

**ENIGMAS AND SPECTACLES OF RURAL MARKETING: A STUDY WITH REFERENCE TO HINDUSTAN COCA COLA BEVERAGES PRIVATE LTD., MYSORE CITY****\*Dr. Veena K.P. \*\*Dr. C. Mahadeva Murthy***Associate Professor, Dept. of Master of Business Administration (MBA), Visvesvaraya Technological University, Regional Centre Mysore, Mysore, Karnataka.**\*\*Associate Professor & Chairman, Department of Studies and Research in Management, Karnataka State Open University, Mukthagangothri, Mysore-570006, Karnataka, India.***ABSTRACT**

*The emergence of rural marketing has acquired significance, as the overall growth of the economy resulted into substantial increase in the purchasing power of the rural communities. In this context, rural marketing is any marketing activity in which the one dominant participant is from a rural area and the main pattern of rural areas are consuming a large quantity of industrial and urban manufactured products. This implies that rural marketing consists of marketing of inputs products or services to the rural as well as marketing of outputs from the rural markets to other geographical rural market widely differs in terms of its geographical features. The various problems faced in rural marketing are lack of transportation, lack of promotional strategies, lack of consumer awareness, lack of brand awareness etc., which affects the marketing mix such as product, place, price and promotion for the specified region. The study of consumer behavior is the never ending activity. Thus, a marketer should understand the growing complexities of rural market and building strategy for proper mixing of marketing mix. The marketer should have courage to face the challenges of understanding market, consumer needs and behaviour. In this regard, the present study conducted to find out various enigmas faced by rural markets and also this paper attempted to analyze into the various spectacles in rural marketing of Hindustan Coco Cola Private Ltd., Mysore City.*

**Key Words: Rural Marketing, Consumer Awareness, Development, Strategy, Enigmas, Spectacles.**

**INTRODUCTION**

Around the world, over 4.00 billion people survived in rural areas that came to more than 60.00 per cent of the total population. In India also, the ratio of rural to urban population was slightly higher than the world's ratio with 70.00 per cent of them living in rural areas. They domiciled in nearly 6,27,000 villages spread over 3.2 million sq. km. This growing affluence along with good monsoon and the increased agriculture output, increased the total disposable income of rural consumers to 58 percent with two-third of middle income households being in the rural market. About 40 percent of the graduates coming out of Indian Universities were from rural areas. As they are eager to earn more and live better, their aspirations are similar to the urban youth. Rural marketing is promotion of a company's products in the rural markets by using strategies which differ from that of urban market. The rural market more price sensitive but it has preference quantity. Rural areas are large and isolated areas of an open country, with low population density a country side refers to rural areas that are open. Rural marketing differs only in terms of buyers here target market consists of customers living in rural areas. Thus rural marketing is application of marketing fundamentals such as concepts, principles, theories etc to rural marketers. Rural marketing is a process of developing, pricing, promoting and distributing rural specific goods and services leading to desired exchange with rural customers to satisfy their needs and wants, Rural marketing can be defined as a function which manages all those activities in asserting, stimulating and converting the purchasing power of rural people into an effective demand for specific products and services and there by achieving the goals of the organization.

It is generally believed that markets are created, not found. This is especially true in case of the rural market of India. It is a market for the truly creative marketer. The rural market of India is fascinating and challenging at the same time. It offers large scope on account of its sheer size and it is growing steadily. Even a small growth can push up the sales of a product substantially, in view of the huge base despite the fact that there are enormous amount of problems. It is an attractive market from this angle also that the urban market is highly competitive; the rural market

is relatively quiet. In fact, for certain products, it is a totally virgin market. Economic reforms in India have brought about major changes in the whole market environment. With these changes, rural marketing will become an important playground for our marketers. Successful rural marketing calls for a review of the rural marketing environment, developing proper understanding of the nature and profile of rural consumers, designing the right products to appeal to them, and adopting suitable media as well as appropriate strategies for communication and distribution.

