

A FOCUSED REVIEW OF LITERATURE ON FMCG MARKETING IN RURAL AND URBAN MARKETS

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ABSTRACT

FMCG sector always remain a vibrant, bubbling and a live-wire candidate when it comes to research in marketing. Researchers from academia and from the industry are curious to find out what is the new that is happening in FMCG marketing. With features like stiff competition and all, FMCG marketing requires a solid theoretical and conceptual update. This paper presents a focused review of literature on FMCG marketing in the context of rural and urban markets. The concept thus is FMCG marketing while the context is rural and urban markets. The research gap is quite evident in that in recent times no such study on FMCG sector with reference to both urban and rural markets is on record. A study that will not only present a comparative perspective between the two types of markets but will also factor in views of supply chain partners to generate robust and practical piece of knowledge that will be useful for both academicians and marketers.

Keywords: *FMCG products, Urban markets, Rural markets, Literature review.*

Introduction

The term FMCG (fast moving consumer goods), albeit popular and frequently used doesn't have a standard definition and is commonly utilized in India to refer to products of regular use. Conceptually, however, the term alludes to relatively fast moving items that are utilized directly by the consumer. In this way, a significant gap exists between the general use and the theoretical meaning of the term FMCG. One of the components on which the turnaround depends is the purchase cycle. Notwithstanding, the purchase cycle for a similar product tend to vary across population segments. Many low-income households are compelled to purchase certain products more frequently because of absence of liquidity and storage space while relatively high-income households purchase similar products more infrequently. Likewise, the purchase cycle also tends to vary because of cultural factors. Most Indians, normally, prefer fresh food articles and hence to purchase relatively small quantities more frequently. This is in sharp contrast with what happens in most western nations, where the practice of purchasing and socking foods for relatively longer period is increasingly common. As a matter of fact FMCG as an area basically belongs to the consumers in the market.

This paper carries a focused literature review on FMCG marketing in rural and urban

markets in order to understand the recent trends in research in this area.

Following themes were set for the literature review:

- a. Review of Literature on Rural and Urban Markets
- b. Review of Literature on FMCG
- c. Review of Literature on Rural and Urban Markets and FMCG

Review of literature

- a. *Review of Literature on Rural and Urban Markets*

Of late there has been some special research on rural arts and culture linking it with the business environment in which the rural markets operate. Hence initially few reviews focus on rural culture from a perspective of understanding marketing dynamics of rural economy –

- 1) Johnson, et.al (2019) stated that this review of the scholarly and applied literature was undertaken with 2 goals:
 - To recognize what is known about arts and culture, innovation, creativity, and entrepreneurship in rural areas, and how these concepts work distinctively in rural and urban areas, and
 - To recognize issues that is not known about these concepts in rural settings and to help build up a powerful research agenda for the future.
- 2) Wojan and Nichols (2018) reported the results of an analysis utilizing a new and

novel data source, the 2014 Rural Establishment Innovation Survey (REIS), which created unique data on the role of innovation & design orientation of rural businesses. The investigation looked for correlations between arts in the community, the degree to which design was coordinated into the production processes of firms, and the economic performance of the region. The researchers discovered tantalizing support for the hypothesis that “the local arts scene is emphatically connected with design orientation.” They additionally found an association between locations with more design-oriented firms and higher paces of job growth and wage increments. More research is expected to affirm causality and to better comprehend the underlying procedures included.

- 3) Kelliher, et al. (2018) studied the role of trust in formal systems of micro-firms in rural communities in Canada, Ireland, and the US. They found that trust was a developing asset and fundamental to the sustainability of formal networks. Bridging capital between individuals of the local network and outside resources was particularly important to network members in small communities.
- 4) The National Endowment for the Arts (Wojan and Nichols 2018; Nichols et al. 2017) has recently mined another data source, the Rural Establishment Innovation Survey (REIS), to investigate the distinctions in innovation in performing arts organizations. The consequences of the project are also summarized in a series of research briefs (NEA 2017a, 2017b, 2017c). The investigation uncovered several statistically significant differences between rural and urban establishments. The researchers found, for instance, that nature parks represent for a much larger portion of rural arts organizations than of urban arts organizations, & that performing arts organizations are progressively basic in rural counties with greater levels of natural amenities. Strikingly, while rural non-arts performing enterprises are altogether more averse to be substantive innovators than their urban counterparts, performing arts organizations are similarly innovative in

rural and urban settings. The researchers also discovered that rural performing arts organizations attract non-local audiences at greater rates than their urban counterparts, and a greater proportion of rural arts establishments revealed that they give “a lot” of civic leadership to their communities. At last, this research found a positive relationship between the number of performing arts organizations and the extent of businesses categorized as substantive innovators and/or design integrated establishments in rural districts.

