

A STUDY ON CHALLENGES INVOLVED IN RURAL MARKETING MANAGEMENT WITH SPECIAL REFERENCE TO FMCG AND TELECOM

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Abstract

The study analyses the challenges involved in rural marketing management with special reference to FMCG and Telecom. The total number of questionnaires distributed in the self-administered survey was 900 sets. The purposive sampling method was applied in this research for selecting the sample. As a result, 643 (filled questionnaire) valid sets of questionnaires were available and then used for further analysis using SPSS software version 21. A structured questionnaire were used to collect the data while the Multiple Regression analysis was used to analyse the rural marketing management with special reference to FMCG and Telecom. A result revealed that the coefficient value of 0.814 indicates that the relationship between customer satisfaction and the five independent variables of FMCG is quite strong and positive. Hence, the study, therefore, concluded that dimensions of marketing of Fast Moving Consumer goods on customer satisfaction and dimensions of marketing of telecom on customer satisfaction is strong and positive.

Keywords: Rural Marketing, FMCG, Telecom.

Introduction

The FMCG sector is a cornerstone of the Indian economy. This sector touches every aspect of human life. Indian FMCG market has been divided for a long time between the organized sector and the unorganized sector. Unlike the US market for FMCG which is dominated by a handful of global players, India's Rs. 460 billion FMCG market remains highly fragmented with roughly half the market going to unbranded, unpackaged home made products. This presents a tremendous opportunity for makers of branded products who can convert consumers to buy branded products. Globally, the FMCG sector has been successful in selling products to the lower and middle income groups and the same is true in India.

Telecommunication network of India is the second largest networking system in the whole world. Telephone Services of fixed lines and mobile phone comes together makes the network of India second most powerful telecommunication network in the world. It has one of the lowest call tariffs in the world enabled by the mega telephone networks and also due to hyper-competition among them. As we all know that there are lots of telecom service providers prevailing in the Indian market which creates lots of competition between them. Indian Telecom sector also has the world's third-largest Internet user-base. According to the Department of Telecommunication of India (DoT), as on Year 2016 report, India has 46,21,24,989 internet connections. Major sectors of the Indian telecommunication industry are telephony. Internet and television broadcast Industry are major sector but not as much as telephony. In India, DTH is relatively new broadcasting technology has attained significant popularity in the Television segment. Telecommunication in India has greatly been supported by the INSAT system of the country which is one of the largest domestic satellite systems in the world. India possesses a diversified communications system, which links all parts of the country by telephone, Internet, radio, television and satellite.

Review of Literature

Phanindra Kumar and Swamy (2013) studied the rural market status and the rural marketing strategies adopted by different marketing houses. Describing about the rural market status, the way they define value is similar to the urban consumers. Rural consumers have sufficient disposable income and are appreciating brands, customer service, aesthetics and products. Unfolding the strategies of companies, it mentioned LG Company setting up central office areas in B class cities and C class cities to feel the pulse of the consumer and being able to respond rapidly to their needs. Realizing the importance of opinion leaders, companies such as Maruti Suzuki, Hyundai Motor India and General Motors India run special panchayat schemes in these markets. P& G's adoption of brand personality to push tide and head & shoulders made a great success in the rural markets. The study suggested that marketing research should be undertaken involving focus groups and marketers should also build prototypes while strategizing for marketing. **Prithish and Dr. Taruna Saxena (2015)** said in their study that the Telecommunications Industry of India is one of the vast and leading industries in the world. It helps in connecting all the parts of country through various ways like television, radio, internet, and telephone. The Telecommunication industry of India is the second largest in the world. Continuous advancement and improvement of their product and services it becomes the leading one. The telecommunication services offered by this industry are easily acceptable at affordable prices to the customers of urban and rural areas of India. This research is done to know the history and evolution of Indian Telecom Industry. Through which the researchers can analyses the present scenario of telecommunication services with old days. **Yaser Hasan Al-Mamary et al., (2015)** said in their study that the overall development of the telecommunication companies is based on the quality and performance of their services. Qualities are described in different forms such as information quality, service quality, management quality, computer quality, etc. If the company maintains these qualities than definitely they becomes the top most company in any field. As we talk about the telecommunication services there must be need of these type of quality based expansion and improvements. **Kunj Thacker (2016)** examined in their study that the peoples of rural areas of India are willing to use the internet services of telecommunication companies. But due the high rate of these internet plans they unable to use it frequently. This paper shows the need of a Public-Private partnership model. In this paper the researchers describes the technology of both Wi-Fi and WiMax which are complementary to each other. They found that public and private sector comes together to overcome the problem of customers of rural India by providing them services in low cost.

