CHAPTER – IX

SUMMARY, RECOMMENDATIONS AND CONCLUSION OF THE STUDY

The main purpose of this chapter is to summarize the whole research effort, draw conclusions from the findings and give recommendations based on this study.

Today, the only constant thing in an evolving market is the change in consumer dynamics. Over a period of time, the Indian market has come to stand as distinctly divided like the religions and castes of India. The Indian market is categorised into urban and rural markets. Each of these markets has its own characteristics and potential. Today, rural markets are the focus of Indian marketers for various reasons that include the current and future potential of the market. The size of the market covers two-thirds of country’s population and half of the national income comes from rural population. The Indian rural market with its vast size and demand base offers a huge opportunity that Multinational Companies cannot afford to ignore. Expanding the market by tapping the countryside, many Multinational Companies are entering into India's rural markets. Among those that have made some advances are Hindustan Lever, Coca-Cola, LG Electronics, Britannia, Standard Life, Philips, Colgate Palmolive and the foreign-invested telecom companies.

In view of above, the present study was carried out with following specific objectives.

1. To study the extent of exposure and level of awareness of respondents towards advertising.
2. To analyse the brand consciousness and perceived effects of advertisements on purchase of various brands of toiletries.
3. To evaluate the role of television advertising and its effect on the lifestyle of rural consumers
4. To study the role of elements of promotion mix in influencing the rural consumers and to analyse the trustworthiness attached by rural consumers towards the elements of promotion mix.
5. To study the strategies adopted by various selected FMCG organizations in rural markets.

The present study is based on primary data and the same has been collected through a non-disguised structured questionnaire consisting of questions on likert scale, dichotomous type, multiple choice and open ended type. A pilot survey of 50 respondents was conducted; later on the questionnaire was converted to vernacular language so as to make it understandable to rural masses. 450 rural respondents were selected from various villages of districts of Punjab viz. Amritsar, Jalandhar, and Ludhiana with different demographic characteristics. Out of each district three community blocks were selected using Random sampling and from each block; two villages were taken on judgement basis covering twelve households per village on convenience cum judgement basis. Two members from each household were chosen so as to have diversity of views. One member chosen was the head of the household and the second member was chosen subject to the availability at the time of survey. Moreover, the television viewership and the awareness levels of the young members are more in comparison to the aged members.

432 questionnaires could be administered due to non-cooperation of some of the respondents. In the data cleaning process 32 questionnaires were found inappropriate for the reason that they had incomplete, inconsistent and illegible responses and were excluded from the final analysis, thereby the sample size was finally reduced to 400.

President of the Municipal Committee and Sarpanches of selected villages were contacted to identify the households with adequate income who possess the television sets and are exposed to TV advertising. The nature of the study being exploratory it was kept in mind that the subjects are chosen from a wide cross section of the population. Moreover, the toiletries selected for this study were such that they could be afforded and purchased by majority of the families living in the rural areas. Before interviewing the respondents, at the time of initial contact it was confirmed whether the television sets are owned by the respondents or not.
Data has been analysed with the help of various statistical tools, namely Spearman’s Correlation Coefficient, Percentages, Kruskal Wallis Test, Chi Square, Median, Mode, Standard Deviation and Factor Analysis.

The data was processed with the help of statistical packages like SPSS Version 16 and Microsoft Excel. Tabular analysis was carried out for the purpose of studying the toiletry brand preference, factors influencing consumer choice including role of family members, buying process and post-purchase behaviour. For correlation between factors considered for product choice Spearman’s Correlation Coefficient was used. To analyse the factors which influence perception towards television advertising, effect of Television advertising on rural buying behaviour and to study role of advertising in transforming the way of life of rural consumers, factor analytic approach was used.
FINDINGS OF THE STUDY

The main findings that have emerged from the study are as follows.

- Nearly half of the rural households were found to own one television set only, which clearly depicts the undemanding nature of rural population. The reason for ownership of one television set can be attributed to low to medium levels of seasonal income in large number of rural households. Also, most of the television sets owned by the respondents were financed by the financing companies.

- Most of the respondents in rural Punjab were found to watch television for less than two hours only, which may be adjudged as the feature of the hardworking rural masses, wherein the manual work overpowers the mechanical equipments, thus parting only a few hours for television viewership.

- A hypothesis was generated stating that there is no relation between the age group and time spent by the rural respondents in watching television at 5 percent level of significance. Chi Square test was applied to confirm the relationship, wherein the p-value of significance was computed along with the calculated chi square values. The p-value exceeded 0.05 and hence indicated the acceptance of null hypothesis at 5% level of significance.

