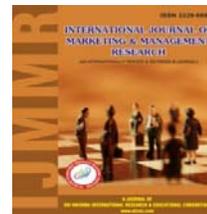




The Journal of Sri Krishna Research & Educational Consortium
**INTERNATIONAL JOURNAL OF
MARKETING AND
MANAGEMENT RESEARCH**
Internationally Indexed & Listed Referred e-Journal



**IMPACT OF MARKETING INNOVATION
ON PURCHASING TRENDS OF RURAL CUSTOMER
A CASE STUDY OF DISTRICT ALIRAJPUR (M.P.)**

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ABSTRACT

As a consequence of universal liberalization, globalization and privatization of the Indian economy, the innovation of marketing has taken birth. In order to capture a greater share of the market, newer techniques of marketing are being adopted by the marketers viz advertisement, quality v/s price, attractive packing and labeling, bargaining trends, credit and guarantee, complaint attitude, brand consciousness, after sales services etc. These innovation tendencies have proved to be successful. The impacts of these different techniques vary with regard to the urban and rural, rich and poor and literate and illiterate consumer. Alirajpur district of M.P. is dominated by the less literate poor rural tribal and the classical along with modern innovation techniques are prevalent among them hence it is of great importance to conduct a systematic study and analyze the effects of the above mentioned in such area in order to establish the guide lines for the innovation of the market along with the protection of the benefits of the consumer. Eight of the important trends of the innovating marketing have been studied. In two development blocks out of 6 in Alirajpur district based on a list of 36 questionnaires on the basis of random sampling and on the basis of the obtained data. The significance of the proposed hypothesis has been established statistically.

Among the tribal consumer so far as the quality v/s price is concerned the price factor is still in operation, secondly the impact of advertisement by various means is becoming significantly visible as 53% consumers were found influence by advertisement. Credit and guarantee along with weight and measurement tendencies have also been found effective in the behavior of the tribal and lastly it is very unfortunate establish that they have about negligible awareness to words the consumer protection Act.

The implication of the result of this study is bi-fold. Firstly it acts as a guideline to the companies in order to re-orient their marketing strategies in the tribal area

for the development of their business and secondly it acts as a mirror to the government and various NGO's working in the field etc. to review their policies for the tribal development.

KEYWORDS: *Bargaining, Brand Consciousness, Marketing Innovation, Purchasing trends, Rural Customer.*

INTRODUCTION

After liberalization, privatization and globalization, the development and changes in the Indian economy during the last two decades have created an entirely new set of challenges in many areas. Rural market has also been affected by these changes. Rural marketing in India of great significance. Everyone is aware that more than 80% of Indian population live in rural areas. This is a vast market if properly tapped through marketing innovation. Keeping in view the above mentioned facts every company is making its marketing rural oriented hence the face of rural marketing is changing ultimately there is conscious innovation in the rural market. In the market various types of products of different qualities are being made available hence due to the attraction the purchasing capacity of the tribal is also increasing and this important fact has become a matter of research from different view points. Hence such a study from one view point has been made in the tribal dominated Alirajpur district of Madhya Pradesh.

NATURE OF MARKETING INNOVATION

The sole aim of marketing innovation is multifold viz. creation of new facilities, newer and newer products, offering of required services to the consumers and making of easy availability of the products to them. (Bhadada 2003) In the marketing innovation various aspects such as factors effecting the marketing, size and shape of the market, tendencies of

the market and consumers concepts, regarding the market, behavior and purchasing tendencies of the consumer etc. need to be considered.

At present the consumer is the king of the market. In the changing scenario the trend of sale has been replaced by purchasing capacity of the consumer. What are the requirement and necessities of the consumer? To what extent can the market fulfill these requirement and necessities? On the ground of the satisfaction and adaptation of the consumer, there has been important change in the marketing system and due to this change the purchasing capacity of the consumer has been affected to a great extent.