Objectives of the study

1. To study the impact of various dimensions of marketing of fast moving consumer goods on customer satisfaction.
2. To analyses the impact of various dimensions of marketing of telecom on customer satisfaction.

Methodology

The study is an empirical one based on data gathered from the customers of rural marketing management in FMCG and Telecom. A sample of 643 customers has been chosen for the purpose of the study. The primary data was gathered using the questionnaire method administered by a prefixed schedule in person with each respondent. For this study, the researcher used a well-structured questionnaire to collect the data from the respondents. The questionnaire related to dimensions of marketing of telecom and FMCG. The researcher used the Multiple Regression Analysis to study the impact of various dimensions of Marketing of FMCG on Customer Satisfaction and dimensions of Marketing of Telecom on Customer Satisfaction. IBM SPSS 21 version was used for statistical purposes.

Results and Discussions

Impact of Dimensions of Marketing of Fast Moving Consumer Goods on Customer Satisfaction

Regression is the determination of statistical relationship between two or more variables. In simple regression two variables are used. One variable (independent) is the cause of the behaviour of another one (dependent). When there are more than two independent variables the analysis concerning relationship is known as multiple correlations and the equation describing such relationship is called as the multiple regression equation.

Regression analysis is concerned with the derivation of an appropriate mathematical expression is derived for finding values of a dependent variable on the basis of independent variable. It is thus designed to examine the relationship of a variable Y to a set of other variables $X_1, X_2, X_3, \dots, X_n$. the most commonly used linear equation in $Y = b_1 X_1 + b_2 X_2 + \dots + b_n X_n + b_0$

Here Y is the dependent variable, which is to be found. X_1, X_2, \dots and X_n are the known variables with which predictions are to be made and b_1, b_2, \dots, b_n are coefficient of the variables.

In this study, the dependent variable is customer satisfaction; Independent variables are dimensions of marketing of fast moving consumer goods they are customer perception, product, price, promotion and place are discussed as follows:

Table 1
Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig
.814 ^a	.771	.765	.480	26.290	.000 ^b

- Dependent Variable – Customer Satisfaction (y)
- Independent Variable
 - i. Customer Perception (X_1)
 - ii. Product (X_2)
 - iii. Price (X_3)
 - iv. Promotion (X_4)
 - v. Place (X_5)
- Multiple R value: 0.814
- R Square value: 0.771
- Adjusted R square value: 0.765
- F value: 26.290
- P value: 0.000

Table 2
Marketing of Fast Moving Consumer Goods on Customer Satisfaction

Variables	Unstandardized Coefficients(B)	S.E error of B	Standardized Coefficients Beta	t-value	p-value
Constant	3.308	0.203	-----	16.301	0.000**
Customer Perception	0.249	0.037	0.313	6.754	0.000**
Product	0.127	0.053	0.103	2.415	0.016*

Price	0.031	0.035	0.041	0.876	0.381
Promotion	0.075	0.024	0.128	3.121	0.002**
Place	0.152	0.028	0.203	5.426	0.000**

Note: ** Denotes significant at 1% level

The multiple correlation coefficient is 0.814 measures the degree of relationship between the actual values and the predicted values of the customer satisfaction. Because the predicted values are obtained as a linear combination of Customer Perception (X_1), product (X_2), price (X_3), promotion (X_4) and place (X_5) the coefficient value of 0.814 indicates that the relationship between customer satisfaction and the five independent variables is quite strong and positive.

The Coefficient of Determination R-square measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of **R square** is 0.771 simply means that about 77.1% of the variation in customer satisfaction is explained and R square value is significant at 1 % level.

The multiple regression equation is

$$Y = 3.308 + 0.249 X_1 + 0.127 X_2 + 0.031 X_3 + 0.075 X_4 + 0.152 X_5$$

Here the coefficient of X_1 is 0.249 represents the partial effect of customer perception on customer satisfaction, holding the other variables as constant. The estimated positive sign implies that such effect is positive that customer satisfaction would increase by 0.249 for every unit increase in customer perception and this coefficient value is significant at 1 % level. The coefficient of X_2 is 0.127 represents the partial effect of product on customer satisfaction, holding the other variables as constant. The estimated positive sign implies that such effect is positive that customer satisfaction would increase by 0.127 for every unit increase in product and this coefficient value is significant at 5% level. The coefficient of X_3 is 0.031 represents the partial effect of price on customer satisfaction, holding the other variables as constant. The estimated positive sign implies that such effect is positive that customer satisfaction would increase by 0.031 for every unit increase in price and this coefficient value is not significant at 1 % level. The coefficient of X_4 is 0.075 represents the partial effect of promotion on customer satisfaction, holding the other variables as constant. The estimated positive sign implies that such effect is positive that customer satisfaction would increase by 0.075 for every unit increase in promotion and this coefficient value is significant at 1% level. The coefficient of X_5 is 0.152 represents the partial effect of place on customer satisfaction, holding the other variables as constant. The estimated positive sign implies that such effect is positive that customer satisfaction would increase by 0.152 for every unit increase in place and this coefficient value is significant at 1% level. Based on standardized coefficient, customer perception (0.313), place (0.203), product (0.103) is the most important factors to extract customer satisfaction, followed by promotion (0.128) and price (0.041).

