



A STUDY ON EFFECTIVENES OF INTERGRATED MARKETING COMMUNICATION IN RURAL MARKETING WITH SPECIAL REFERENCE IN FMCG INDUSTRY.

Miss. R. Sarathy* Dr. S. Sasikumar**

*Ph.D Research Scholar, Department of Business Administration, Rajah Serfoji Govt. College (Autonomous), Thanjavur.

**Asst. Professor, Department of Business Administration, Rajah Serfoji Govt. College (Autonomous), Thanjavur.

Abstract

The proposed thesis focuses on integrated marketing communication in the battle for the rural consumer market has been increasingly in intensity over the years Product promotion has become the biggest challenge for rural marketers today. Communication is continuous interaction between the buyers and sellers in a market place. The said study provides a deep insight on the FMCG industry promotional activities to attract the consumer in rural India..Integrated marketing communication is the process of planning, executing, evaluating and controlling the use of the various promotional mix elements to effectively communicate with target audiences. A concept of marketing communication planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a communication disciplines –e.g., general advertising, direct response, sales promotion and public relation and these disciplines to provide clarity, consistency and maximum communication impact. The rural consumers are not a homogeneous lot in economic conditions, or literacy, or lifestyles, or buying behavior. It would, therefore, firm to assume that the rural market as a whole can be served by a single offer or a single product -price-promotion combination. The rural consumers have already graduated from generic products to branded products. Today, the brand name is the surest means of conveying quality to rural consumers.

Keywords: Marketing Communications, Rural Marketing, FMCG.

Introduction

Marketing is the processes associated with encourage the sale of goods or services. It is an integrated process through which companies generate value for customers and build strong customer relationships. In return value from customers is captured. Marketing is used to create customer demand, satisfy customer requirements and retain their loyalty. Customer-focused marketing is based on the four Ps: product, promotion, price and placement. Product communication to the consumer is mainly part of the promotion tool. The effectiveness of marketing instruments is usually measured in increased sales. Improvements in customer satisfaction or customer loyalty are objectives of marketing instruments even if it is hard to measure direct impact. Marketing situation in India changed with market liberalization policies after 1990's. Rural marketers have to distinguish themselves on quality and value for money.

Marketing communications occupies a crucial place in marketing activities of organizations and today there is hardly anyone who has not been influenced by the marketing communications in one form or another. Business organizations have realized this fact in competitive environment that target customers need to be communicated in an efficient and effective way for getting success in the market place. Marketing communications is used by all organizations to promote their products, services, and other offerings. The main strategic goals of this process are to create awareness, build positive images, identify potential customers, build relationships with channel and retain customers. Divide the communications mix into three groups: (1)Traditional:advertising, publicity, sponsorship, sales promotion, direct marketing and personal selling. (2) Complementary: Product placement, cooperative actions with trade, digital marketing, events, merchandising, brochures/catalogs, relationship marketing. (3) Innovative: advertainment, viral marketing, buzz marketing. The use of integrated marketing communications (IMC) correctly allows leverage the impact of communication on the audience, as it represents a system of management, coordination and integration of the elements of communication, balancing the use of communication tools. The communication process is composed of nine elements: sender, receiver, message, media, encoding, decoding, response, feedback and noise. Of these, the sender and receiver are the most important parts for communication, and that is issuing the message sender and receiver is who receive the message. The tools of communication are the message and the media, considering that message is the set of symbols transmitted by the broadcaster and media is the channel (or channels) through which the message travels from sender to receiver.

In today's world, for marketing communications, marketers have various options of media outlets including both traditional and new forms such as Internet and firms are going beyond traditional media and embracing new options to communicate with the target audience.



Review of Literature

Shultz and Shultz (1998) have defined IMC as: "IMC is a strategic business process used to plan, develop, execute and evaluate coordinated, measurable, persuasive marketing communications programs over time with consumers, customers, prospects, employees and other targeted, relevant external and internal audiences."

IMC is based on synergizing the different elements of marketing communications effect and making them complimentary and reinforcing so that the combined effect is much more than the effect of individual elements of marketing communications (Duncan and Everett, 1993), resulting in reduced cost on marketing communications (Fill, 2001).

In FMCG Industry, huge amount is spending on marketing communications. Fast moving consumer goods are those goods that are purchased by the consumers frequently and repeatedly for their daily, weekly, or monthly use. The volume and the variety of FMCG consumed are high as compared to other type of goods or in other words the consumption of such products is very high due to frequent and varied requirements of each and everyone and this makes marketing communications crucial for companies to get success in the marketplace. Today, marketers are fast embracing the integration of marketing communication and Indian FMCG companies are no exception. The simple reason is that superior outcomes are achieved through IMC (Naik and Raman, 2003). IMC approach and implementation is strongly linked to better marketing performance such as enhanced market share, sales, and profits as has been revealed in the study done by Low (2000).