- 5) In its recent report on rural arts, the NEA (2017a) reported that “while 36 % of rural arts/cultural organizations say they give ‘a lot’ of civic leadership to their communities, only 24 % of urban arts/cultural organizations give that self-reported level of community support” (p. 2). Research is required to see if and how this civic leadership leads to larger social innovation in rural communities.
- 6) Sarkar, et.al (2016) has analyzed the variations in rural marketing concepts and presented definitions relating to these varying concepts. Nonetheless, there seems to be a general disagreement about the aspects which should be involved in rural marketing. This article considers the contents of various definitions of rural marketing utilizing quantitative techniques in order to determine the probable conceptual expansion of rural marketing. Just definitions of the term ‘rural marketing’ (not just a mention of ‘rural marketing’) are considered for the present examination. Dimension reduction technique and frequency tabulations are utilized for the content analysis. Apart from giving a definition of rural marketing utilizing the results of the content analysis, the present study additionally found a strong relationship between developmental marketing and the requirement for rural marketers to encourage demand through developmental activities such as appointing local inhabitants as wholesalers, distributors, and retailers of their products; or by utilizing local manpower in other operations such as trade marketing, obtainment of raw materials and selling and

- dispersing information on the marketer's products directly to rural consumers.
- 7) Essig (2016) perceives that entrepreneurs joined formal business networks to share resources and information, and to impact legislation that influences their businesses (Miller, Besser, and Malshe 2007, p. 637). Essig cites MacGregor (2004), Pittaway et al. (2004), and Nijkamp (2003) as additional proof that formal networks are especially significant for businesses as indicated by Essig "outside of urban centers where density naturally leads to informal networking. Watson (2012) discovers, like others, that having multiple formal and informal networks is related with business sustainability, but only formal networks are related with growth" (p. 5).
 - 8) Kaushal (2016) stated that rural India is becoming one of the attractive markets for the corporates in the recent times. Urban markets are overwhelmed with many different consumer products, in this way marketers now find it hard to create heavy income flows from these markets. On the other hand rural income graph is on an ascent, which has given huge scope to the corporates to tap this market where 70 per cent of India dwells. The study intends to give information on how the corporates carry out the marketing process and the causes for the paradigm shift from Urban to Rural markets. The investigation likewise uncovers the challenges faced by the corporates while marketing their items in rural areas.
 - 9) Renugadevi (2015) stated that the majority of Indian population undoubtedly lives in rural parts of the country. This huge size, high market potential population is often neglected and stays unexplored contrasting with its counter urban population. The present rural populace draws multinational companies to market their products that records positive metamorphosis demanding numerous issues to be handled in rural marketing. The concept of rural market in India is still fit as a fiddle and the sector presents variety of challenges. The present paper will feature the structure of rural marketing environment in order to recognize the challenges that would be looked by the marketers in rural area. The respondents from various income groups rank the issue of purchase and their consensus is analyzed in detail.
 - 10) Anwar-McHenry (2011) reports the outcomes of one of the few statistical analyses observing at the potential role of the arts and culture in stimulating a sense of place and community cohesion in rural communities. She reviewed a rural community in Western Australia, gathering different kinds of demographic data and scores (on a 0 to 10 Likert scale) showing the personal value that respondents placed on the arts, self-rated life satisfaction, the perceived value of the arts to the community, and community satisfaction (direct cognitive well-being). Anwar-McHenry then utilized simple regression analysis to gauge the connection between community satisfaction and other indicators and demographic variables (such as age, gender, and region type—i.e., coastal, agricultural, or mining/pastoral). None of the demographic variables were critical nor was the personal value placed on the arts. Nonetheless, community satisfaction was positively correlated to value of the arts to the community and self-rated life satisfaction.
- b. Review of Literature on FMCG*
- 1) Acikgöz (2018) stated that deciding on the right products to offer to the target market is a demanding and crucial task that requires comprehension and knowledge into the customer's needs, wants and demands. Thusly, the continuous development of new product strategies can be a significant determinant of sustained company performance. Product strategies include - apart from product mix decisions - product life-cycle strategies & market introduction of new-product developments (NPD). Since product strategies are a basic part of companies' marketing mix, there has been attempted a lot of conceptual and empirical research to recognize the proper product strategies for critical success of industrial products. This paper analyses the discoveries of empirical work into the

