

# INFLUNCE OF INTERNATIONAL BRANDING ON RURAL CONSUMER WITH REFERENCE TO MHOW BLOCKS

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**Abstract - The influence of foreign brands on consumer behavior is a sensitive topic. When some of the world's biggest brands expand beyond their home markets, they are tempted to repeat their tried and tested formula in the new market as well in rural areas today; the brand name is the surest means of conveying to. Branding too needs skilful handling in the rural markets. .The village of Madhya Pradesh which is interior & inconsequential dots on maps is now getting the attention of global marketing giants and media planners. Growing sales of international brands in global world increasingly draws scholars and managers' interest. The Present paper explore the dynamic of international branding on rural area with special target on, Electronics goods & FMCG goods. . This paper covers the attractions for the international branding marketers to go to rural, the challenges, the difference between the rural and the urban market and the suitable marketing strategy with the suitable example of companies and their experience in going rural. Rural marketers would do well to add some value to their products in this international fashion if they are keen to secure the loyalty of the consumers.**

**Key words- International brand ,Rural consumer , Electronics and FMCG goods**

## I. INTRODUCTION

A huge proportion of India's population lives in rural village, the per capita consumption in these pockets are among the lowest in Brands consciousness but in recent years, rural markets of India have acquired significance, as the overall growth of the Indian economy has resulted into substantial increase in the purchasing power of the rural communities. .. The rural markets are growing at above two time's faster pace than urban markets; not surprisingly, rural India accounts for 60% of the total national demand. . The international company today gets 70% of its total sales from rural India and is gearing up to meet the increased demand. . In rural areas where demand is on the rise and where national & international brands struggle to reach, international players continue to expand and dominate. In this context, a special marketing strategy, namely, rural marketing has emerged. Rural India with its traditional perception has grown over the years, not only in terms of income, but also in terms of thinking. With higher disposable incomes and busier lifestyles, consumers developed a habit of eating outside the home with family and friends over the weekends or after the work day not in urban but also in rural areas. This trend provided a boost to the alcoholic drinks market as consumer of Villages in India increasingly preferred socializing in restaurants, where beer is widely consumed. Wine and spirits, on the other hand, are consumed mainly in hotels, restaurants, bars, clubs, nightclubs, parties and events attended by more affluent consumers who are willing to pay for luxury drinks. Urban markets are already saturated with large variety of products and on the other side the potential in the rural India is increasing at a very rapid pace. The study will help the overseas marketers to take advantage of the favorable image that they maintain in both the segments. The study is also of great use for domestic producers in terms of thinking strategies to combat the effect of 'foreign made'.

## II. METHODOLOGY

## III. RESEARCH OBJECTIVES

- To study the present scenario of rural marketing in reference to international brands in India.
- To study the future prospects of rural markets and their scope for the International companies, in rural India.
- To study the impact on Perceived quality, prestige, value and influence of others on rural consumers' purchase intentions for foreign apparel brands
- To study the factors influence the rural consumer to buy the international brands.

DATA COLLECTION –DATA was collected with the help of structured questionnaires. The sample size was five village of MHOW block.

DATA ANALYSIS – Descriptive tools like simple percentage , P-test and other suitable techniques were used to analysis the data. Focus group is used to analysis the data .

#### IV. REVIEW OF LITERATURE

- ✓ Dr. N. Rajendhiran, Rural Marketing - a Critical Review; Icfai University Journal of Rural Management: “The success of a brand in the Indian rural market is as unpredictable as rain. It has always been difficult to gauge the rural market. Many brands, which should have been successful, have failed miserably. More often than not, people attribute rural market success to luck”.
- ✓ Kapferer (1997) suggests that consumers may prefer foreign brands because of associations of higher prestige. In addition, certain consumers prefer to buy foreign brands as it enhances their self-image as being cosmopolitan, sophisticated, and modern
- ✓ Steenkamp and Batra (1999) explain this better perception by consumers' feeling of belonging to a superior, more prestigious segment when consuming global brands. Nevertheless, this added value for consumers is minor when considering the demand side of the standardization/adaptation issue, where cultural differences are still the main barrier to global branding. In fact, even in the globalization era, cultural differences are still important today and widely
- ✓ Johansson and Ronkainen (2005) found that global brands are associated with greater esteem,
- ✓ Steenkamp, Batra and Alden (2003) found that brand globalization positively impacts perceived quality and brand prestige.

