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MARKETING STRATEGIES ADOPTED BY RURAL INDUSTRIES IN SPSR NELLORE DISTRICT

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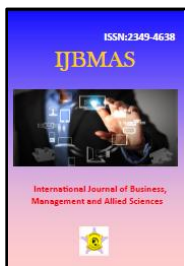
ABSTRACT

The rural industries are playing a major role in the development of Indian industry and Indian economy. Rural Industries generally use power driven machine and also apply modern methods of production, engage labour on wage, produce for expanded market, wherever cottage industry gives the new way in the context of employment for poor people and growth of the rural industry. Such industries can be managed with little resources and in terms of result provide much better results. In the context of development of a nation the most important thing is to contribute to the development of industries, through the formulation of the marketing strategies. This paper examines the achievement of objectives of marketing, market survey of sample units, methods of selling products, formal marketing planning, market opportunities and effectiveness of marketing.

Rural industries play a pivotal role in the development of India. It is generally held that economy in rural industrialization not only raises per capita income and living standards of the people by providing gainful employment opportunities but also reduces income disparities between rural and urban areas. Moreover, promotion of rural industries provides an ample opportunity of optimum utilization of local resources to serve the local needs. Rural industrialization has become one of the major economic and social goals of economic development potential as is compatible with and efficient technique and the requirement of process of development. This paper examines the achievement of objectives of marketing, market survey of sample units, methods of selling products, marketing planning, formal marketing planning, market opportunities and effectiveness of marketing

Review of Literature

Dr. Rahul Khandelwal (2015)[1], Rural market certainly offers a big attraction to lubricant marketers, it would be naïve to think that any lubricant company can enter the market without facing any problems and walk away with a sizable share. As the rural market consumers lacks in awareness of unbranded product, this is due to low literacy and problem regard to transportation and distribution channels. Traditional urban distribution strategies will have to be localized as per the demands of the rural market. The major area of concern for lubricant companies is to make their products available in the remotest corners of the 6 lakh villages in the country.

Amit Basole (2017)[2] study that the Agriculture sector has performed worse than the other sectors over the years. The shares of non-agricultural employment and output have increased, while 70% of agricultural households cannot meet their low consumption needs even other diversification of source of income. An analysis of budgeting provisions for the rural economy suggest that the government has not done enough to address some of their well documented problems, and does not have the required vision to sustainability increase rural employment opportunities.

Anzer R.N. (2017)[3] studied that the Rural Industries have been recognized as engine of economic growth in India. Rural Industries are the first largest source of employment alters agriculture. This sector has performed exceeding well and enabled our country to achieve a wide measure of industrial growth and diversification by its less capital intensive and labour absorption nature of rural industries has made significant to employment generation and also to rural industrialization. Under the changing economic scenario, Rural Industries has both the challenges and opportunities before them. The trends in performance of the rural industries in India in terms of registered units employment generated products, investment and productions are increasing in the pre-globalization period, but this increase is at a lower rate in the post globalization periods.

Jennifer Francis (2017)[4] opinion the distribution function of marketing is comparable to the place component of the marketing mix in that both center on getting the goods from the producer to the consumer. A distribution channel in marketing refers to the path or route through which goods and services travel to get from the place of production or manufacture to the final users. It has at its center transportation and logistical considerations.

Objectives

The following objectives are:

1. To examine the marketing strategies employed by the selected Rural Industries in SPSR Nellore District;

2. To analyze the product related marketing practices adopted by the selected Rural Industries in SPSR Nellore district;

Methodology

SPSR Nellore District is purposively selected for the study because of the proximity and familiarity of the researcher. The primary data covering all the marketing practices and aspects of rural industrial units in accordance with the objectives of the study are collected through personal interviews from the entrepreneurs and managers of the sample units using a pre-tested schedule, which is to be specially designed for the study.

Sampling

Primary data will be collected from the Rural Industries in SPSR Nellore district, Andhra Pradesh. A sample of (3202 Rural Industries in 2015-16) 10 per cent will be drawn at random covering all types of Rural Industrial units belonging to different groups and different product lines. In selecting the sample units, the researchers will be used a sample technique known as "Stratified Random Sampling with proportional allocation".