strategies developed for and by industrial FMCG companies for their products. It is the prime target of this work to condense the most significant discoveries in a compact and structured way and also to give theoretical insight as to how these product strategies are arranged, implemented and controlled.

- 2) Chakraborty et al. (2015) stated that Indian Fast-Moving Consumer Goods (FMCG) sector with a market share of \$13.1 bn has currently proved itself as the 4th largest sector in the Indian economy. Actually, rural India with more than 70 per cent share of the total Indian populace has developed as the most significant FMCG market. During the last 2 decades, deregulation, globalization and liberalization measures approved by the central government have made a worldview change in the FMCG sector. Both the foreign direct & portfolio investments in Indian FMCG sector in the post-reform period have remarkably impacted the financial performance of the companies belonging to this sector. In addition, the expanding presence of MNCs in the Indian market has constrained the existing domestic companies in the FMCG sector to reorient their financial strategies so as to endure. Against this backdrop, the present investigation seeks to measure the changing status of the overall financial performance of sixteen selected companies in the Indian FMCG sector during the period 1993-94 to 2012-13. The paper is sorted out as follows: it reviews the existing literature relating to the financial performance of Indian FMCG sector, trailed by a depiction of the objectives and the methodology adopted to pursue them. In this way, the discoveries of the study are discussed, and lastly, the conclusion is offered.
- 3) Qasim, et al. (2015) stated that the aim of this research work is to study the consumers' attitude towards Non Alcoholic Beverages. The data for the investigation has been gathered by performing face-to-face interview with the respondents with the help of questionnaire. This study gathers data from 400 consumers across Delhi NCR. This study is begun with objectives of examining socio-economic background of respondents, inspecting the factors influencing consumer preferences towards selected FMCG products that are Non- Alcoholic Beverages, checking the degree of satisfaction of consumers and knowing expectancy of the consumers. This investigation uncovers that consumer preferences are generally influenced by age, place, sex, product, price, psychological, availability, people and brand influences.
- 4) Malhotra (2014) stated that the paper focuses on marketing of fast moving consumer goods. FMCG are generally low profit margin products and therefore sold in large quantities. Subsequently, it is imperative to concentrate on how to improve brand value for the customers as many brands are accessible for the same categories of products. Another area focussed in the paper is how recession influences the demand for fast moving Consumer Goods and what are the causes for these changes. In such a circumstance, it becomes necessary for the producers or the companies to expand the investments in these brands and items so that consumers are attracted towards them. In order to support these observations Dove's Real Beauty Campaign has been intricately discussed and the points which lead to the achievement of this campaign have been highlighted. Unilever was able to make a brand value for Dove by roping in regular consumers in its advertisements rather than professionals or celebrities. Normal consumer women became its brand ambassadors instead of celebrities. In such a way it was able to relate and connect better with the customers and the public at large in different companies where it was actualized. Although it suffered from different points of criticisms, Unilever was highly successful in creating a brand value for its products in the minds of the consumers.
- 5) Agarwal (2014) suggested that consumer behaviour research is the scientific investigations of the processes consumers use to select, secure, utilize and dispose of products and services that fulfil their needs.

Firms can satisfy those requirements only to the extent they comprehend their customers. The main objective of this article was to study the demographic differences in the consumers buying behaviour of people living in Madhya Pradesh and when they purchase FMCG products. To attain this objective a survey was developed and directed over some part of Madhya Pradesh. The discoveries affirm the components impacting consumer buying behaviour for tooth paste brands accessible in the market.

