



# Diversified Impacts Of Online Marketing Strategies On Consumer Satisfaction Towards FMCG Products In Rural Areas

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## **Abstract**

The study assessed the impacts caused by the online marketing strategies on consumer satisfaction towards FMCG products and evaluates the challenges faced by them in purchasing these products that are marketed online. The study follows a descriptive research design based on describing the status of affairs as derived from the opinions online consumers towards the satisfaction level attained based on the online marketing strategies in rural areas. The study will use interview schedule based enumerators and the schedule was framed based on the variables measuring the consumers' satisfaction and challenges faced by the rural consumers based on online marketing of FMCG products. The study involved the FMCG products of Personal Care and Food Products Category which is are purchased by rural consumers using online shopping methods. The sampling frame includes consumers residing in rural areas of Salem district 13 Taluks where top five revenue generating taluks are selecting involving the areas of Salem, Salem West, Salem South, Mettur and Sankagiri. The study will collect data from these taluks based on the rural areas classification. The study will use snowball sampling for the selection of sample in the final stage of the study. The sampling size of the study will consist of 250 which involve 50 consumers from each revenue taluk of Salem District. The exploratory factor analysis will be used to examine the impacts caused by online marketing on customer satisfaction and various challenges faced by rural consumers. It has also been shown that when the digital infrastructure in the rural areas to increases, their approach to online buying tends to become more hopeful which will further boost their attitude towards online shopping.

Keywords: Online Marketing, Digital Infrastructure, Rural Consumers, Customer Satisfaction and Salem District.

## Research Overview

Today's thriving rural market is a consequence of individuals having more money available for shopping. Compared to marketing to urban customers, marketing in rural regions is intrinsically complex, and researching how rural consumers see goods and services is always a difficult task. Rural customers often have different convictions and views in addition to different behaviors and approaches. Given the intense competition in today's market, commodity marketing is very challenging. Trying to market their goods in rural areas presents a number of difficulties for manufacturers. The primary causes of this are the low wages, low literacy, low brand awareness, and restricted communication and transportation options of the bulk of rural customers. An important part of a country's economic growth process is rural marketing.

Businesses have traditionally focused their marketing efforts on urban regions in an attempt to attract more educated clients. Many companies have, however, turned their focus to the quickly growing rural sector as a consequence of the urban industry's market saturation. Customers in rural locations have very different needs, interests, and purchasing behaviors than customers in urban areas. In today's world, metropolitan markets have become a haven for marketers, who can take advantage of the high degree of customer awareness and sophisticated preferences to generate money. However, from the standpoint of a marketer, the rural markets are more advantageous due to their quick expansion and untapped potential. Since people in rural markets compete with those in urban markets and have higher incomes, there is a greater demand for goods and services.

Rural India is now undergoing a period of significant change as a result of the many initiatives that have been implemented to achieve complete village development. The information that is now available indicates that rural India is becoming wealthier. As rural areas have become more prosperous, new opportunities have arisen. The end effect is a clear and definite increase in the demand for fast-moving consumer goods. As a consequence, internet marketing has led to the adoption of new ideas, attitudes, and lifestyles by rural customers. Significant shifts have also been seen in rural customers' consumption and purchase habits. The growth of the rural market is becoming more important for India's economic development. Due to the change in conditions, internet marketing is now focusing on the villages to provide them a platform that will make Fast-Moving Consumer Goods (FMCG) products more accessible. This necessitates an examination of the rural marketing environment, which is influenced by many socio-economic and cultural circumstances.

A thorough understanding of the rural region is essential for creating a successful internet marketing strategy. Attempts have recently been made to use the many socioeconomic factors under consideration in order to shed light on the notable differences between the urban and rural marketplaces. Since they are less exposed to the company credentials, service support, and product quality, buyers in remote regions tend to feel more hesitant and unconfident while making purchases. A rural customer may be illiterate, as defined by the census, but this does not imply that he lacks intelligence. Customers in rural locations are less likely to be familiar with, favor, and be loyal to brands than their counterparts in urban areas. Rural customers' level of brand loyalty may be significantly influenced by the kinds of products they buy. Among the features that set it apart from previous types of competition are the proliferation of online

marketing networks and the increasing presence of international companies throughout the whole value chain.

