

# THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

## Customers Choice towards Edible Oil with Reference to Rural Market around Madurai

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### **Abstract:**

Rural marketing is promotion of a company's product in the rural market by using strategies which differ from the urban market. The fact that 70% of country's population was unaddressed is the major attraction for marketers. Rural marketing in India is still at infancy stages, and faces the various types of problems in respect to marketing, product designing and positioning, pricing, distribution and promotion. The main aim of this study is to observe the potentiality of Indian Rural Markets and finding out various problems are being faced by rural markets.

The primary objective of this study is to know the potentials of marketing of edible oil products in rural areas; the present study is mainly based on the primary data collected with the help of structured questionnaire by directly approaching the respondent. Based on the research the findings was that there exists is a relationship between a brand preference & demographic factors. Finally, we can say that consumers have specific preference or choice towards sesame oil in rural market around Madurai. The consumers analyze various factors like price, quality, packaging aspects etc. before they buy the product and demographic relationships play a crucial role in customers purchasing behaviour.

**Keywords:** Rural market, consumer behaviour, brand preference, demographic relation

### **1. Introduction**

Rural marketing is promotion of a company's product in the rural market by using strategies which differ from the urban market. Since the 1980's the mass rural market was used to attract the marketers in Indian consumer market. The fact that 70% of country's population was unaddressed, which was the major attraction for marketers. In recent time this attraction has increased with the additional income that comes into hands of rural consumers due to green revolution, rise in Agri-produce prices and MNREGA spending. Budget 2013 further strengthens the rural story with MNREGA because there has been a substantial increase in their spending.

This paper addresses some of the factors that influence the purchase behaviour of rural customers towards sesame oil.

Numbers of rural villages/units

Census 2001	6,38,588
Census 2011	6,40,867

Table 1

Source: Census of India 2011

#### *1.1. Need for Study*

Rural marketing in India is still at infancy stages, and faces the various types of problems in respect of marketing, product designing and positioning, pricing, distribution and promotion. The Indian rural market is bigger and vast in size with its larger consumer base, it offers the great opportunities for the marketer and stay in tune with the rural marketing offerings.

The main aim of this study is to observe the potentiality of Indian Rural Markets and finding out various problems are being faced by rural markets. This paper attempts to look into the challenges and opportunities of Indian rural marketing

#### *1.2. Statement of the Problem*

Rural consuming system and its evolution are different from that of urban consumption. Material prosperity in the rural India due to the effect of liberalization and globalization resulted in increased production and improved transportation and communication facilities. Thus it is worth to examine how the rural consumers are being motivated and how far the socio-economic cultural factors are influencing the rural consumers towards sesame oil.

### 1.3. Objective

The objective of the study can be inferred from the following:

1. To examine the current rural marketing scenario
2. To know the consumer buying behavior towards sesame oil
3. To find out the factors that influences the consumers to buy sesame oil
4. To suggest effective strategies for sesame oil in rural areas

### 1.4. Methodology Adopted

Since the primary objective of this study is to know the potentials of marketing of edible oil products in rural areas, the study is mainly based on the primary data collected with the help of structured questionnaire by directly approaching the respondent. All the data for the purpose of the study and chi square analysis is done to understand the demographic relationship. Preliminary data had been collected from 100 respondents of Irravathanalur & Viraganur village in Madurai district.

### 1.5. Scope of Study

- This study helps the edible oil marketers to understand the factors influencing the sale of sesame oil
- This study helps to know the buying behavior of the consumer while choosing sesame oil
- This research study also helps to know the reason for the dissatisfaction of the consumer

### 1.6. Period of Study

The study was conducted from February 2014 to April 2014

### 1.7. Limitations of the Study

The researcher had the following limitations while conducting the study

- This study was carried out only among the consumers in Irravathanalur & Viraganur village panchayats only
- The sample size was restricted to 100 due to time constraints.
- The study was focused on one of the edible oil (i.e.) sesame

## 2. Literature Review

Benjamin Neuwirth (2011)<sup>1</sup>, by his research said that by designing appropriate distribution networks and constructing trustworthy distribution channels, companies will be able make products available when and where rural consumers expect them. And by providing effective after-sales service, companies will be able to maintain positive customer relationships and continue to gain brand trust. Ms. Himani Joshi, Dr. R. K. Srivastava (2011)<sup>2</sup> said that rural market is no more confined to 'haats' and 'melas' or the market where only Agri and handicraft products are sold. It is now flooded with consumer goods both fast moving as well as consumer durables. Though rural region drastically varies from urban area yet the thorough market research before making a foray in rural area would help the marketers to design a right kind of marketing mix for a given product and succeed in their marketing endeavors.