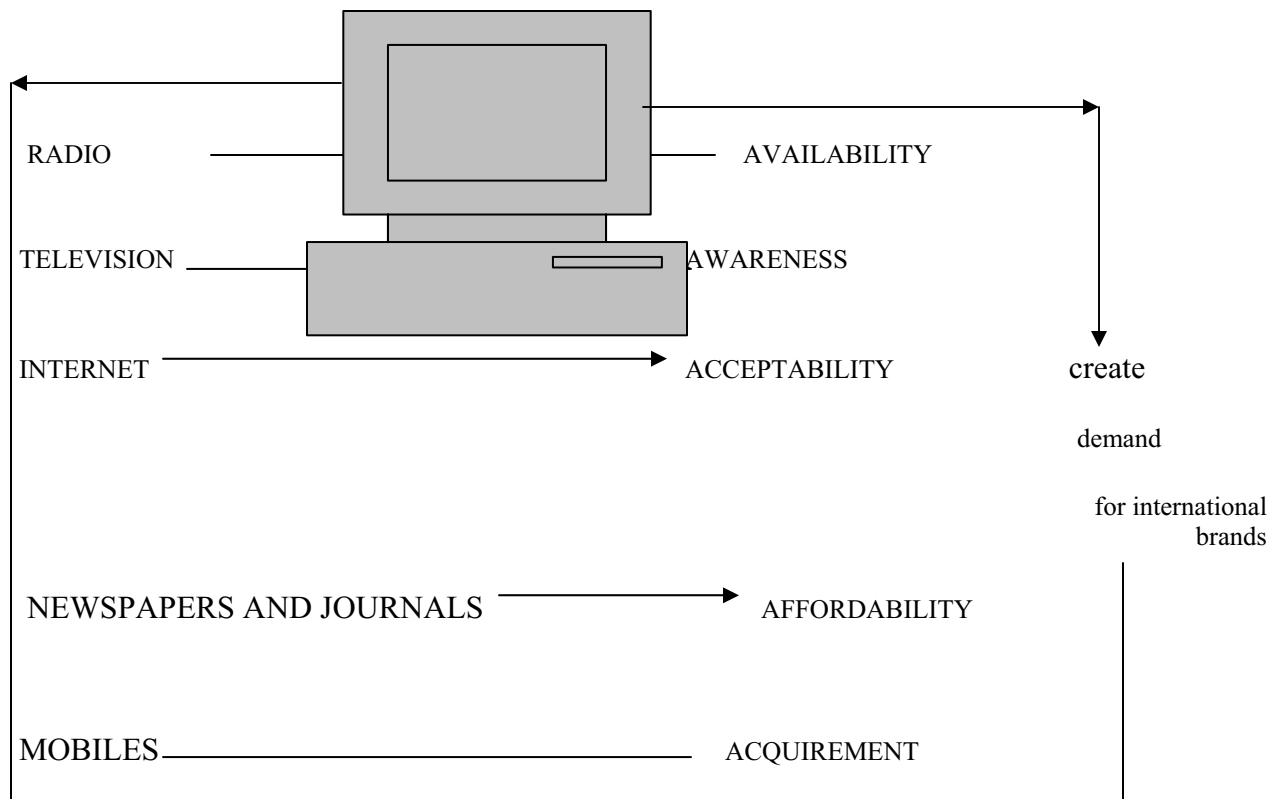
Due to gap, the above review motivated to choose and analysis the influence of international branding on rural consumer.

#### V. HYPOTHESIS

- ✓ HO: There is no significant impact on Perceived quality, prestige, value and influence of others on rural consumers' purchase intentions for foreign apparel brands.
- ✓ H1 : There is significant impact on Perceived quality, prestige, value and influence of others on rural consumers' purchase intentions for foreign apparel brands.
- ✓ The Rural population is nearly three times the urban, so that Rural consumers have become the prime target market for international companies . The Indian rural market today accounts for only about Rs 8 billion of the total ad pie of Rs 120 billion, thus claiming 6.6 per cent of the total share. So clearly there seems to be a long way ahead. Although a lot is spoken about the immense potential of the unexplored rural market, advertisers and companies find it easier to vie for a share of the already divided urban pie
- ✓ A number of companies in FMCG, as well as electronics industry have adapted strategies to expand their base in rural market. Among those who have already taken remarkable initiative in rural market are Garments(Hugo Boss, Marks & spencer, Benetton, Lacoste, Mango, Louis Vuitton, Givo,), Telecom Industry (Samsung,Nokia,Vodafone,Sony Ericson), Spots articles Reebock,Nike,Addidas,Cartire), Soft Drinks (Pepsi,Coca Cola),Motor Industry (Honda, Kawasaki, suzuki) in fast food industry ( MC Donald) and many more.. Rural marketing has been defined as the process of developing, pricing, promoting, distributing rural

