



An Analytical Study on Rural Market for Consumer Non-Durables in Haryana

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ABSTRACT

About three fourth of the Indian population is in the rural areas. In spite of its large size and high market potential it remains relatively a neglected and unexplored area when compared with urban sector. But, now the rural scene is undergoing a transformation and is luring multinational Companies to market their products in this segment. Despite rapid strides of development of rural sector, there are many problems to be tackled in rural marketing. The concept of rural market in India is still in evolving shape and the sector poses variety of challenges. The present paper will present an analysis of rural market with regard to selected consumer non-durables. The market is also examined income wise, brand wise, education wise and region wise.

KEYWORDS : Consumer Non-Durables, Challenges and Product Penetration.

Introduction

In Haryana, the rural market with its vast size and demand base, offers great opportunities to marketers. With over 65% of Haryana's population residing in rural areas, capturing these markets is becoming one of the most lucrative options for all sectors. In terms of business volumes, rural market is a big market for food items, agricultural inputs and even for non-food items. The rural market has grown steadily through the years. Besides growth, the composition of the demand has been changing significantly. The upper segments, in particular, have started buying and using a variety of modern consumer products which were till recently unknown in the rural market. Thus, the rural market has been growing in magnitude for both traditional and modern consumer goods and services.

There has been significant improvement in rural sector in respect of agricultural production, spread of education, banking facilities, electrification, transportation, communication etc. All these changes have led to the creation of general awareness for achieving a new and better style of living. With the increased purchasing power, access to communication and awareness about modern life style, rural sector offers better marketing opportunities. The marketer is required to be aware of the rural consumer behavior towards non-durables in relation to the nature, type, price and quality aspects of non-durables. The non-durable products penetration in rural markets will give the marketer an insight to gauge the scope and size of non-durable market in rural areas and also enable him to devise appropriate marketing strategies for improving the adaptability of his products to rural markets. It is now proposed to present the product penetration for consumer non-durables in rural markets. The major non-durable players in rural markets are HLL, Dabur, Marico, Colgate-Palmolive, Nirma, Cavinkare and Godrej.

Review of Literature

Kaberi Bhattacharyya (2007), in her study, states that the growing saturation of the urban markets has compelled the corporate houses to look into the immense potential of rural India for their survival and future prosperity. Although 70% of the Indian population resides here, not all corporate houses have been successful in tapping this market to their advantage. The marketers are besieged by problems of one kind or another when they venture into the rural areas. However, in determination, sincerity and innovation lie the fruitfulness of rural marketing strategies, with liberal doses of infrastructural development thrown in.

Suman Chahar and Bhawna Madan (2006) point out that Indian rural market, with its vast size and demand base, offers great opportunities for marketers. They have analyzed the case study of Mewat region. They state that women in Mewat are living in most deprived conditions, of ignorance and poverty, completely unaware of their

potential and individuality, leading unhealthy lives, burdened by too many and too frequent pregnancies. He concluded that in the economically backward and operationally difficult areas this kind of integrated approach should be followed which is self sustaining in nature and has more and more prospects in increasing family income.

K.C. Behura and J.K. Panda (2012), in their study finds out that 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 far strategic reasons and 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.

Objective of the Study

The main objective of the study is to study the penetration of selected consumer durables in rural markets in Haryana.

Research Methodology

In the present study research design is Exploratory in nature because it is directed towards identifying various characteristics of the rural market and to create observations conducive to further study. The study is based upon the primary data. Stratified random sampling method is used in collecting the data in this study. The data will be collected through well structured questionnaire. For data collection, the study area is divided into four zones i.e. east, west, north, south and 150 respondents are selected from each zone of the state. Out of the four zones four districts are selected and three villages from each of district and in total twelve villages will be selected as the primary sample units of the present study. Care has been exercised to see the selected villages are representative of the whole universe. From each village, a sample of 50 consumers has been drawn. Thus sample consumers from each district works out to 150 and the total number of sample consumers for the study is 600 respondents.

Tools Used

The data collected are tabulated and analyzed. This analysis is presented in the form of rank, diagrams and position they occupy in the market and with their respective market share given in percentage. In some cases weighted average scores are used. A five point likert scale are used to measure the customer attitude towards the selected parameters. The respondents are asked to rate the variables, using five point likert scale. Likert scale is qualitative in nature a scoring system are adopted to quantify them. Chi-square test is used for analysis of data.

Result and Discussion

Result and discussion is done on the basis of questionnaire filled by 600 respondents at their discretion. The study thus throws open

both marketing opportunities and challenges. The opportunities lie in the form of tapping vast potential of the rural market, particularly consumers from LIG and MIG. Thus, there is a need for creating mass awareness towards increasing the quality of life and standard of living in rural markets. Low penetration rates may not imply unaffordability factor. It could also be due to indifference and consumers not perceiving the value of a product. The challenge for marketer is to break inhibitions of the rural folk, mainly in terms of cutting across the price barriers.

