Chapter 8

CONCLUSION

This study has shown the new facts relating to the rural market and rural consumer. Consumer buys frequently and in less quantity. They get influenced with retailer’s opinion immediately.

1. As purchase gap is less than a week in case of soap/detergent. So we conclude that they buy goods on need driven demand basis.
2. They get attracted towards additional benefits immediately. As they are interested in various promotional schemes.
3. Still, awareness level regarding various promotional schemes is very less in the rural consumer.
4. They ask retailer for his/her opinion about the product before purchase.
5. Retailers in rural villages do not get any additional incentive for the sale of a particular product.
6. Retailers are of the view that distributor/wholesaler consumes all the benefits.
7. Local retailers have a firm belief that they can sell any product in the rural market if they are provided with additional incentive.
8. Retailers can act like company’s selling agent if they are provided with the information regarding product because consumer generally asks them before purchase.

The study conducted on the awareness and consumption pattern of rural consumers towards home and personal care products. This study on the one hand has broken many old beliefs regarding rural market whereas it upheld many others. Contrary to the belief that only rich and well educated consumers utilize the top national brands but even low income level consumers were found to be absorbing such brands. Similarly the consumers have been found well exposed to the different media primarily to the television and newspapers. 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. The rural consumer can be convinced on the
utilitarian value of the product. The pricing for rural consumers has to be value
for money. The ethnic route can also be adopted like: identify certain values
and belief in cultural context and also some cultural traits can also be
identified. In nutshell, the study can be concluded by saying that though rural
market is full of complexities yet accessible if tapped through well conceived
and properly designed marketing programmes which is a bigger challenge but
equally rewarding.

Indian rural market is very vast and there is huge scope for hair oil industry. It
was observed that rural customers are very loyal and they buy out of habit.
Many of them use the product because their grandparents use it. Thus once
the company has won the faith of the customer they will buy it out of habit.
There are many companies which are into branded hair oil but the major
players in Punjab are Bajaj, Marico, Hair & Care, and Dabur. They had
penetrated deep in to the markets of Punjab and are the most preferred in the
Punjab. The customers in Punjab are very loyal and most of them are
satisfied with their respective brands. The market is very vast and there are
some villages where some of the brands are not even known to the
customers. The local players are also present but do not have large market
share.

The rural markets dominate Indian marketing scene and need special
attention for the expansion of marketing activities and also for providing better
life and welfare to the rural people. Given the development, which has taken
place in the rural areas under the five- year plans and other special
programmes, today the rural market offers a vast untapped potential.
Development programs in the field of agriculture and allied activities, health
education, communication, rural electrification, etc have improved the
lifestyles

In the end it is certain that FMCG companies will have to really gain inroads in
the rural markets in order to achieve double digit growth targets in future.
There is huge potential and definitely there is lot of money in rural India but the smart thing would be to weigh in the roadblocks as carefully as possible. The companies entering rural market must do so for strategic reasons and not for tactical gains as rural consumer is still a closed book and it is only through unwavering commitment that the companies can make a dent in the market. Ultimately the winner would be the one with the required resources like time and money and also with the much needed innovative ideas to tap the rural markets.

Rural market has its own set of challenges. Therefore organizations need to unlearn and then relearn marketing strategies and tactics that will enable harnessing the rural potential. The approach strategies and marketing mix needs to be modified and examined from rural consumer’s perspective to be successful in the rural market. Developed and smaller states like Punjab, which have good infrastructure, can be a good place to start from.

Thus looking at the challenges and the opportunities which rural markets offer to the marketers it can be said that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage. A radical change in attitudes of marketers towards the vibrant and burgeoning rural markets is called for, so they can successfully impress on the 230 million rural consumers spread over approximately six hundred thousand villages in rural India.

The rural market is very large in compare to the urban market as well as it is more challenging market. The consumer wants those products which are long lasting, good, easy to use and cheaper. The income level of rural consumers is not as high as the income level of urban consumers that’s why they want low price goods. It is one of the reasons that the selling of sachet is much larger in the rural area in all segments.

It is necessary for all the major companies to provide those products which are easy to available and affordable to the consumers. It is right that the profit margin is very low in the FMCG products, but at the same time the market
size is much large in the rural area. The companies can reduce their prices by cutting the costs on the packaging because the rural consumers don’t need attractive packaging. Application of 4A* is also a major task for the major companies in this area.

Rural market has an untapped potential like rain but it is different from the urban market so it requires the different marketing strategies and marketer has to meet the challenges to be successful in rural market. A rural consumer seeks a good qualitative product at reasonable price with some additional advantage in terms of quantity of price reduction.

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 mot 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
Future research direction

This is an effort to study the awareness and consumption pattern of rural consumers towards select products in the category of home and personal care. It is a broader view of the certain aspects. Further research can be conducted on a single product while taking into consideration the more variables. This study is conducted only in the state of Punjab in India. For comprehensive and detailed understanding of rural market in India, studies should be conducted at national level by taking larger sample size.