BEHAVIOR OF TRIBAL CONSUMER

Due to insufficient required facilities for development of the behavior of the consumer viz railway & all weather road transport electronic & print media, bank, telephone etc., this tribal district Alirajpur is classified as backward and hence the marketing system has been traditional and sooner the development of the above mentioned facilities started in the area during last 15 years along with manifold government facilities such as agricultural & small industrial loans linked with subsidiary, free electricity etc have sum totally caused the proportionate development in the behavior of the tribal to analyze the fact that what, when, why & how the market products are to be purchased and consequently he finds himself sailing with the innovation of the

market and this vary change is not only a matter of research but also milestone in the removal of ancient poverty of the tribal.

PURCHASING TRENDS OF TRIBAL

A trend is a behavioral disposition which is a part of the structural human perception. (Sharma,2006) A person can have attitudes towards various brands of products and services in the market. The trends are most complex and least understood by consumers, but the most used on the basis of socio-psychological concept in marketing. We all in our daily life ask several question about required product from others which is an attempt to measure the market trends. Trends are assumed as the predictors of human behavior. (Sharma, 06)They represent a predisposition to respond to a given stimuli. Why do people accept or reject product appeals viz advertisement, package design, labeling, qualities, price and bargaining, durability, credit and guarantee and allied aspects has been taken as parameters for the proposed study.

INTRODUCTION TO TRIBAL DISTRICT

Alirajpur is situated in the south-west belt of the heart of the country and the tribal population amounts to 97% of the total population. (Sen, 2008) This district is known for the special types of mangoes named Noorjahan & Shahjahan and being cultivated in Katthiwada Block , locally known as “KASHMIR OF M.P.”, production of local wine and tadi and the highest crime rate. About 90% of the inhabitants live in scattered villages hence the marketing culture is based on “HAT-BAZAR” (market in a town once in a week). Focusing 20-30 villages in a comparatively larger village the weekly market is held from where the tribal purchase the various limited products of

their requirement. In such markets, cereals such as maize and rice, domestically used items, agro-products and agro required items are purchased and sold. Branded products of various companies are also available but of low cost so as to meet the poor purchasing capacity of the tribal.

OBJECTS OF STUDY

- To study the changing scenario of rural market in the tribal areas and consequently the behavior of tribal.
- To study the impact of marketing innovation on purchasing trends in rural markets.
- To establish the guide lines for innovating marketing in the tribal rural consumer.
- To pursue the review of the Govt. and NGO's policies imparting the tribal development.

RESEARCH METHODOLOGY

On the basis of 36 question covering 8 tendencies of the market, a survey was made to obtain the primary data. (Jain, 2004) This research study was conducted in the tribal district of Alirajpur (Madhya Pradesh). Alirajpur district has six development blocks of which two blocks – Alirajpur and Sondwa have been selected. In each block twelve villages have been survived at random. Sample size of 96 person in which 48 males and 48 females (two male and two female in each village) were considered for this research.

HYPOTHESIS

- Market innovation significantly changes the purchase trends.
- To test this hypothesis, the chi-square analysis has been used. The

level of significance is 14.087 at 7 degree of freedom. (Sharma, 2004)

PURCHASE TENDENCIES IN RURAL MARKETS

The main constituents of development in the market is the purchase tendency of the consumer. The trials are well know their poor purchasing capacity, copying behavior of their kith & kin, neighbor and time consuming decision in the purchase. At present in the rural market, the trend of purchase of Bread, cloth and allied facilities has been changing towards the modernization such as western cloth, cycles, bike, television, radio, watch, cell phone and branded packed fast moving food products. Keeping in view the live change in this tendency eight parameters as listed below have been selected to establish the

significance of the change. (Bhadada, 2003)

MARKETING INNOVATION – PURCHASING TRENDS

(A) BARGAINING

Very often customer still believe in bargaining particularly in this tribal belt. They feel that dealers show excess price for the goods. 81% respondent excepted bargaining at the time of dealing while 19% answered in negative, 63% were not satisfied with the price, they paid. Gender wise analysis shows that in comparison to men, women are greater bargainers and 86% female customers were not satisfied with the price, they paid. This shows that, innovation in marketing is visible. Besides rural women are becoming more and more aware regarding prices of goods.

