ABSTRACT

Retailing is counted as one of the biggest industries in the Indian marketing. It has numerous opportunities for the growth of the country. Retailing is India’s largest industry in terms of contribution to GDP and constitutes 13% of the GDP (Gross Domestic Product). Indian rural markets have caught the attention of many companies, advertisers and multinational companies. Retailing in India is slowly on the rise with consumer preference and tastes and evolution of a global structure. According to a recent survey conducted by the National Council for Applied Economic Research (NCAER), the purchasing power of the rural people has increased due to increase in productivity and better prices commanded by the agricultural products. Retail marketing is the most important both Urban and Rural. The rural market is not passive. It is vibrant and growing at a faster pace. The expanding rural market is important to, the change in scenario; the marketing focus is also changing towards villages: “Go rural” is the slogan of marketing gurus. The main aim of this study is to measure the level of awareness of the rural consumers towards retail marketing, services rendered by retailers to the rural consumers, to analyses the retailing strategies for improving rural retail marketing and final offer suggestion for the future improvement of the rural retail marketing.

Keywords: Rural Markets, Rural Marketing, Rural Retailing, Rural Consumer and Strategies.

1.1 Introduction

‘Retailing’ is generally defined as the last and final stage in the distribution channel of product and service. Retailing is counted as one of the biggest industries in the Indian marketing. It has numerous opportunities for the growth of the country. Now a day’s retail is considered as a growing and emerging industry.
It is the combination of activities involved in selling or renting consumer goods and services directly to ultimate consumer for their personal or household use. It includes different and diverse activities like buying, advertising, data processing and maintaining inventory. It also one of the key element of a marketing strategy, it facilitates the targeting process, marketing sure that a product reaches particular group of consumer.

The retail industry in India is largely unorganized and predominantly consists of small, independent, owner-managed shops. Retailing is India’s largest industry in terms of contribution to GDP and constitutes 13% of the GDP (Gross Domestic Product). There are around 6 million retail outlets in India. There are also an unaccounted number of low-cost kiosks (tea stalls, snacks center, barber shop, etc.,) and pushcarts/mobile vendors.

According to a recent survey conducted by the National Council for Applied Economic Research (NCAER), the purchasing power of the rural people has increased due to increase in productivity and better prices commanded by the agricultural products. By and large this rise in purchasing power remains unexploited and with the growing reach of the television, it is now quite easy for the marketers to capture these markets.

1.2 Basic Concepts

In recent years, rural markets have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities.

On account of green revolution, the rural areas are consuming a large quantity of industrial and urban manufacture products. In this context, a special marketing strategy, namely, rural marketing has emerged, but often, rural marketing is confused with agricultural marketing the latter denotes marketing of produced of the rural areas to the urban consumer or industrial consumer, where rural marketing involves delivering manufacture or processed inputs or services to rural producers or consumers.

1.3 Meaning of Retailing

The word of Retailing has its origins in the French verb ‘retailer’, which means ‘a piece of ‘or’ to cut up’ and refer to one of the fundamental retailer activities which are to buy in larger quantities and sell on in smaller question.

Retailing is the vibrant part of our changing society and major source of employment. In some parts of the world, the retail business is dominated by smaller family run or regionally targeted stores, but more of this marketing is being taken over by million dollar multination conglomerates like Wal-Mart, Sears, Carrefour and the like.

1.4 Definition of Retailing

Omar, (1999), suggests retail is: “any business that directs its marketing efforts towards satisfying the final consumer based upon the organization of selling goods and services as a means of distribution”.

1.5 Retail Marketing

Retail marketing is the most important both Urban and Rural. The rural market is not passive. It is vibrant and growing at a faster pace. It will soon outstrip the market if this pace of development continues. The villages have accepted the modern way of agriculture as a business but have also accepted modern
living. The expanding rural market is important to, the change in scenario; the marketing focus is also changing towards villages: “Go rural” is the slogan of marketing gurus.

Retail marketing involves the process of developing, pricing, promoting, distributing rural specific product and services, leading to exchange between rural and urban markets which satisfy consumer demand and also achieve organizational objectives.

1.6 Rural Market

India is in the second largest in volume of output in agriculture sector. Certain connected sectors of the agriculture sector have played a major role in the development of the Indian economy by providing employment to a number of people in Dairy, Forestry, Fishing Poultry and Medico herbs industries. Production volume has gone up in Indian agriculture at a consistent rate since the 1950s. Substantial amount of research and development have been carried out in the agriculture sphere in India by organization such as the Indian Agriculture Research Institute, the Indian Agriculture Research Statistics Institute, and the Indian Council of Agriculture Research.

