An Exploratory Study of FMCG in Rural Market in Prayagraj and Varanasi Districts

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Abstract- **Rural marketing is very wide and various way to understand the rural consumers. The present study analysed on the basis of rural consumer demographic, brand uses, frequency of purchase behaviour, media influence on sources of information, availability of FMCG products, influenced on consumer buying behaviour and consumer satisfaction on selected FMCG products. The data is collected from 160 respondents from villages of Prayagraj and Varanasi districts which covered under Panchayatiraj, Government of Uttar Pradesh**

I.   INTRODUCTION

UP is a land locked state of India lying between 23°52' N to 30°25' N latitudes and 77°3' E to 84°39' E longitudes.1 Its extension from north to south is 370.6 kilometres (kms) while from east to west is 650 kms. It occupies the central position in the Great Gangetic Plain of the country. In fact, it lies in the close proximity of central meridian (85°54' E longitude) which nearly divides UP into two equal parts. Lucknow is the administrative and legislative capital and Kanpur is the financial and industrial capital. The total population of UP is 19,98,12,341 persons and ranks first in the country in terms of population according to census 2011. It accounts for 16.51 percent population of the country. Males and females constitute 52.23 percent and 47.71 percent, respectively, of the total population.9 The Eastern region is the most populous with 39.95 percent while the Bundelkhand region is the least populous with only 4.84 percent of the total population. The Western and Central regions consist of 37.20 and 18.01 percent of population, respectively. The most populous districts are Allahabad, Moradabad, Ghaziabad, Azamgarh and Lucknow while the least populous districts are Mahoba, Chitrakoot, Hamirpur

and Srawasti. Rural and urban population of the state is 77.73 percent and 22.27 percent, respectively. There is a decrease of 1.49 percent point in rural population whereas the same percent point (1.49) is added to urban population. The state has the largest share of rural population, i.e., 18.64 percent of the country's rural population. The present study is designed to understand the changes in rural areas and market from different factors, such as increased level of educated people, income level, educational level, changes lifestyle, social mobility and interaction of people from the different areas both urban and rural.
FMCG in Rural Marketing
Fast-Moving Consumer Goods (FMCG) consumption in rural India has seen significant growth in recent years, driven by improving infrastructure, increased rural incomes, and deeper market penetration by major brands. Rural markets contribute nearly 35-40% to the overall FMCG sales in India. Essential products like personal care, packaged foods, and household items have gained popularity due to rising awareness and affordability. Government schemes like rural electrification, digitalization, and direct benefit transfers have enhanced purchasing power and connectivity. Additionally, rural consumers are becoming more brand-conscious, aided by better access to information via mobile phones and television. E-commerce and rural-focused distribution models are also enabling better product availability. Despite challenges like seasonal income and logistics, companies are increasingly targeting rural India as a key growth driver, customizing products and packaging to suit local needs. With a large untapped population, rural India remains a vital frontier for the FMCG sector's future expansion

The Fast Moving Consumer Goods are also known as Packaged Goods which are sold and consumed quickly with low price. It has segmented under the three heads, such as food & beverages, health care and personal & house hold care (Shanthagowri & Vedantam, 2018). The majority of the rural and the urban consumers buying goods like bathing, toiletries, beverage etc. During the year 2016-17, the economic value of FMCG products was US$ 49 billion and contributed 8% GDP (Suresh & Doss, 2018). The maximum of Indian consumers are from middle class and they buy more than 73% of FMCG products from the market in which 52% are the rural consumers. The FMCG sector occupied fourth place in Indian economy with the market size of US$ 13.1 billion. The result for growth of the consumer market is due to growing awareness and changing lifestyle etc, they are plying the major key role in the sector.

Top 10 FMCG Brands in Indian Rural Market
The Fast Moving Consumer Good also known as FMCG products which includes toothpaste, packaged foods and people using the goods frequently or daily. There are lots of companies in India which are producing FMCG products. The following are the top FMCG companies in India as on 4th December 2023 and the rank is given by market caps.

