

**Rural Marketing Mix and Essential Commodities
-A Study with Reference to Dharmapuri District of Tamil Nadu**

***Dr. C. Vijayarani and **Dr. S. Sathya**

**Assistant Professor, Dept. of Commerce, Periyar University College of Arts and Science, Salem*

***Assistant Professor, Dept. of Commerce, Periyar University College of Arts and Science,
Salem*

Abstract

Rural consumers are conspicuously different from the urban consumers. Therefore it is essential to understand the distinctive needs of the rural customers and act therefore. Rural people are becoming more aware and are changing with time. Hence, all efforts should be directed towards the correct formulation and implementation of marketing strategies to provide maximum value to the rural consumers. This study focused on marketing mix and essential commodities in rural areas of Dharmapuri district of Tamilnadu.

Key Words: *Marketing Mix, Essential Commodities, Customers, Rural consumer*

1.1 Introduction

The Marketing mix refers to the appointment of effort, the combination, the designing, and integration of the elements of marketing into a Programme or mix which on the basis of an appraisal of the market force will best achieve the objectives of an enterprise at a given time. The rural customer has to be understood in terms of his level of need, his ability and willingness to pay a particular amount for his needs being served, the way he would like the product to be delivered, and his most preferred method of assessing information about the product and services.

Poverty and low level of literacy characterize rural population in India. As a result, traditionally rural markets were viewed as markets for essential commodities only. In post-independence period, Government of India had introduced a number of measures to improve the quality of life of rural masses. These measures included agricultural development programmes, rural industrialization, cooperative movement, mass education and other social developmental activities through state Government of Tamil Nadu and other voluntary organizations. After agricultural revolution green and white, the yield per acre of land and per animal has increased substantially.

1.2 Statement of the Problem

From the strict marketing point of view, the market structure in India is dichotomous having rural and urban markets. But many companies do not concur with this view as they contend that consumer everywhere is a consumer and hence their needs, aspirations, beliefs and attitudes will also be the same. The fact, however, remains that there are certain unique characteristic features which call for separate marketing strategies to be distinctively developed to suit the rural and urban market behaviour.

1.3 Objectives of the Study

- i. To examine the Attributes of Rural Consumer in Dharmapuri District.
- ii. To enquire about the Consumers' Market Awareness in the Study Area.
- iii. To identify the Factors Affecting Consumption Pattern of Rural Household.

1.4 Research Methodology

1.4.1 Research Design

In this study the researcher has adopted descriptive research design. Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual or of a group. Descriptive research includes surveys and fact-finding enquires of different kinds.

In a descriptive study the first step is to specify the objectives with sufficient precision to ensure that the data collected are relevant. Then it comes the question of selecting the methods by which the data are to be obtained. Usually one or more forms of probability sampling or what is often described as random sampling are used. Under this sampling design every item of the universe has an equal chance of inclusion in the sample.

1.4.2 Area of Study

The rural consumers in Dharmapuri Districts constitute the population of the study.

1.4.3 Sources of Data

Primary data are those which are collected afresh and for the first time and thus happen to be original in character. The secondary data needed for the study were collected from the relevant journals, magazines, textbooks and websites. The primary data were collected from the rural consumers through interview schedule.

1.4.4 Sampling Technique

A sample of 800 (80×10) consumer covering 80 villages for consumers and 200 retailers covering 20 (20×10) villages were selected by using convenience sampling.

