

A STUDY OF RURAL MARKETING IN TELANGANA WITH SPECIAL REFERENCE TO FMCG PRODUCTS MARKETED BY MULTINATIONAL COMPANIES

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Abstract

Rural marketing as created an opportunity for multinational companies of FMCG products to identify the rural areas of Telangana where the FMCG products are not available to the buyer. There is a need to conduct research because 70% of Indian population stays in rural areas and India is a country which hugely populated and in telangana is a state where most of the district new formed in order to satisfy the need of the people. Multinational companies with durable and non-durable products can be targeted towards the rural buyers by the 4ps of Marketing Mix elements and try to reach out the buyers. Rural buyers can be easily motivated rather than Urban buyers because more option are available with them. This article will help the decision maker of the MNC's to find the scope to sell there products in the rural markets of Telangana.

Keywords: Rural Markets, Rural Marketing, Rural buyers FMCG Products, Urban buyers etc.

Introduction

Villages are the units of the rural society and the centres of culture. Gandhiji's view that India lives in villages holds true even after over 73 years of India's independence. The Indian rural market is today regarded as the biggest hope of demand recovery.

India is a vast country having an area of 3.3 million sq.km. The population of India is widely scattered over villages and towns. Two third of the consumers live in rural areas and almost half of the national income is generated here. 32 per cent villages can be reached and are connected by pucca roads; still 68 per cent of the rural market lies untapped due to various reasons from inaccessibility to lack of awareness. There is a vast potential existing in the rural market.

Today, the marketer and manufacturer have realized the burgeoning purchasing power, vast size demand base of the once neglected Indian hinterland. It would be totally naive to think that any firm can easily enter the market and walk away with a sizeable share of it. On the contrary, any enterprise that seeks a sizeable share of the market has to work hard for it, as the market bristles with a variety of problem. Efforts are on to accentuate the attitude of the rural consumer, and to walk their walk and talk their talk.

An attempt is made by the researcher, in this research study to an examination of the characteristic and size of rural market, the factors contributing to expanding market, challenges confronting rural marketing and strategies for effective marketing to tap the untapped market. An attempt is made in this study to take a review of rural marketing done by multinationals in India. The main focus of FMCG marketed by multinational is considered for the purpose of analysis in the study.

The rural population occupies an important position on the Indian market and so a study of the rural market is important. The new marketing mantra agreed that the rural market was the key to survival in India, change from domestic to global and a change from the global to rural economy are evolutionary. The customer today is the "KING" he can make or break the company. And when this information is presented in a creative and effective manner, it creates an everlasting impression on the consumer's mind and may alter his perception of what he needs.

Marketers are forever seeking fresh challenges and scouting for more and more clientele to be drawn into their



sphere influence. The urban consumer has always been pampered with the most dazzling array of goods and service from every industry.

The researcher has also attempted to introduce the research problem in this chapter by way of giving objectives, hypothesis, methodology and significance of the present study.

Background of Rural Marketing

According to Census 2011 data about 377.1 million people live in urban India, whereas 833.1 million resides in rural India. 65.07 per cent of the population resides in 636,695 villages, the number of middle income and high income household in rural India is expected to grow from 80 million to 111 million. Rural market has grown 5 times the pace of urban market. The government / corporate, have already taken an initiative for rural development. Increasing agricultural productivity has lead to growth in the rural disposable income.

Hence the need of research felt here to analyse the business potential at the bottom of the pyramid, the mapping of the opportunities for income generation for the poor, product design and development, pricing, promotion, low cost delivery mechanism and effective communication in this segment.

Significance of the study

Indian agriculture accounts for 68 per cent population, rural India can bring in much needed volume and help FMCG to log on volume driven growth, FMCG has already hit saturation point in urban India. Rural markets hold the key to the success of FMCG companies which are desperate to find ways out to gain deeper penetration. Not only is the rural population large it is growing richer by day.

Research will lead to the understanding of impact of rural marketing (with special reference to FMCG products marketed by multinational companies).

Need of research here is to find out how a multinational aims at scale of economics and mass market with huge volume and heavy investment in marketing. An attempt is made by the researcher to an examination of characteristic and size of rural market, challenges confronting the expanding rural marketing and strategies for effective marketing to tap the untapped market.

Statement of the problem

"A study of rural marketing in Telangana with special reference to FMCG marketed by multinational companies".