In recent years, rural markets have acquired significance in countries like India, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. In this context, a special marketing strategy, namely, rural marketing has taken shape. Sometimes, rural marketing is confused with agricultural marketing - the later denotes marketing of produce of the rural areas to the urban consumers or industrial consumers, whereas rural retailing involves delivering manufactured or processed inputs or services to rural producers or consumers.

1.7 Rural Retailing

Retailing in India is slowly on the rise with consumer preference and tastes and evolution of a global structure. Retail sector offers opportunities for exploration and investment in rural areas, with Corporate and Entrepreneurs having made a foray in the past. Retail outlets have sprung up practically in all the villages. The maintenance cost for retail outlets in interior villages are also low with most of the cost spent on traveling and transportations.

One of the principal reasons behind the explosion of retail outlets and its fragmented nature is that retailing is probably the primary form of disguised unemployment. This phenomenon explains the millions of kirana shops and small stores. ITC launched the country’s first rural mall ‘ChaupalSagar’, offering a diverse product range from FMCG to electronics appliance to automobiles, attempting to provide farmers a one-stop destination for all of their needs.

1.8 Statement of the Problem

Rural retailing has changed its concepts and scope over the years. In earlier days rural retail marketing was used to designate marketing of agricultural produce and village Artisan products. In modern society, villages have acquired a new profit by receptively adopting themselves to the technological changes taking place in an unimaginable trade in major cities. At present all companies considered largely to concentrate rural population to promote their goods. While a sound distribution network and intricate study of the villages psyche are an absolute essential for marking inroads in to rural markets. The focus of corporate, therefore the brands specific to rural customer and developing specific strategies. The problems of physical distribution and channel management adversely affect the quality of service (delivery) and cost. With poor or even no means of communication to exchange information with consumers directly, the success of a brand depends largely on the village retailers. Therefore, rural
marketers felt a great need to overcome the existing limitations across business stages in general and distribution in particular of which retailing is the final stage.

1.9 Scope and Importance of the Study

The scope of the study was impact of rural retail marketing of selected products. The study data will be helpful in developing the retail marketing which shall be best suitable to rural market. The study of rural consumer’s awareness of retail products, services rendered by the retailers and strategies to improve the rural retail marketing.

1.10 Objective of the Study

1. To outline the Origin and Growth of rural retail marketing in the study area.
2. To measure the level of awareness of the rural consumers towards retail marketing.
3. To examine the service rendered by retailers to the rural consumers.
4. To analyses the retailing strategies for improving rural retail marketing.
5. To offer suggestion for the future improvement of the rural retail marketing.

1.11 Research Methodology

A research method is purely and simple basic framework or plan for the study that guides the collection of data analysis of the data. In personal interview, we adopted this descriptive research for collective and analysis of data. It is this systematic way to solve problems. It may be understood as a science of study how research is done scientifically.

1.11.1 Research Design

Research design is the plan conceived so as to obtain answer to research questions and to control variance. The research has descriptive research design in the project.

1.11.2 Sampling

An integral component of a research design is the sampling plan. In this study the researcher has used simple random sampling method.

1.11.3 Sample Size

The total sample consist of 200 respondents who are running in and around of the OmalurTaluk at Salem district.

1.11.4 Data Collection Method

Primary Data: The primary data is collected structured Interview Schedule, which comprises of socio economic information and the information pertaining to study.

Secondary Data: Secondary data is collected through various books, journals, articles and web sites.

1.11.5 Tools for Analysis
The statistical tools like tabulation, average, percentage analysis, chi-square test and ANOVA are used for analyzing the data.

1.12 Limitation of the study

1. The study is proposed to be carried out only in Omalur Taluk at Salem District and hence the result and conclusion may not be the same in other districts.

2. The study is confined to selected retail products; result may not be suitable for the other products.

3. Outcomes may not be applicable to other rural base environment.

1.2. Review of Literature

In the process of research, the researcher had gone through many research papers, previous studies, articles pertaining to the various dimensions of rural retails and retail marketing with reference to selected products. Such a reference work had played an important role in identifying and formulating the research problem and in carrying out this work. The essence of the related literature has been presented in this chapter.

Following the introductory chapter which showed a bird’s eye view of the study, this chapter presents a brief review of literature pertaining to studies on rural retail marketing and selected products.