Table No. Top FMCG Companies in India in 2024

Rank	FMCG Company name	Market Cap (INR Cr)	Rank	FMCG Company name	Market Cap (INR Cr)
1	Hundustan Unilever Ltd. (HUL	562139.7	2	Nestle India	236715.1
3	Varun Beverages imited (VBL)	191187.83	4	Godrej Consumers Product	136142.47
5	Britannia Industries Ltd	126137.85	6	dabur	101130.28
7	Colgate pamolive	73142.39	8	Proctor & Gamble hygiene	51352.75
9	Hatsun	24963.40	10	emami	23335.30

Source: Forbes India Published . 2024

Consumers Choices on FMCG Products in Rural Market
The consumer choice is depends on their needs and satisfaction. All the activities during and after purchased of goods by consumers is called "Consumers Buying Behaviour". It is differed from the importance of the goods and needs to the consumer at the time. The decision of buying behaviour is more complex when the consumers want to purchase the special goods and if the goods is daily or frequently used products, it is not necessary for more efforts. Thus, the consumer behaviour is divided into four types as given below:
1. Minor New Purchase: Purchase of new goods but that must not important for the consumer.
2. Minor Re-Purchase: It is those goods which are purchase by the consumers frequently without thinking deeply.
3. Major New Purchase: These are the important products but the consumer has no experience before and less confidence while taking decision to purchase the product.
4. Major Re-Purchase: These products are also important but consumer has experience from the past and has confidence while taking decision purchase decision

II.   REVIEW OF LITERATURE

Krishnakumar & Subasini (2019) analysed the rural consumer behaviour during the purchased of a product. His study is based on selected FMCG products and availability in rural area. The rural population in rural area is very large that the FMCG sector in rural and semi-urban India reached in USD 100 billion.
Vij & Gupta (2015)studied the importance and independent of rural marketing that generated huge profits in future. It also studied the importance of communication for better understandable information and necessary for melas as a platform for distribution

of goods and services and pricing strategy for better rural revenue in future

Kaushal (2016) studied about the potential of rural market and reasons for shifting markets from urban to rural areas. Having large population in rural area, 53% of FMCG products and 59% consumer durables are sold in rural markets. Due to increase in literacy and income level, the demand of these products also increased. Distribution cost and non-availability of retail outlet are the major challenges faced by the marketers.

John, S & Mano Raj, John & Selvaraj, Dr. (2023).This Paper Covers the attractions for the FMCG marketers to go rural, the challenges, then difference between the rural and the urban market and the suitable marketing strategy with the suitable example of companies and hire experience in going rural market. This paper can conclude in the end it is certain that FMCG companies will have to really gain inroads in the rural markets in order to achieve double digit growth.

Rekha & Santhi (2020) studied about rural marketing management on FMCG. It is the fourth largest and fastest sector which contributed 50% of economy from rural marketing. The study analysed the problems of rural marketing management for Indian FMCG products which includes communication and different dialects, low per capita income, seasonal demand, warehousing problem, problem of sale force management, distribution problem and low literacy etc. It also studied the factors of competition in Indian market and has potential due to large population.

III. OBJECTIVE

1. To find the brand preferences and purchased frequency on FMCG products in rural market in Prayagraj and Varanasi districts.
2. To find the effective source of information for FMCGs which influence the rural consumers for buying decision making processes.
3. To find the factors influencing the purchase of FMCG products by rural consumers from The study was conducted in four villages, two each from Prayagraj and Varanasi districts .

The sample size considered for the study is 160 respondents together both from the districts. Four villages are selected for the study randomly and rural consumer whose age is 18 years and above is included. The study adopted snowball sampling technique while collecting data from the respondent from the selected areas.

Hypothesis

H_{01}: There is no significance between income level of customers and their buying behaviourin sample regions .

H_{02}: There is no significance between occupation and satisfaction of consumers in sample regions .