The FMCG sector in India offers employment prospects to over three million individuals nationwide via its downstream businesses. The Indian rural sector offers substantial financial investment opportunity due to its vast size and demand base. Based on the exposure that internet marketing techniques give, the FMCG industry's future growth will come from increasing penetration in rural and small towns. This is due to the fact that urban markets are more saturated than they are on average, and it is anticipated that the population in rural areas has increased by a factor of multiple.

### Literature Survey

In light of the COVID-19-induced economic uncertainty, this research suggests marketing approaches that global FMCG businesses may use. Customer equity drivers (CEDs) are a set of factors that influence repurchases intention (RI) for global FMCG companies. The authors look at how consumer ethnocentrism (CET) and consumer confidence (CC) impact this effectiveness indirectly. Certain CEDs and the RI of FMCG brands have a favourable association, although this link is weakened by CET and CC. Relationship equity (RE) and value equity (VE) have a greater impact on encouraging consumers to make repeat purchases when they lack confidence or ethnocentrism. As a result, in times of economic uncertainty, marketing campaigns that aim to increase value and create closer bonds between consumers and brands tend to do better in encouraging repeat purchases (Niros, M. I., Niros, A., Pollalis, Y., & Ding, Q. S. (2023))<sup>1</sup>. Case studies of brands that have made it into rural India's marketplaces are also part of the research. It examines the strategies used by these businesses, showing how they overcame the obstacles of rural marketing and maximised the unrealised potential of this demographic. The essay goes on to examine the ways in which technology and digital platforms are influencing marketing in rural areas. The research delves at the ways in which companies in rural regions might take use of these technological advancements to forge meaningful connections with their consumers. By analysing the challenges, opportunities, and successful strategies, it gives valuable insights for businesses aiming to take advantage of the vast rural market potential. As this sector grows and plays an increasingly important part in India's economy, it is crucial to understand the nuances of rural India in order to create marketing strategies that resonate with the unique aspirations and ways of life of its residents (Ahmed, S., & Sur, S. (2024))<sup>2</sup>. There is a lot of competition and little obstacles to switching brands in the FMCG industry, therefore this research looks at how promotional methods affect customer perceptions in that space. Examining the impact of different promotional strategies on customer attitudes and purchasing decisions is the main objective. These strategies include a wide range of approaches, from conventional advertising and in-store promotions to innovative digital marketing and public relations campaigns. This study is very relevant in an age when customer tastes change at a quick pace and marketing strategies are always evolving. This study aims to address a significant gap in the existing academic literature by providing a comprehensive analysis of the

<sup>1</sup> Niros, M. I., Niros, A., Pollalis, Y., & Ding, Q. S. (2023). Effective marketing strategies for global FMCG brands during COVID-19 pandemic crisis. *International Marketing Review*, 40(5), 1012-1034.

<sup>2</sup> Ahmed, S., & Sur, S. (2024). Empowering growth: unraveling dynamics and strategies for effective rural marketing in the Indian context. *Int J Res Marketing Manage Sales*, 6(1), 125-130.

ways in which FMCG promotional methods shape customer attitudes (Lodhi, R. (2024))<sup>3</sup>. The study aims was to catalogue the demographic factors that impact the decision-making criteria used by rural consumers when buying FMCGs. In this analysis, five FMCG related to personal care are considered. We used a multistage proportional sampling approach to identify 550 participants for the investigation. Marketers may use the regression model to find out which demographic factors have the most impact on rural residents' decision-making processes. The research found that the number of family members under the age of 18 and the consumer's educational background had an impact on the consumer's decision-making rules in rural areas (Verma, S., et.al., (2023))<sup>4</sup>.