Economic reforms in India have brought about major changes in the whole market environment. With those changes rural marketing has become an important concern to marketers. Successful rural marketing calls for a review of the rural marketing environment, proper understanding of the nature and profile of rural consumers, designing the right product to appeal to them and suitable media for communication and distribution.

India has emerged as one of the target markets, attracting substantial flow of foreign investment and also consumer goods. Rural prosperity will come about as production improves agricultural investment increases and there is a rising investment in agro industries.

Rural marketing will thus become an important concern for all our marketers. The attraction of rural market is the size of these mass markets. Multinationals aims aim at scale of economics and mass markets with huge volumes and heavy investment in marketing.

Objectives of the study

To analyze the growing opportunities in rural market.

To understand why rural markets become attractive to the corporate.



To study the behaviour of rural markets and its co-relation with aggressive marketing strategies. To analyze the impact of differentiated oriented strategy adopted by the multinational companies.

To understand the distribution network adopted by the multinational companies in rural market

To make analysis of strategic approach of FMCG in India in terms of Product, pricing and communication.

Hypothesis of the Research

The penetrative strategies adopted by MNCs in the rural markets of Telangana have an aggressive aspect. Efficient distribution system strategy of MNCs brings success to them while marketing FMCG in the rural markets of Telangana.

Research Methodology

The present study has been both descriptive and analytical. The data for this study were obtained from Secondary and Primary sources.

Secondary data

The secondary data has been collected from various references which already existed in published form as under:

Books

Articles in newspapers

Journals

The articles of business magazines as well as on the web and internet support have also been considered for the purpose of secondary data collection.

Primary data:

The primary data was collected by the extensive use of the following data gathering techniques and tools

Ouestionnaire

Personal Interview

Observation through personal visits

In this connection the above techniques were administered to customers, retailers and distributors who had been randomly selected from the rural areas in 6 selected districts.

Data Analysis and Interpretation

The collected data has been edited to avoid unwanted information and has been arranged in proper sequence. The edited data was coded and classified for suitable tabulation graphs, charts, diagrams etc. wherever

A suitable statistical technique has been used for analyzing data such as Chi- Square test, that had helped in drawing meaningful conclusions for marketing strategies adopted by MNCs in respect of FMCG products.

Sample selections

The sampling procedure has been revised as stated below:-

There are 6 districts namely Karimnagar, Adilabad, Khamam, Suryapet, Ramagundam, Nizamabad which forms clusters of rural markets from where customers had been selected at random and the number of customers that had been selected from each cluster were in proportion to the size of the cluster.

Sample design

The sampling design was prepared keeping into consideration the pillars of research. It is planned in the following manner:-

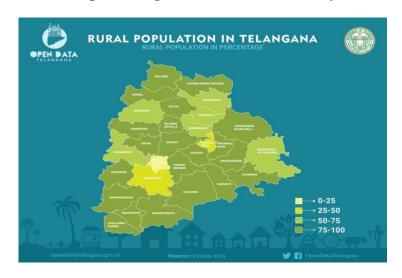
Table 1.1

Sample size

Sl.No.	Divisions	Sample	Customer	Retailer	Distributor
		Districts	Nos	Nos	Nos
I	Karimnagar	Karimnagar	99	6	2
2	Adilabad	Adilabad	108	7	2
3	Khamam	Khamam	81	5	3
4	Suryapet	Suryapet	270	18	1
5	Ramagunda m	Ramagunda	189	12	2
6	Nizamabad	Nizamabad	153	12	1

Source: Compiled from study

Table 1.1 shows the sample size in the respective 6 districts under study i.e. Karimnagar, Adilabad,Khamam, Suryapet, Ramagundam and Nizamabad district for the purpose of the study.



Map of Telangana State — districts survey

Source: www.mapsofindia.com

On the basis of the objectives of study and hypothesis as well as the methodology specified above, an attempt was made to collect data by using an appropriate instrument. An attempt was also made to validate the hypothesis in accordance with the objective of the study.

Restriction of the study

Following major limitations were identified in the research work:-

- I. Area covered by the research is 6 districts in the state of Telangana and hence the other district in the state of Telangana which are also progressive, could not be covered due to geographical constraints.
- 2. There are several FMCG products marketed by the multinational companies.

Since the rural market is vast and scattered market, this has created some problem for the researcher and proved very cumbersome and time consuming.