H_{03} : There is no significant difference between the availability of FMCG products in sample regions .

IV. METHODOLOGY

The study involved both primary and secondary data. Primary data are collected from 160 respondents from Prayagraj and Varanasi districts randomly by using personal interview and questionnaire. The secondary data are collected from journals, books, records, thesis and articles. The study applied sample random sampling methods while collecting data from 160 respondents. The study used statistic tools such as Frequency, Percentage, Mean, Rank methods, Kruskal-Wallis H, MannWhitney U, Tables and Diagrams to find the accurate result.

V. ANALYSIS AND INTERPRETATION

The interpretation from the analysis is given below based on the objectives and hypothesis of the study which are given above.

Demographic Profile

Rural consumers are the different from urban consumers in various ways, such as living standard, age group, occupations, gender, faith & belief, social status and economic conditions etc. The study analysed in ten demographic variables to reflect more about rural consumers. The sample population is taken from Prayagraj and Varanasi districts areas which covered by Panchayatiraj, Government of Uttar Pradesh . The sample size of the study is 160, out of which 86 (53.8%) from Prayagraj and 74(46.3%) from Varanasi t and 85(53.1%) are male and 75(46.9%) are female. Under the occupation groups, maximum are from private employee 72(45.0%) followed by unemployment group which is 47 (29.4%). The income level maximum is from highest income level that is upto Rs. 5,000 is 50 (31.3) followed by Rs. 15,000-Rs. 20,000 group with

45 (28.1%). In age group, 40 years and above are the maximum that is 63(39.4%) followed by 21-30 age group with 50 (31.3%). 89(55.6%) are married, 65(40.6%) are in joint family and the maximum number of family is five that is 36(22.5%). In educational qualification, maximum are graduated that is 54 (33.8%) followed by Higher secondary that is 35(21.9%). In family size and education level there is no response from one each. The student found that more than half of rural people live in kaccha house that is 96 (60.0%). 4.2 Used of Different FMCG Products Brand: The study analysed the different brands used by the sample respondents of the study from the rural area of Prayagraj and Varanasi Districts The FMCG products includes Bathing soaps, Shampoo, Detergent powder, Toothpaste, Tea,

Package water, Cookies, Cool drinks, Juice drink and Bhujia which are selected for the study.

Used of Brand for different FMCG Products
Among the selected FMCG products, Sirf Exel is the highest with 111(69.4%) respondent followed by Colgate 101(63.1%), Haldirams 88(55.0%), Likla Package Drinking Water 86(53.8%), Kaziranga 72(45.0%), Cinthol 61(38.1%), Sunsilk 60(37.5%), Cocacola 57(35.6%) Maza 54(33.8%) and Parle 46(28.7%). 4.3 Sources of Information: We are in the era of modern technologies for information and technologies with the help of different mass media. These modern technologies make easy to search any information about the FMCG products. It make more effective in marketing both rural and urban areas.

Table 1: Sources of Information

Statement	Mean	Rank	Statement	Mean	Rank
Newspaper	2.08	VI	Radio	2.18	III
Television	2.40	II	Friends & Neighbors	2.16	IV
Family members	2.07	VII	Wall Painting	1.17	X
Shop Keeper	1.56	VIII	Internet	2.42	I
Melas	1.21	IX	Educations	2.15	V

Sources: Primary Data

The above table 1 reveals the sources of information to every consumer. Among the sources of information, internet is the highest user by the consumers in search of information followed by television. Wall painting is not popular as a means of information in sample regions.

Satisfaction Level towards FMCG Products:
The satisfaction level of sample respondent for the study is measured in three level of scale consisting very much satisfied, much satisfied and little satisfied with assigned score of 3, 2 and 1 respectively. The data are given in Table 2.