Particularly in India's rural regions, the fast-moving consumer goods industry has grown into a sizable market segment. A number of research have shown that urban and rural Indian consumers have different wants and needs. Because of these differences, rural regions have demonstrated to be a promising marketing ground for MNCs and other international companies. Marketers need to have a good grasp of how people shop in rural areas. The purpose of this research is to learn how certain fast-moving consumer goods (FMCG) fare in rural areas and how factors like brand impact, brand performance, and switching cost affect brand loyalty. A review of the literature confirms the validity and efficacy of the model used to quantify customer loyalty to brands (Lunawat, D., & Antony, R. (2024))<sup>5</sup>. The retail industry in Thailand is now considered to be among the most alluring markets globally. The truth is that the global market is now home to several international retail organisations, which is great news for consumers but has created some serious competition problems for smaller enterprises. The purpose of this research is to look at the factors that are influencing the marketing strategies used by consumer goods stores in Thailand today. For this study, the researcher used Google Forms to administer an online survey and SPSS for quantitative data analysis. After collecting, cleaning, and coding data from 200 shops, it was analysed using descriptive statistics including percentages, frequencies, means, and factor analysis. A comprehensive literature review is carried out to understand the many factors impacting retail marketing strategies used by retailers worldwide. The purpose of this study was to ascertain the viewpoint of consumer goods merchants in Thailand (Kilaso, S., Chankaew, K., & Charoenboon, P. (2023))<sup>6</sup>. The goal was is to learn, from a sociological perspective, what aspects of digital media advertising affect FMCG buyers' final purchases. From July 2018 through January 2019, 500 beneficiaries from the Low Hills (Urban) regions of the northern Indian state of Himachal Pradesh were surveyed using a purposive selection method. The data was analysed using factor analysis. It seems from the data that a large portion of the sample uses digital ads as a source of information. They spend their days in hilly regions glued to the TV, and more especially, to

<sup>3</sup> Lodhi, R. (2024). Analyzing the Impact of Promotional Strategies on Consumer Perception in the Fast-Moving Consumer Goods (FMCG) Sector. *Pakistan Journal of Management and Social Issues*, 2(1), 1-15.

<sup>4</sup> Verma, S., Rojhe, K. C., Horská, E., Sharma, S., & Šedík, P. (2023). Consumer Decision-Making Rules for FMCG Products—Study of Rural in North India. *Economies*, 11(1), 26.

<sup>5</sup> Lunawat, D., & Antony, R. (2024). Impact of Customer Behavior on Brand Loyalty: A Study on Select FMCG Brands in the Rural Region of Cochin, Kerala. *Academy of Marketing Studies Journal*, 28(1).

<sup>6</sup> Kilaso, S., Chankaew, K., & Charoenboon, P. (2023). The Influence of Digital Marketing Strategies on Consumer Goods Companies in the Retail Sector of Thailand: An Psychological Study. *Journal for ReAttach Therapy and Developmental Diversities*, 6(10s), 288-296.

commercials (Upadhyay, C. K., Garg, S. K., & Ghai, M. (2023))<sup>7</sup>. This research looks at the fast-moving consumer goods (FMCG) industry to see how viral marketing has affected consumers' perceptions of brands and their loyalty to those brands. There were 643 legitimate replies from individuals were used to experimentally test the study model. The data was analysed using PLS-SMART4.0 after being acquired via a random sample process. Brand image and brand awareness are shown to mediate the relationship between brand loyalty and other outcomes in the mediation study. The research shows that viral marketing is effective in expanding brand awareness and attracting new consumers, but it isn't enough to keep existing customers coming back for more. As a result, other industries are starting to pay notice and see the potential in viral marketing (Mukherjee, S., Das, M. K., Sahi, A., Saha, D., & Sharma, R. R. (2023))<sup>8</sup>.

The primary objective of this research was to identify consumers who would prefer digital marketing strategies over more conventional ones. To help readers better grasp the subject at hand, the article presents a variety of research, including quantitative and qualitative evaluations as well as case studies, that can be found in databases such as Scopus and the Web of Science. The study provides an significant research areas to investigate the factors that encourage the usage of digital marketing technologies in academic pursuits (Ravi, S., & Rajasekaran, S. R. C. (2023))<sup>9</sup>. In order to promote climate sustainability, this article seeks to comprehend customer sentiment on environmentally friendly packaging. Everything a person does is impacted by fast-moving consumer goods. All segments of society invest a great deal of energy into them, and they also generate a considerable amount of money. Furthermore, the industry has a major impact on India's GDP. Even though the economy was in a downturn, this sector continued to develop at a rapid pace in recent years. This article surveys the fast-moving consumer goods (FMCG) industry in India to find out how consumers there feel about environmental protection and social welfare. The Indian government sponsored and oversaw a review. A total of 200 customers from India took part in the survey. In light of consumers' present circumstances, the government would benefit from the review's findings in order to create more efficient environmental policies (Vyas, R., Kumar, et.al., (2023))<sup>10</sup>.