specific products and services leading to exchange between urban and rural markets which satisfies consumer demands and also achieves organizational objective. To understand the buying behavior of rural consumers, we must go to the factors that influence their buying behavior. The factors include: Education/literacy level, . Occupation, Exposure to urban lifestyles, The points of purchase of products. . Socio-economic environment of the consumer, Geographic location, . Exposure to media and enlarged media reach, Involvement of others in the purchase.& Word-of-mouth (personal recommendation by friends, family or acquaintances. The rural consumer are aware of foreign brands specially in cosmetic and Electronics goods. When they come in contact with urban population , they also want same brands as their peers use.in urban areas. The celebrity Endorcement and media play important role in creating the demand for international brands. Youngster and children are more attracted towards the international brands ,as they look the world not with their own eyes but with the eyes of media and the exposure they get to internet and movies. Today TV serials also promote the products in mid of serials. The expansion of telecommunication & brands fascinate them to buy the international brands. Our farmer Prime minister Mr Chandra Shekhar also speck in his speech that ‘Advertizement is creating the poverty in the country. It is very true, as rural people take karaz to buy the international brands .They take huge amount of credit from majans and pay huge amount of interest. These makes their financial conditions more worst. The foreign products may find the entry easier as they need not to spend much time and effort to overcome consumers’ nationalistic attitudes. The rural consumers are already attracted to foreign products and they are very much familiar about the credibility of these products through their family members living abroad. These family members living abroad being the source of their money therefore, possess tremendous influential power on their family members living in India

Fig 1 : Communication process for international brands in rural markets



VI. ANALYSIS AND DISCUSSION

In the rural household one also find that there is a gradual shift in the use of categories in terms of the form of the product used household are upgrading from local or unbranded product to national and international brands. They start with some lower price product and start bying premium international brands .This is due to primarily due to the influence of the youth in the household .The rural youth are more open to fresh concept as against their elderly family members and this member is increasing. Already 40% of all those graduating from college are rural youth. They are decision makers and not very different in Education , exposure ,attitudes and aspiration from their counterparts at least in smaller cities , and villages near it. The agriculture technology has tried to develop the people and market in rural areas . Unfortunately ,the impact of the technology is not felt uniformly through the country . some districts in Punjab ,Haryana ,and Gujarat states and some states of maharastra where rural consumer is somewhat comparable to his urban counterpart , there are large areas and group of people who have remained beyond the technological breakthrough . In addition ,the farmers with small agriculture land holdings have also passing the process of technological advancement. This technological advancement react in their lifestyle and create demand for international brands specially in fast moving consumer goods and electronics. Fig 2: Share of rural consumer in consumption of international brands

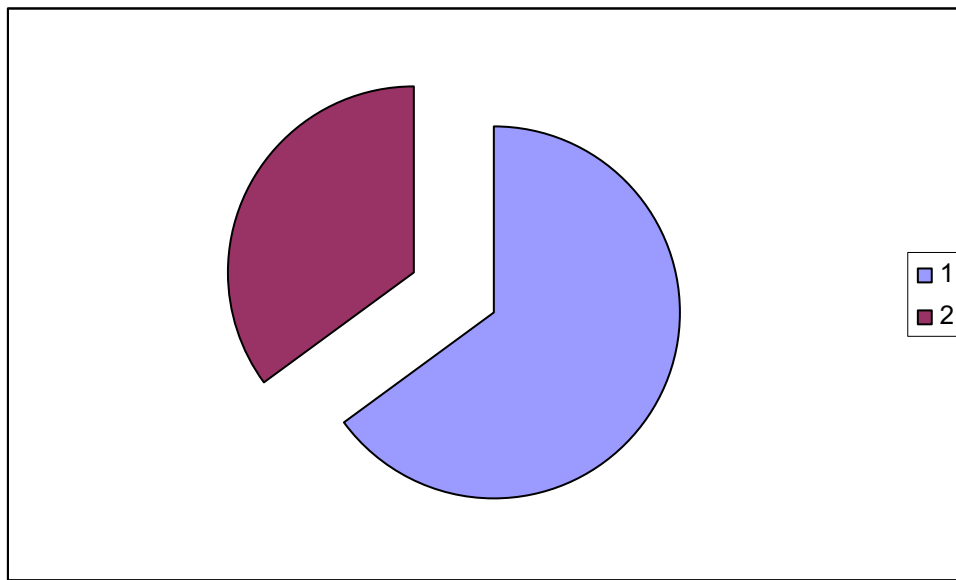


Table 1 :showing preference of foreign brand in compare to national brands

GENDER	rural	urban
MALE	433 (43.3%)	452 (45.2%)
FEMALE	767 (76.7%)	558 (55.8%)
TOTAL	1000	1000