Brannon Evelyn L and Anderson Lenda Jo (1996)\textsuperscript{1} a study was conducted to find whether the case, accepted and frequency of shopping away from hometown stores had increased concern for the survival of small, independent, locally owned business in rural town. A study was also conducted to determine the relative position of hometown merchants, as compared to other shopping alternatives, in the minds of rural consumers. The survey was mailed to randomly selected residents in the six small Alabama towns selected to represent economic and geographic diversity.

Aral Kumar S, and Madhavi C (2006)\textsuperscript{2} today economy is conformed to two major and far-reaching changes – a change from domestic to global and a change from when to rural. Both these changes are evolutionary. Corporate sector has already realized the vast opportunities. Existing in rural sector and are trying to hardnese these with their strategies specially aimed at rural markets. Marketing in rural areas needs altogether different strategy as against the marketing in urban areas. This paper aims at exploring the consumer behavior patterns of rural consumers with reference to FMCG product of tooth paste, shampoo and toilet soap.

Chandrasekar Dr.K.S. and Senthil Dr. M.(2010)\textsuperscript{3} speaks about sales promotional strategies with special referece to India. Sales promotion in India is often related to discounts, coupons, exchange schemes etc. Many a time a company does more than what is possible. In such cases, innovations in the promotional front come into being. One such possibility is Joint promotions. When any sales promotion scheme, either for trade or consumer is announced by more than one company and or more than one brand of the same company, it is referred to as joint sales promotion or horizontal co-operative sales promotion or cross promotion or umbrella sales promotion. Sales promotional arrangements between one or more retailers or manufacturers are known as promotional tie-ins. Authors explains that Tie-ins are used to combine resources of the business to promote products from all businesses involved. Joint promotions are one of the oldest marketing tools that companies employ to push sales.

Chaudhuri Ranjan's (2010)\textsuperscript{4} 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.

1.3. Analysis and Interpretation of Data

1.3.1 Gender and Awareness of the Rural Consumers towards Retail Marketing

Hence, Gender of the policy holders is identified as one of the factors influencing awareness of the rural consumers towards retail marketing.

1.3.1.1 Null Hypothesis

There is no relationship between Gender and awareness of the rural consumers towards retail marketing.

1.3.1.2 Alternative Hypothesis

There is a relationship between Gender and awareness of the rural consumers towards retail marketing.

Chi-Square Test

Table 3.1

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Factor Influencing Awareness</th>
<th>Method</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Market Awareness</td>
<td>Pearson Chi-Square</td>
<td>11.843</td>
<td>6</td>
<td>.066</td>
<td>Not significant</td>
</tr>
<tr>
<td>2.</td>
<td>Product Awareness</td>
<td>Pearson Chi-Square</td>
<td>14.056</td>
<td>8</td>
<td>.080</td>
<td>Not significant</td>
</tr>
<tr>
<td>3.</td>
<td>Brand Awareness</td>
<td>Pearson Chi-Square</td>
<td>6.096</td>
<td>4</td>
<td>.192</td>
<td>Not Significant</td>
</tr>
<tr>
<td>4.</td>
<td>Advertisement Effectiveness</td>
<td>Pearson Chi-Square</td>
<td>9.253</td>
<td>5</td>
<td>.099</td>
<td>Not significant</td>
</tr>
<tr>
<td>5.</td>
<td>Usage of Products</td>
<td>Pearson Chi-Square</td>
<td>13.299</td>
<td>4</td>
<td>.010</td>
<td>Not significant</td>
</tr>
<tr>
<td>6.</td>
<td>Label Awareness</td>
<td>Pearson Chi-Square</td>
<td>3.931</td>
<td>2</td>
<td>.140</td>
<td>Not Significant</td>
</tr>
<tr>
<td>7.</td>
<td>Awareness of Consumer Protection Act</td>
<td>Pearson Chi-Square</td>
<td>12.259</td>
<td>4</td>
<td>.020</td>
<td>Not significant</td>
</tr>
</tbody>
</table>

Source: Primary data
Inference

It is clear from the above table 3.1 indicated that the Null hypothesis is Accepted(Not significant) in seven influencing factor namely Market Awareness, Product Awareness, Brand Awareness, Advertisement Effectiveness, Usage of Products, Label Awareness and Awareness of Consumer Protection Act.

It is concluded that the entire influencing factor have not significant relationship with Gender of the respondents.