Hindustan Coca Cola Beverages Private Ltd., a wholly owned subsidiary of Coca-Cola, manufactures and retails several beverages through its 1.3 million retailers. Majority of their Karnataka operations are taken care of by their factory at Bidadi Industrial Area in Bangalore. Later on another branch will exist in 1991 in Mysore district first introduced as a sole product which was then acquired by Coca-Cola in 1993 and product profile of Hindustan Coca Cola Beverages as follows: Pepsi, mirinda, lime, seven up, mountain dew, slice, Lehar soda, pet cola, can cola, Aquafina and Mineral water its flavours cola. Orange, Lime. Mango, Lemon etc.

### **SALIENT FEATURES OF RURAL MARKETING**

#### **1. Large, diverse and scattered market**

Rural marketing in India is large, and scattered into a number of regions. There may be less number of shops available to market products.

#### **2. Major income of rural consumers is from agriculture**

Rural prosperity is tied with agriculture prosperity. In the event of crop failure, the incomes of masses are directly affected.

#### **3. Traditional outlook**

Villages develop slowly and have a traditional outlook. Change is a continuous process but rural people accept change gradually. This is gradually changing due to literacy especially in the youth who have begun to change the outlook in the villages.

#### **4. Standard of living and rising disposable income of the rural customers:**

It is known that majority of the rural population lives below poverty line and has low literacy rate, low savings etc. Today the rural customer spends money to get value and is aware of the happening around him.

#### **5. Rising literary levels**

It is documented that approximately 45% of rural Indians are literate. Hence awareness has increase and the formats are well informed about the world around them. They are also educating themselves on the new technology for a better life.

#### **6. Infrastructure facilities**

The infrastructure facilities like warehouses, communications systems and financial facilities or inadequate in rural areas physical distribution is a challenge to marketers who has found innovative ways to market their products.

#### **7. Consumer Behavior Changes**

Increased literacy and greater awareness in rural markets create new demands and discriminating buyers. This is observed more in the younger generation. In villages today, this segment of buyers consumes a large variety of products, both durables and non-durables. There is a visible increase in the consumption and use of a variety of products, which is easily observed.

#### **8. Media and Advertisement**

The role cable television has been noteworthy in bringing about the change in rural peoples mindset and influencing their lifestyle.

### **REVIEW OF LITERATURE**

The research has been conducted on rural marketing, last few decades. The review includes studies problem and challenges of rural marketing.

**Abhyankar and Jagadale (2010)** described that rural marketing have a broader sense it in not a compact form because when rural marketing comes to mind it attaches to only agricultural produce. From time immemorial there has been regular trade between urban & rural produce, as the lifestyle of rural people is changing with the change in disposable income to adopt consumables & durables & services. Rural marketing is a marketing process which encompasses inflow of different products in rural areas. This paper examines the aims at investing the market dynamics related to two wheeler marketing in Karad Taluka. Despite the improved the socio-economic conditions of the rural people of this region the sales of two wheelers were not matching with improved conditions in rural market.

**Shubangi Rajput (2011)** focused a study on “Problems and Prospects for Marketing of Rural Products: An Empirical Study of Tribal Regions (India)” The present study is confined to tribal region of Rajasthan is the largest state in India in terms of geographic area. This tribal region is not economically well off and economic empowerment Apart from these, rural producers in both farm and nonfarm product categories are facing serious problems about technical and marketing knowledge. They are also ignorant about modern marketing issues like quality, delivery schedule, packaging, after-sales-service, etc. This paper focused on the pricing concepts is not aligned with consumer want and goods are produced without a proper market survey or ascertaining in rural market.

