



BRAND AWARENESS AND CONSUMER PREFERENCE WITH REFERENCE TO FMCG SECTOR IN RURAL BIHAR.

Mridanish Jha*

Abstract: *The purpose of the paper is to study the brand awareness and consumer preference in rural areas of Bihar and to study the consumer preference in fast moving consumer goods category. Over the years rural areas of Bihar has seen substantial improvement in purchasing power, increased brand consciousness and changed consumption pattern. Rural Bihar is emerging as a large market for a number of goods and services. FMCG has emerged as a major product category in rural consumption. The rural market has been growing steadily over the years and is now bigger than the urban market for FMCG (Fast moving consumer goods). The key to a successful business is a steady customer base. Consumer behavior in the rural market is mystifying because of lack of consistency in groups which are homogeneous in parameters of demographics such as age, occupation, education and income. Therefore organizations need to understand crucial issues relating to rural consumer behavior. This paper highlights the rural consumers brand awareness and preference with respect to fast moving consumer goods.*

Keywords: *awareness, brand, consumer, market, FMCG, preference, rural.*

*Assistant Professor, Department of Management, Cambridge Institute of Technology, Ranchi



INTRODUCTION

The veteran marketing guru Prof. C.K. has rightly stated, "The future lies with those companies who see the poor as their customers." A major part of "Bottom of Pyramid" consumer class resides in rural areas. The census of India defines rural as any habitation where the population density is less than 400 per sq. km, and where at least 75 per cent of the male working population is engaged in agriculture, and where there is no any municipality or board. Led by the rising purchasing power changing consumption pattern increased access to information & technology and improving infrastructure, rural market holds great potential for retailers. There is paradigm shift towards higher value consumption among rural consumers like from tooth power towards tooth paste, from local brands towards popular national brands. According to experts, the FMCG sector in the rural area has displayed a growth of 40 % in comparison to 25 % in urban market. Right now, one out of six rural customers has access to organized retailing or distribution. So, rural retailing has tremendous potential for growth. India's rural markets are growing at double the rate of urban markets and the retail revolution is going to act as a catalyst. Retail sector has emerged as highly dynamic and fast paced industries with several players entering the market. In the retail sector FMCG (Fast moving consumer goods) has a major role to play. The Fast Moving Consumer Goods (FMCG) sector contributes in a major way in the growth of Indian economy. This sector covers all aspects of human life. And because of this changed scenario, today's marketers are eying on the rural markets in a big manner and are leaving no stone un-turned to make their presence felt in the rural India. Fast moving consumer goods market has emerged as one of the most attractive rural markets. Now rural consumers need not to go to a nearby city to buy branded products and services. The wide spread reach and telecast of the regional programs on television, availability of the dish TV, has made a customer in rural India quite literate about various products that are available in the market place. The urban consumer is a shopper who has moved from essentials to luxuries. In rural market consumer buy and not shop. They buy when they have a need. Therefore marketers have to create a need for them. For instance an urban girl looks for style, bounce, shine, texture in a shampoo while a rural girl wants a cleanser with nice perfume affordable and available at a hand stretching distance, a use and throw sachet. In FMCG sector some of the notable names are Dabur, ITC, HUL, Godrej, Pepsico, Parle, Tata, Britannia etc. Some of the



brands which have created a niche for itself in the Indian rural market are HUL's Breeze, Clinic Plus shampoo and lifebuoy. Britannia's Tiger biscuit, 502 Pataka chai, Marico's Parachute, Colgate toothpaste, Tata salt, Godrej no 1 etc. The basic reason for the success of these brands in the rural market is the efficient management of 4A's of rural marketing which is affordability, awareness, availability and acceptability. FMCG companies innovated on package sizes to introduce low price points. They have modified promotional strategies for rural markets using local language and talent. Simple and inexpensive ways of marketing such as melas, posters, wall paintings mobile vans and 'haats' are being increasingly used to connect and engage directly with the rural consumers. Around 40-45 per cent of the overall sales of Emami come from villages, Other companies, such as Hindustan Unilever, Marico, Godrej, Pepsi, Coca-Cola among others too clock around 40-45 per cent of their overall sales from the rural market. Cable and satellite penetration has helped spread more information about products in the rural areas. This has boosted the aspiration level of rural consumers and has forced companies to launch products and market it through village melas (fairs), road theatre, boat branding, mobile vans and wall paintings at minimal cost. Rural areas of Bihar have become a target for marketers because of the huge potential it offers for all kinds of products and services. Various researches shows that there is a huge income shift taking place in rural Bihar and the aspiring middle class, with increasing purchasing power, is the focus of all marketing initiatives by several organizations dealing in FMCG. Around 90 % of the population of Bihar lives in rural area. This really becomes the first motivational factor for the FMCG companies to tap the rural markets.