1.3.2 Age and Factor Influencing Awareness

Age is an important factor in decision making. Young and middle age people commute frequency to old age people. In this study the respondents are classified in to five groups’ as 18-25 years, 25-30 years, 30-35 years, and Above 30.

1.3.2.1 Null Hypothesis

There is no significant relationship between Age and factor influencing Awareness of the rural consumers towards retail marketing.

1.3.2.2 Alternative Hypothesis

There is a significant relationship between Age and factor influencing Awareness of the rural consumers towards retail marketing.

Chi-Square Test
Table 3.2

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Factor Influencing Awareness</th>
<th>Method</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Market Awareness</td>
<td>Pearson Chi-Square</td>
<td>29.193a</td>
<td>24</td>
<td>.213</td>
<td>Not significant</td>
</tr>
<tr>
<td>2.</td>
<td>Product Awareness</td>
<td>Pearson Chi-Square</td>
<td>52.343a</td>
<td>32</td>
<td>.013</td>
<td>Not significant</td>
</tr>
<tr>
<td>3.</td>
<td>Brand Awareness</td>
<td>Pearson Chi-Square</td>
<td>38.199</td>
<td>16</td>
<td>.001</td>
<td>Significant</td>
</tr>
<tr>
<td>4.</td>
<td>Advertisement Effectiveness</td>
<td>Pearson Chi-Square</td>
<td>23.004a</td>
<td>20</td>
<td>.289</td>
<td>Not significant</td>
</tr>
<tr>
<td>5.</td>
<td>Usage of Products</td>
<td>Pearson Chi-Square</td>
<td>20.449</td>
<td>16</td>
<td>.201</td>
<td>Not significant</td>
</tr>
</tbody>
</table>
6. Label Awareness | Pearson Chi-Square | 6.357 | 8 | .607 | Not Significant

7. Awareness of Consumer Protection Act | Pearson Chi-Square | 22.004a | 16 | .278 | Not significant

*Source: Primary data*

**Inference**

From the above table 3.2 indicated that, the Null hypothesis is accepted (not significant). It is concluded that source of information have not significant relationship with age group of the respondents and factor influencing Awareness of the rural consumers towards retail marketing.

1.3.3 Educational Qualification and Opinion about Improving Retail Marketing

**Null Hypothesis H₀:** There is no significant difference among mean scores of the Opinion about Improving Retail Marketing and respondents with different educational qualification.

**Table 3.3**

<table>
<thead>
<tr>
<th>Educational Qualification</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to HSC</td>
<td>51</td>
<td>21.64</td>
<td>3.892</td>
</tr>
<tr>
<td>UG</td>
<td>50</td>
<td>21.40</td>
<td>4.821</td>
</tr>
<tr>
<td>PG</td>
<td>42</td>
<td>21.14</td>
<td>4.443</td>
</tr>
<tr>
<td>Others</td>
<td>37</td>
<td>21.56</td>
<td>4.321</td>
</tr>
<tr>
<td>Up to HSC</td>
<td>20</td>
<td>21.60</td>
<td>3.997</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>21.55</td>
<td>4.208</td>
</tr>
</tbody>
</table>

**Panel (a) ANOVA**

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>46.244</td>
<td>5</td>
<td>9.249</td>
<td>.520</td>
<td>.761</td>
</tr>
<tr>
<td>Within groups</td>
<td>7002.96</td>
<td>394</td>
<td>17.774</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7049.20</td>
<td>399</td>
<td>27.023</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Primary data*
Inference

The Null Hypothesis is accepted as calculated sig. is very low. Therefore it is concluded that there is no significant difference among mean scores of the Opinion about Improving Retail Marketing and respondents with different educational qualification.

Table No.3.4
Occupation and Level of Satisfaction over Availability

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Level of Satisfaction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low (below 15)</td>
<td>Medium (15-22)</td>
</tr>
<tr>
<td>Sole Proprietor</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>33.3%</td>
<td>57.8%</td>
</tr>
<tr>
<td>Partnership firm</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>32.7%</td>
<td>55.8%</td>
</tr>
<tr>
<td>HUF</td>
<td>18</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>25.8%</td>
<td>62.0%</td>
</tr>
<tr>
<td>Department stores</td>
<td>41</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>27.7%</td>
<td>56.5%</td>
</tr>
<tr>
<td>Total</td>
<td>109</td>
<td>231</td>
</tr>
</tbody>
</table>

Source: Primary data

Interpretation

The percentage of medium level of satisfaction was the highest (62.0) among the agriculture respondents and the same was the lowest (52.3) among the businessman respondents. On the other hand, the percentage of low level of satisfaction was the highest (33.3) among the housewife and lowest (11.1) among professional respondents.

