A STUDY ON RURAL CONSUMER SATISFACTION OF FMCG IN COIMBATORE DISTRICT

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ABSTRACT

FMCG goods - which stands for Fast Moving Consumer Goods are supplied through retail marketing. FMCG generally include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, tooth cleaning products, shaving products and detergents, as well as other non-durables such as glassware, bulbs, batteries, paper products, and plastic goods.FMCG may also include pharmaceuticals, consumer electronics, and packaged food products, soft drinks, tissue paper, and chocolate bars.

Fast Moving Consumer Goods (FMCG) satisfies the elemental and day-to-day household needs other than grocery, ranging from packaged foodstuff, dairy products, cooking oil, bread, butter, cereals, beverages like tea & coffee, pharmaceuticals, confectionery, biscuits, glassware, stationary items, watches, toiletries, detergents, shampoos, skin care products, cosmetics, toothpaste, dish washing liquid, shaving cream, razor, batteries, shoe polish, energy drinks, soft drinks, clothing, furniture and household accessories to electronic goods like cell phones, laptops, computers, digital cameras etc. that are usually categorized as Fast Moving Consumer Electronics or FMCEs.

The study reveals that there is a strong brand preference among rural consumers for the FMCG. So companies aiming at 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 distribution network.

The present study carried out by the researcher is an empirical study in nature and the study is based on survey method

Key-words*: FMCG, FMCEs, durables, pharmaceuticals*

INTRODUCTION AND DESIGN OF THE STUDY

Marketing is the process which is used to determine what products or services may be of interest to the customers and the strategy to use in sales, communication and business development. It generates the strategy that underlies sales techniques, business communication and business developments. Marketing is used to identify the customer, satisfy the customer and keep the customer. The route taken by the goods to move from the manufacturer to the consumer,

Retail sale is the final proof of a product. The product could be properly conceived, excellently designed, efficiently manufactured and effectively distributed, but if it is rejected by the final consumer, all the upstream activities will become a waste. Therefore retailing is as important as manufacturing.

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marketing. FMCG generally include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, tooth cleaning products, shaving products and detergents, as well as other non-durables such as glassware, bulbs, batteries, paper products, and plastic goods. FMCG may also include pharmaceuticals, consumer electronics, packaged food products, soft drinks, tissue paper, and chocolate bars.

Fast Moving Consumer Goods (FMCG) satisfies the elemental and day-to-day household needs other than grocery, ranging from packaged foodstuff, dairy products, cooking oil, bread, butter, cereals, beverages like tea & coffee, pharmaceuticals, confectionery, biscuits, glassware, stationary items, watches, toiletries, detergents, shampoos, skin care products, cosmetics, toothpaste, dish washing liquid, shaving cream, razor, batteries, shoe polish, energy drinks, soft drinks, clothing, furniture and household accessories to electronic goods like cell phones, laptops, computers, digital cameras etc. that are usually categorized as Fast Moving Consumer Electronics or FMCEs.

A major portion of the monthly budget of each household is spent on FMCG products. The introduction of sachets made rural people who are traditionally not accustomed for bulk purchase, to buy branded FMCG products like Rs1/- shampoo, nut powders, oils, detergents, cleaning powders & liquids, tooth pastes, etc. in rural shops. This changed the pattern of buying from traditional products to branded products.

The Fast Moving Consumer Goods (FMCG) sector is a corner stone of the Indian economy. This sector touches every aspect of human life. The FMCG producers have realized that there is ample opportunity for them to enter into the rural market. The Government policies to promote education in rural areas enhanced their brand awareness due to the presence of at least one higher education pursuing student in their family or neighboring family. The different Government policies are also being helpful for rural people contributed in enhancing people's income followed by a change in their lifestyles resulted in patronizing the branded products.

At present Indian FMCG sector is worth Rs. 1300 billion and expected to be around a whopping value of Rs. 4000 to Rs. 6000 billion by 2020. Henceforth FMCG and its closest companion Retail sector, both are likely to create most of the jobs in India in the coming years primarily in functions like marketing, sales, advertising, supply chain, logistics, human resources, product packaging and development, finance, operations, general management, supervising and so on.