Impact of Dimensions of Marketing of Telecom on Customer Satisfaction

In this study, the dependent variable is customer satisfaction; Independent variables are dimensions of marketing of telecom they are product, price, promotion and place are discussed as follows:

Table 3
Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig
.823 ^a	.722	.719	.426	174.224	.000 ^b

- Dependent Variable – Customer Satisfaction (y)
- Independent Variable
 - i. Product (X_1)
 - ii. Price (X_2)
 - iii. Promotion (X_3)
 - iv. Place (X_4)
- Multiple R value: 0.823
- R Square value: 0.722
- Adjusted R square value: 0.719
- F value: 174.224
- P value: 0.000

Table 4.
Marketing of Telecom on Customer Satisfaction

Variables	Unstandardized Coefficients(B)	S.E error of B	Standardized Coefficients Beta	t	p
Constant	0.832	0.162	-----	5.124	0.000**
Product	0.047	0.040	0.037	1.173	0.241
Price	0.101	0.026	0.122	3.817	0.000**
Promotion	0.133	0.028	0.147	4.760	0.000**
Place	0.740	0.039	0.681	18.737	0.000**

** Denotes significant at 1% level.

* Denotes significant at 5% level.

The multiple correlation coefficient is 0.823 measures the degree of relationship between the actual values and the predicted values of the customer satisfaction. Because the predicted values are obtained as a linear combination of product (X_1), price (X_2), promotion (X_3) and place (X_4) the coefficient value of 0.823 indicates that the relationship between customer satisfaction and the five independent variables is quite strong and positive.

The Coefficient of Determination R-square measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of **R square** is 0.722 simply means that about 72.2% of the variation in customer satisfaction is explained and R square value is significant at 1 % level.

The multiple regression equation is

$$Y = 0.832 + 0.047 X_1 + 0.101 X_2 + 0.133 X_3 + 0.740 X_4$$

Here the coefficient of X_1 is 0.047 represents the partial effect of product on customer satisfaction, holding the other variables as constant. The estimated positive sign implies that such effect is positive that customer satisfaction would increase by 0.047 for every unit increase in customer perception and this coefficient value is not significant at 1 % level. The coefficient of X_2 is 0.101 represents the partial effect of price on customer satisfaction, holding the other variables as constant. The estimated positive sign implies that such effect is positive that customer satisfaction would increase by 0.101 for every unit increase in price and this coefficient value is significant at 1% level. The coefficient of X_3 is 0.133 represents the partial effect of promotion on customer satisfaction, holding the other variables as constant. The estimated positive sign implies that such effect is positive that customer satisfaction would increase by 0.133 for every unit increase in promotion and this coefficient value is significant at 1% level.

The coefficient of X_4 is 0.740 represents the partial effect of place on customer satisfaction, holding the other variables as constant. The estimated positive sign implies that such effect is positive that customer satisfaction would increase by 0.740 for every unit increase in place and this coefficient value is significant at 1% level. Based on standardized coefficient, place (0.681), promotion (0.147) is the most important factors to extract customer satisfaction, followed by product (0.037) and price (0.122).

Conclusion

The present study concludes that major factors that affect customer satisfaction and perception are Services and Customer Perceived Value. The different variable that were consider for this study for marketing of fast moving consumer goods are customer perception, product, price, promotion, place and customer satisfaction on FMCG. There are various Fast Moving Consumer Goods products are available in the rural market which fulfill wants and needs of the rural consumers. Rural people are interested to spend on Fast Moving Consumer Goods products which have relatively low cost and provide a quality service by fulfilling their needs. Though people are well aware about different Fast Moving Consumer Goods products, they are not interested to buy products which are relatively costly. Small size packets or sachets are more demanded in rural areas, as the price is low and convenient for rural consumers. Both Illiterate and literate groups are interested to buy branded products with the assurance that quality is assured as the manufacturer from reputed companies.

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