Table 2- showing preference of foreign brands in different age group in rural areas

AGE GROUP	MALE	FEMALE
18-25	26%	76%
26-35	36%	64%
36-45	50%	50%
46-55	46%	54%
56 -ABOVE	12%	nil

Table-3 showing preference of foreign brands in different income group in rural areas

INCOME GROUP	Rural Respondent
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BELOW-18000	43%
18001-30000	13%
30001-42000	10%
42001-54000	15%
54001-66000	19%

Table-4 showing preference of foreign brands in different Educational group in rural areas

EDUCATIONAL LEVEL	MALE	FEMALE
MATRIC	56%	44%
H.SC/	12%	88%
GRADUATION	32%	78%
POST GRADUTION	23%	77%
ABOVE PhD *	10%	1%

- Highly Educated respondent are negligible

TABLE- 5 : PREFERENCE FOR PURCHASING INTERNATIONAL BRANDS

s.no	perception	Experiential knowledge	Friends Opinion	Product packaging	TV/radio	Sales reps
1	TOILET SOAP	*				
2	WASHING POWDER			*		
3	SAFETY RAZOR BLADES		*			
4	SHAMPOO	*				
5	BATTERIES		*			
6	SKIN CREAM	*				
7	TOOTH BRUSH			*		
8	COLDDRINKS				*	
9	DEODARANTS	*				
10	TELCUMPOWDER			*		
11	COSMATIC (OTHERS)	*				
12	WASHING MACHINE			*		
13	IRON	*				
14	MUSIC SYSTEM					*
15	TELEVISION /LCD	*				
16	MOBILES	*				
17	COMPUTER/SYSTEM			*		
18	LAPTOP	*				
19	FRUIT JUICES					*

20	CHIPS					*
21	WINE			*		
22	Total	9	2	6	1	3

The dimension are design style quality branding packaging and price .The relationship between the demographics factors and six dimensions of product evaluation studied showed that male respondent mused design dimension to evaluate a product (P=0.55) while the female respondent relied on price (P=0.034) However there was am consensus on relevance in product evaluation (P=0.062) .

TABLE -6 : Rural Consumer evaluation product dimension towards foreign product

Variables	design	Style	quality	Packaging	Branding	Price
Gender						
MALE	2.28	3.67	2.55	4.62	3.02	2.85
FEMALE	3.75	3.15	2.69	3.34	4.93	2.01
P VALUE	0.55**	.598	.062*	.76	.211	.034
AGE						
18-25	4.26	4.14	3.71	5.88	2.68	4.58
26-35	4.92	4.78	3.17	5.93	2.93	5.31
36-45	4.66	3.55	3.07	5.72	3.05	5.72
+45	3.76	3.99	3.67	5.44	2.74	5.66
P VALUE	.299	.544	018**	.223	043**	.738
EDUCATIONAL VALUE						
PRIMERY	2.56	2.42	1.72	3.25	2.51	3.04
SECONDARY	2.93	2.95	2.86	2.65	2.77	4.89
NCE/HND/BSC	5.37	2.79	1.81	2.77	2.99	5.02
POST GRADUATE	5.72	4.66	4.17	2.50	3.28	4.98
P VALUE	.398	.372	000*	.060***	034**	001*
OVERALL RANKING	4	3	1	5	2	6

NOTE – MEAN SCORE BASED ON THE RANKING OF PREFERENCE RANGING FROM 1 =MOST PREFERRED 6= LEAST PREFERRED =1% \*\*\*=10%

## VII. RESULTS

After analysis following Findings were founds

35% of rural consumer preferred foreign brands in rural areas.

76% of women preferred foreign brands.

Between 18-25 age groups of women in rural areas, foreign brands more preferred in compare to other age groups.

Between 36-45 age group of male in rural areas foreign brands more preferred in compare to other age group.

The educational wise 56% of male, (metric pass) preferred foreign brands. And 88% of women who have passed H sc preferred foreign brands. Thus lower educated people demand more of foreign brands.

Most of foreign brands are preferred and purchased due to experimental knowledge and product packaging.

Another study revels that respondent whose age range s between 36-45 years placed high premium on quality in their product evaluation. Meanwhile the age basket of 36-45 places little emphasis on quality .Young respondent in the age group of 18-25 years and above 45 years old relied on branding for product evaluation. Quality is preferred high while least prefers is price.

