

IMPACT OF CHANGED RURAL MINDSET ON THE BRANDED CONSUMER GOODS

By

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ABSTRACT:

Since the adoption of policy of liberalization, privatization and globalization there has been phenomenal inflow of foreign direct investment and using the same the Govt. of India has given priority for the development of infrastructure which is the key to develop industrial and services sector. The objective of this paper is to study the impact of changed mindset of the rural consumers on the fast-moving consumer branded goods. After the globalization several MNCs of foreign origin have entered on the Indian industrial canvas and have brought with them new technologies and management practices which have been emulated by the domestic industry. This led to competition and the domestic industries have successfully faced the same. Because of the rural development the rural consumers income levels have also increased and now they are convinced about the quality of the branded products. The rural consumers are now health conscious and hence prefer the quality of the products that they buy. The marketers are also conscious of the rural consumers' expectations of small packaging specially in sachet, and comparatively cheaper prices. Due to excellent socio-economic development of the rural area, the marketers are able to take the branded goods to the rural market. The change in the mindset of the rural consumers towards branded goods can well be seen which has positive impact on the growth of the availability of the branded products in the rural market.

Keywords: Globalization, socio-economic development of the rural area, branded goods, improved rural consumer's income level.

Introduction:

More than half of the country's income is generated in rural India, which is referred to as "The Heart of India." The rural market is crucial to the Indian economy both for its size in absolute terms and because it serves as the main justification for both the consumer and non-consumer markets. Due to the vast market potential of rural India, there is a great deal of demand, making it a very promising investment. Around 724 million people (or about 12 percent of the world's population and 70 percent of Indians) live in 6,38,000 villages across 36 states and union territories, covering an area of land that is roughly 32,00,000 square kilometers. The rural population in India is so big that it ranks nearly three times as large as any other untapped market in the world.

Nearly half of the nation's GDP comes from the rural sector, which is primarily supported by agriculture and the monsoon season. The rural areas account for more than 50% of sales for FMCG and durable goods companies. Consumers in rural areas are fundamentally different. Compared to their urban counterparts, they differ socially, psychologically, literally, and physiologically. Personal experience, the utility derived from consumption, and other factors all have an impact on rural consumers.

Discussion:

Fast-Moving Consumer Goods (FMCG) are goods that sell quickly and are reasonably priced. Within a year, these products (FMCG) are replaced. Typically, FMCG includes a wide range of items that consumers frequently purchase, such as cleaning supplies, toiletries, soaps, toothpastes, cosmetics, detergents and items with a short shelf life such as glassware, batteries, paper products, bulbs and plastic goods. Chocolate bars, packaged food items, and other items are included in FMCG. Consumer packaged goods are another name for fast-moving consumer goods (CPG).

The objective of this paper is to study the impact of changed mindset of the rural consumers on the fast-moving consumer branded goods.

The rural consumers were hitherto were mostly buying locally manufactured non-branded goods for their daily consumption. However, over the past three decades there has been a spectacular socio-economic development of the rural area wherein there is lots of improvement in education, communication, healthcare, road connectivity as well as digital connectivity through penetration of Internet network.

Review of Literature:

VijayaBhosale, (2020)¹⁴,studied Indian Rural Market, Opportunities and Challenges.According to her it is a challenge for the marketers to take maximum advantage of this potential market. The rural market is even bigger than the urban market, she observed. She has concluded that the rural market has a great future.

A.K. Padhiary et. al. (2020), took an overview of rural marketing.Villagers buying preference is based on the discount offered rather than its size. He cited the features of rural marketing as: a) Vast and scattered population. b)Purchasing power is increasing. c)Business growth. Demand is increasing.d) Rural lifestyle is changing very fast.e) Socio-economic development has added to the market potential.f) Increased employment opportunity, g)Availability of the bank credit in the vicinity of the villages. The authors have concluded that rural area is becoming accessible.

Vilas Kale and Dr. C. N. Chobe, (2016), reviewed, Changing Scenario of Rural Marketing. The authors observed that the Indian rural market is emerging and offers several challenges. The authors further point out that the rural consumers are now quality conscious and is very well aware of the branded products in fast moving consumer goods.

¹⁴ Vijaya Bhosale, (2020), Indian Rural Market, Opportunities & Challenges, p.p.83-85, paper published in International Journal of Advance and Innovative Research, Volume 7, Issue 1 (VI): January - March, 2020 Part – 1

New Age Rural Customers:

The Indian Government has launched a significant initiative to provide Internet connectivity in the villages. Either every village has electricity or is working on getting connections. The Government is making conscious efforts to guarantee water supply to the villages, including facilities for clean drinking water and dependable water sources for agriculture. There is more land being irrigated. Under JalyuktaShivar, the Government of Maharashtra launched an ambitious programme that saw the construction of small water storage tanks in the fields that received Government subsidies. This water storage has benefited the rural area in two ways: first, it makes drinking water and irrigation water more readily available. Through the Integrated Rural Development Programmes, National Rural Employment Program, Mahatma Gandhi National Rural Employment Guarantee Scheme, and other poverty eradication initiatives, the Government is also attempting to raise the income levels of the rural populace. The goal is to give the rural poor access to self-employment or complementary economic activity so that they can experience sustained economic upliftment.