FMCG distribution has the maximum channel partners in the Indian rural market. The wholesaler is the most important source of information for the retailer. The wholesaler is also the most important influence on the retailer. This means that the marketer would do well to motivate the wholesaler to get the retailer in the rural market to stock his company's products, particularly the newer products. Retailers in interior areas are not visited by agents of distributors. They go to the nearby town / large feeder village once or twice a month to buy their stock.

STATEMENT OF THE PROBLEM

The population of rural in Coimbatore district is very less. Rural people migraine from rural to urban for employment, children, education, reduce the journey hours and travelling expenses, other facilities etc. The price discount is not available in rural retail shops. All the product varieties may not available in rural people. But credit facility available in rural retail shop, so people use to settle the account weekly or monthly once according to their salary and other incomes.

The rural people are coming to urban to buy the household items like electric and electronic. They update it through television advertisement and internet. But fast moving consumer goods are exemption

from this. They cannot postponed this consumption.   This is also advantage to the rural retailer to sell the product on MRP and limited varieties. The retailer also have not much sales like urban.

The rural population are not getting products like urban. The rural retailer has not make availability of all the products in rural retail shops. Because there is no much sale like urban in rural retail shops.

OBJECTIVES

To The present study has the following objectives:

a) To identify the awareness of the FMCG products
b) To identify the Rural Customer satisfaction of FMCG products in Coimbatore District.

METHODOLOGY

The present study carried out by the researcher is an empirical study in nature and the study is based on survey method. The researcher collected the data required for carrying out the present study in two stages. In the first stage, the personal data and Fast Moving Consumer Goods details relating to the sample respondents and their satisfaction of FMCG of rural consumers in Coimbatore District. During the second stage of the data collection, the researcher collected the secondary data relating to the study such as the concepts relating to the FMCG from various published and unpublished records, reports, books, magazines, etc.

CONSTRUCTION OF TOOLS AND PILOT STUDY

The tools for collection of the primary data relating to the present study were constructed by the researcher himself. The researcher conducted Casual Interviews with fifty rural literate consumer and ten illiterate consumers in rural Coimbatore District for the purpose of identifying the variables for the study. The researcher has given adequate weightage to the outcomes of these discussions while constructing the interview schedule.

DATA ANALYSIS AND INTERPRETATION

In this chapter, the data collected were systemically processed, tabulated and made suitable for analysis and interpretations. It was a one-way study from the consumers of FMCG products in rural areas through data collected by interview schedules. The sample of 600 consumers was selected from village in Coimbatore district. The result was obtained, classified, tabulated and the following analysis

CHI – SQUARE ANALYSIS

The Chi-square is used to test the significance of association between two attributes and to test the homogeneity or the significant of population variance. In other words, this technique is used to test the significance of the influence of one character over the other. All the tests were carried out at 5% level of significance.

Consumer awareness of FMCG Products

TABLE 1.1.

Sl.No	Factors	Low	Medium	High	No. of Respondents	Percentage
	Age group					
1	Up to 30 Years	20 (18.02%)	81 (72.97%)	10 (9.01%)	111	18.50
2	31 to 50 Years	42 (17.57%)	169 (70.71%)	28 (11.72%)	239	39.83
3	Above 50 Years	50 (20.00%)	168 (67.20%)	32 (12.80%)	250	41.67
4	Total	112 (18.67%)	418 (69.67%)	70 (11.66%)	600	100
	Gender					
1	Male	79 (19.27%)	284 (69.27%)	47 (11.46%)	410	68.33
2	Female	33 (17.37%)	134 (70.53%)	23 (12.10%)	190	31.67
3	Total	112 (18.67%)	418 (69.67%)	70 (11.66%)	600	100
	Monthly expenses					
1	Up to Rs. 2000	53 (18.40%)	200 (69.45%)	35 (12.15%)	288	48.00
2	Rs. 2,001 to Rs. 4,000	51 (19.47%)	186 (70.99%)	25 (9.54%)	262	43.67
3	Above Rs. 4,000	8 (16.00%)	32 (64.00%)	10 (20.00%)	50	8.33
4	Total	112 (18.67%)	418 (69.67%)	70 (11.66%)	600	100
	Family type					
1	Joint family	63 (18.64%)	235 (69.53%)	40 (11.83%)	338	56.33
2	Nuclear family	49 (18.70%)	183 (69.85%)	30 (11.45%)	262	43.67
3	Total	112 (18.67%)	418 (69.67%)	70 (11.66%)	600	100