To capture the attractive rural market, companies need to formulate strategies, which can deal with issues pertaining to consumer behavior and suitable marketing mix. The increase in the rural literacy levels and the exposure to media, have made rural consumer more conscious about their buying decisions like their urban counterparts. Studies indicate that there has been a visible shift in the people's preference for brands. Consumers in rural areas are also becoming conscious about their buying decisions like their urban counterparts with the increase in the rural literacy levels and the exposure to media. They are upgrading from the use of tooth powders to tooth pastes, and from using traditional mosquito repellants to using mats and coils. An Indian farmer today wears the branded jeans, talks on a mobile phone, owns a car, motorbike, has got TV, music systems, DVD players in their houses. To



understand the buying behavior and the consumption pattern, the need and wants of the rural consumer, a marketer should have an in depth understanding of the buying behavior of rural consumer. A marketer must always keep this in mind that the requirements of the rural market are different. Organizations need to develop special products and strategies for the rural consumer. There has been a significant rise in the brand awareness among the rural consumer. As a result they have become selective and demanding in their buying preferences. Therefore a marketer has to appropriately analyze the psychographics before entering the rural market. Hence if a company becomes complacent and takes the rural consumers for granted it is ultimately going to lose in the market. The companies have to constantly innovate and make their products appealing to the consumers to succeed.

LITERATURE REVIEW

The ORG Survey (2011) indicated that the major items which accounted for about 45-50 percent of the rural market were washing soaps, cleaning materials, toiletries and food and beverage .But the survey also observed that the growth rate was very significant in certain items like cosmetics and toiletries over the period of five years. The growth rate observed in the case of cosmetics indicated that the rural women were not lagging behind their urban counterparts. The psychologists developed the hierarchy of effects model, which proposes that behavior is composed of three dimensions: cognitive, affective and behavioral (Lavidge and Steiner, 1961). The cognitive dimension involves developing awareness and knowledge, the affective component relates to developing feelings and attitudes, and the behavioral dimension involves development of conviction or intention and actual behavior, such as purchase decision making technique. (Lavidge and Steiner, 1961). S John Mano Raj & Dr. P Selvaraj, explored about social changes and the growth of Indian Rural Markets with reference to FMCG products. The paper concluded that FMCG companies would have to really gain inroads in the rural markets in order to achieve double-digit growth target in future. 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. In the marketing literature, individuals with a high need for cognition have been shown to process and evaluate advertising information more thoroughly than those with a low need for cognition. They tend to be influenced by message relevant thoughts rather than peripheral cues such endorse attractiveness (Haugtvedt and Petty, 1992), spokesperson credibility (Petty and



Cacioppo, 1986), humour (Zhang, 1996) or the number of arguments presented (Cacioppo et al., 1983). B B S Parihar, Sanjay Yadav and Irfan Siddiqui (2007) empirically found that there is a significant difference between the buying behavior of urban and rural consumers with regard to their preference for technology, style, brand image, price and after-sales service. Matrade Chennai (2005), studied a lot of aspects related to consumer behavior in India and found that Indian consumers are deeply concerned with the traditions, values and they consider their family advice in the purchase decisions. About rural Indian consumer the study revealed that rural consumers in India are changing rapidly related the education, awareness of the products. Through internet now they connected with the whole world. Janmejaya Sinha and Arvind Subramanian (2007) studied the next billion consumers. Rural Indian consumers are now being richer and they are contributing more in the total purchases. Rahul Joshi studied in his as The Discovery of Rural India and revealed the fact that the prosperity is rising in rural India and the strategies adopted by the companies like HUL and ITC are effective enough and they are tapping the market successfully. Williams (2002) argues that deviation in “attitude, motivation and value orientations associated with differences in occupational opportunities and demands, childhood socialization patterns and educational influences may lead consumers to vary in many of their purchase behaviors across social classes”. Hansa Research (2006) explored that the preferences in rural India are shifting from loose to packaged products. Rural India is now buying specialized, branded utensil cleaners, and moving away from the typical ash/soil usage in the past. The penetration of branded items has also increased significantly for the products like toothpaste, detergent cakes, hair oils etc. Ritesh Sud and Pritesh Y. Chothani (2006) studied that there has been a significant rise in the brand awareness among the people in the rural markets. As a result they are becoming choosier and demanding than ever before, so the marketer has to properly analyze the psychographics before entering this market. Studies indicate that there has been a visible shift in the people's preference for brands. People are upgrading from the use of tooth powders to tooth pastes, and from using traditional mosquito repellants to using mats and coils. Also there is shift from low priced brands to semi premium brands. Rajendhiran N. Saiganesh S. Asha P. (2006) explored that brand ambassadors play an important role in putting an impact on the brand preferences of rural India. Keeping the Literacy scenario in to consideration the promotion of Brands in rural