In order to find the relationship between the occupation of the respondents and the level of satisfaction, a Chi-square test was used and result of the test is shown in the following table.

Table

<table>
<thead>
<tr>
<th>Factor</th>
<th>Calculated Chi-square value</th>
<th>Degrees of freedom</th>
<th>‘p’ Value</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson</td>
<td>9.818</td>
<td>12</td>
<td>.623</td>
<td>Not Significant</td>
</tr>
</tbody>
</table>

Source: Primary data

Interpretation

It is noted from the above table that the ‘p’ value is more than 0.05 and hence the result is not significant at 5% level. Hence the hypothesis ‘occupation of the respondents and the level of satisfaction
are not associated’ does hold well. From the analysis it is concluded that there is no relationship between the occupation of the respondents and level of satisfaction towards the availability of products.

1.4. Summary of Results Findings, Suggestions and Conclusions

1.4.1 Main Results and Findings

- All rural retail shops are of general nature i.e. they are selling various essential commodities like Health Beverages, Cooking oil, Biscuits, and toothpaste with all the items.
- The Null hypothesis is Accepted (not significant) in seven influencing factor namely Market Awareness, Product Awareness, Brand Awareness, Advertisement Effectiveness, Usage of Products, Label Awareness and Awareness of Consumer Protection Act. It is concluded that the entire influencing factor have not significant relationship with Gender of the respondents.
- The Null hypothesis is accepted (not significant). It is concluded that three influencing factor have not significant relationship with Education level of the respondents and the other influencing factor have significant relationship with the Education level of the respondents.
- The Null hypothesis is rejected. It is concluded that all influencing factor have not significant relationship with Occupation of the respondents.
- The Null Hypothesis is accepted as calculated sig. is very low. Therefore it is concluded that there is no significant difference among mean scores of the Opinion about Improving Retail Marketing and respondents with different educational qualification.
- The Null Hypothesis is accepted as calculated F is very low. Therefore it is concluded that there is no significant difference among mean scores of the Opinion about Improving Retail Marketing and respondents with different occupational status.
- That the ‘p’ value is more than 0.05 and hence the result is not significant at 5% level. Hence the hypothesis ‘occupation of the respondents and the level of satisfaction are not associated’ does hold good. From the analysis it is concluded that there is no relationship between the occupation of the respondents and level of satisfaction towards the availability of products.

1.4.2 Suggestions

Product Planning includes all activities involved in introduction of new products, improvement in existing product and elimination of unprofitable product. Market characteristics and consumer characteristics guide product planning process.

It is clear from the study that good potential exists in rural market for commodities under consideration. It does not mean that grafting urban oriented policy on rural market will work. The following guidelines may help product planning process

Also appropriate use of symbols, colors, and number may lead to success. Brand awareness also implies that systematic efforts on the part of regional manufacturer may help them in getting their brand established in rural market
Fake products create damage to leading companies’ sales and brand image. Fake products also create health problems to consumers on their health. Hence, leading companies’ brands that are worse affected by fake brands have to prevent their footage by adopting various strategies as discussed earlier. The 4 P’s of the marketing mix have to be redesigned by the marketers in attracting and attacking the rural markets.

**Product**- Pack size has to match the rural demand.

**Pricing**- As the rural consumers are bothered about economy pricing, the leading companies can follow the strategy of "penetration pricing"

**Promotion**- Through ad campaigns, the companies can also create awareness among consumers regarding the evils of fake products. A portion of the ad budget can be allocated for retailers' margin

**Physical Distribution**- Sales professionals of the local region who have familiarity in the local (regional) language can be appointed to look after the sales of rural areas, so that they can easily converse with the retailers and can build goodwill.

1.4.3 Conclusion

As India is the second largest consumer market in the world, many Indian corporate and MNCs are eyeing this segment with greater interest. But, it’s not very easy to penetrate rural India. Indian companies should understand the psyche of the rural people in terms of their requirements, and tailor the products accordingly. Besides, innovative advertising is necessary in market to attract the customer. So companies aiming in rural market should invest more money and time to build its brand preference, keeping in mind, low penetration pricing, appropriate promotional strategy, value for money product and to build extensive four distribution network.

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. 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.
References and Notes