We now observe a very positive impact on the development of the rural area as a result of these developmental efforts. The state of the economy is getting better more quickly. Additionally improving are the income levels. This has reduced the surplus that the rural population has access to, increasing his purchasing power. The modern consumer is now value-driven. Historically, he had been buying relatively lower-quality, less expensive goods made locally. Now that branded goods are readily available in rural markets, rural consumers are more likely to buy them. His range of motion has increased. His way of life has also significantly improved. The use of mobile phones is widespread. In contrast to the traditional norms, we see a gradual change in sociocultural norms. Women's involvement in decision-making regarding the products they need today is more obvious evidence of this change. This development has been accelerated because the Self-Help Group movement is gaining momentum. These days, women are more independent, brave, and assertive.

In simple words marketing means the exchange of goods and services for some consideration. Over the years the definition has been refined. According to Philip Kotler Marketing, more than any other business function, deals with customers. Creating customer value and satisfaction are the heart of modern marketing thinking and practice. Marketing is the delivery of customer satisfaction at a profit.

Branded Goods

A brand is a product, service, or concept that is publicly distinguished from other products, services, or concepts so that it can be easily communicated and usually marketed. A brand name is the name of a distinctive product, service, or concept. Branding is the process of creating and disseminating the brand name. Branding can be applied to the entire corporate identity as well as to individual product and service names. Goods that are identifiable as being the product of a particular manufacturer or marketing company. A brand is a product, service, or concept that is publicly distinguished from other products, services, or concepts so that it can be easily communicated and usually marketed.

New Approach to Rural Marketing:

The purchasing habits of consumers in rural and urban areas differ from one another. In both the rural and urban marketing segments, the marketing organisations' adopted strategy has acknowledged the need for a totally different approach. The needs of rural consumers differ from those of urban consumers, so the marketing firms have conducted a number of surveys and revised their marketing strategies accordingly. The marketing strategy adopted by the marketing organisations has recognised the need for a completely different strategy in both the rural and urban marketing segments. The marketing companies have conducted numerous surveys and revised their marketing plans to meet the needs of rural consumers. The marketing plan includes an advertising campaign, door-to-door marketing, supporting local fair events, changing the packaging, etc. Because it is simple to match their cash liquidity and safe storage space, villagers prefer sachet packaging. The purchasing habits of consumers in rural and urban areas differ from one another. In both the rural and urban marketing segments, the marketing organisations' adopted strategy has acknowledged the need for a totally different approach. The needs of rural consumers differ from those of urban consumers, so the marketing firms have conducted a number of surveys and revised their marketing strategies accordingly. The marketing strategy adopted by the marketing organisations has recognised the need for a completely different strategy in both the rural and urban marketing segments. The marketing companies have conducted numerous surveys and revised their marketing plans to meet the needs of rural consumers. The marketing plan includes an advertising campaign, door-to-door marketing, supporting local fair events, changing the packaging, etc. Because it is simple to match their cash liquidity and safe storage space, villagers prefer sachet packaging.

A Few Suggestions:

- ❖ There is still room for marketers to bring branded goods to certain villages. Therefore, it is advised that the marketers find these gaps and make sure that all the villages receive their branded, high-quality products.
- ❖ New products may be made available in the villages at the same time they are released into the market. Despite being on a smaller scale, this will serve as a boost whenever the production increases. This is because the villagers see these products in TV advertisements and want to purchase them themselves.
- ❖ It has been discovered that quality, utility, and price are given more weight in the purchasing decision by consumers. Therefore, it is advised that marketers emphasize these factors in their advertising campaigns.
- ❖ The marketers are advised to heed this tip and make sure that small packages, especially for the village shopkeepers, are offered.
- ❖ In order to increase demand, it is suggested that marketers encourage store owners to emphasize to customers the high quality of branded goods.
- ❖ It is suggested that marketers help shop owners with their promotional efforts by assigning their trained staff to deliver product introductions during door-to-door campaigns.

Conclusion:

India's economy is still in development, but it has made great strides in integrating technology into all aspects of its business operations. The marketers have begun to implement unique marketing strategies for the rural area in light of their survey findings because they are well aware of the altered mindset of the consumers in the rural area. Today, it is common to see rural shop owners using their mobile phones and the internet to buy the necessary supplies rather than making the time- and money-consuming trip into the nearest town. Customers use internet marketing tools extensively as well. Of course, there are some teething problems but those will be sorted out in due course. The entire world has become a global market.

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