markets requires the special measures. The same becomes the base for brand awareness and preference in the markets. Rao G Srinivas (2002) studied that rural India buys small packs, as they are perceived as value for money. There is brand stickiness, where a consumer buys a brand out of habit and not really by choice. Brands rarely fight for market share; they just have to be visible in the right place. Hence, a marketer needs to focus his attention primarily on the major source of information for the rural consumers.

OBJECTIVES OF THE STUDY

1. To Study the brand awareness of rural customers for FMCG Products.
2. To Study the brand preferences of rural customers for FMCG Products.

RESEARCH METHODOLOGY

The present study was undertaken to study the brand awareness and brand preference towards FMCG products. Respondents for the present study are the villagers. The nature of data used in the present study is primary which has been collected by using a structured questionnaire. The data required for the study was collected from the selected respondents of rural areas of Bihar. Five villages were selected and twenty respondents from each village were selected. The total sample selected was 120. Data has been collected on the basis on convenience sampling, data is analyzed by the help of Percentile, Mean and Standard Deviation and presented by tables and figures. Preliminary discussions were held with the rural consumers and the marketers about the consumption of FMCG products as well as about the brands available and preferred in the study area to gather information on the products to be selected for the study. Based on the discussions, the most commonly available and used products in the study area were selected.

DATA ANALYSIS AND INTERPRETATION

Demographic Characteristics of Respondents:

Table 1: Age Wise Distribution of 120 Respondents

AGE (YEARS)	FREQUENCY	PERCENTAGE
15-25	16	13.33
25-35	31	25.83
35-45	43	35.83
>45	30	25.0
Total	120	100



Table 2: Gender Wise Distributions of 120 Respondents

GENDER	FREQUENCY	PERCENTAGE
Male	91	75.83
Female	29	24.16

Table 3 : Distribution on the basis of occupation.

OCCUPATION	FREQUENCY	PERCENTAGE
Students	19	15.83
farmers	54	45.0
Servicemen	32	26.66
Others	15	12.5
Total	120	100

Table 4 Distribution on the basis of Education.

EDUCATION	FREQUENCY	PERCENTAGE
Post graduate	10	8.33
Graduate	22	18.33
10+2	31	25.83
10 th	46	38.33
Below 10 th	11	9.1
Total	120	100

The study was conducted with a sample size of 120 respondents. On the basis of Demographic factors, maximum 35.83% are from an age group of 35-45 years and 25.83% in the age group of 25-35. Twenty five percent are from the age group of more than 45 (Table-1). On the basis of gender the respondents are maximum male (75.83%) and rest females (24.16%), (Table-2). In occupation maximum numbers of respondents are farmers (45%) which are followed by servicemen (26.66%), the number of respondents in the category of other also becomes significant (12%) because of the participation of female respondents in this category and rest are the students (19%) (Table 3) .The educational levels of the respondents were also moderate and it varied significantly between the qualifications 10th to Graduate.