- Chi Square test was also applied to determine the significant alliance between the occupations of the respondents with regard to the time spent by the respondents in viewing the television. The null hypothesis stated that there was no relation between the various occupations and time spent by the rural respondents in watching television at 5 percent level of significance. The p-value of significance exceeded 0.05 and hence, the results were in acceptance of null hypothesis at 5% level of significance.
The respondents were found to view several channels at a time which, may be because of short commercial breaks between the programmes. It has been observed that usually in a telecast of 30 minutes period, there are two commercial breaks of 5 minutes duration each.

The respondents were asked to give ranks to their favorite channel. Mode was used to find the most preferred channel. The analysis of results indicated that Colors channel and sports channel was rated as equally favorite channels by most of the respondents followed by, Set Max, Music Channels, religious channels, Sony, National TV, Zee TV, Movie Channels, ETC Punjabi, Sports Channels, Star Plus, Zee TV, Religious Channels, ETC Punjabi, Documentary, Star Plus and News channels respectively.

The respondents were asked to rank the various modes of advertising from 1-5, wherein rank 1 was considered to be the most important mode of advertising of Toiletries. The results confirmed Television advertising as the most influential means which affected the purchase decision of the respondents; it was followed by Hoardings and Banners, Fairs, Newspaper and Magazines and Audio Media.

A large number of respondents were found to have moderately high levels of confidence in the television advertising. The application of the chi test revealed further that the age groups of the respondents and the trustworthiness they attached towards television advertising were found to have no association.

While making the buying decisions in the family, majority of the respondents were found to play the role of an influencer, followed by role as a Decider, initiator, buyers and users of the particular brand of a toiletry.
In order to find out the factors influencing the perception of rural consumer for television advertising, the factor analytic technique has been applied. Factor analysis reveals that three factors had Eigen values exceeding 1 and they accounted for as high as 57.364 percent variance. The strongest factor which influenced the perception of rural consumer has been “Rationale of TV advertisements” with Eigen value of 4.236 and contributes 35.300 percent of total variance. The second important factor has come out to be “Attitudinal change due to television advertisements”, and the third important factor is “Impact of Advertising on lifestyle of rural consumers”. This shows that rural consumers believe that television plays an important role in today’s world and has brought about a drastic change in the outlook and approach of rural consumers.

A good number of the respondents feel that a large percentage of their fellow population gets engrossed in TV advertisements and are stimulated to buy the toiletry advertised on the television.

The analysis of brand usage of various toiletries among rural masses revealed that the most preferred brand of bathing soap is Lifebuoy whereas that of washing soap is Nirma. A large number of rural consumers were found to use Velvette shampoo, Spinz talcum powder, Promise toothpaste, and parachute hair oil as their favorite brands of toiletries. The reason for the choice of the brands of various toiletries is majorly based on the television advertisements or hoardings of those brands in the villages and fairs.

Respondents were asked to rank the factors which affected their preference of use of particular brand of toiletry. The results disclosed that Economical and Promotional Schemes were the most favored factors for use of a particular brand of toiletry, followed by quality, specific design, packaging, availability, discount.
offers, celebrity advertisement and colour of the product. Spearman’s Rank Order correlation was applied to find the relationship between various factors preferred for usage of a particular brand of toiletry. The highest correlation was between “Celebrity advertisement” and “Discount Offers”, followed by “Colour” and “Packaging”, “Discount Offers” and “Availability”.

- Many of the respondents were found to believe that products advertised on television are priced higher than the products that are not advertised. They also considered the prize and gift voucher claims on various brands of toiletry as trustworthy.

- Television advertising is considered to be a need creating process. Many of the big players in FMCG industry are spending huge sum of money on various modes of advertisements. The rural consumers also often purchased various toiletries after watching a television advertisement, without the actual requirement of the product.

- The consumers in rural areas of Punjab showed mixed results for the use of toiletries after the viewership of television ads. The scrutiny of above tables shows that consumers get affected by advertisements for various toiletry products like bathing soap, washing powder and shampoo, whereas no or minor switch over of brands is seen as far as talcum powder, toothpaste, creams, blue and hair oil are concerned. The reason for the results can be attributed to the greater frequency of advertisements of soaps and shampoos in comparison to the other toiletry products.

- In order to find out the effect of TV Advertisements of Toiletries on Rural Buying behaviour, the factor analytic technique has been applied. The results of factor analysis revealed that there are three factors which together accounted
for 63.569 percent variance. The strongest factor which influenced the buying behaviour of rural consumer has been “Role of TV advertisements” with Eigen value of 6.757 and contributes 45.049 percent of total variance. The second important factor has come out to be “Outlook of rural consumer”, and the third important factor is “Effect of Advertising on of rural buying behaviour”. This shows that rural consumers are affected by television ads, which is portrayed in their buying habits. They feel that television ads are trustworthy and improve their buying skills.