1.5 Review of Literature

Kaplan Dr S. and Rajendrakumar C (2004) have discussed the importance of rural market and opportunities in it. Big companies, which were reluctant to enter the rural markets and completely ignored this sector a few years ago, have started making a bee line for the villages now, each offering its brands of different consumer products. Strategies adopted by Onida and HLL for rural marketing are discussed with problems faced in rural marketing in this article. Lars Torsten Eriksson and Amie M. Hauer (2004) in their conceptual article, the authors describe an alternative course structure that joins learning key marketing concepts to creative problem solving. The authors speak of an approach using a convergent-divergent-convergent (CDC)

process key concepts are first derived from case material to be organized in a marketing matrix, which is then used as the platform for creation of a marketing plan through various forms of creativity resulting in four maps developed through mind mapping, the technique of focus for divergent thinking in this article. Finally, the matrix format returns to summarize the key concepts, models, and major decisions identified during the first two phases. Maruthamuthu K., Krishnakumar K. and Vasan M., (2006) have studied the biscuit market in India which is estimated to be 1.1million tons p.a., valued at Rs.35billion. The unorganized sector accounts for over 50% of the market. The market has been growing at a CAGR of 6-7% p.a. Per capita consumption of biscuits in India is estimated at a low 1.5kgs, reflecting the huge potential for growth. Manufacturing was reserved for small-scale upto 1997, which put large players at a disadvantage. ChaudhuriRanjan's (2010)paper focuses on the emerging concept of neuromarketing and has looked at the science behind neuromarketing in particular. This literature survey is an attempt to widen the scope of neuromarketing beyond commercial brand and consumer behaviour applications, to include a wider conceptualization of marketing science. Neuromarketing offers the prospect of gaining a better understanding of how the brain responds in a wide variety of everyday situations. In addition to proving of great commercial value such research offers the possibility of increasing our knowledge of brain function as it extends powerful medical technologies into a new and challenging area of research. Drawing from general neuroscience and neuroeconomics, neuromarketing as a field of study is defined, and some future research directions are suggested.

1.6 Data analysis and Interpretation

Table 1.1

Demographic Characteristics of Rural Consumer Respondent

Variable	Characteristics	Respondents	
		Frequency	Percentage

Age	Below 20 Tears	30	3.72
	20 to 30 Years	147	18.28
	30 to 40 Years	324	40.57
	40 to 50 Years	250	31.28
	Above 50 Years	49	6.15
	Total	800	100
Sex	Male	675	84.43
	Female	125	15.57
	Total	800	100
Educational Qualification	Un-educated	232	29.00
	Primary Education	345	43.14
	Graduation	135	16.86
	Post Graduation	47	5.86
	Other	41	5.14
	Total	800	100
Family Type	Joint	488	61
	Nuclear/ Divided	312	39
	Total	800	100
Occupation	Labour including Agricultural	233	29.14
	Agriculture	207	25.86
	Business	56	7.00
	Government Service	24	3.00

	Privet Service	127	15.86
	Other	153	19.14
	Total	800	100

Source: *Primary data*

Age- wise Distribution of Rural Respondent

The above table depicts the classification of respondents. An analysis reveals that on the whole, consumers in the age group of 30-40 years dominated the rural market (40.57%) followed by 40-50 years (31.28 %). The age distribution of consumers is appropriate because the consumption habits, tests and buying habits vary from one age group to another.

Gender -wise Distribution of Rural Respondents

An analysis reveals that on the whole, researcher could contact only 16% female respondents; remaining 84% respondents were males; because of cultural barrier in rural market the respondents were reluctant to speak to strangers.

Education -wise Distribution of Rural Respondents

The relevant data of the respondents indicate that respondents with primary education dominated the scene with 43 %. There has been significance growth in the number of graduates and post graduates.

Family -Type wise Distribution of Rural Respondents

Family profile of the rural sample indicates that most of the respondents are having Nuclear or divided family structure; at the same time only 22% families are joint nature.

Occupation -wise Distribution of Rural Respondents

It is clear from the above table that, on the whole, a majority of the respondents (55%) are from agriculture and labour including agriculture.