Table 2: Satisfaction of Rural Consumer on use of FMCG Products

Statement	Mean	Rank	Statement	Mean	Rank
Bathing Soap	1.64	8	Package Water	1.48	10
Shampoo	1.68	7	Cookies	1.96	3
Detergent Powder	1.63	9	Cold Drink	2.03	2
Tooth Paste	1.68	6	Juice drink	2.13	1
Tea	1.69	5	Bhujia	1.94	4

Sources: Primary data

Table 2 reveals the data of consumer satisfaction level from the sample respondents and rank according to satisfaction of FMCG products. Among the FMCG products, Juice drink is the most satisfied product by the respondent followed by Cold Drinks and Cookies with the mean score of 2.13, 2.03 and 1.96 respectively

Hypothesis Testing

H_{01}: There is no significance between income level of customers and their buying behaviour. Table 3 Test of Normality on Consumer Behaviour

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.

Consumer_Behaviour	106	160	0.000	0.966	160	0.001

Source: Computed from Primary Data Significant at 5% level of significant Interpretation:

Table 3 shows the normality test on consumer behaviour. There are two normality test i.e. Kolmogorov-Smirnov test and Shapiro-Wilk test which p-vale is less than 0.05 significance level. Thus, it is concluded that the test on consumer behaviour does not follow the normal distribution.

Table4: Income Level of Customers and their Buying Behaviour

Statements	Kruskal-Wallis H	df	Sig
Goods are purchased based on good quality	4.010	3	0.260
Fragrance of the product is attractive	0.907	3	0.824
Colour of the product is very unique	5.822	3	0.121
Brand loyalty is the first preference for purchase	0.592	3	0.898
Different size of the product create more convenience	8.691	3	0.034
Affordable pricing system able to purchase the products	6.418	3	0.034
Customer always target to get discount while purchasing products	6.998	3	0.072
Credit facilities to the customers increase the buying bahaviour of rural customers	15.45	3	0.001
Product utility increases the buying behaviour for rural customer	5.107	3	0.164

Source: Primary Data Significant at 5% level of significant Interpretation:

Table 4 shows the Kruskal-Wallis H test on income level of rural consumer and their buying behaviour. The test found "Goods are purchased based on good quality", "Fragrance of the product is attractive", "Colour of the product is very unique", "Brand loyalty is the first preference for purchase", "Affordable pricing system able to purchase the products", "Customer always target to get discount while purchasing products" and "Product utility increases the buying behaviour for rural customer" which p value is more than 0.05 significant level i.e. (.260), (.824), (.121), (.898), (.093), (.072) and (.164). The analysis of the data indicated that there is no significant level hence the null hypotheses is accepted. On the other hand,Different size of the product create more convenience, Credit facilities to the customers increase the buying behaviour of rural customers" and Information and awareness give more influence the buying habits to the rural consumers" and the p-value found less than 0.05 significant level i.e. (.034), (.001) and (.025).Hence, it is concluded that the null hypotheses is rejected.

H_{02}: There is no significance between occupation and consumer satisfaction.

Table5: Normality Test on Consumer Satisfaction

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Consumer_Satisfaction	0.127	160	0.000	0.941	160	0.000
Lilliefors Significance Correction						

Source: Primary Data Significant at 5% level of significant

Table 5 reveals the normality test on consumer satisfaction. There are two normality test i.e. Kolmogorov-Smirnov test and Shapiro-Wilk test which p-vale is less than 0.05 significance level. Thus, it is concluded that the test on consumer satisfactionr does not follow the normal distribution

Table 6: Occupation and Consumer Satisfaction

Statements	Kruskal-Wallis H	df	Sig
Bathing Soap	0.271	2	0.873

Shampoo	0.864	2	0.649
Detergent	0.376	2	0.829
Toothpaste	0.296	2	0.862
Tea	0.231	2	0.891
Package Water	2.584	2	0.275
Cookies	0.068	2	0.967
Cool drinks	0.760	2	0.684
Juice Drinks	2.461	2	0.292
Bhujia	4.126	2	0.127

Source: Primary Data Significant at 5% level of significant

Table 6 depicts the Kruskal-Wallis H test of occupation and consumer satisfaction on FMCG products i.e. Bathing soap, Shampoo, Detergent, Toothpaste, Tea, Packaged water, cookies, Cool Drinks, Juice Drinks and Bhujia. The p-value of these items are more then 0.05 significance level i.e. (.873) (.649), (829), (.862), (891) (.275), (.967), 684), (292) and (.127) respectively. The result indicates that there is no significant difference and hence the null hypotheses are accepted.