Earlier the various elements of marketing communications like advertising; sales promotion, public relations, publicity etc. were used in fragmented way and was increasingly found wanting of effective results with increased competition and technological developments in the marketplace. This made marketers to realize that use of all the elements of marketing communications is necessary to not only offset the disadvantages of a particular element of marketing communication through other elements but also to bring coherence and synergy for bringing effectiveness in messages sent to target audience and cost. This has resulted in the emergence of the concept called Integrated Marketing Communications (IMC).

Objectives of the Study

1. To achieve considerable sales.
2. To build a strong brand image.
3. To influence the behavior of target audience

Tools of IMC

Advertising refers to "the means of providing the most persuasive possible selling message to the right prospects at the lowest possible cost". Kotler and Armstrong (2003), provide an alternative definition: "Advertising is any paid form of non- personal presentation and promotion of ideas, goods and services through mass media such as newspapers, magazines, television or radio by an identified sponsor".

Sales Promotion is the Demand-stimulating activity designed to boost the sales of a product or service. It may include an advertising campaign, increased PR activity, a free-sample campaign, offering free gifts or trading stamps, arranging demonstrations or exhibitions, setting up competitions with attractive prizes, temporary price reductions, door-to-door calling, telemarketing, and personal letters on other methods. More than any other element of the promotional mix, sales promotion is about action.

Public Relations programs are a planned communication effort by an organization to contribute to generally favorable attitudes and opinions toward an organization and its products. It is a communication function that seeks to build good relationships with consumers, stockholders, and legislators. The advantages of publicity are low cost, and credibility (particularly if the publicity is aired in between news stories like on evening TV news casts). New technologies such as weblogs, web cameras, web affiliates, and convergence (phone-camera posting of pictures and videos to websites) are changing the cost structure.

Personal Selling is oral communication with potential buyers of a product with the intention of making a sale. The personal selling may focus initially on developing a relationship with the potential buyer, but will always ultimately end with an attempt to "close the sale. According to American Marketing Association, Personal selling is the personal or impersonal process of assisting or persuading a prospective customer to buy a product or service and to act favorable upon an idea that has commercial significance to the seller.



Characteristic of Rural Marketing In IMC

Higher purchasing capacity: Purchasing power of the rural people is on rise. Marketers have realized the potential of rural markets, and thus are expanding their operations in rural India. In recent years, rural markets have acquired significance in countries like China and India, as the overall growth of the economy has resulted into substantial increase in purchasing power of rural communities.

Market growth: The rural market is growing steadily over the years. Demand for traditional products such as bicycles, and agricultural inputs; branded products such as toothpaste, tea, soaps and other FMCGs; and consumer durables such as refrigerators, TV and washing machines have also grown over the years.

Development of infrastructure: There is development of infrastructure facilities such as construction of roads and transportation, communication network, rural electrification and public service projects in rural India, which has increased

Key Challenges of IMC

Across the globe, there is continuity in market deregulation and emergence of individualized segmentation of consumer tastes and preferences. So IMC being not an easy process has to face internal as well as external challenges.

1. A shift in market place power from manufacturer to wholesaler to retailer/shift in channel power.
2. A movement away from relying on advertising focused approach.
3. Rapid growth of data base marketing.
4. A shift in traditional promotions.
5. Change in the way the advertising agencies compensated.
6. Rapid growth of internet marketing.
7. Growing competition in relationship marketing.
8. Change from mere information delivery to value delivery.
9. Consumer empowerment.
10. Fragmentation of media.
11. Increasing advertising clutter.
12. Desire for greater accountability

Conclusion

Hopefully coming to the point that business is not about changing the people but about changing yourself and your reactions for them. Success comes when one learns to control and coordinate. So integrated marketing communication plan should not be considered an end goal but rather a continuous approach. This is the most exciting, most challenging time in history of communication research. The diffusion of integrated marketing communication program should closely be associated with changes in consumption pattern, technical advancement and competition. Integrated marketing communication must not be just communication with present and prospect customers, but also with employees, vendors, related industries and external environment either directly or indirectly involved within. Moreover in marketing effective communication is absolutely necessary even though one is having a super product best package and offer a fair price, people will not come to buy it unless they might have heard of it or are aware of it. From the responses obtained, it can be concluded that in rural India, Public relation and advertising are mostly used and preferred by retailers. Sales promotion is also favored by the retailers to promote their business. As compare to the other marketing communication elements direct marketing is chosen and executed by very few retailers. The present scenario of rural market regarding the FMCG retailers of rural India is to promote and attract the consumer for which public relation and advertising is been commonly used

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