## Research Gap

It is inferred from the aforementioned researches that the aspects of the problems encountered by rural customers who utilise online product purchases are growing in number and importance as evaluate the position of FMCG products. Direct purchase of products and services between buyers and sellers is made possible by online shopping using a subset of digital technologies. Rural customers may easily find the greatest deals on a wide range of kinds thanks to smart phones and other modern technologies. Online shopping is becoming more popular as people seek out better deals and value their time. Based on

<sup>7</sup> Upadhyay, C. K., Garg, S. K., & Ghai, M. (2023, February). Impact of digital media marketing on purchasing behavior in the low hill urban areas of Himachal Pradesh. In *2022 OPJU International Technology Conference on Emerging Technologies for Sustainable Development (OTCON)* (pp. 1-5). IEEE.

<sup>8</sup> Mukherjee, S., Das, M. K., Sahi, A., Saha, D., & Sharma, R. R. (2023). Impact of viral marketing on brand loyalty in the FMCG sector. *International Journal of Business Competition and Growth*, 8(4), 240-261.

<sup>9</sup> Ravi, S., & Rajasekaran, S. R. C. (2023). A perspective of digital marketing in rural areas: A literature review. *International Journal of Professional Business Review*, 8(4), e01388-e01388.

<sup>10</sup> Vyas, R., Kumar, C. S., Garg, S., Sikarwar, P., Hasan, A., & Raghuwanshi, S. (2023). Consumer Psychology towards Environmental Sustainability & Community Welfare in Indian FMCG Sector. *Journal for ReAttach Therapy and Developmental Diversities*, 6(9s (2)), 169-181.

purchases made by rural consumers utilising internet marketing, this research aims to identify the characteristics that impact consumer satisfaction. Consumers in rural areas now have more possibilities than ever before because to the rise of online shopping, which drives demand for a wide range of products and services. Online Marketers should design promotional methods to boost their performance level, brand image, and income. The current research shows that online marketing techniques that assist rural consumers build and expand their FMCG market share. The satisfaction level and challenges faced by the rural consumers based on the online marketing strategies of FMCG products forms the major research gap of this study.

### **Research Problem**

Over the last few years, a great number of multinational corporations have been exerting a great deal of effort to cultivate a market for their goods in rural areas that are dependent on web marketing businesses by spending to a significant degree in these regions. This has resulted in a shift in the manner in which purchasers in rural areas acquire various FMCG. With the advent of upgraded internet marketing, discerning consumers and unidentified demand in the rural market have emerged, both of which must be accountable for the creation of customer satisfaction programs. Rural consumers are fundamentally distinct from their urban counterparts, and diverse rural geographies exhibit a significant amount of variety, which necessitates the development of internet marketing tactics that are particular to rural areas and specialised to specific regions. There is a possibility that rural consumers in India have different perceptions and expectations based on the geographical locations in which they dwell. Individuals have varying likes and preferences when it comes to FMCG products due to the fact that there is a significant gap between individuals in terms of language, culture, and lifestyle. The research determines the degree of contentment experienced by rural FMCG consumers of Salem Districts as well as the elements that contribute to the success of rural online marketing strategies in creating customer satisfaction. When these expectations are met by the marketer, the FMCG firms have a better chance of being successful in their efforts to promote their goods to rural regions via the use of the online marketing strategies. When determining the degree of satisfaction factors such as quality, price, availability, advertising, credit facility, discount offer, the image of the brand, convenience and the influence of dealers and agents are taken into account. Consumers that live in rural areas have major obstacles when it comes to gaining access to online marketing methods. It is necessary for marketing businesses to make efforts to develop online marketing tactics that are user-friendly in order to expand the reach of FMCG products which in turn increases customer satisfaction. This study focuses on analyzing those problems faced by the consumers in attaining customer satisfaction based on online marketing strategies used by the FMCG companies in rural areas.