- 6) Mahalingam, et.al (2012) concluded that the consumer behaviour plays a significant role in marketing. This is affected by different factors. In the changing global scenario authors find that consumers wants and needs to purchase a product also changes with it. In this study titled "A Study on Consumer Behaviour towards Selected FMCG in Coimbatore City" the researcher has evaluated the socio-economic profile, shopping pattern of consumers and discovered the factors affecting the consumer to buy the selected FMCG products. The primary data required for the study was gathered through questionnaire which was distributed to 400 samples chosen from Coimbatore city .The tools utilized for analysis are percentage analysis, Garrett ranking and chi-square. From this investigation it was discovered that most of the consumers are impacted by brand and quality in purchase of FMCG products. There by the researcher has recommended improving the quality in FMCG product through product development and external monitoring.
- 7) Ullah, et.al (2012) depicted that Fast Moving Consumer Goods sector is one of the biggest sectors in the economy of Bangladesh. In the last few years, the FMCG industry in Bangladesh has encountered a dramatic growth; both qualitative and quantitative improvements have occurred in the consumer durables segment. FMCG in marketing context means convenience and lesser involvement products like, pens, salt, flours, chocolates, etc. In last few years, the FMCG industry globally has encountered a difficult market condition. In certain segments, formerly popular brands were either been squeezed or deleted between the category leaders and low-cost competitors. The study has identified 8 primary factors that impact consumers' purchase decision of FMCG products in Bangladesh. These factors are sales promotion, time constraint, unavailability of brand, in-store TVC, product features, variety-seeking behaviour, end of aisle display and product convenience. This study prescribes concentrating on 3 important factors, i.e., time constraints, sales promotion and non-availability of a brand to facilitate the progress of FMCG industry in Bangladesh. The FMCG industry will discover better development opportunities, if the discoveries of this examination are utilized as an input in its strategic decision making.
- 8) Deliya (2012) considered the importance of bundling plan as a vehicle for correspondence for bundled FMCG items. This examination utilized a center gathering approach to fathom shopper conduct towards such items. The test for analysts is to consolidate bundling into a compelling buying choice model, by understanding Consumer's conduct towards the bundling of FMCG things. At the point when buyers chase for the cycle data coming up, the item's bundle can contain relevant and significant information for the shopper. Item bundling structures the finish of the 'advancement chain' and is close so as to the genuine buy and may thus expect a critical function in foreseeing buyer results. Bundles similarly convey brand ID and mark data like use rules, substance, and rundown of fixings or crude materials, advices for use and mandates for care of item.
- 9) Tauseef (2011) endeavoured to discover the factors/factors that impact client hasty purchasing conduct in FMCG area considering retail market in India. The impact of different drive purchasing factors like arrangement of items, deals and advancements, successful value procedure ,window promoting, and so on, on client purchasing conduct have been examined. A speculative model was made in this paper,

which had been thought about for our examination chip away at drive purchasing conduct of shoppers. The investigation depends on the essential information accumulated from shopping centres, Handlooms and stores from the territory of Jodhpur with the help of organized survey on Likert scale. Information examination has been finished using SPSS programming. The factual examination strategy used in this investigation was Factor Analysis. After the intensive examination of the available information it was discovered that since pay of every individual is growing and an ever increasing number of individuals are moving towards western culture in eating, in dressing sense, and so forth, so the buying intensity of people has really gone up and thus the rash purchasing of items is on a high pattern fundamentally in view of estimating techniques of retail players and full celebration offers consistently.

- 10) Leahy (2008) suggested that this paper analyzes the idea of brand dependability in Fast Moving Consumer Good (FMCG) markets. The essential goal of the examination was to investigate why dependability fills in FMCG markets from the customers viewpoint. What's more, this examination found the customer's viewpoint on the sorts of securities that exist in FMCG markets and the function of securities in the development of brand dependability. The predominant end ascending from this examination is that brand unwaveringness exists in FMCG markets for both enthusiastic and psychological reasons. Fundamentally this examination established that the improvement of brand steadfastness depends on the advancement of client brand securities. This exploration presumes that the test for advertisers is to develop and support the bonds that lead to and that can strengthen brand reliability. The examination additionally infers that brand dependability concentrates later on should focus on both psychological and enthusiastic purposes behind brand steadfastness and the function of securities in that. Investigating brand dependability in

this manner should help in the examination of and understanding of brand steadfastness in FMCG showcases and ought to hence bring about the advancement of successful promoting techniques expected to construct brand devotion.

c. *Review of Literature on Rural and Urban Markets and FMCG*

- 1) Jayanthi (2017) stated that fast-moving consumer goods (FMCG) are products that are sold rapidly and at relatively low cost. Examples incorporate non-durable goods and soft drinks, over-the-counter drugs, toiletries, processed foods and other consumables.