**Shobha A. Yalamalli (2012)** undertaken a study on “Prospects of Rural Marketing in India” The study found that the rural and small town economy which accounts for 60percent of India's income has remained insulated from the economic slowdown. The rural market in India is vast and scattered and offers a plethora of opportunities in comparison to the urban sector. Improvement in infrastructure and reach promise a bright future for those intending to go rural. In this paper focused marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing. Innovative marketing of products is about leveraging the marketing mix, namely, the four P's which are Product Design and Packaging, Price, Place and Promotion.etc

**Vadivelu and Kiran (2013)** emphasized a study on “Problems and prospects of agricultural marketing in India: an overview”. This study examines problems and prospects of agricultural marketing cover the services involved in moving an agricultural product from the farm to the consumer. This paper contains there are several challenges involved in marketing of agricultural produce. There is limited access to the market information, literacy level among the farmers is low, multiple channels of distribution that eats away the pockets of both farmers and consumers. The globalization has brought drastic changes in India across all sectors and it is more so on agriculture, farmers and made a deep impact on agricultural marketing.

**Pawan Kumar (2013)** emphasized a study on “Rural Marketing in India: Challenges and Opportunities” Concerns about There is rapid development in infrastructure all these opportunities attract companies to reach target rural market. With some technologies breakthrough in distribution and marketing of products in rural India, companies in rural market can earn more profits, market share, etc. The study shows the present scenario of rural market in India and the major opportunities and challenges faced by marketer in rural areas. The study concluded that rural India offers huge opportunities which companies can tap for their growth and development in the rural markets over all study focused issues related to the target market and to reach all goods and services reach to the remote places in rural areas.

**Manpreet Kaur (2013)** explained that 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 manufactured products. In this context, a special marketing strategy, namely, rural marketing has emerged. This paper is an attempt to find out the various initiatives taken by HUL to reach the rural consumer. HUL has been following a sustained approach to tap the vast potential of India's rural market. The evolution of HUL's rural marketing strategies from an indirect approach to rural area to the door step in rural marketing. Many organizations have forced into rural areas and this

has proved fruitful and beneficial for them. And provide abundant opportunities for organizations to enter and operate profitable in Indian rural market.

### OBJECTIVES OF THE STUDY

The following are the major objectives of the study

1. To study the overview of rural market in general, Karnataka and Mysore city in particular;
2. To highlight the attributes of rural marketing in the Indian scenario;
3. To examine the enigmas and spectacles in the view of rural marketing;
4. To identify the issues and challenges in the wake of rural marketing; and
5. To offer findings, suggestions and conclusion in the light of the study.

### RESEARCH METHODOLOGY

The present study has been collected from both primary and secondary sources. The primary data was collected by the employees and distributors of Hindustan Coco Coal Beverage Private Limited through direct interview and questionnaire. A questionnaire was constructed for collecting primary data from the employees and distributors of Coco Cola Pvt. Ltd., located in Yadavegiri Mysore City. A sample of 50 respondents including both male and female was considered or chosen at random. The method of sampling used is systematic random sampling. The secondary data was collected from related research publications in books, journals and periodicals, dailies and reports available on the chosen topic and through websites to develop theoretical background of rural marketing. The analysis of data is done using percentage and quantitative method for tabulations and represents the data using graphical method.

### ANALYSIS AND INTERPRETATION

#### a) Problem and Prospects of Rural Marketing

Table No. 1 represents the problem and prospects of rural marketing in the company. Majority of the respondents numbering 50 and representing 100.00 per cent strongly agreed with problems of financial and credit sales facilities and 60.00 per cent of the respondents strongly agreed there no proper transportation and communication in rural areas and 66.00 per cent of the respondent faced the problem of availability of appropriate media in the rural areas and 80.00 per cent of the respondents strongly agreed there is lack of consumer awareness in rural areas, majority of the respondents in the rural areas they don't have much knowledge of brand image of particular product 50.00 per cent of the respondents faced the problem of lack of brand trust. Majority of 60.00 per cent of the respondents strongly agreed on lack of price strategy because manufacturing cost will increasing automatically price of the particular product also fluctuate indirectly affects to rural marketing strategies and 20.00 per cent of the respondents disagree with the problem of warehouse and seasonal marketing.