The main limitations of the study were as follows

Identifying the rural villages was a big challenge. However, field work by the researcher, immense help from MNCs executives, distributors, retailers and consumers, the study was made possible. Rural market in India:

There is a vast potential existing in the rural market. Research organization like NCAER, ORG-MARG have made substantial research which shows that rural markets are growing at five times the rate of urban markets. The NCA ER estimates that the rural market for FMCG durables and vehicles alone is worth Rs.I 1, 500 crore. The Indian rural market with its vast size and demand base, offers growing opportunities for marketing products. The rural markets in India are growing fast as compared to corporate markets. In fact the rural market in India is a new horizon in marketing for both National and International Traders.

The rural customers usually have two or three brands to choose from where as the urban one had multiple choices. The difference is always in the way of thinking. But with the technology coming up in mass media reach and the literacy levels going up this division is expected to reduce.

The biggest thing is that there is a lack of research into the consumer behaviour of the rural areas. There is a considerable amount of data on urban consumer regarding things like — who is the influencers, who is the buyer, how do they go and buy, how much money they spend on purchases etc., but on the rural front the effort has started to happen now. So we need to understand the buyer and in the present study the researcher attempts to understand the buyer in the rural markets.

India's rural market is large and scattered in the sense that it consists of approximately 75 crore rural consumers who live in approximately 6,36,363 villages spread over 32 lakh square kilometre area. The geographical spread is not as homogeneous as it is with the urban areas owing to vast cultural difference. So an in-depth understanding of the rural area is required. The rural market is not a homogeneous one. As many as 20,000 ethnic groups are present in rural India, and this posses a formidable challenge to the marketers. There are 24 languages and 1,642 dialects, and the dialects (boli) varies every 100 km or so, making it extremely difficult to develop a uniform promotional message. Divisions based on caste, community and other hierarchical factors also continue to exist.

The field of rural marketing has been witnessing a lot of action from both the FMCG and the consumer products manufacturer, but there has been a little success in the manner in which research is carried out.

The limitations lies in the inadequate or unavailability of appropriate tools to evaluate rural market behaviour. The problem arises because of the general lack of education, resulting in low awareness of the products and hence the inability to respond to the queries of the researcher in these areas.

Study by FICCI (Federation of Indian Chambers and Industries) estimate that 35 per cent of rural villages have no shops. Even consumer products companies with enviable reach as ITC and HUL have not been able to go beyond the top 2,50,000 rural villages. parallel rural marketing strategy to penetrate into the rural market and increase the volume of business.

About 65.07 percent of the total population live in villages. The spread of population in about 4,000 cities and towns is to the extent of 28 percent and the balance is in six lakh villages. Only 6.300 villages have a population of more than 500 or less.

Till recently, the focus of the marketers in India was the urban consumer and by and large no specific efforts were made to reach the rural markets. But now it is felt that with the tempo of development accelerating in rural India, coupled with increase in purchasing power, because of scientific agriculture, the changing life style and



consumption pattern of villagers with increase in education, social mobility, improved means to transportation and communication and other penetration of mass media such as television and its various satellite channels have exposed rural India to the outside world and hence their outlook to life has also changed. Because of these factors, rural India is now attracting more and more marketers.

Rural Marketing in India

Rural marketing means marketing activities in the rural areas where a favorable infrastructure may not be available. Rural marketing and urban marketing are identical as regards basic marketing structure. However, rural markets and rural marketing have special features and problems as compared to urban markets.

According to National Commission on Agriculture — "Rural marketing is a process which starts with a decision to produce a saleable farm commodity and it involves all the aspects of market structure or system, both functional and institutional based on technical and economic considerations, and includes pre and post-harvest operations assembling, grading, storage, transportation and distribution"

Definition of a Rural Area (by Planning Commission, Insurance Regulatory Development Association (IRDA): "That which is not urban"

Population of less than 5000

At least 75% of the male workforce is engaged in agricultural activities

Absence of a municipality/ corporation

Density of population is less than 400 per sq km

The companies with relatively fewer resources can go in for syndicated distribution where a tie-up between non-competitor marketers can be established to facilitate distribution.

As a general rule rural marketing involves more intensive personal selling efforts compared to urban marketing. Marketers need to understand the psyche of the rural consumer and then act accordingly.

To effectively tap the rural markets a brand must associate it with the some things the rural folks do. Utilizing the various rural folk media to reach them in their own language and in large number so that the brand can be associated with the myriad rituals, celebrations, festivals and melas.