TABLE-1.2

Sl.No	Pearson chi square	Value	DF	P-Value	S/NS	Remarks
1	**Age group**	1.794	4	0.774	NS	Accepted
2	**Gender**	.326	2	0.849	NS	Accepted
3	**Monthly expenses**	4.638	4	0.032	S	Rejected
	Family type	0.021	2	0.989	NS	Accepted

Totally fifty three variables were taken and five point scale was used to measure the consumer awareness of FMCG products in Coimbatore District. The mean score of the consumer awareness of FMCG is 178.23, SD is 46.105, the score between 62 and 237. The total awareness sore were divided into three categories i.e, low, medium and high in accordance with their awareness score of FMCG in Coimbatore district. The total score upto 145.89 were grouped as low level of awareness ; the source between 145.90 and 224.34 were grouped as medium level of awareness of FMCG and the total score above 224.34 were grouped as high level of awareness of FMCG.

CONSUMER SATISFACTION OF FMCG RESPONDENTS

TABLE-1.3

Sl.No	Factors	Low	Medium	High	No. of Respondents	Percentage
1	Up to 30 Years	24 (21.62%)	78 (70.27%)	9 (8.11%)	111	18.50
2	31 to 50 Years	51 (21.34%)	157 (65.69%)	31 (12.97%)	239	39.83
3	Above 50 Years	50 (20.00%)	157 (62.80%)	43 (17.20%)	250	41.67
4	Total	125 (20.83%)	392 (65.33%)	83 (13.84%)	600	100
Gender						
1	Male	85 (20.73%)	265 (64.64%)	60 (14.64%)	410	68.33
2	Female	40 (21.05%)	127 (66.84%)	23 (12.11%)	190	31.67
3	Total	125 (20.83%)	392 (65.33%)	83 (13.84%)	600	100

Monthly expenses						
1	Up to Rs. 2000	52 (18.06%)	189 (65.62%)	47 (16.32%)	288	48.00
2	Rs. 2,001 to Rs. 4,000	60 (22.90%)	172 (65.65%)	30 (11.45%)	262	43.67
3	Above Rs. 4,000	13 (26.00%)	31 (62.00%)	6 (12.00%)	50	8.33
4	Total	125 (20.83%)	392 (65.33%)	83 (13.84%)	600	100
Family type						
1	Joint family	72 (21.31%)	221 (65.38%)	45 (13.31%)	338	56.33
2	Nuclear family	53 (20.23%)	171 (65.27%)	38 (14.50%)	262	43.67
3	Total	125 (20.83%)	392 (65.33%)	83 (13.84%)	600	100

TABLE-1.4

CHI SQUARE TESTS

Sl.No	Pearson chi square	Value	DF	P-Value	S/NS	Remarks
1	**Age group**	5.617	4	0.023	S	Rejected
2	**Gender**	0.704	2	0.703	NS	Accepted
3	**Monthly expenses**	4.638	4	0.032	S	Rejected
4	**Family type**	0.233	2	0.890	NS	Accepted

Totally sixty five variables were taken and five point scale was used to measure the consumer satisfaction of FMCG products in Coimbatore District. The mean score the satisfaction is 211.04, SD is 43.519, the score between 92 and 289. The total satisfaction sore were divided into three categories i.e, low, medium and high in accordance with their satisfaction score of FMCG in Coimbatore district. The total score upto 167.52 were grouped as low level of satisfaction ; the source between 167.53 and 254.55 were grouped as medium level of satisfaction of FMCG and the total score above 254.55 were grouped as high level of satisfaction of FMCG.

Age group

The above chi-square shows that the calculated p-value (0.774) is greater than the table value (0.05) at 5% level of significance. Hence, the null hypothesis (Ho) has been accepted and the alternative hypothesis (H$_1$)

has been rejected. Therefore, it is inferred that there is a no significant relationship between area of residence and level of awareness of Fast Moving Consumer Goods.