FMCG is the fourth largest sector in the Indian economy and is esteemed at about USD 49 billion as of 2016 (as per IBEF). Household and Personal Care is the leading segment accounting for 50 per cent of the overall market. This is followed by Healthcare at 32 per cent and Food & Beverages comes next in terms of market share at 18 per cent. Under Household & Personal Care, Hair care accounts for about 23 per cent followed by Oral care at 15 per cent, Home care at 6 per cent and Skin care at 5 per cent Credit Appraisal is the procedure by which a lender assesses the technical feasibility, economic viability and bankability incorporating creditworthiness of the prospective borrower.

In any case, over the most recent couple of years, the FMCG market has developed at a faster pace in rural India contrasted with urban India. Semi-urban and rural segments are growing at a fast pace and FMCG products account for 50 % of total rural spending.

FMCG companies play a significant role in our daily lives. From tooth paste, soaps, daily use items etc. FMCG companies have overwhelmed the Indian market and are set to grow further. The FMCG industry has seen some large players but disruption by new players has likewise changed the Indian scenario. The top Indian FMCG companies incorporate names like ITC, HUL, Nestle and New Entrant Patanjali.

The main purpose of this paper is to study and examine about fast-moving consumer

- goods (FMCG) sector in India. This paper focuses on significance of FMCG Sector, Three main segments of FMCG, Evolution of FMCG in India, Challenges in FMCG Sector, Advantages of FMCG Sector, Growth in Indian FMCG Sector, Market Share of Companies in a few FMCG Categories as of October 2017, Top 10 FMCG Companies of India 2017, Trends of FMCG Sector, Strategies Adopted in FMCG, and Scope of the FMCG Sector. Data has been gathered from multiple sources of evidence, in addition to books, websites, journals, and newspapers.
- 2) Majeed (2014) conducted an investigation on Brand Awareness in Rural Area: A Case Study of Fast Moving Consumer Goods in Pulwama District of Jammu & Kashmir State. He made an endeavour to analyze the brand awareness on fast moving consumer goods in rural areas and to know the interest of the consumers in purchasing the branded products of fast moving consumer goods. He has studied the effect of media on the brand awareness and preferences. He has chosen 100 respondents from the selected 10 villages of 4 blocks in the Pulwama District utilizing simple random sampling technique. He discovered that the brand awareness of consumers towards goods consumed daily has been relentlessly expanding. He has concluded that the utilization of branded goods is seen as a status elevator in villages.
 - 3) Nasrudeen .R, (2014) in the study “Level of Consumption of Fast Moving Consumer Goods by Rural Consumers – An Analytical Study”, stated that, ever since independence of India, because of some undeniable reasons, marketing acquired a largely urban bias. It was the green revolution in the 70’s which gave a much-needed boost to agriculture-based rural economy in the country. Consequently, many firms began showing interest in the rural markets and stretch out their entrance to arrive at smaller village and towns. Further, presently rural consumers are behaving like urban consumers towards the urban lifestyle, taste, fashion, preferences, etc.
 - 4) Sonia, et.al (2014) in the study “To Study the Satisfaction Level of Customers towards the Brand of Consumer’s Goods - A Study Carried out on Rural Masses”, stated that the Indian Fast Moving Consumer Goods (FMCG) industry started to shape during the last 50 odd years. The FMCG sector is a foundation of the Indian economy. This sector touches each part of human life. Indian FMCG market has been isolated for a long time between the unorganized sector and the organized sector.
 - 5) Thanigachalam, et.al (2014) stated that the importance promotional offers, accessibility of brands are significant that companies must give it sufficient consideration before they plan and execute their marketing strategies. The FMCGs sector is a very dynamic sector in India. A major goal is to fulfil the needs and wants of consumer and their target markets more successfully and effectively. This article highlights the consumer behaviour towards FMCG in puducherry, but with the prevailing trend, it is necessary to concentrate on the essence and emergence of vibrant in marketing endeavours from the FMCG companies. Thus with more number of companies going into the rural and urban market, with an assortment of products, it is a must for the companies to study the urban and rural consumer behaviour, on FMCG. This investigation will highlight the consumer behaviour before purchase, at the time of purchase, post- purchase and factors impacts the consumer behaviour towards buying of FMCG products.
- The present study inferred that, successes of many businesses depend on their ability to create and holding the customers. Companies to sell their products in standard price with good quality, accessibility of brands in all stores and is less costly to attracting new customers. Brand Loyalty gives companies strong and competitive weapons to battle with competitors in the market place. Henceforth the researcher hopes that the information provided in this study will help companies