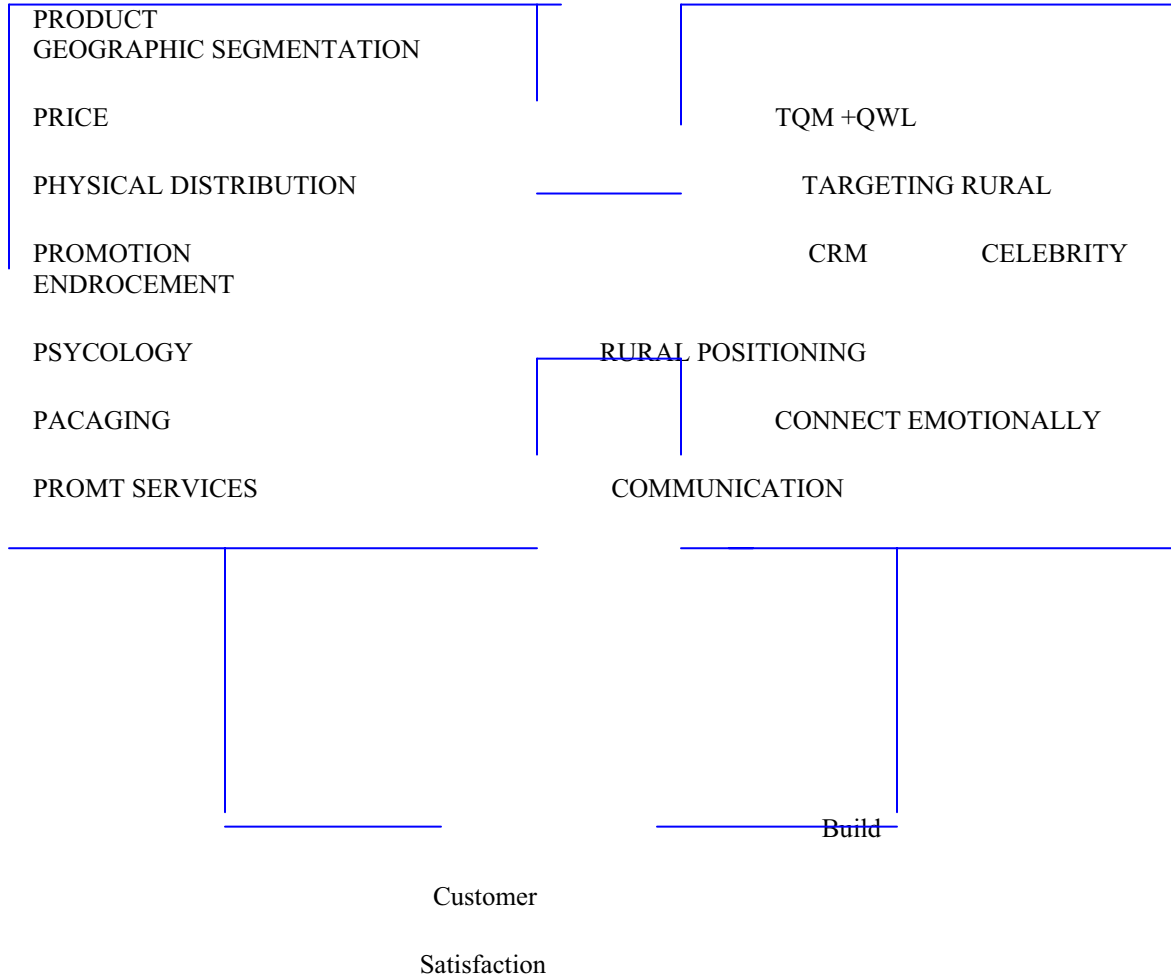
The study also found that expansion of media spread awareness in the rural consumer to buy the foreign brands.

Celebrity endorsement in advertisement is responsible for diversion of rural consumer towards foreign brands.

Some of the respondent accepts that the international brands have the characteristic of reliability, assurance prom services; appearance and multi functions are responsible for demand for foreign brand.

Technological advancement & also advance in logistics are responsible for higher demands of foreign goods.

MARKETING STRATEGIES FOR RURAL MARKETING



VIII. CONCLUSION

Rural consumer is not illiterate. They are exposed to Globalize world. They need multifunction products, and they are ready to pay the price for quality. It is a known fact in rural areas that price plays an important role in rural markets for purchasing the products. Now the New Era of marketing is changing the scenario of the Rural India. With Cola companies penetrating these markets with low prices (chute coke) the rural consumer has now realized the benefits of international branding.

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