

# Role of Promotional Strategies in Rural Market

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**How to cite this paper:** Bijendra Kumar Pushkar | Shilpi Pandey "Role of Promotional Strategies in Rural Market" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-3 | Issue-3, April 2019, pp.1700-1703, URL: <https://www.ijtsrd.com/papers/ijtsrd23519.pdf>



IJTSRD23519

## ABSTRACT

Promotional schemes influence to rural customers for purchasing the products. Rural market is one of the toughest markets because it is not easy to persuade the customers regarding the products and brands.

The objective of this study is to review the effective promotional tools for rural consumers and analyse what the promotional strategies has been adopted by companies for rural consumers.

This study is based on the survey method conducted in the rural area to investigate the penetration of products and brands and analyse the purchasing decision of rural consumers.

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**KEYWORDS:** Promotion strategies, rural market, consumers etc.

## INTRODUCTION

The Indian rural market is generally generated around 50% of the country's GDP. Promotion is one of the marketing strategies which is aimed toward advertising product in the market and making the people aware of it. It is considered all about communicating with rural customers to get the proper feedback on several issues.

For being successful in the market especially plan and promotional tools are very much efficient, effective and collaborative in rural arena. The main role of the promotion in rural market is to increase the profit maximization. There are many tools and strategy which is used in marketing.

### Promotional tools:

- Advertising
- Personal selling
- Sales promotion
- Publicity

**Advertising:** Advertising is the most important source of the media communication which is influence to customer for purchasing the product and for awareness of the product.

**Personal selling:** Personal selling is the face- to- face selling in which the salesman convinces to customer for purchasing the product.

**Sales promotion:** Sales promotion is the distribution channel of the marketing in which salesman persuade to customer for purchasing the product.

**Publicity:** Publicity is related to public relation which purpose is to let people aware about product and brands.

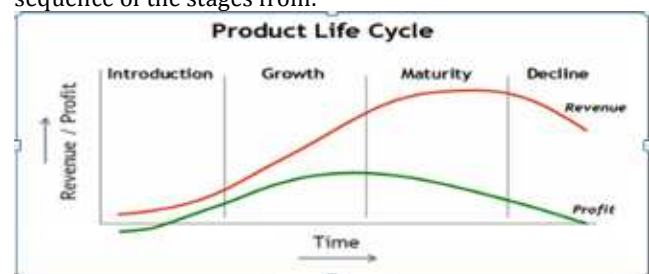
**Promotional Strategy:** Several strategies

- Push & Pull strategy
- Mix strategies
- Product life cycle

**Push & Pull strategy:** Push strategy is the activity which is taking the product to the customer. Its ultimate objective is too aware of the product to the customer. Pull strategy is the activity which is taking the product to the other hand.

**Mix strategies:** Mix strategy in marketing is called Marketing mix. The marketing mix strategy: Product, Price, Place, Promotion.

**Product life cycle:** Product life cycle is the cycle which determines the progresses of the new product through the sequence of the stages from:



- **Introduction:** At this stage product is launched, company is not gaining profit and sales grow slowly because for the product, the market size is small. People not aware of the product.
- **Growth:** At this stage sales grow up rapidly but when the competitors enter the market price may be reduced.
- **Maturity:** At this stage sales increase slowly. Profit may be fall from the starting stage.
- **Decline:** At the last stage sales will fall. Production may be stopped in the future.

## LITERATURE REVIEW

**Kumar and Madhavi, (2006)** given a theoretical review on rural marketing for FMCGs. The most brands of the products which are preferred by the rural customers like toothpaste, shampoo and toilet soap in rural areas were recognized on the basis of gender exposition. The study released that the first element which is persuade to rural customers followed by price, colour and taste that is quality. In regarding to brand preferences most of the female respondents mostly prefer Colgate whereas male respondents mostly prefer pepsodent. Some of the respondents are using conservative products only so they don't use shampoo but 60% of them use clinic plus. There is no remarkable relationship between gender and those who use shampoo.

**Hagargi, (June 2011)**, he stated that in rural India, there is huge opportunity for any company. There are many challenges by with these companies are facing in gearing the rural markets, like trying to know the needs of rural customers, effective distribution channel, fruitful marketing strategy to convey their messages across the rural customers. By innovating some new techniques for the above mentioned problem they can achieve more profit can have bigger market share.

**Makarand Wath, (March 2011)**, he has stated that, as we see nowadays, the expansion of the rural market has taken a wider area. Though, it becomes challenging but rural market is truly creative market and has wider scope also.

**MaheshKumar, (2010)**, he stated that, as per the FMCG companies; it has huge growth potential also. As per the FMCG reports, per capita consumption of almost all products in the country is almost low. There is only one way to increase the demand that is by changing the mindset of the people. Noe the scenario has been changed our Indian consumer becomes conscious towards the brand especially our young generation.

**Ramanathan V. and S. Sudhamathi (2009)** have found in their study that, there is variations shown in the Indian rural market from that of urban in consumer demographic profile, need expectations & value expectancy.

**Sarangapani A. and Mamatha T. (2008)**, Estimation of rural consumers is very specific task that needs more efforts whether understanding/explanation or may be prediction that what is more important is to know clearly the consumer behaviour. Marketer should focus on it. In this research, there is a most highlighted point like post-purchase evaluation and rural consumerism is considered to analyze the different consumer protection acts and satisfaction level that is choosed the branded products by customers which have interpreted the rural India.

The producers, who produce the FMCG products, now perceived that there is a great opportunity to enter into the rural market.

**The Economic Times (2010)**, in its news titled review companies has its sight on the purchasing power of rural youth. Now youth are getting more aware about the best quality of products and brands.