- in shaping their marketing strategies and better serving their customers.
- 6) Kumar et.al (2014) stated that the rural consumers are known to earn low income, have low level of literacy, asymmetric information, low level of brand awareness, inadequate communication and transportation facilities. The Rural markets and sub-urban markets are currently extending in Kerala with ever greater penetration index, as the development appears to be hindered in the urban markets. In this investigation, Rural & suburban areas of Ernakulam with a sample size of 100 respondents. The investigation intends to recognize the level of influence of various factors on the purchase of FMCG products-soaps & detergents amongst the rural/ semi urban consumers. The examination underscored that rural consumers gave more significance to the 'quality' of the FMCG-personal care brands they purchased as opposed to the standardizing impacts or social appeal vide celebrity endorsements in the mass media.
 - 7) Srivastava, et.al (2013) examined that FMCG sector is a vital contributor to India's Gross Domestic Product. It has been adding to the demand of lower and middle income groups in India. Over 73 per cent of FMCG products are sold to middle class households in which over 52 per cent is in rural India. Rural marketing has become the hottest marketing field for most of the FMCG companies. The rural India market is tremendous and the opportunities are boundless. After saturation and cutthroat competition in urban areas, presently numerous FMCG companies are moving towards the rural market and are making new plans for targeting the rural consumer. The Indian FMCG companies are presently busy in formulating new competitive strategies for this undiscovered potential market. Therefore, a comparative study is made on opportunity, growth, and challenges of FMCG companies in rural market. One of the most alluring reasons for companies to tap rural consumers is that an individual's income is increasing in rural areas and purchasing power of lower and middle income groups is also increasing and they are anxious to spend money to improve their lifestyle. This research paper gives detailed analysis about the contribution of FMCG industry in development of Indian rural market and intends to discuss about customer attitude towards better purchasing decision for FMCG products in rural market with developing awareness and brand consciousness among individuals across various socio-economic classes in rural market.
 - 8) Sulekha, et.al (2013) concluded that in India more than 72 per cent population lives in villages and FMCG companies are well-known for selling their products to the middleclass households; it suggests that rural India is a profitable and potential market for FMCG producers. Rural consumer's incomes are increasing and now they are more willing to purchase products which improve their lifestyle. Producers of FMCG have to craft unique marketing strategies entirely for rural consumers. In this procedure they need to comprehend the rural consumer buying behavior which may vary geographically. The present investigation focuses on understanding the rural consumer buying behaviour for FMCG in Haryana. The investigation emphasizes on the factors which impact the purchasing pattern of rural consumers. The investigation was conducted in 4 districts of Haryana namely Jind, Panipat, Kuruksetra and Gurgaon.
 - 9) Yuvarani (2013) analyzed that liberalization of the Indian economy had extensive results, which prompted the free entry of global brands in Indian markets. Earlier companies focused their marketing endeavours towards the urban markets targeting the educated consumer. Anyway with the immersion of markets in the urban sector, numerous companies concentrated towards the fast growing rural sector. Since the buying behaviour of rural consumers has become the hotly debated issue for discussion because rural India, in recent days, is excitedly devouring everything from shampoo to motor cycles and this—rural predilection is being considered as one of the noteworthy topics for market