### **Need for the Study**

There is a great market opportunity in rural India particularly in the FMCG products related to the personal care and consumables of food as well as beverages. It is in rural parts of the nation that the majority of families with a moderate income are located. The rural market is less exploited than the urban market despite the fact that rural consumers have a significant buying power. The FMCG products that are sold in rural markets should primarily cater to the fundamental requirements of the consumers and they

should not be able to take into consideration any further additions to the product idea. Online Marketers in India concentrated their efforts on reaching consumers in urban areas while they made only a limited amount of attempts to reach consumers in rural areas. The organisations were confronted with a challenging problem when it came to transmitting information about their goods to consumers, which is currently being accomplished via the use of online marketing tactics. It has been observed that rural consumers are adopting new ways of thinking, attitudes and ways of living which has resulted in significant changes in their purchasing and consuming habits. As a result of the efforts of online marketing, surveys have shown that there has been a rise in the demand for FMCG products for consumption by rural households. Product penetration to rural homes was challenging due to a lack of literacy and the failure of conventional media because of this. As a result, marketers were turning to internet marketing in order to expand the reach of their goods. An increase in competition, urban markets that are saturated, an increase in the number of new item, and urban consumers who are demanding have drawn the attention of internet marketers who are looking to tap into rural market sources. The onlin marketer should make it a priority to have an understanding of the social and attitude variables that have an effect on the level of pleasure experienced by rural consumers. These influences serve as a guide for making decisions about product offerings, price, distribution, media, and the impact that online marketing on the customer satisfaction level in the rural areas.

### **Aims of the Study**

- ◆ To assess the impacts caused by the online marketing strategies on consumer satisfaction towards FMCG products
- ◆ To identify the challenges those are hindering the rural consumers to adopt for online marketing strategies.

### **Methodology and Research Design**

The methodical technique of conducting an examination with a specific goal is known as research. The formulation of a hypothesis, the gathering of data on relevant variables, the performing of analysis and interpretation of the findings, and the arriving at of conclusions, either in the form of a solution or certain generalisations, are all required for this. The study follows a descriptive research design based on describing the status of affairs as derived from the opinions online consumers towards the satisfaction level attained based on the online marketing strategies in rural areas. The study will use interview schedule based enumerators and the schedule was framed based on the variables measuring the consumers' satisfaction and challenges faced by the rural consumers based on online marketing of FMCG products. The study involved the FMCG products of Personal Care and Food Products Category which is are purchased by rural consumers using online shopping methods. From practical point of view, all the users of online shopping from aforesaid region cannot be accessed as there is no related database available or accessible. The sampling frame includes consumers residing in rural areas of Salem district 13 Taluks where top five revenue generating taluks are selecting involving the areas of Salem, Salem West, Salem South, Mettur and Sankagiri. The study will collect data from these taluks based on the rural areas classification. The study will use snowball sampling for the selection of sample in the final stage of the study. The sampling size of

the study will consist of 250 which involves 50 consumers from each revenue taluk of Salem District. The exploratory factor analysis will be used to examine the impacts caused by online marketing on customer satisfaction and various challenges faced by rural consumers.

### Data Evaluation

The study used interview schedule consisting of two parts which involves the evaluation of impacts caused by the consumers satisfaction of online marketing strategies on consumption of FMCG products and measure the challenges faced by consumers in having the access. The collected data were recorded in the SPSS software to create the dataset to perform various quantitative analyses. The collected data were analysed using the exploratory factor analysis which is given in the following.

### Factor Analysis - Impacts caused by Online Marketing Strategies on Consumer Satisfaction towards FMCG Products among Rural Consumers

The study focused on evaluating the impacts caused by online marketing strategies on customer satisfaction in consuming FMCG products bought using the online marketing channels. The impacts on the customer satisfaction are grouped in determinant factors using the tool of exploratory factor analysis. The following provides the results calculated based on opinions given by rural consumers