➤ The largest part of the consumers were found to believe that they bought and used a particular brand of toiletry based on their own experience, followed by television ads, radio, friends and hoardings. This shows the rational nature of rural consumers who though gets influenced by television ads yet, they consider their own experience about the brands of toiletry as the best judge of usage of the same.

➤ In order to know the preference of the consumers about the advertisement appeal they were asked to rank the various advertising appeals from 1 to 5. The analysis illustrated that many of the respondents feel that the advertisement appeal depends on the product type which shows that the consumers understand that different product types need to have different advertisement appeals. It was followed by the suggestion that the appeal should be rational and meaningful in its approach; Emotional appeals were regarded as the next preferred appeal for advertising, followed by Humourous appeals.

➤ The frequency of responses of consumers giving different ranks to different parameters of information depicted on television about the toiletries confirmed that the consumers believe that the viewership of advertisements on television informs them about the basic ingredients in a particular toiletry, the suitability of
a particular toiletry which helps in their purchase decision, followed by exposure and awareness about the particular brand of toiletry and its genuineness. Television was also sensed as a facilitator, which helps the consumers in making a comparison of MRP of similar products of different brands and companies. It also helped in product differentiation and at times also made the consumers aware about the availability of a particular brand of toiletry. To find the relationship between various parameters which help in judging the role of television, the Spearman’s Rank Order correlation was applied to the responses of consumers. Highest correlation was found between new launches and product differentiation, followed by festive offers and product differentiation, availability and comparison of MRP.

- Factor analysis has been applied to substantiate the role played by TV advertisements in transforming the way of life of rural consumers. There are three factors which together accounted for 51.043 percent variance. The strongest factor which influenced the perception of rural consumer has been “Transformation in consumer profile” with Eigen value of 3.838 and contributes 29.520 percent of total variance. The second important factor has come out to be “Effect of advertising on economy”, and the third important factor is “Effect of Advertising on lifestyles”. This shows that rural consumers have become variety seeking and have resorted themselves to impulsive buying rather than planned purchases.

- To study the role of elements of promotion mix which help the companies in increasing their sales, the respondents were asked to rate the elements in accordance to their significance. Data analysis signified that Public relations were considered as the most important element of promotion mix which increase the sales of a company, followed by Sales Promotion, Direct Marketing,
Advertising and Personal Selling. Observations clearly depict the role of various elements of promotion mix in raising the sales of the companies.

- Kruskal Wallis test was applied to know the significant difference in the attitudes of three groups of respondents i.e. respondents who attach high trustworthiness, neutral trustworthiness and low trustworthiness to the various elements of promotion mix. The three groups of respondents are used as a grouping variable and the elements of promotion mix are taken as the test variables. The results revealed that the “high” trustworthiness group of respondents has mean rank of 191.35 in case of advertising, which depicts that they prefer and consider advertising as an important tool which increases the sales of the organization. It is followed by “neutral” trustworthiness group of respondents with mean rank of 179.27, 177.69 and 195.28 who prefer sales promotion, direct marketing and personal selling as a significant element which increases sales, and “high” trustworthiness group of respondents with mean rank of 197.46 prefer public relations as the most significant element of promotion mix, which increases the sales of the organization. The p-value for advertising, sales promotion, personal selling and public relations exceed 0.05 and hence, the results are in acceptance of null hypothesis at 5% level of significance i.e. there is no significant difference in the attitudes of three groups of respondents regarding the preference of the various elements of the promotion mix. The p-value for direct marketing is significant at 10% level of significance, and is thus in rejection of null hypothesis i.e. there is a significant difference in the attitudes of three groups of respondents regarding the preference of direct marketing as the element of promotion mix.

- Public relations have been rated as the most important element followed by Sales Promotion, Direct marketing, Advertising and Personal Selling as the important elements of promotion mix. The reasons given by the consumers for
their preference of a particular element of the promotion mix is its helpfulness in making the final purchase decision. Other reasons for the choice include building awareness, effectiveness in reaching large audience, builds customer trust, detailed information about the product, stimulation in sales in rural areas and highly interactive nature of the element of the promotion mix.

- The choice of factors accountable for deciding the optimal promotion mix, revealed the level of awareness among the rural respondents about the elements of promotion mix other than advertising. Each of the elements of promotion mix had its own impact on the rural masses. They understood the significance of various elements of promotion mix in increasing the sales of the company, wherein public relations had been considered as the most important element. The rating given to the reasons responsible for their choices are quite rational.