analysis. The study emphasizes mainly on the rural consumer behaviour towards selected FMCG products, but with the prevailing trend it is important to concentrate on the essence and emergence of vibrant rural marketing endeavours of FMCG companies. Thus, with increasingly number of companies entering into the rural market, with an assortment of products, it is must for companies to examine the rural consumer behaviour over FMCG products. This examination will highlight the rural consumer behaviour before purchase, at the time of purchase and post- purchase. The commodities selected for the research are shampoo, toothpaste, bathing soap, biscuits and mosquito coil/liquid. The commodities chosen for the research has been done on the basis of products accessible for respective industries: hair care; oral care; skin care; food and beverages; and mosquito repellents.

- 10) Muneeswaran, et.al (2013) revealed that consumer behaviour accept a lot of significance in the present consumer oriented marketing system with specific reference to 'gender attention'. The FMCG sector consists of 4 product categories such as Personal Care; Household Care; Food and Beverages; and Tobacco each with its own hosts of products that have generally snappy turnover and low costs. Every consumer is purchasing a specific item because of the impact of numerous factors. The affecting factors differ from one consumer to another and from product to product also. Likewise the brands which hitherto occupied a place in the minds of the consumers have begun to vanish due to various sales promotion techniques and the quality brands from FMCG have gradually begun to attract the rural consumers. Though there is an alternate ways and means to exhaust and to convey copiously produced Personal Care FMCGs products in markets, but the consumers in the market are affected generously by responding to selling habits of retailers both in rural and urban market. In markets the consumers usually purchase what is accessible at the retail outlet. Therefore the producers of personal care FMCGs should progressively fortify their distribution reach in the market. Simultaneously, there are some challenges such as fragmented rural market, poor distribution system, and heterogeneity of populace which the retailers should meet for satisfying the needs of consumers.
- 11) Jha (2013) analyzed the consumer preference and brand awareness with reference to FMCG in rural Bihar. He has selected 120 respondents from 5 villages in Bihar state. He discovered that the rural consumers have become value conscious and quality is significant in the context of rural purchase and consumption of FMCG. As indicated by the consequences of his investigation, attractive packaging made a favourable impression in the minds of rural consumers which impacted their buying behaviour. He has proposed that innovative promotional strategies shall be designed by the rural marketers in such a way that the rural consumers could comprehend easily.
- 12) Daud (2013) aimed to analyze the brand awareness in rural area and to contemplate the interest of consumers in branded products of Fast Moving Consumer Goods. He gathered primary data from the rural consumers of seven villages in two districts of Varanasi and Lucknow in Uttar Pradesh. He found that the brand awareness in rural areas was expanding and the consumers both literate and illiterate prefer branded goods with conviction that quality is guaranteed as the manufacturers are the reputed companies.
- 13) Md., et.al (2012) revealed with more than 600 thousand villages and more than 70 per cent of the population, rural India has become an enormous consumer goods market. FMCG has risen as a major product category in rural consumption. Companies marketing FMCG to rural consumers can't only stretch out their general marketing strategies to rural markets. Rather, they need to devise rural specific strategies. In this procedure, they need to comprehend crucial issues relating to rural consumer behaviour and more explicitly relating to various geographic regions of the country. This paper focuses on understanding elements that influence the rural purchase