**According to NCAER**, Three major factors which are responsible for low penetration rates in the rural market are- low income level, inadequate information facilities and different life styles. But we will see the rise in standard of rural area due to the increase in income.

## OBJECTIVE OF THE STUDY

- To analyse the promotional strategies adopted by companies in rural market.

## RESEARCH METHODOLOGY

The objective of the study 'role of promotional strategies in rural market', for achieving this objective we have used the descriptive research design. The data is collected from primary source of information. The convenience sampling techniques is used for collection of data. The data is analysed through quantitative research techniques.

## DATA ANALYSIS

### 1. Promotional scheme affects the purchasing decision.

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
49	46	2	3	0

Table: 1

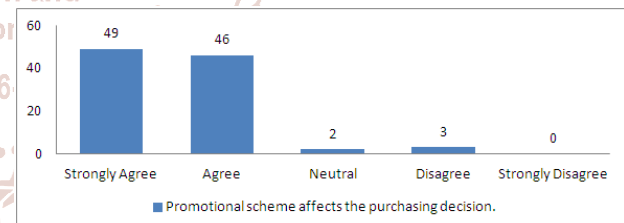


Figure: 1

**Interretation:** This graph shows that whatever promotional schemes launch in rural market those schemes affect the purchasing decision of rural customers. 49% of rural customers are highly agreed with this statement.

### 2. Attractive packaging motivates and enables customer to buy the product.

Strongly agree	agree	Neutral	Disagree	Strongly disagree
36	43	13	8	0

Table: 2

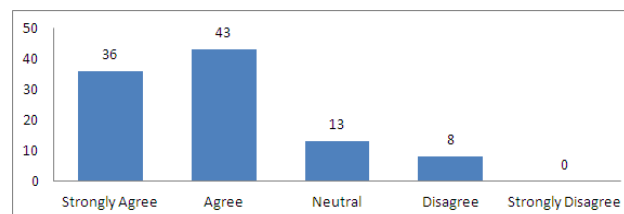


Figure: 2

**Interpretation:** This bar chart shows that, attractive packaging motivates and enables customer to buy the product because 43% of respondent agree with this statement.

### 3. Visual advertising on television are more effective than audio advertisement on Radio.

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
33	49	17	1	0

Table: 3

■ Strongly Agree ■ Agree ■ Neutral ■ Disagree ■ Strongly Disagree

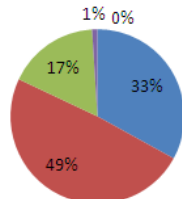


Figure: 3

**Interpretation:** This pie chart shows that Visual advertisement on television is more effective than audio advertisements on radio and 49% of respondent agree with this statement.

### 4. Low priced products are preferred over high priced products.

Strongly agree	Agree	Neutral	Disagree	Strongly disagree
14	36	26	22	2

Table: 4

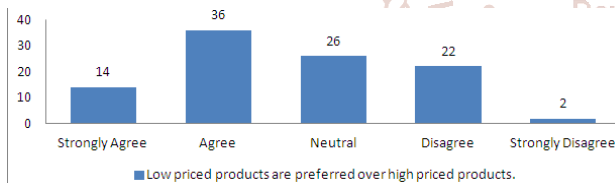


Figure: 4

**Interpretation:** This bar chart shows that, rural customers prefer low priced products rather than high priced products. And 36% respondents agree with this statement.

### 5. Do you buy small packets of products in comparison to bigger packets?

Strongly agree	agree	Neutral	Disagree	Strongly disagree
11	44	28	13	5

Table: 5

■ Strongly Agree ■ Agree ■ Neutral ■ Disagree ■ Strongly Disagree

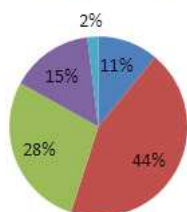


Figure: 5

**Interpretation:** This bar chart shows that rural customers buy small packets of products in comparison to bigger packets and 44% of respondent agree with this statement.

### 6. In case any company launches different promotional schemes on their products which factor will change your buying decision?

Money back offer	Prizes on bottle cap	Prizes on the specific number of bottles	Bumper prize
49	17	6	28

Table: 6

■ money back offer ■ prizes on bottle cap  
■ prizes on the specific number of bottles cap ■ Bumper prize

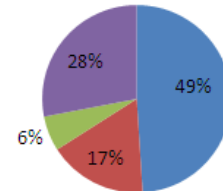


Figure: 6

**Interpretation:** This pie chart shows that most of the respondents prefer money back offer if any company launches promotional schemes in referring to money back.

### FINDINGS

- Rural customers attract towards the attractive packaging that motivate retailer or shopkeeper.
- Rural customers prefer advertisement on television rather than audio advertisement on radio because they see the live advertisements on television and mostly rural customers attracted towards them.
- Rural customers prefer small packets of products rather than bigger packets because of their limited budget.
- In case any firm, initiate different promotional schemes on their corresponding product range then the discount schemes like money back offer etc., the response of rural customer is so positive.

### SUGGESTIONS

- Shop display & advertisement should be most attractive and perfect for targeting the rural customers so that rural people become motivated towards the buying decision.
- Advertisement techniques like wall painting, fairs and billboards should be more informative & attractive along with catchy slogan so that rural consumer may be targeted.
- Promotional policies should be lucrative and flexible so that it can affect the choice of consumers.

### CONCLUSION

Promotional schemes always influence the purchasing decision of rural consumers throughout rural India. Most of the customers follow the word of mouth recommendations of retailer and wholesaler for buying the product. Rural people firstly motivated towards the attractive packaging of that products. They prefer visual advertising instead of audio advertising. Rural customers prefer small packets of products in comparison to bigger one, due to product low price and affordability of consumer.

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