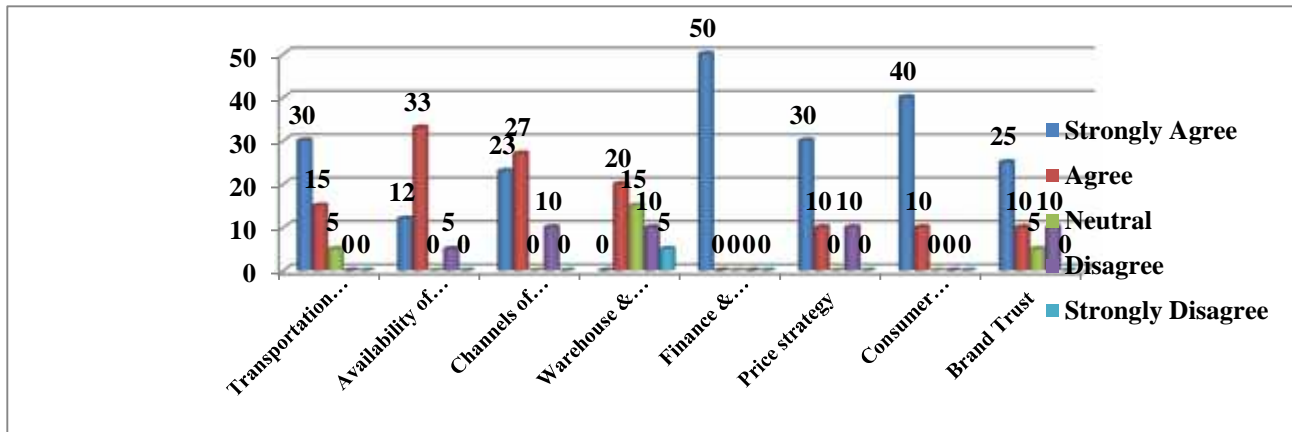
**Table No.1, Problem and Prospects of Rural Marketing**

SI. No.	Particulars	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	Lack of transportation and communication	30 (60.00)	15 (30.00)	05 (10.00)	00 (00.00)	00 (00.00)
2.	Non availability of appropriate media	12 (24.00)	33 (66.00)	00 (00.00)	05 (10.00)	00 (00.00)
3.	Improper channels of distribution	23 (46.00)	27 (54.00)	00 (00.00)	10 (20.00)	00 (00.00)
4.	Problem of Warehouse and seasonal marketing	00 (00.00)	20 (40.00)	15 (30.00)	10 (20.00)	05 (10.00)
5.	Lack of finance and credit sales facilities	50 (100.00)	00 (00.00)	00 (00.00)	00 (00.00)	00 (00.00)

6.	Problem of price strategy	30 (60.00)	10 (20.00)	00 (00.00)	10 (20.00)	00 (00.00)
7.	Lack of consumer awareness	40 (80.00)	10 (20.00)	00 (00.00)	00 (00.00)	00 (00.00)
8.	Problem of brand trust	25 (50.00)	10 (20.00)	05 (10.00)	10 (20.00)	00 (00.00)

Source: Field Survey

Graph No. 1, Problem and Prospects of Rural Marketing



**b) Issues and Challenges of Rural Marketing**

Table No. 2 indicates the issues and challenges faced by the company. Majority of the respondents representing 70.00 per cent agreed that they were facing the challenges of distribution network logistics and 46.00 per cent of the respondents strongly agreed the challenge of distribution network design and 30.00 per cent of the respondents disagree with lack of brand trust and in rural area literacy rate was less compared to the urban areas 50.00 per cent of the respondents agreed with the challenge of lack of education is require to use consumer goods and 80.00 per cent of the respondents strongly agreed with current challenge faced to reach target market strategies and 60.00 per cent of the respondents faced the challenges of development of new products. In the context of challenge faced by changing consumption pattern in rural areas around 40.00 per cent and 30.00 per cent of the respondents were strongly agreed and agreed with to improve the purchasing power of buyers in rural areas.