Factors for Choice Retailer/ Choice at Point of Purchase

Table1.2
Factors for Choice Retailer/ Choice at Point of Purchase

Statements	Most Important	Important	Neither Important Nor Unimportant	Unimportant	Most Important
Received best deal	590	175	35	Nil	Nil
Percentage of respondent (%)	73.71	21.86	4.43	Nil	Nil
Installment availability	Nil	25	130	351	294
Percentage of respondent (%)	Nil	3.14	16.28	43.86	36.72
Knew dealer before hand	423	233	113	31	Nil
Percentage of respondent (%)	52.86	29.14	14.14	3.86	Nil
Conveniently Located	330	230	151	63	26
Percentage of respondent (%)	41.28	28.72	18.86	7.86	3.86
Friends relative bought from their and recommended	290	219	170	83	37
Percentage of respondent (%)	36.29	27.43	21.29	10.43	4.57
Dealer gives good after sales services	Nil	Nil	59	411	329
Percentage of respondent (%)	Nil	Nil	7.43	51.43	41.14
Credit given by dealer	419	311	51	18	Nil
Percentage of respondent (%)	52.43	38.86	6.43	2.29	Nil

Source: *Primary data*

It matters a lot for the consumer to be specific on the buying motives and point of purchase. It is in this light that the respondents were asked to rate the various factors which were taken into consideration by them while choosing the place from where to purchase the essential commodities. To measure the relative importance of factors considered, the respondents were

asked to indicate on a five point rating scale, the degree of importance attached to each factors. Table shows the frequency of the consumers as to how important were these for choosing a particular retail shop for purchasing essential commodities.

Table 1.3**Purpose of Purchase of Essential Commodities**

Reason	Packed Food Items		Hygienic Items		Cosmetic Commodity Items	
	<i>F</i>	<i>%</i>	<i>F</i>	<i>%</i>	<i>f</i>	<i>%</i>
To be used mostly by other members of your household.	627	78.43	649	81.14	566	70.72
To be used mostly by yourself	98	12.28	113	14.14	155	19.43
As a gift for someone not in your household	24	3.00	7	0.86	12	1.57
As a gift for someone in your household.	50	6.29	31	3.86	66	8.28
Total	800	100.00	800	100.00	800	100.00

Source: *Primary data*

The above table explains various reasons to purchase essential commodities by rural consumers. More than 70% rural consumers purchase essential commodities for other members of your household. 12% to 20% of rural consumers purchase essential commodities for themselves. 01 % to 03 % rural consumers purchase essential commodities as a gift for someone not in your household. 03 % to 08 % rural consumers purchase essential commodities as a gift for someone in your household.

Rural Consumers are Aware of Rural Market for Essential Commodities

H₀: There is no significant association between family size and annual consumptions of rural households.

H₁: There is significant association between family size and annual consumptions of rural households.

Table 1.4**Rural Consumers are Aware of Rural Market for Essential Commodities**

Family Size	Annual Consumption					
	Up to 1200	1200 to 6000	6000 to 12000	12000 to 24000	Above 240 00	Total
Four Adult +1 Child <i>f</i> %	67 8.4	27 3.4	35 4.4	7 0.9	48 6.0	185 23.1
Four Adult +2 Plus Child <i>f</i> %	77 9.6	33 4.1	25 3.1	13 1.6	50 6.3	198 24.7
Six Adult +1 Child <i>f</i> %	33 4.1	3 0.4	18 2.3	2 0.3	21 2.6	78 9.7
Six Adult +2 plus Child <i>and above f</i> %	6 0.7	9 1.1	4 0.6	3 0.4	4 0.6	27 3.4
Two Adult <i>f</i> %	55 6.7	10 1.1	16 2.0	1 0.1	48 6.0	128 16.0
Two Adult +1 Child <i>f</i> %	60 7.6	20 2.6	40 4.9	5 0.6	60 7.4	184 23.0
Total <i>f</i> %	298 37.1	102 12.9	138 17.3	31 3.9	231 28.9	800 100

Source: *Primary data*

Results of Chi-Square Test**Chi-Square Tests 1.4.1**

	Value	Df	Asymp.Sig.
Pearson Chi-Square	45.084 ^a	20	0.001
Likelihood Ratio	43.830	20	0.002
N of Valid Cases	800		

Decision

From the above table of *Chi-square test*, the P-value of test (0.001) is less than the level of significance 0.05, hence there is strong evidence to reject null hypothesis.