The Indian rural market with its vast size and demand base offers a huge opportunity that multinational companies cannot afford to ignore. With 128 million households, the rural population is nearly three times the urban. As a result of the growing affluence, fuelled by good monsoons and the increase in the agricultural output to 200 million tonnes from 176 million tonnes in 1991, rural India has a large consuming class with 41 percent of India's middle class and 58 percent of total disposable income. The importance of the rural market for some FMCG is underlined by the fact that the rural market accounts for close to 70 percent of the toilet soap users.

To expand the market by tapping the countryside, more and more multinational companies are foraying into India's rural market. Among those are the Hindustan Lever Limited, Colgate Palmolive Limited, Dabur India Limited, Coca-Cola etc.

The rural market may be alluring but it is not without its problems: Low per capita disposable income that is half the urban disposable income, large number of daily wage earners, acute dependence on the vagaries of the monsoon, seasonal consumption linked to harvests and festivals and special occasions, poor roads, and inaccessibility to conventional advertising media. Nevertheless, the rural consumer is not unlike his urban counterparts in many ways.

For the FMCG companies the first challenge is to ensure the availability of the product or service to



approximately 6,38,000 villages which are spread over 3.2 million sq km, 72 percent of the population live in the rural area, finding them is not easy.

However, given the poor state of roads, it is an even greater challenge to regularly reach products to the far flung villages.

The second challenge to the marketers while marketing their products in the rural markets is to ensure the affordability of the product. With a low disposable income, a product needs to be affordable to the rural consumer, most of whom are on daily wages. Another challenge faced by the marketers is to gain acceptability for the product. Therefore, there is a need to offer products that suit the rural market.

As per NCAER projections, the number of middle- and high-income households in rural India is expected to grow from 80 million to 111 million by 2007. In the urban India, the same is expected to grow from 46 million to 59 million.

There are various reasons why every industry is taking a serious look at the rural markets.

- 1. About 285 million people live in Urban India whereas 742 million reside in rural areas constituting 72 percent of India's population resides in its 638365 villages.
- 2. Size of rural market is estimated to be 42 million household
- 3. Rural market has been growing at 5 times the pace of urban market.
- 4. More rural development initiatives by the government.
- 5. Increasing agricultural productivity leading to growth of rural disposable income.

Multinational Companies in Rural Marketing

As the name implies, a multinational company is a business concern with operations in more than one country. These operations outside the country's home country may be linked to the parent by merger, operated as subsidiaries, or may have considerable autonomy. Multinational corporations are sometimes perceived as large, utilitarian enterprises with little or no regard for the social and economic well being of the countries in which they operate, but the reality of this situation is more complicated.

There are 40,000 multinational corporations currently operating in the global economy, in addition to approximately 250,000 overseas affiliates running cross- continental businesses. In 1995, the top 200 multinational corporations had combined sales of \$47.1 trillion, which is equivalent to 28.3 percent of the world's gross domestic product.

Multinational companies are also seen as acquiring too much political and economic power in the modern business environment. I ndeed, corporations are able to influence to public policy to some degree by threatening to move jobs overseas, but companies are often prevented from employing this tactics given the need for highly trained workers to produce many products. Such workers can seldom be found in low- wage countries. Furthermore, once they enter a market, multinationals are bound by the same constraints as domestically owned concerns, and find it difficult to abandon the infrastructure they produced to enter the market in the first place. The present study focuses on three multinational companies like Hindustan Unilever Limited, Colgate Palmolive Limited and Indian multinational Dabur India Limited.

The researcher has made an attempt to give a profile of the three multinational companies under study as follows: -

Hindustan Unilever Limited

Hindustan Unilever Limited (H UL) is India's largest Fast Moving Consumer Goods Company, touching the lives of two out of three Indians with over 20 distinct categories in Home & Personal Care Products and Foods & Beverages. They endow the company with a scale of combined volumes of about 4 million tonnes and sales of Rs.10,000 crores. HUL is also one of the country's largest exporters; it has been recognized as a Golden



Super Star Trading House by the Government of I ndia.

The mission that inspires HUL's 36,000 employees, including over 1,350 managers, is to "add vitality to life." HUL meets everyday needs for nutrition, hygiene, and personal care with brands that help people feel good, look good and get more out of life. It is a mission HUL shares with its parent company, Unilever, which holds 51.55 percent of the equity. The rest of the shareholding is distributed among 380,000 individual shareholders and financial institutions.