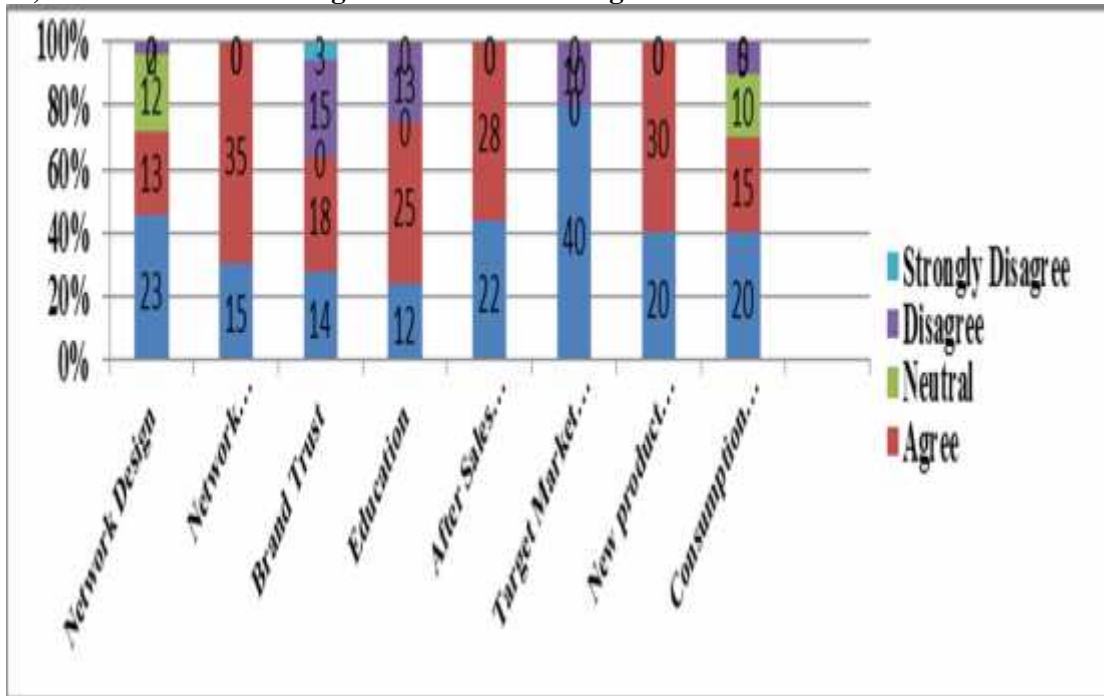
Table No. 2, Issues and Challenges of Rural Marketing

SI. No.	Issues and Challenges	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	Distribution network design	23 (46.00)	13 (26.00)	12 (24.00)	02 (04.00)	00 (00.00)
2.	Distribution network logistics	15 (30.00)	35 (70.00)	00 (00.00)	00 (00.00)	00 (00.00)
3.	Lack of brand trust	14 (28.00)	18 (36.00)	00 (00.00)	15 (30.00)	03 (06.00)
4.	Lack of education	12 (24.00)	25 (50.00)	00 (00.00)	13 (26.00)	00 (00.00)
5.	After sales service	22 (44.00)	28 (56.00)	00 (00.00)	00 (00.00)	00 (00.00)
6.	Target market strategies	40 (80.00)	00 (00.00)	00 (00.00)	10 (20.00)	00 (00.00)

7.	New product development strategies	20 (40.00)	30 (60.00)	00 (00.00)	00 (00.00)	00 (00.00)
8.	Changing consumption pattern in rural areas	20 (40.00)	15 (30.00)	10 (20.00)	05 (10.00)	00 (00.00)