Gender

The above chi-square shows that the calculated p-value (0.849) is greater than the table value (0.05) at 5% level of significance. Hence, the null hypothesis (Ho) has been accepted and the alternative hypothesis (H$_1$) has been rejected. Therefore, it is inferred that there is a no significant relationship between age group of the respondents and level of awareness of Fast Moving Consumer Goods

Monthly expenses

The above chi-square shows that the calculated p-value (0.032) is less than the table value (0.05) at 5% level of significance. Hence, the null hypothesis (Ho) has been rejected and the alternative hypothesis (H$_1$) has been accepted. Therefore, it is inferred that there is a significant relationship between monthly expenses for FMCG of the respondents and level of awareness of Fast Moving Consumer Goods.

Family type

The above chi-square shows that the calculated p-value (0.989) is greater than the table value (0.05) at 5% level of significance. Hence, the null hypothesis (Ho) has been accepted and the alternative hypothesis (H$_1$) has been rejected. Therefore, it is inferred that there is a no significant relationship between family type of the respondents and level of awareness of Fast Moving Consumer Goods.

SATISFACTION LEVEL OF THE CONSUMERS

Age group

The above chi-square shows that the calculated p-value (0.230) is less than the table value (0.05) at 5% level of significance. Hence, the null hypothesis (Ho) has been rejected and the alternative hypothesis (H$_1$) has been accepted. Therefore, it is inferred that there is a significant relationship between age group of the respondents and level of satisfaction of Fast Moving Consumer Goods.

Gender

The above chi-square shows that the calculated p-value (0.703) is greater than the table value (0.05) at 5% level of significance. Hence, the null hypothesis (Ho) has been accepted and the alternative hypothesis (H$_1$) has been rejected. Therefore, it is inferred that there is a no significant relationship between age group p of the respondents and level of satisfaction of Fast Moving Consumer Goods.

Monthly expenses

The above chi-square shows that the calculated p-value (0.032) is greater than the table value (0.05) at 5% level of significance. Hence, the null hypothesis (Ho) has been rejected and the alternative hypothesis (H$_1$) has been accepted. Therefore, it is inferred that there is a significant relationship between monthly expenses for FMCG of the respondents and level of satisfaction of Fast Moving Consumer Goods

Family type

The above chi-square shows that the calculated p-value (0.890) is greater than the table value (0.05) at 5% level of significance. Hence, the null hypothesis (Ho) has been accepted and the alternative hypothesis (H₁) has been rejected. Therefore, it is inferred that there is a no significant relationship between family type of the respondents and level of satisfaction of Fast Moving Consumer Goods.

FINDINGS

The chi – square test applied to check the hypothesis. The area of the residence, marital status of the respondents, educational qualification of the respondents, monthly expenses for fast moving consumer goods and decision taken are significantly influence the consumer awareness of fast moving consumer goods.

The chi – square test applied to check the hypothesis. The age group of the respondents, marital status of the respondents, monthly family income of the respondents and monthly expenses for fast moving consumer goods of the respondents are significantly influence the consumer satisfaction of fast moving consumer goods.

CONCLUSION

The study reveals that there is a strong brand preference among rural consumers for the FMCG. So companies aiming at 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 distribution network.

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. The target realization in this market is as unpredictable as the monsoon, and the success, people attribute to fortune. So it's very important to understand the dynamics and attitude of the rural Indian who is very different from the urban. 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. Even expensive brands, such as Close-up, Lifebuoy and Clinic Plus shampoo are doing well because of deep distribution.

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. The future lies with those companies which see the poor as their customers. It is a usual practice with many markets 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.

Personal contract with the rural customers will essentially facilitate understanding of the rural mindset and executing effective sales promotion. Selection of promotional media mix appears to be the most critical task that demands superior creativity. The social media is playing well, all the people from rural and urban have the mobile phone to get updated news and information. The marketer can effectively utilize it to advertise and educate the consumers. The marketer has to adopt a totally different approach in locating and identifying the Rural market and relevant market segments for Fast Moving Consumer Goods.

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