Md. Abbas Ali, Venkat Ram Raj Thumiki and Naseer Khan (2012)<sup>3</sup>, recommended that rural marketers should devise their marketing strategies in alignment with Government's rural development programs and form their marketing communications a part of information related to the specific policy. Siras, Manmeet Kumar (2012)<sup>4</sup>, said that In rural marketing, the vast spectrum of courses to be followed require special care and attention with respect to the product, its quality, packaging, brand, pricing, advertisement, personal selling and channel of distribution. Dr. Ashfaque Ahmed (2013)<sup>5</sup> based on his research said that, the overall marketing mix framework for rural markets must therefore focus around plugging the segments with the right product, using value for money pricing, selecting the most appropriate channel of distribution, building long term relationships with the customers and finally, using the power of emotional brands.

## 3. Data Analysis & Interpretation:

Data analysis is done by using Chi-Square Analysis to find the relationship between brand preference and gender, age, income, education & occupation.

Gender	BRAND PREFERENCE				Grand Total
	Brand Image	Low Price	Quality	Availability	
Male	4	8	33	8	53
Female	3	5	33	6	47
Grand Total	7	13	66	14	100

Table 2: Chi-square test for gender & brand preference

- Hypothesis:

$H_0$ : There is a no relationship between gender & brand preference

$H_1$ : There is a relationship between gender & brand preference

$$\chi^2_{cal} = 2137.63$$

$$DOF = (r-1)(c-1) = (2-1)(4-1) = 3$$

Level of significance = 0.05

From Chi square table, for DOF=3

Level of significance = 0.05

$$\chi^2_{tab} = 7.815$$

$$\chi^2_{cal} > \chi^2_{tab} \quad \text{Accept } H_1$$

There is a relationship between gender & brand preference

Age	BRAND Preference				Grand Total
	Brand Image	Low Price	Quality	Availability	
20-30	2	4	23	2	31
31-40		5	16	4	25
41-50	2		13	5	20
Above 51	3	4	14	3	24
Grand Total	7	13	66	14	100

Table 3: Chi-square test for Age & Brand Preference

- Hypothesis:

$H_0$ : There is a no relationship between age & brand preference

$H_1$ : There is a relationship between age & brand preference

$$\chi^2_{cal} = 10.489$$

$$DOF = (r-1)(c-1) = (4-1)(4-1) = 9$$

Level of significance = 0.05

From Chi square table, for DOF=9 & Level of significance = 0.05

$$\chi^2_{tab} = 16.919$$

$$\chi^2_{cal} < \chi^2_{tab} \quad \text{Reject } H_1$$

There is a no relationship between age & brand preference

Income	Brand Preference				Grand Total
	Brand Image	Low Price	Quality	Availability	
less than 10,000	2	10	42	13	67
10,000-20,000	4	1	18	1	24
20,000-30,000	1	2	5		8
above 30,000			1		1
Grand Total	7	13	66	14	100

Table 4: Chi-square test for Income & Brand preference

- Hypothesis:

$H_0$ : There is a no relationship between income & brand preference

$H_1$ : There is a relationship between income & brand preference

$$\chi^2_{cal} = 18.269$$

$$DOF = (r-1)(c-1) = (4-1)(4-1) = 9$$

Level of significance = 0.05

From Chi square table, for DOF=9 Level of significance = 0.05

$$\chi^2_{tab} = 16.919$$

$$\chi^2_{cal} > \chi^2_{tab} \quad \text{Accept } H_1$$

There is a relationship between income & brand preference

### 3.1. Findings

From this study, we find that brand preference has a relationship with gender, income but there is no relationship between brand preference and age. So, the firms has to consider the gender, income while determining various features of the product such as price, quantity, quality of the product, packing and labeling, etc.

### 3.2. Suggestions

From the above data analysis and interpretation we can suggest few suggestions to the edible oil companies:

- Most of the people go for the product which has a superior quality enough though they are prices high. Thus quality talks loud than the price
- People in rural market go for the unbranded products of edible oil which are suggested by the retailers. So, we can say that the company must try to build a relationship with the retail outlets for effective sales
- Most of the respondents refer to by sesame oil in other grocessery stores also. Therefore we can say that the marketers must try to concentrate on other grocessery stores also rather than on exclusive stores
- People of various income group buy sesame oil on a regular basis (i.e.) for every 2-3 weeks. So, the companies has to design the containers in such a fashion that it meets the required needs
- Even though there is advent of various oils such as refined oil, ground nut oil, rice bran oil, etc rural people still believe in sesame oil

### 4. Conclusion

The rural market is where the markets of the future are likely to be. Urban markets are becoming increasingly competitive for many products. In some cases they are even saturated. On the other hand, rural markets offer growth opportunities. Marketers will have to understand the rural customers before they can make inroads into the rural markets. The rural market is fascinating and challenging at the same time. It offers large scope on account of its sheer size. It is a market for the truly creative markets. From this study, we find that brand preference has a relationship with gender, income but there is no relationship between brand preference and age. So, the firms has to consider the gender, income while determining various features of the product such as price, quantity, quality of the product, packing and labeling, etc. Hence, manufacturers should feel the pulse of consumers by understanding gender, income of the customers. They should plan their production and distribution activities as per the needs and convenient of the customers.

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