Source: Field Survey

Graph No. 2, The Issues and Challenges of Rural Marketing



**FINDINGS OF THE STUDY**

**The major findings of the study are**

1. Majority of the respondents representing 50.00 per cent strongly agreed with the problem of inadequate financial and credit sales facilities;
2. Majority of the respondents representing 60.00 per cent of the respondents strongly agreed there is no proper transport and communication problem in rural areas.
3. Around 60.00 per cent of the respondents strongly agreed on lack of price strategy because manufacturing cost will increasing and automatically price of the particular product also fluctuate and this indirectly affects to rural marketing strategies.
4. Around 20.00 per cent of the respondents disagreed with the problem of warehouse and seasonal marketing.
5. Majority of the respondents representing 70.00 per cent faced the challenges of the distribution network logistics and 46.00 per cent of the respondents strongly agreed with the challenges of distribution network design;
6. Majority of 80.00 per cent of the respondents strongly agreed with current challenge faced to reach target market strategies;
7. In the context of challenge faced by changing consumption pattern in rural areas, around 40.00 per cent and 30.00 per cent of the respondents were strongly agreed to improve the purchasing power of buyers in rural areas.

## SUGGESTIONS FOR THE STUDY

### The following the major suggestions for the study

1. The distribution channels should be made more effectively to reach in the deeper pockets of the rural market thus availability of the products is very important as rural consumers are not loyal to one brand. Efforts should be made to increase the distribution network and make available the products to the rural market.
2. The promotional strategies should be according to the age group factor of buying decision in rural market. As the factor of influence are different in different age groups. While planning for rural market company should plan considering the factor of buying decision like life style, buying capacity and buyers' preferences etc. as they try different products as suggested by the peers, neighbors and others.
3. While marketing to the rural consumer, it is important that the positioning of the goods have to connect with the rural consumers' social status appreciation. It gives them psychological satisfaction and motivates them to continue with the same brand.
4. Marketing through multi-level marketing channels, kitty parties, social gathering and etc., where people within the same rural community can be encouraged as the influence to make a purchase through the opinions of friend and peer group is more in rural consumers.

## LIMITATIONS OF THE STUDY

In carrying out the present study, the following were the limitations:

1. Duration was very less to complete the study and inadequate of data certain aspects were not covered in the study;
2. The study was concentrated only on problems and challenges of rural marketing in Mysore District. It is not covered other marketing aspects of Hindustan Coco Cola Private Ltd.,
3. Most stress was given on the primary data as it was difficult to collect secondary data from the organization and distribution since it is difficult to ascertain the authenticity of their statements.

## SCOPE FOR FUTURE RESEARCH

Due of the limitations of time, resources and data, the study was limited only to Mysore District the following areas have been identified for further research:

1. The present study has not discussed remedies overcome of the problems facing rural marketing. Study has not covered other branches and others districts and states of India;
2. Future researchers can expand their researches by considering the data of all the branches of the districts and states in India and that can enable to understand the current challenges faced by rural marketing and suggest improve the promotional strategies in rural areas;
3. The study was mainly focused on problems and challenges of Hindustan Coco Cola Pvt. Ltd in Mysore District therefore the other aspects were not included in the study.

## CONCLUSION

Rural markets, as part of any economy, have untapped potential. There are several difficulties confronting the effort to fully explore rural markets. The concept of rural markets in India, as also in several other countries, like China, is still in evolving shape, and the sector poses a variety of challenges, including understanding the dynamics of the rural markets and strategies to supply and satisfy the rural consumers. And rural consumers are fundamentally different from their urban counterparts. The lower levels of literacy and limited exposure to product and services and there are also differences in occupation options, with a direct impact on income levels and income flows, and a high level of inter-dependency affecting the dynamics of rural community behavior. Thus, it requires a well-crafted plan to meet these challenges in rural markets. So we can conclude that Rural markets has own set of challenges, problems and opportunities. Hence the companies need to unlearn and then relearn the marketing strategies and tactics that would enable harnessing the immense rural potential. The approach, strategies and marketing mix need to be formulated and examined from rural consumer's prospective to be successful in the rural market.

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