Hence we conclude that there is significant association between Family size and annual consumptions of the rural households.

1.7 Findings**1.7.1 Rural Consumers' Market Awareness**

Increasing awareness about food, health and hygiene in the rural consumer promises well for packaged good and cosmetic manufacturers. Product awareness is very important for the marketer to induce a trial. It should give them psychological satisfaction and should motivate them to continue with the same brand. The Government should act more vigorously to lay down standard for producing mass consumption articles and strengthen the enforcement machinery responsible for checking various malpractices like adulteration, short weight, charging arbitrary prices, etc.

1.7.2 Rural Consumers' Consumption Pattern

Consumption expenditure increased considerably in rural market. Many new commodities found place in the consumption basket of rural people. Most of them are nontraditional and belong to

commodity groups listed above. Thus there is qualitative and quantitative change in rural consumption pattern. Though expenditure went on increasing with declining trends, this leads to the conclusion that consumption stabilizes at a specific level after initial increase.

1.7.3 Buying Behavior

Rural markets are delicately powerful. Certain adaptations are required to cater to the rural masses; they have a unique expectation and it necessitates changes in all four parameters of product, price, promotion and distribution. Regular surveys and analytical studies on rural marketing should be conducted, so that appropriate policy adjustments and refinements can be effected whenever necessary. The consumer should be very alert and effective and then efficiency will follow in good shopping. Over use of credit purchase is lowering the purchasing power of rural consumers because of higher prices and sometimes, interest on dues. Therefore, consumers as far as possible should try to purchase goods for cash only.

1.8 Conclusion

The future is very promising for companies, which are focusing on the challenges and opportunities in the rural market, as well as for those who can understand the dynamics of this market and make use of them to their advantage the future lies with those companies which see the poor as their customers. It is a usual practice with many marketers to sell the same product in 'Rural and Urban markets This policy may not yield results Appropriate changes in tangible and intangible features of the product should be made. The price should tally with the ability to pay by the Rural people Alternative distribution channels and specific promotional programs are to be devised for the Rural markets. Thus the marketer has to adopt a totally different approach in locating and identifying the rural market and relevant market segments for essential commodities.

References

1. Kaptan S. and Rajendrakumar C (2004), Marketing Battleground February 204, Facts for you, PP21-24.

2. Lars Torsten Eriksson and Amie M. Hauer, (2004), Mind Map Marketing A Creative Approach in Developing Marketing Skills Journal of Marketing Education, Vol. 26, No. 2, 174-187.
3. Maruthamuthu K., Krishnakumar K. and Vasan M., (2006), Consumer Behaviour and Brand Preference of Britannia Biscuits - An empirical study with reference to Salem Tamil Nadu Indian Journal of Marketing, Volume XXXVI, Number 4 ,April 2006, pp69-84,
4. Marcel Van Birgelen, JanjaapSemeijn, Manuela Keicher and Audi AG; (2010), Packaging and Proenvironmental Consumption Behavior, Environment and Behavior, Vol. 41, No. 1, pp125-146.
5. Wesley R. Hartmann, (2010), Demand Estimation with Social Interactions and the Implications for Targeted Marketing, June 19, 2010
6. Chaudhuri Ranjan, (2010), —Journey to the Center of the Customer's Mind, Indian Journal of Marketing, Volume XXXVII, Number 9, September 2010, pp46-58
7. Chandrasekar, K.S. and Senthil Dr. M.(2010), —Joint Sales Promotions in India - Innovations Beckon Indian Journal of Marketing, Volume XXXVII, Number 5, May 2011, pp62-70.