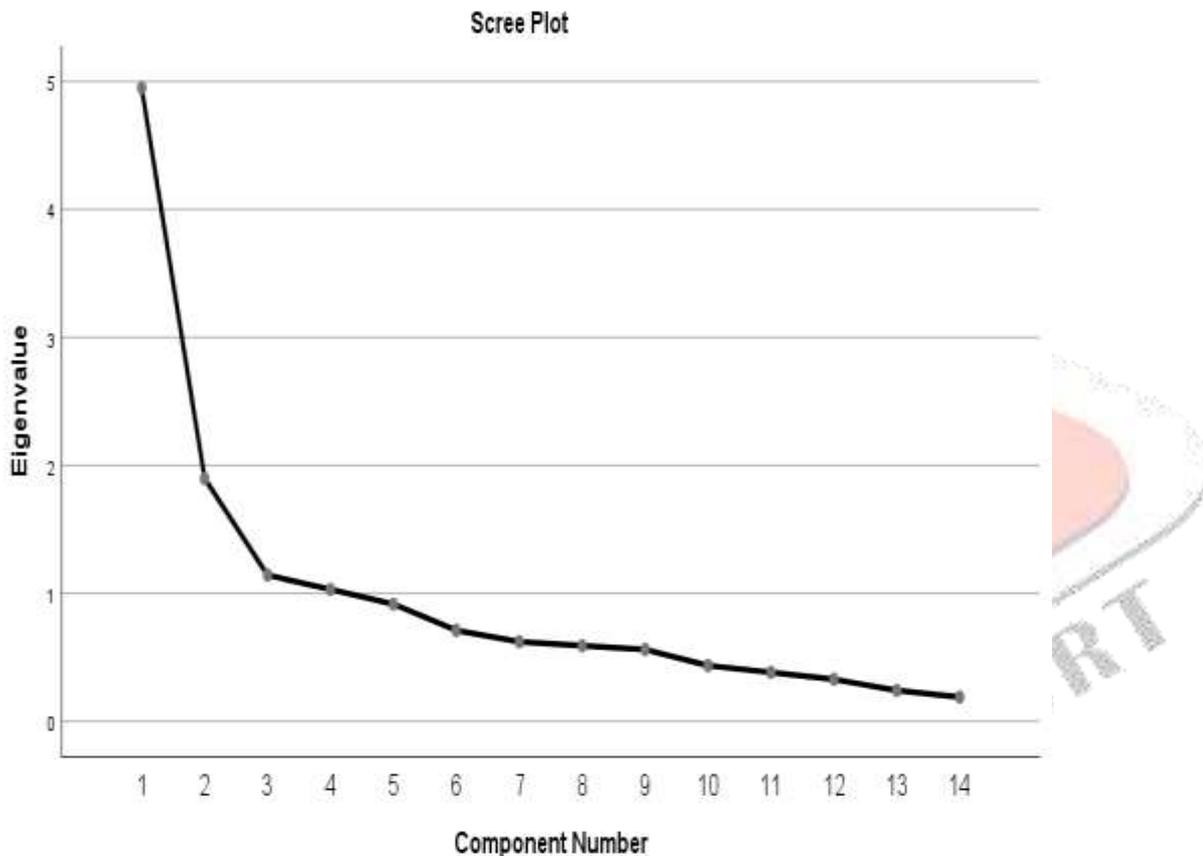
**Table – 1 – KMO and Variance Evaluation**

### Impacts caused by Online Marketing Strategies on Consumers Satisfaction towards FMCG Products among Rural Consumers

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.759							
Bartlett's Test of Sphericity	Approx. Chi-Square		1,362.022						
	df		91						
	Sig.		<0.001**						
<b>Variance Analysis</b>									
Var iabl es	Loaded Eigen			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Sum	Var	Total	Sum	Var	Total	Sum	Var	Total
<b>1</b>	<b>4.950</b>	<b>35.361</b>	<b>35.361</b>	<b>4.950</b>	<b>35.361</b>	<b>35.361</b>	<b>3.647</b>	<b>26.052</b>	<b>26.052</b>
<b>2</b>	<b>1.898</b>	<b>13.557</b>	<b>48.917</b>	<b>1.898</b>	<b>13.557</b>	<b>48.917</b>	<b>2.322</b>	<b>16.585</b>	<b>42.636</b>
<b>3</b>	<b>1.143</b>	<b>8.164</b>	<b>57.081</b>	<b>1.143</b>	<b>8.164</b>	<b>57.081</b>	<b>2.022</b>	<b>14.445</b>	<b>57.081</b>
4	1.031	7.364	64.446	---	---	---	---	---	---
5	0.915	6.539	70.984	---	---	---	---	---	---
6	0.711	5.078	76.062	---	---	---	---	---	---
7	0.621	4.439	80.501	---	---	---	---	---	---
8	0.591	4.218	84.719	---	---	---	---	---	---
9	0.562	4.013	88.732	---	---	---	---	---	---
10	0.435	3.110	91.842	---	---	---	---	---	---
11	0.383	2.733	94.575	---	---	---	---	---	---

12	0.329	2.347	96.921	---	---	---	---	---	---
13	0.241	1.723	98.644	---	---	---	---	---	---
14	0.190	1.356	100.000	---	---	---	---	---	---

The major impacts caused by the online marketing strategies among the rural consumers are categorised into three impact factors based on outcome of factor analysis. The three factors formed have 57 percent of impact on the customer satisfaction based on overall opinions given by the rural consumers. The various aspects of the customer satisfaction are significantly explained by these factors which are explained by the variance and KMO tests.