Purchase Location in rural areas

Table 5 Purchase Location Preferences in Rural market

PURCHASE LOCATION	FREQUENCY	PERCENTAGE
From the Nearest Retail Shop	46	38.33
From the Nearest town	39	32.5
From local haat /mela	35	29.16
Total	120	100

For **FMCG** Products rural customers purchase goods from the nearest location. They prefer to purchase from the nearest shops and retail stores (**38.33%**). That is followed by the purchase from the nearest city (**32.5%**) and the rest (**29.16%**) customer's purchase from haat/mela. **(Table: 5)**

Brand Loyalty Status

Table 6: Brand loyalty status in rural market

SAME BRAND	FREQUENCY	PERCENTAGE
Always	41	34.16
Usually	33	27.5
Sometimes	26	21.66
Never	20	16.66
Total	120	100

Brand Preferences

34.16% of respondents always purchase the same brands while 16.66% customers are highly disloyal they never purchase the same brand. 27.5 % usually purchase the same brand and 21.66% purchase the same brand sometimes. **(Table: 6)**

Table 7: Brand preference for FMCG products in rural market

CATEGORY	FREQUENCY	PERCENTAGE
TOOTHPASTE		
Colgate	36	30
Babool	27	22.5
Cibaca	21	17.5
Dabur lal	16	13.13
Anchor	15	12.5
Others	05	4.1
Total	120	100
SOAP		



Lux	32	26.66
Lifebuoy	21	17.5
Breeze	19	15.83
Godrej No.1	14	11.66
Superia	11	9.1
Rexona	09	7.5
Santoor	08	6.66
Others	06	5
Total	120	100
DETERGENT POWDER		
Ghari	38	31.66
Active Wheel	29	24.16
Nirma	17	14.16
Rin	13	10.8
Sunlight	10	08
Local brands/Others	13	10.8
Total	120	100
HAIR OIL		
Navratan	34	28.33
Dabur Amla	29	24.16
Nihar	21	17.5
Keo Karpin	17	14.16
Parachute	13	10.8
Others	06	05
Total	120	100
SHAMPOO		
Clinic Plus	37	30.83
Sunsilk	29	24.16
Chik	18	15.00
Pantene	12	10
Head & Shoulders	09	7.5
Shikakai	08	6.66
Others	07	5.8
Total	120	100

The results show the brand preference in rural area for major FMCG categories like toothpaste, bath soap, detergent, hair oil and shampoo (Table 7). If we look at Toothpaste, then Colgate is number one with the first preference of 30% respondents, which is followed by Babool and Cibaca with 22.5% and 17.5% respectively, almost half of Colgate. 21% prefer to use the other brands including local brands of toothpastes and tooth powders. In the Soap category Lux dominates the rural market with 26.6%, which is followed by Lifebuoy and breeze with 17.5% and 15.83% of respondents preferring it. In detergent powder



category Ghari has the maximum preference among the rural market with 20% respondents while active wheel and Nirma are preferred by 24.16% and 14.16 % of respondents respectively. In case of Hair Oil Navratana is preferred by 28.33 % of respondents while Dabur Amla is preferred by 24.16% of respondents. In the shampoo category 30.83% respondents prefer Clinic plus while 24.16% respondents prefer Sunsilk shampoo. Chik shampoo the pioneer of sachet revolution was ranked third with 15% respondents preferring it.

CONCLUSION

The findings from the study suggest some discernible points about the consumer behavior of rural Bihar. The rural consumers have become value conscious as reflected by their buying behavior. For rural customers, when the FMCG meets the intended benefits then value for money is achieved. Rural marketers should design innovative promotional strategies for rural markets that can express messages in an easy way to the villagers and compatible with their education and understanding levels. To move rural buyers from trial to preference, brands need to deliver on their value proposition. Pricing, promotional deals and product availability, all have remarkable impact on the position of the brand in the buyer's preference. Quality is important in the context of rural purchase and consumption of FMCG. Therefore organizations should not compromise on the quality of FMCG. Attractive packaging creates a favorable impression in rural customers' minds which influences their buying behavior. The responses of customers are quite mixed in the rural India. Customers prefer some of the popular brands but they also prefer to use local brands also. The loyalty status for brands is also moderate in the rural markets. The rural consumer also depends upon observed source like exhibitions and road shows because they provide an opportunity to evaluate the product personally and absorb relevant information at their own relaxed pace. Marketers need to focus on plummeting the information search time by inducing product trials and successfully reaching out to the consumer through ideal information channels. Marketers also need to understand the product specific evaluation process from primary research to mapping the succession of their brand from consideration set to choice set. The brands' potential can only be fulfilled by continually reinforcing its perceived quality, up market identity and relevance to the buyer.



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