The attempt is made by the researcher to know about the HUL's brands - like Lifebuoy, Lux, Surf Excel, Rin, Wheel, Fair & Lovely, Pond's, Sunsilk, Clinic, Pepsodent, Close-up, Lakme, Brooke Bond, Kissan, Knorr-Annapurna, Kwality Wall's — are household names across the country and span many categories - soaps, detergents, personal products, tea, coffee, branded staples, ice cream and culinary products. They are manufactured in close to 80 factories. The operations involve over 2,000 suppliers and associates. HUL's distribution network, comprising about 7,000 redistribution stockists, directly covers the entire urban population, and about 250 million rural consumers.

HUL has traditionally been a company, which incorporates latest technology in all its operations. The Hindustan Unilever Research Centre (HURC) was set up in 1958, and now has facilities in Mumbai and Bangalore. HURC and the Global Technology Centers in India have over 200 highly qualified scientists and technologists, many with post-doctoral experience acquired in the US and Europe.

Hindustan Unilever Limited is India's largest FMCG company with leadership in home and personal care products and foods and beverages. Hindustan Unilever limited

brands spread across 20 distinct consumer categories, touch the lives of 2 out of every 3 Indians.

HUL endow the company with a scale of combined volumes of about 4 million tonnes and sales of Rs.10,000 crores

The leading business magazine, Forbes Global has rated Hindustan Unilever Limited as the best consumer household products company.

Far Eastern Economic Review company has rated Hindustan Unilever Limited as India's most respected company.

Asia Money has rated HUL as one of India's best managed company.

Leading National Publication, like the Economic Times, Business World and Business Today have also rated HUL as one of India's most respected companies and number one in market value added.

Colgate Palmolive India Limited

Colgate-Palmolive is one of the most widely recognized consumer products companies in the world. Millions of people use different products of Colgate in their every day life. Colgate is a value driven organization with strong focus on oral care. Colgate-Palmolive is one of the leading multinational companies in the world with an annual turnover over \$9 billion and operations in over 212 countries.

The company began in 1806, when William Colgate, an English immigrant, set up a starch, soap and candle business on Dutch Street in New York City, USA. Frances Smith was made a partner in the following year and the firm became Smith and Colgate. William Colgate brought out his partner in 1813; the name was then changed to William Colgate and Company. In 1817 the first Colgate advertisement - "Soap, Mould and Dipt Candles" - appeared. A few years later, William Colgate and his brother-in-law, John Gilbert, built a starch factory in an area that today is Jersey City, New Jersey. Principal products at that time were Windsor Toilet Soaps and Pearl Starch.

Today, Colgate is a household name in India with one out of two consumers using Colgate toothpaste.

Consistently superior quality and value for money products resulting from advanced technology inputs have enabled Colgate maintain its undisputed leadership and emerge as India's No. 1 brand across all categories for eight out of nine years since 1992 in the top brands survey conducted by Taylor Nelson Sofres - Mode for A&M. Colgate continues to be a brand that cuts across all barriers, topping in 12 out of 14 segments (West, South, Metro, Urban, Rural, Housewife, Main Earner, Young Male, Young Female). Further, the survey shows Colgate commanding the top slot on brand loyalty with 82 per cent of all those who recognize the brand also claiming to use it. It is indeed a brand that evokes confidence, commands loyalty and guarantees satisfaction. Across millions of households, Colgate is synonymous with trust. Colgate is considered a leading brand in over 200 countries.

Dabur India Limited

Dabur India Limited is a leading Indian Multinational consumer goods company with interests in health care, Personal care and foods. Over more than 100 years company have been dedicated to providing nature-based solutions for a healthy and holistic lifestyle. Dabur's Health Care range also has a wide selection of herbal products, to provide complete care for varying individual needs. The company derives the products from the time-tested heritage of Ayurveda, backed by the most modern scientific test and trials. Dabur's Health Care range comes from the Consumer Care Division (CCD) of Dabur India Limited.

Challenges of FMCG Marketing

A study by the Chennai based Francis Kannoi marketing planning services estimated the total value of the rural market at a whopping Rs.1,23,000 crore out of which FMCG is estimated to be Rs,65,000. Business Line reports that the FMCG I Industry is back after 5 years of agonisingly slow growth for two successive years, the sector has grown at 5 per cent or more (5 per cent in 2004, 5.3 per cent in 2005) to hit Rs.52,000 crore at the end of 2005 (this indicate branded packaged consumers goods that go through the retail).

FMCG refers to consumer non-durable goods required for daily or frequent use. The sector touches every aspect of human life.