**Chart – 1 - Impacts caused by Online Marketing Strategies on Consumers Satisfaction towards FMCG Products among Rural Consumers**

**Table – 2**

**Rotated Component Matrix - Impacts caused by Online Marketing Strategies on Consumers Satisfaction towards FMCG Products among Rural Consumers**

	Component		
	1	2	3
Tracks order without much confusion	0.750		
Simplifies the purchasing process and pricing analysis	0.709		

Frequent updates on products keep the rural consumers informed	0.701		
Saves significant time for rural consumers	0.658		
Enables to link with urban consumers	0.653		
Enhances the Customer Loyalty	0.627		
Improves the trust in the FMCG Products		0.854	
Heightens expectations for post purchase activities		0.683	
Enables to get product knowledge of competitive products		0.561	
Online Marketing makes it easier for searching needed products		0.592	
Frequent online ads helps to remember and shop		0.564	
Easier to shop and navigate without physical efforts			0.850
Helps to understand the rural accessibility of these FMCG products			0.730
Provides virtual information of product usage			0.522

### **Determinants of Rural Customer Satisfaction – I – Simplifies Rural Consumers Shopping Process**

The factor is formed based on the variables of Tracks order without much confusion (0.750), Simplifies the purchasing process and pricing analysis (0.709), Frequent updates on products keep the rural consumers informed (0.701), Saves significant time for rural consumers (0.658), Enables to link with urban consumers (0.653) and Enhances the Customer Loyalty (0.627).

### **Determinants of Rural Customer Satisfaction – II – Generates Rural Customers Confidence on Online Strategies**

The factor is derived from the variables of Improves the trust in the FMCG Products (0.854), Heightens expectations for post purchase activities (0.683), Enables to get product knowledge of competitive products (0.561), Online Marketing makes it easier for searching needed products (0.592) and Frequent online ads help to remember and shop (0.564).

### **Determinants of Rural Customer Satisfaction – III – Improves Rural Consumers Access and Information**

The factor is determined using the variables of Easier to shop and navigate without physical efforts (0.850), Helps to understand the rural accessibility of these FMCG products (0.730) and Provides virtual information of product usage (0.522).

These three factors possess significant impacts on customer satisfaction based on online marketing strategies and evaluate the consumer perception towards the ease of shopping in rural areas.

### Factor Analysis - Challenges that are hindering the Rural Consumers to adopt for Online Marketing Strategies

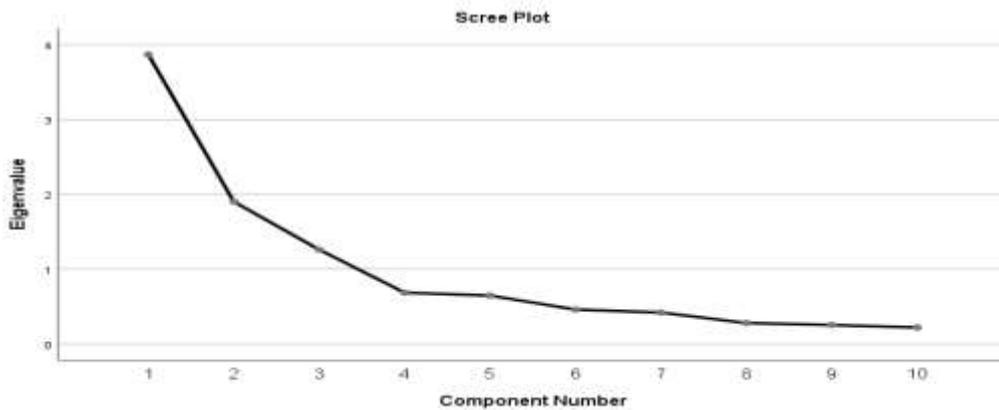
The rural consumers are having significant challenges in having access towards the online marketing strategies of FMCG products. The diverse areas of challenges are examined based on the opinions of rural consumers which are hindering their purchases process based on online marketing. The following provides the outcome of factor analysis which estimates the challenges.