TABLE – 1

BARGAINING TRENDS

<u>Gender of Respondent</u>	<u>Bargaining</u>	<u>Not Bargaining</u>	<u>Agree with price</u>	<u>Not agree</u>	<u>Total</u>
Male	36 (75)	12 (25)	18 (37)	37 (63)	48 (100)
Female	42 (87)	06 (13)	07 (14)	41 (86)	48 (100)
Total	78 (81)	18(19)	25 (26)	71 (74)	96 (100)

Source : Primary Data,

Number in parenthesis indicates percentage.

(B) QUALITY V/S PRICE

It is an assumption that the consumer in rural market gives preference to low price instead of quality, (Bhadada, 2003) but findings based on research show that with the increase of purchasing power and level of education, rural consumers too have become conscious of quality. Even in rural market branded

products get priority. 36 % respondents pay more attention to quality than price. 46% pay more attention to price than quality. While 18% paid attention neither to price nor to quality. Male respondent are attracted to quality of goods while female respondent are more concerned with price than quality. It can be said that the trend of quality and price affect the market.

TABLE – 2

TRENDS OF QUALITY V/S PRICE

<u>Gender of Respondent</u>	<u>Pay attention on quality</u>	<u>Pay attention on price</u>	<u>Neither quality nor price</u>	<u>Total</u>
Male	<u>19 (40)</u>	<u>22 (46)</u>	<u>07 (14)</u>	<u>48 (100)</u>
Female	<u>15 (31)</u>	<u>23 (49)</u>	<u>10 (20)</u>	<u>48 (100)</u>
Total	<u>34 (36)</u>	<u>45 (46)</u>	<u>17 (18)</u>	<u>96 (100)</u>

Source : Primary Data,

Number in parenthesis indicates percentage.

ON THE BASIS OF RESPONDANT OPINION TRENDS OF QUALITY V/S PRICE**(C) BRAND CONSCIOUSNESS**

It is thought that rural consumers are ignorant of brand product, but in the changing scenario, rural consumers are becoming more and more conscious regarding brand product. (Bhadada, 2003) The data analysis shows that 46% customers demand branded product while

25% respondent have no knowledge about it. 29% know about branded products but they give no importance to it. The data indicates that male respondents have greater attraction towards brand of product. In this way, a significant change has come in rural market in the form of brand consciousness.

TABLE – 3

BRAND CONCIOUSNESS

Gender of Respondent	Demand of Branded goods	Not demand of branded goods	No knowledge about brand	Total
Male	28 (58)	10 (21)	10 (21)	48 (100)
Female	16 (33)	18 (37)	14 (30)	48 (100)
Total	44 (46)	28 (29)	24 (25)	96 (100)

Source : Primary Data,

Number in parenthesis indicates percentage.

(D) IMPACT OF ADVERTISEMENT

In the innovation of market, advertisement plays a vital role. The survey shows that 53% consumers are influenced by advertisement and 42% demand products which are shown in

advertisements. 76% rural customers assume advertised products are not available in rural market. 45% feel that advertisement helps them in purchasing. 72% respondents feel that advertised products are costlier. It is oblivious that advertisement has a great impact on rural market.

TABLE – 04

IMPACT OF ADVERTISEMENT

Elements	<u>Positive (%)</u>	<u>Negative (%)</u>
Attracted by advertisement	53	47
Demand goods after seen advertisement	42	58
Advertised good are available in the rural market	24	76
Get help to buy goods through advertisement	45	55
Advertised goods seems to be costly	72	28

Source : Primary Data

(E) PACKING AND LABELLING ATTRACTION

Packing and labeling are very important in the purchase of goods. (Bhadada, 2003) 72% customers are attracted by it and 58% desire to purchase

the production the basis of attractive packing and labeling but only 38% really purchase it. Due to the poor purchasing capacity of the tribal consumer. About three-fourth respondents think that product in attractive packing is better than others.

TABLE – 5
PACKING AND LABELING

<u>Elements</u>	<u>Positive (%)</u>	<u>Negative (%)</u>
Attract towards packing and label	72	28
Desire to purchase packing and labeling goods	58	42
Purchased goods of seeing packing and labeling goods	38	62
Packaging goods are better than others	78	22

Source : Primary Data

(F) CREDIT AND GUARANTEE FACILITIES

The facility of credit and guarantee affected rural market to a great extend. With the increasing power of purchasing tendency, credit has declined. Only 34%

customers purchase products on credit, while 60% customers purchase sometimes on credit, but most often in cash. Now in rural market credit system without interest has come into existence. The data also shows that 20% people want to know about guarantee and after sales services.