Sr.No.		Rural	Urban
1	Population 2010-11 (million household)	450	153
2	Population 2020-21 (million household)	680	254
3	% Distribution (2010-11)	182	56
4	Market (Towns / Village)	15,27000	8,768
5	Universe of Outlets (mn)	3.3	1

Post reforms, the industry growth has been hinging around a burgeoning rural population, which has witnessed significant rise in disposable income. Consequently, the rural markets have been witnessing intense competition in almost all the consumer goods classes. Another reason which has led to rise in this trend is the saturation in urban markets in most of the consumer non-durable goods categories. This led to the industry's player scrambling for greater rural penetration as a future growth vehicle, the area which accounts for 72 per cent of the total Indian households.

The FMCG sector consists mainly of sub segment viz. personal care, oral care, and household products. This can be further sub-divided into oral care soaps, toothpaste and detergents. The FMCG business is a low-margin business. Volume holds the key to the success in this industry. That is why the industry players put so much emphasis on marketing and distribution. Brands are the key determinants of success in the market place.



The attempt is made by the researcher to understand the projected rural / urban profile, based on the population in million household, and the market (towns and villages). The following table is presented to understand the rural / urban profile on different variables as follows:

Table 1.4 Rural-Urban Profile

Source: Statistical Outline of India (2001 -02), NCA ER

Table 1.5, Change in the Indian consumers profile

Sr.No.	Year	2010	2015	2020
1	Population (millions)	846	1,012	1,087
	Population < 25 years of age	480	546	565
3	Urbanization (%)	26	28	31

Source: Statistical Outline of India (2010-11

Table 1.6,India - A large consumer goods spender

Item	Percentage
Grocery	40
Personal care item	8
Vacation	4
Eating out	10
Footwear	2
Movie and Theater	5
Entertainment	2
Accessories	I
Books and Music	8
Clothing	7
Consumer' Durable	7
	Grocery Personal care item Vacation Eating out Footwear Movie and Theater Entertainment Accessories Books and Music Clothing

Source: KSA Technopark Consumer Data

Rural markets are vital for survival since the urban markets were getting saturated Rural markets are extremely price sensitive.

Thus, a number of companies followed the strategy of launching a wide range of package sizes and prices to suit the purchasing preferences of India's varied consumer segments. Hindustan Unilever, coined the term nanomarketing in the early nineties, when it introduced its products in small sachets. Small sachets were introduced in almost all the FMCG segments from oil, shampoo, and detergents to beverages.

Source: Compiled from this study Per capita income / consumption:

Product innovation:

The study shows that the various Multinational companies are launch ing innovative products of soaps and detergents. These product packs or packages are getting smaller over the years. Marketers are trying to come with an innovative packaging i.e. small pack as they are affordable to the end users, and the smaller packs drive the volume of business. Nearly 60 percent of the volumes comes from the smaller packs. Much of the growth of FMCG products is expected to come from rural markets through small packs.

Demographic change:

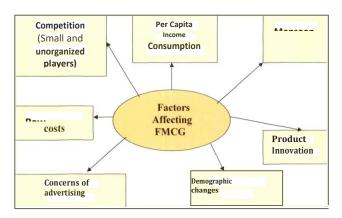
The younger population gives a boost to the FMCG sector. The aspiration level is high, the target age group of the working population coming down, the buying power has escalated tremendously. This attracts to the most of the corporate penetrating into the rural markets.



Concerns of advertising:

The competition in the FMCG sector has intensified, too much competition is taking a toll on the wealth of the companies operating in this sector. The cost of advertising is another major cause for concern for marketers, this sector rank amongst the top industries as far as advertising spending is concerned, with an increase in raw material costs and transportation; things are not as rosy as they are made out to be. National players have started to act to face the challenger brands, by reducing prices, employing innovative packaging and developing price points which are comfortable for the Bottom of the Pyramid buyers.

Large number of SKUs:



Large number of SKU is the characteristic of FMCG industry globally. Global FMCG companies can have up to 10,000 SKU. But, the first items to be pruned in the FMCG downturn may also be SKUs. Rational behind increasing SKU from the smallest to the largest is to capture all possible preferences for consumption, because the consumption pattern of FMCGs varies with price, necessity and pack size. With lower disposable income as well as lower exposure to products, smaller packs sizes seem to be more acceptable than larger ones in rural market of India. Factors affecting FMCG Companies.

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