- of FMCG in South India. Empirical study was conducted in eight districts of South India to identify the key influencing variables. Factor analysis was utilized to form 24 key variables into 5 groups (influencing factors). Impact of retailer's recommendations has developed as the most significant variable in the trust factor. As indicated by the study, rural consumers in South India consider that utilization of FMCG contributes to their lifestyle.
- 14) Garga, et.al, (2009) done the one study among the 300 rural consumers in three districts of Punjab found that, rural consumers want to purchase the goods in small packets at lower price. They need the more products at reasonable price, in other words value for money. He likewise clarifies the significance of promotional tools in rural areas. He proposed that FMCG companies must enter and tap the rural market in phase manner.
- 15) Selvaraj (2007) in his research regarding rural consumer behaviour perceived that 'nearness' was the most noteworthy factor impacting their purchase of the non-durables. It was seen that high price was another significant bottleneck for the rural consumers.
- 16) Anandan et.al, (2007) observed that the quality was the significant driver to prefer a specific brand in washing soaps in the rural market, and when preferred brands were not accessible, customers purchased the available brands. Also high price and non-accessibility were the key reasons for dissatisfaction amongst the rural consumers.
- 17) Ghosh, (2007) points that FMCG is a significant contributor to India's Gross Domestic Product (GDP) and is also the 4th largest sector in the Indian economy responsible for giving employment to approximately 5% of the total factory employment. He further perceives that the food processing and the backward linkages built up by eminent companies that have already arrived the rural zone, and with a number of Indian and foreign companies that are stepping in; the buying power of farmers is surely going to rise.
- 18) Medis, et.al (2007) analyzed in their study that packaging is one of the most significant factors in the face of purchasing made at the point of sale, where it becomes a fundamental part of the selling process. The package standing out on the shelf influences the consumer's buying decisions, and package design ought to be more favourable in the eyes of the consumers. Packaged FMCG products are moving into ever bigger supermarkets and hypermarkets, and there is a multiplication of products, offering consumers vast choice. The competitive context is always extreme, both in the retail store and household. With the transition to self-service retail formats, packaging rises its key characteristic as the "salesman on the shelf" at the point of sale. The investigation analyzes how packaging impacts buying decision of local consumer. The primary data were gathered from a sample survey that was conducted in the areas of Gampaha, Colombo, Kurunegala and Kandy. 200 respondents were selected for the survey and respondents were approached to answer the prepared structured questionnaire. The examination uncovered that both rural and urban consumers observed certain value from packaging and this plays various roles in different circumstances. Further there is a positive relationship between freshness of the products and the good packaging.
- 19) Kumar, et.al. (2006) conducted an examination on rural marketing for FMCG. The most preferred brands of shampoo, toothpaste and toilet soap in rural areas were recognized on the basis of gender interpretation. The examination uncovered that quality is the first factor that impacts rural customers followed by price, color and taste. Amongst brand preference, Colgate plays an imperative role among female respondents whereas male respondents mostly utilize Pepsodent. Almost half of the respondents don't utilize shampoo because they are utilizing conservative products only and among the users 60 % of them utilize Clinic Plus. No significant relationship between gender and the utilization of shampoo was found.

Majority of the respondents utilizing soaps preferred Hamam as their brand of toilet soap.

- 20) Nagaraja(2004) investigated the effect of socio-economic influences on rural consumer behaviour in terms of their purchasing practices, to the social status and level of income, and uncovered that rural consumer was more rational as a purchaser and exhibited a higher level of rationality contrasted with the urban consumer. Rural consumer pursued for better value for money spent in the purchase of FMCG products; easy accessibility, Price and Quality were the persuasive factors cited.

Observations

- 1) Fast moving consumer goods (FMCG) are generally low profit margin products and therefore sold in large quantities.
- 2) Product packaging forms the end of the 'promotion-chain' and is close in time to the actual purchase and may therefore play a significant role in predicting consumer outcomes.
- 3) Brand awareness in rural areas is expanding and the consumers both literate and illiterate prefer branded goods with conviction that quality is assured as the manufacturers are the reputed companies. Thus, the majority of the consumers are impacted by brand and quality in purchase of FMCG products.

- 4) Urban markets are flooded with a wide range of consumer products, thus marketers presently find it difficult to produce heavy income flows from these markets. On the other hand rural income graph is on an ascent, which has given huge scope to the corporates to tap this market where 70 per cent of India resides.
- 5) Rural India is a profitable & potential market for FMCG producers. However, in the last few years, the FMCG market has developed at a faster pace in rural India contrasted with urban India. Semi-urban and rural segments are developing at a quick pace and FMCG products account for 50 % of total rural spending.
- 6) Many firms began showing interest in the rural markets and stretch out their infiltration to arrive at smaller village and towns. Further, presently rural consumers are behaving like urban consumers towards the urban lifestyle, taste, fashion, preferences, etc.

Research Gap and conclusion

The research gap is quite evident in that in recent times no such study on FMCG sector with reference to both urban and rural markets is on record. A study that will not only present a comparative perspective between the two types of markets but will also factor in views of supply chain partners to generate robust and practical piece of knowledge that will be useful for both academicians and marketers.

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