H03 : There is no significant difference between the availability of FMCG products in in Prayagraj and Varanasi districts.

Table 7: Normality Test on Product Availability

	Kolmogorov-Smirnova			Shapiro-Wilk		
Product_Availability	Statistic	df	Sig.	Statistic	df	Sig.
	0.127	160	0.000	0.941	160	0.000
. Lilliefors Significance Correction						

Source: Primary Data Significant at 5% level of significant

Table 7 indicates the normality test on product availability. There are two normality test i.e. Kolmogorov-Smirnov test and Shapiro-Wilk test which p-vale is less than 0.05 significance level. Thus, it is concluded that the test on product availability does not follow the normal distribution.

Table 8: Product Availability in Prayagraj and Varanasi districts

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2- tailed)
Bathing Soap	2793.500	5568.500	-150.33	0.133
Shampoo	2897.000	5672.000	-1.110	0.267
Detergent	2908.500	5683.500	-1.067	0.286
Toothpaste	2967.500	5742.500	-0.837	0.403
Tea	3085.000	5860.000	-0.379	0.705
Package Water	3014.000	5789.000	0.661	0.509
Cookies	2768.000	5543.000	-1.647	0.100
Cool drinks	2891.000	5666.000	-1.103	0.270
Juice Drinks	3014.000	5789.000	-0.632	0.528
Bhujia	2919.000	5694.000	-1.002	0.316

Grouping Variable: District Source: Computed from Primary Data Significant at 5% level of significant

Table 8 depicts the Kruskal-Wallis H test of occupation and consumer satisfaction on FMCG products i.e. Bathing soap (.133), Shampoo (.267), Detergent (.286), Toothpaste (.403), Tea (.705), Packaged water (.509), cookies (.100),

Cool Drinks (.270), Juice Drinks (528) and Bhujia (.316). The pvalue of these items are more than 0.05 significance level and the result indicates that there is no significant difference and hence the null hypotheses are accepted.

VI. FINDING

1. The maximum respondents are from 40 years and above, graduated and from average income groups.

2. Among the selected FMCGs of the study, Sirf Exel is the maximum uses product by the consumers.

3. Internet is the most uses source of information by the respondents.

4. Among the ten selected products, consumers satisfied with Juice drink the most.

5. The hypotheses testing on rural consumer income and buying behaviour supported in seven statements which p-value is more than the significant level and three are rejected for not reaching the significant level.

6. The hypothesis testing on significance between occupation and satisfaction of consumers are supported by all the selected FMCG products of the study.

7. The hypotheses testing on product availability in Prayagraj and Varanasi districts and the result supported the hypotheses. Suggestion FMCGs are the essential goods for every individual. These products are mainly produced by the companies and available mostly in urban areas. But today, the FMCGs market is the largest market both urban and rural areas due to infrastructural development and social changes. It's necessary to make sure available in every corner in rural area because rural area is very big and vast in India with maximum population. This market is very helpful both consumers as well as the marketers and also helped in economy development of the nation.

VII. CONCLUSION

The rural market is the larger market in India because of large number of rural consumers. The FMCG market is the newly emerging market which almost captured the rural market in India. The present research study analysed demographic, consumers preference for brand, frequency of purchase, availability of FMCG products, factor influencing on purchase and consumer satisfaction and the result of the study reveals the importance of manufacture and marketing to rural areas. The manufacture should design the products based on consumer choice accordingly.

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