a special role in rural distribution. Business firms
operating in the rural market of the country have to appreciate that the
bullock carts play a major role.

Hence these are some of the strategies which a marketer should keep in
mind, while marketing his goods or services to Rural Populace. For Ex: FMCG
major Dabur is unleashing a marketing blitz across the country through beauty
pageants, singing contests and model hunts to penetrate rural and semi-
urban market. Dabur is focusing on states like UP, Punjab, Bihar, Rajasthan
and MP for promoting various brands, including Dabur Amla Hair Oil, Vatika
hair care range and Gulabari skin care products. Rural sales accounts for 50
per cent of Dabur's turnover and hence this push into Rural heartland, with
these activities Dabur seems to be targeting young ambitious youth in rural
India. Dabur's strength has always been in North India and it is aiming to build
upon its strengths by focusing on this core 5 North Indian states.

• Dabur is planning to tap the existing users of loose mustard oil, around 80
per cent of whom reside in rural India, and convert them into loyal customers
of its brand. In order to reach out to them Dabur Amla has launched "Banke
Dikhaa Rani Pratiiyugita" in Rural India which is a rural beauty and talent
show. This will be spread across 5 states UP, Punjab, Bihar, Rajasthan and
MP spread across 1000 cities.

• Dabur is also launching a singing and talent hunt contest "Dabur Vatika
Koyal Punjab Di" to mark the launch of its range of natural conditioners,
including the Vatika conditioners and a college beauty contest 'Dabur Gulabari
Miss fresh face of UP'.