TABLE – 6
CREDIT AND GUARANTEE

<u>Elements</u>	<u>Positive (in %age)</u>	<u>Negative (%)</u>	<u>Natural(%)</u>
Goods purchase on credit	34	60	06
To enquiry about guarantee and after sales service	20	32	48
About new verities of goods	52	36	12

Source : Primary data.

(G) COMPLAINT ATTITUDE

Really and truly, rural consumers are becoming aware regarding quality, price of products but most of them are ignorant regarding the consumer protection act. Only one out of 96 had

knowledge of this act. This indicates the rural customers need of consumer protection education. The survey shows that 52% customers make complaint orally to the seller regarding defective products. 95% do not make written complain about it due to their illiteracy.

TABLE – 7

COMPLAINT ATTITUDE

<u>Elements</u>	<u>Agree</u>	<u>Disagree</u>
Complaint about defective goods	52	48
Satisfactory attitude of seller on complaint about defective goods	62	38
Further complaint if defective goods are not changed	05	95
Know about consumer protection act	01	95

Source : Primary data.

(H) **WEIGHT AND MEASUREMENT**

The problem of weight and measurement has been of utter most importance in the tribal rural market. The shop-keeper were well trained in cheating the consumer in this aspect for years together, but now a days due to literacy, political awareness and various other reasons the consumer has become more aware towards weight and measurement, but still now old classical methods of

weight and measurement are in existence together with the new ones. In this proposed study an attempt has been made to establish the preferences towards the newer methods of weight and measurement. As a result 49% consumer believe that hand balance is better and 20% prefer the electric weight machine, although this practice is negligible in the market. 21% responded in favour of the batta (rural sample size) and 10% in favour of the chhowki (rural sample size).

TABLE – 8 WEIGHTS AND MEASUREMENT

<i>System</i>	<u><i>Gender of respondent</i></u>		<u><i>Total</i></u>	<u><i>Percent</i></u>
	<u><i>Male</i></u>	<u><i>Female</i></u>		
Chouki (Rural traditional sample size)	04	06	10	10
Batta (Rural traditional sample size)	08	12	20	21
hand Balance	25	22	47	49
Electric weight machine	11	8	18	20
<i>Total</i>	48	48	96	100

Source : Primary Data.

OUTSTANDING VIEW

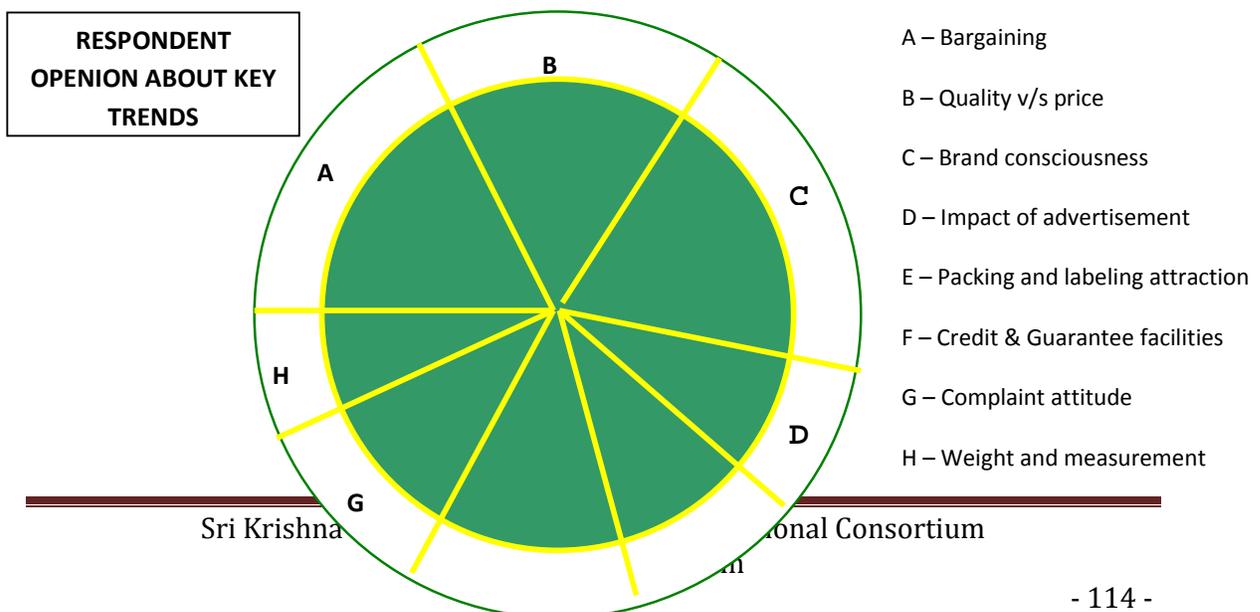
Of the eight studied trends, the key role played by the different trends has been established and as a result the rural consumers do accept the marketing innovation. From the table it is evident that 18% preferred the bargaining, 19%