**Table – 3 – KMO and Variance Evaluation**

#### Challenges that are hindering the Rural Consumers to adopt for Online Marketing Strategies

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.756								
Bartlett's Test of Sphericity		Approx. Chi-Square						1074.870		
		df						45		
		Sig.						<0.001**		
<b>Variance Analysis</b>										
Variables	Loaded Eigen			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings			
	Sum	Var	Total	Sum	Var	Total	Sum	Var	Total	
1	3.871	38.708	38.708	3.871	38.708	38.708	2.479	24.789	24.789	
2	1.903	19.028	57.736	1.903	19.028	57.736	2.286	22.862	47.651	
3	1.261	12.610	70.345	1.261	12.610	70.345	2.269	22.695	70.345	
4	0.686	6.858	77.204	---	---	---	---	---	---	
5	0.647	6.468	83.671	---	---	---	---	---	---	
6	0.460	4.601	88.272	---	---	---	---	---	---	
7	0.420	4.200	92.472	---	---	---	---	---	---	
8	0.280	2.797	95.269	---	---	---	---	---	---	
9	0.253	2.530	97.799	---	---	---	---	---	---	
10	0.220	2.201	100.000	---	---	---	---	---	---	

The KMO reveals that the consumer opinions follow normal distribution which is explained by the significance values and factors determined based on the analysis deemed to be reliable. The variance reveals that there three major challenges hindering the purchase process of FMCG products based on online marketing. These three challenges identified possess a 70 percent of influencing capacity on overall opinions given by rural consumers towards online marketing challenges.



**Chart – 2 - Challenges that are hindering the Rural Consumers to adopt for Online Marketing Strategies**

**Table – 4**

**Rotated Component Matrix - Challenges that are hindering the Rural Consumers to adopt for Online Marketing Strategies**

	Component		
	1	2	3
Product information are inaccurate	0.816		
Frequent rejection of orders due to pricing differences in rural areas	0.772		
Lack of real time information on ordered products	0.741		
Lack of Digital Payment options in rural areas	0.705		
Cost of delivery is increased based on distances		0.872	
Higher delivery time in rural areas		0.856	
Virtual comparison are not possible for all products		0.530	
Slow internet speeds creates frustration in shopping among rural consumers			0.870
Inability to make optimal use due to lack of digital literacy			0.810
Inability to find needed quality			0.746

### **Challenging Factor – I- Inaccurate Product Information and Updates**

The factor is obtained based on the variables of Product information are inaccurate (0.816), Frequent rejection of orders due to pricing differences in rural areas (0.772), Lack of real time information on ordered products (0.741) and Lack of Digital Payment options in rural areas (0.705).

## **Challenging Factor – II – Higher Delivery and Shopping Costs in Rural Areas**

The factor is evaluated from the variables of Cost of delivery is increased based on distances (0.872), Higher delivery time in rural areas (0.856) and Virtual comparison are not possible for all products (0.530).

## **Challenging Factor – III – Lacking Digital Infrastructure**

The factor is examined from the variables of Slow internet speeds creates frustration in shopping among rural consumers (0.870), Inability to make optimal use due to lack of digital literacy (0.810) and Inability to find needed quality (0.746).

These are the major challenges that are affecting the mindset of rural consumers to make purchase of FMCG products in the nature of personal care and food category that are marketed through online channels.

## **Discussions**

It is possible that the underlying rationale is that when rural consumers develop a positive attitude towards online shopping they may be well aware of the benefits and challenges of online shopping. Additionally, they may develop their satisfaction level on the basis of the review of online shopping which will ultimately match with the performance of online shopping, thereby increasing the level of satisfaction that consumers have with the experience of shopping online. When rural consumers believe that the quality of the product or service as well as the website is satisfactory, they consider the online shopping technique to be efficient in meeting their shopping requirements. This in turn will ultimately result in a constructive satisfaction level towards online shopping. It has also been shown that when the digital infrastructure in the rural areas to increases, their approach to online buying tends to become more hopeful which will further boost their attitude towards online shopping. This demonstrates that consumers who have a favourable perception of the effectiveness of the online shopping method in meeting their shopping requirements, have a tendency to experiment with the online shopping method on their own which contributes to the amount of satisfaction level they have with the use of the online shopping method.

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