It is proposed to observe the product-wise difference in terms of penetration for consumer non durables in the rural market.

Table 1.1 Income and Consumer Non-Durable Usages

Products	Lower Income Group	Middle Income Group	Higher Income Group	Total
Toothpaste/Tooth Powder	18(9)	140(50)	72(60)	230(38)
Shaving Cream	4(2)	21(20)	60(50)	85(14)
Detergents	200(100)	280(100)	120(100)	600(100)
Tea Powder	200(100)	280(100)	120(100)	600(100)
Bathing Soap	100(50)	224(80)	120(100)	444(74)
Cosmetics	80(40)	238(85)	120(100)	438(73)
Cold Drinks	140(70)	280(100)	120(100)	540(90)
Biscuits	100(50)	210(75)	120(100)	430(72)
Total	200(100)	280(100)	120(100)	600(100)

Note: Figures in Brackets show percentage.

Source: Through Questionnaire

Table 1.1 presents that consumer non durables such as detergents, Tooth Powder, Cold Drinks and Bathing Soap come on the top in terms of penetration in the rural market. It is interesting to find that two products namely Detergents and tea powder have hit 100 percent penetration levels in rural markets, closely followed by cold-drinks at 90 percent. Among the consumer products, Shaving cream has a low penetration rate at 14 percent. In the case of toothpaste, the penetration is lowest at 9 percent for LIG consumers and the MIG consumers achieved 50 percent product usages. It shows that they follow traditional methods and are unaware about the product usage and its benefits. It can be seen from the table that about 62 percent of the respondents are not using any toothpaste. They might be using toothpaste, neem stick etc. So FMCG companies should create awareness about the usage of toothpaste, educate about the product values and increase their market share. It is also interesting to find from the table that about 40 percent consumers from LIG use cosmetics and about 50 percent like biscuits.

Frequency of Purchases for Non-Durable

It is now proposed to present the analysis for frequency of purchase. It is important to note how much a customer buys at a time and is equally important to understand the frequency of his purchase. These two aspects are very crucial for a marketer in designing product size, package and distribution strategies. Frequency of purchase depends on the nature of product and the background of the consumers. When it is a convenience product the frequency would be higher where for a shopping product the frequency of purchase would be low. Thus, the study of frequency of purchase provides an understanding for the distribution strategy.

Table 1.2 Frequency Distribution of Respondents Regarding Frequency of Purchase for Non Durable

	LIG	MIG	HIG	Total
Monthly	100(50)	224(80)	85(71)	409(68)
Fortnightly	38(19)	22(8)	0(0)	60(16)
Weekly	32(16)	28(10)	35(29)	95(16)
Daily	30(15)	6(2)	0(0)	36(6)
Total	200(100)	280(100)	120(100)	600(100)

Source: Through Questionnaire

Note: Figure in Parenthesis indicate Percentage

The analysis shows that majority of the consumer prefer monthly purchases. The table 1.2 depicts that monthly purchase are more pronounced in the case of Middle Income Group. While the Higher Income Group Consumers do not prefer fortnightly and daily purchases, a little less than three forth of them prefer monthly purchases and the rest mostly prefer weekly purchases. It is also interesting to note that Lower Income Group Consumers to prefer fortnightly and daily purchases.

Brand Preference of Bathing Soap

Brand preference is an important aspect of the purchase decision. At the moment, Hindustan Level Limited (HLL) is the market leader claiming 65 percent in volume terms, while Godrej and Nirma share second place. Functional brands such as Nirma Bath and lifebuoy from the economy segment, which is about 34 percent of the market. These red carboic cakes are low-priced germ – killers. But the biggest segment (55 percent) today is that of popular soaps with brands such as lux, Breeze and Santoor (priced at Rs. 8-12 for a 75 gm. Cake) each of which has a special benefit (the fragrance, perhaps and personality of its own).

Table 1.3 Consumer Income and Brand Usership of Bathing Soap

Brand	LIG	MIG	HIG	Total
Lux	12(12)	40(18)	54(45)	106(24)
Lifebuoy	45 (45)	71 (32)	12(10)	128 (29)
Rexona	28 (28)	58 (56)	30 (25)	116 (26)
Liril	5 (5)	39 (15)	15 (12)	59 (13)
Santoor	10 (10)	16 (7)	9 (8)	35 (8)
Total	100 (100)	224 (100)	120 (100)	444 (100)

Source: Through Questionnaire

Computed chi-square: 104.09

Reference value of Chi-Square: $5\% \chi^2$ (at d.f. 8) = 15.5

The chi-square analysis shows that there is dependency of brand usership on Income group because the calculated value of the chi-square is greater than the table value at 5 percent level of significance at 8 degree of freedom. Income-wise analysis reveals that while, majority of LIG consumers prefer lifebuoy, MIG consumers are in favour of Rexona. In case of HIG, the most popular brand is Lux. It is important to note that majority of rural consumer accepted only three brands viz. lifebuoy, Lux and Rexona.