- The various FMCG players were found to have adopted varying strategies to tap the potential of rural markets. The strategies followed by companies like HUL, ITC, Nirma Chemicals, Coca Cola India Ltd, Colgate Pamolive, CavinKare, Godrej and Dabur have been analysed. In order to be successful, organizations need to develop business models and marketing mix strategies that are developed in accordance with this changed scenario in the rural markets of India. It is the responsibility of the companies to supply a right product to the right customer at right time at the right place at the right price.
RECOMMENDATIONS OF THE STUDY

The pricing strategy for rural market will depend upon the scope for reducing the price of the product to suit the rural incomes and at the same time not compromising with the utility and sturdiness of the product. The main recommendations for the marketers tapping the rural masses are as under:

Since the larger pack sizes are out of reach for rural consumers because of their price and usage habits. The strategy of adopting the small packs helps to keep the price of the toiletries low, and gives a chance to the entire rural community to try a product. This may not be possible in all types of products, but wherever this can be resorted to, the market is bound to expand.

- A close observation of use of toiletries in the rural households indicates the importance of redesigning or modifying the products. The manufacturing and marketing men can think in terms of new product designs specially meant for rural areas keeping their lifestyles in view.

- Durability of a product either in terms of weight or appearance is an important fact for rural consumers. The product meant for rural areas should be sturdy enough to stand rough handling and storage. People in rural areas like bright flashy colours such as red, blue, green etc., and feel that products with such colours are sturdy but they are more concerned with the utility of the item also.

- The rural consumers are more concerned with the utility of the products. The brand name awareness in the rural areas is found to be is fairly high. A brand name and/or logo are very essential for rural consumers for it can be easily remembered.

- Simple package can be adopted in case of toiletries, which can bring down the cost as it is presently being done in the case of biscuits. Some innovation in packing technology is very necessary for rural markets.
Reusable packaging is another concept, which is gaining popularity in urban areas. The packaging material used should preferably lend itself for reuse in rural areas also.

The technique of application of value engineering can also be tried by the FMCG players to evolve cheaper products by substituting the costly raw material with the cheaper one, without sacrificing the quality or functional efficiency of the product. This technique yields itself for application in many engineering or product designed areas so that the price can be kept at an affordable level. These areas have to be explored by manufacturing and marketing men in the context of rural markets.

Most manufacturers and marketing men do have a distribution arrangement for village with a population of at least 5000 people. While it is essential to formulate specific strategies for distribution in rural areas, the characteristics of the product, its shelf life and other factors have to be kept in mind. The distribution strategies can be specifically designed for rural areas through co-operative societies, public distribution system, multi-purpose distribution centers, distribution up to feeder markets/mandi towns’ shanties/hat/jathras/melas, agricultural input dealers etc.

The major findings of the study have revealed that television is a powerful medium of communication in the rural areas. For disseminating the information, related to agricultural and other rural industries products, the government and the marketers should advertise it on television.

While making efforts to improve the marketing system within rural areas marketers should also foresee the forces of globalization affecting the market forces.

The rural area is a market where large portions of the population are illiterate. So, when packaging consumer products for rural markets, companies must use
prominent logo symbols and logo colors to assure that illiterate consumers will be able to recognize the products.

It can thus be concluded that today, the only constant thing in an evolving market is the change in consumer dynamics. Over a period of time, the Indian market has come to stand as distinctly divided like the religions and castes of India. The Indian markets are categorised into urban and rural markets and each of these markets have its own characteristics and potential. Today, rural markets are the focus of Indian marketers for various reasons that include the current and future potential of the market. The size of the market covers two-thirds of the country’s population and half of the national income comes from rural population. The Indian rural market with its vast size and demand base offers a huge opportunity that Multinational Companies cannot afford to ignore. Expanding the market by tapping the countryside, many Multinational Companies are entering into India's rural markets. Among those that have made some advances are Hindustan Lever, Coca-Cola, LG Electronics, Britannia, Standard Life, Philips, Colgate Palmolive, and the foreign-invested telecom companies.

Although, rural consumers need to purchase consumer goods just as their urban counterparts do, rural consumers have a different set of needs that must be met by both package and product. Spending time researching the rural consumer as well as the market before diving in can help to prevent unnecessary struggles and failures. If the opportunity exists, partnering with an existing Indian company upon market entry can provide several key advantages to a company. Understanding the available distribution networks in rural India is crucial to making a successful entry into the rural Indian market. Packages need to be designed to withstand more distribution abuse due to poor roads and more primitive modes of transportation. Finally, when creating a package for rural India, small sizes allow consumers to try new products. It also caters to the fact that most rural Indians have low disposable incomes and little storage space at home. By applying these suggestions, the task of entering the rural Indian market seems to be promising.