quality v/s price, 15% brand consciousness and 10% towards the advertisement and credit guarantee trends. Thus it is crystal clear that quality v/s price and bargaining are the key tendencies of the marketing innovation. Gender wise male preferred the quality v/s price and female preferred the bargaining tendency.

TABLE – 09
KEY TRENDS OF PURCHSING

<u>Trends</u>	<u>Gender of the respondent</u>		<u>Total</u>	<u>Percent</u>
	<u>Male</u>	<u>Female</u>		
Bargaining	10	08	18	19
Quality v/s price	12	07	19	20
Brand consciousness	09	06	15	16
Impact of advertising	06	04	10	10.5
Packing and labeling attraction	05	04	09	09
Credit and Guarantee facilities	05	05	10	10.5
Complaint attitude	05	03	08	08
Weight and measurement	04	03	07	07
Total	48	48	96	100

Source : Primary Data.



F

E

TEST OF SIGNIFICANCE

To test the hypothesis chi-square analysis has been used. The calculated value of χ^2 is 12.65. The tabular value of χ^2 at 8-1=7 degree of freedom and 0.05 level of significance is 14.087. (Shukl, 2009) Since the tabular value of χ^2 is more than the computed value, hence the market innovation significantly changes the purchase trends.

SUGGESTIONS

From the analysis it is clear that the face of the market has been changed and in this change the tendencies of purchasing have been effected. Hence it is a must in the tribal rural marketing that the consumers benefits ought to be protected in order to make the marketing healthy. Few suggestions have precipitated as mentioned below in this regard.

1. More awareness of the consumer is desired in the innovation of the marketing.
2. Awareness towards the consumer protection act is preferentially required.
3. The marketing innovation must be based on the requirement and opportunity of the consumers.
4. Constructed education towards the innovation of the marketing should be conducted particularly towards the truth of the advertisement etc.
5. The rate of consumer assimilation should be lower than the change in present habit

of the rural consumer towards a new product.

6. Companies must reorient their marketing techniques in the light of tribal market which is a vast one.
7. Co-operative marketing system be introduced in the tribal areas to protect the benefits of the consumers.

CONCLUSION

From the research study conducted it is clear that the innovation in marketing has been done, change has occurred in the behavior and purchasing tendencies. To the rural consumer an opportunity to select the suitable product from various other quality product has been served. At the time of the purchase of general purpose item the preferences towards the quality in comparison to price has been established. The rural consumer has become more attracted towards the branded item as they are more reliable and of a good standard. The system of credit and guarantee has effected the purchasing capacity of the consumer. With the innovation of the marketing consumer must be made aware of the defective products.

The rural tribal should be made aware in the local language about the consumer protection act. In the rural market also advertisement plays a crucial role to create the demand. The packing and labeling has also attracted a good number of consumers. Information and electronic technology has unexpectedly changed the face of the consumer purchasing power, behavior and necessity. It's a task on the part of the Government to review the

various policies of tribal development keeping in view the role of tribal in the innovating marketing. It is a must that in the blind race of the innovation of the marketing, the proper use of the purchasing capacity of the consumer be ensured and attention towards the benefits of the consumers be protected.

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