Table 1.4 Brand Usership of Bathing Soap and Different Regions

Brand	East	West	North	South	Total
Lux	33 (22)	25 (17)	36 (24)	42 (28)	136 (23)
Lifebuoy	42 (28)	33 (22)	38 (25)	31 (21)	144 (24)
Rexona	39 (26)	36 (24)	40 (27)	35 (23)	150 (25)
Liril	19 (13)	30 (20)	22 (15)	22 (15)	93 (15)
Santoor	17 (11)	26 (17)	14 (9)	20 (13)	77 (13)
Total	150 (100)	150 (100)	150 (100)	150 (100)	600 (100)

Source: Through Questionnaire

Computer chi-square: 9.9532

Reference value of Chi-Square: $5\% \chi^2$ (at d.f. 12) = 21.0

The chi-square analysis shows that there is no significant difference between brand usership of bathing soap and different regions. The marginal variations are found in region-wise analysis. Region-wise analysis also reveals that these are the three brands which are popular lifebuoy, lux and Rexona, all these three from one company i.e. Hindustan lever limited.

Decision Maker

As regards decision-making, it can be expected that it could be Male or Female or the child in a family. Knowing this information offers to

marketers that to whom the advertising messages are to be aimed at. It is interesting to note that it is female who dominates in deciding the brand of a bathing soap. On the whole, the study reveals that in 65 percent of cases female decides the brand to be purchased. It is also important to note that the influence of male is relatively more in LIG and MIG consumers. In case of LIG almost a little more-than one fourth of the cases are determined by males whereas, the corresponding percentage sharply comes down in the case of HIG. Another notable feature of this study is that in the case of HIG, children are allowed to have a say in deciding the brand of soap. One implication emanating from this analysis, even in rural markets, is that the role of children as decision-makers for brand cannot be underestimated.

In fact, this has to be given a due and proper attention. The analysis also throws open the fact that the marketers of consumers non-durables cannot afford to ignore rural house-wife who plays an active and important role in deciding upon what brands are to be purchased or not. The chi-square analysis shows that the decision-maker in purchase of bathing soap is dependent on the level of income groups.

Table 1.5 Bathing Soap-Decision Maker (Income wise)

Decision Maker	Level of Incomes			
	LIG	MIG	HIG	Total
Male	60 (30)	42 (15)	7 (6)	109 (18)
Female	112 (56)	190 (68)	(85)71	387 (65)
Children	28 (14)	47 (17)	28 (23)	107 (18)
Total	200 (100)	280 (100)	120 (100)	600 (100)

Source:Through Questionnaire
Calculated Chi-Square: 34.3412
Reference value of Chi-Square: 9.49, d.f. = 4, significance level 0.05

Table 1.6 Bathing Soap – Decision Maker (Region wise)

Decision Maker	Regions				
	East	West	North	South	Total
Male	37 (25)	35 (23)	32 (21)	31 (21)	134 (22)
Female	88 (59)	98 (65)	90 (60)	93 (62)	369 (61)
Children	24 (16)	20 (13)	28 (19)	25 (17)	97 (16)
Total	150 (100)	150 (100)	150 (100)	150 (100)	600 (100)

Source:Through Questionnaire
Calculated chi-square: 2.6454
Table value of Chi-square: 12.6, d.f. =6, Significance Level 0.05

The collected data was also analysed on the basis of decision-making by males, females and children regarding buying the soaps in rural area under study. The Table 1.6 was made on the basis of respondents region wise. The chi-square test indicated that the decision making & buying the soaps in rural area was almost same in all the regions under study. The same trend was also observed in sex-base buyers and decision makers (X2 calculated = 2.6454, Ref. Value of x2 at .05 level of significant and d.f. = 6 = 12.6, result x2 value calculated was non-significant).

Conclusion

In the initial years, the focus was on the easy accessibility of developed urban market. Soon there was a proliferation of brands and intense competition, resulting in the near saturation of urban market. As the competition increased in urban areas and taking into account the increasing demand for Consumer durables in rural areas, the marketers expanded their business in rural areas.
Scope for Further Study

- 1. A further study can be conducted on perception of rural consumers regarding the impact of consumer durable on their life;
- 2. Impact of the advertisements on consumers' attitude and brand choice;

- 3. The study can be replicated on the impact of marketers' efforts in building aspirations regarding future products and brands.
- 4. Rural consumer's perception regarding the impact of marketing on society.

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