Achievement of objectives of marketing by sample units in SPSR Nellore District

Achievement of objectives of marketing by sample units is presented in table 1. It could be seen from the table 170 (53.13 per cent) units have reached the objective to achieving specified volume of sales and 150 (46.88 per cent) units have achieved the objective to customer satisfaction. In reaching the objective to specified volume of sales, the forest units have 32 (80 per cent), textile units have 19 (50 per cent), mineral units have 44 (42.31 per cent), leather and footwear units have 17 (42.50 per cent), food and agro units have 12 (42.86 per cent), engineering units have 21 (61.76 per cent),

chemical units have 7 (29.17), fishery units have 16 (72.73 per cent), poultry units have 5 (33.33 per cent), plastic and rubber units have 13 (86.67 per cent), printing units have 6 (42.86 per cent), service units have 7 (63.64 per cent) and khadi units have only 4 (30.77 per cent). In accomplishing the objective to customer satisfaction, the highest leather and footwear units have 23 (57.50 per cent) and the lowest service units only 4 (36.36 per cent).

Table 1
Achievement of objectives of marketing by sample units in SPSR Nellore District

S. No	Types of industry	Objectives of marketing		Total
		To achieve specified volumes of sales	To satisfy Customers	
1	Textile units (Excluding Khadi)	19 (50.00)	19 (50.00)	38 (100)
2	Forest units	32 (80.00)	08 (20.00)	40 (100)
3	Mineral units	11 (42.31)	15 (57.69)	26 (100)
4	Leather and footwear units	17 (42.50)	23 (57.50)	40 (100)
5	Food and agro units	12 (42.86)	16 (57.14)	28 (100)
6	Engineering units	21 (61.76)	13 (38.24)	34 (100)
7	Chemical units	07 (29.17)	17 (70.83)	24 (100)
8	Fishery units	16 (72.73)	06 (27.27)	22 (100)
9	Poultry units	05 (33.33)	10 (66.67)	15 (100)
10	Plastic and rubber units	13 (86.67)	02 (13.33)	15 (100)
11	Printing units	06 (42.86)	08 (57.14)	14 (100)
12	Khadi units	04 (30.77)	09 (69.23)	13 (100)
13	Service units	07 (63.64)	04 (36.36)	11 (100)
	Total	170 (53.13)	150 (46.88)	320 (100)

Note: Figures in parenthesis represent the percentages
Source: Field Survey

Conduct of market survey by sample units in SPSR Nellore District

Table 2 shows the conduct of market survey by sample units in SPSR Nellore District. It proves that 194 (60.94 per cent) units have conducted market survey and 126 (39.06 per cent) units have not undertaken any market survey. The forest units rank highest worth 25 (62.50 per cent) out of 40 and service units rank lowest worth 5 (54.55 per cent) in conducting marketing survey. Of the Textile units highest 16 (42 11 per cent) and the service units lowest only 05 (45.45 per cent) have not

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undertaken any market survey. It is understood that when viewed as a whole, a majority of the rural industries units 194 (60.94 per cent) have conducted market survey.

Table 2
Conduct of market survey by sample units in SPSR Nellore District

S. No	Types of industry	Market survey		Total
		Conducted	Not-Conducted	
1	Textile units (Excluding Khadi)	22 (57.89)	16 (42.11)	38 (100)
2	Forest units	25 (62.50)	15 (37.50)	40 (100)
3	Mineral units	15 (57.69)	11 (42.31)	26 (100)
4	Leather and footwear units	24 (60.00)	16 (40.00)	40 (100)
5	Food and agro units	15 (53.57)	13 (46.43)	28 (100)
6	Engineering units	28 (82.35)	06 (17.65)	34 (100)
7	Chemical units	14 (58.33)	10 (41.67)	24 (100)
8	Fishery units	12 (54.55)	10 (45.45)	22 (100)
9	Poultry units	08 (53.33)	07 (46.67)	15 (100)
10	Plastic and rubber units	11 (73.33)	04 (26.67)	15 (100)
11	Printing units	08 (57.14)	06 (42.86)	14 (100)
12	Khadi units	07 (53.85)	06 (46.15)	13 (100)
13	Service units	06 (54.55)	05 (45.45)	11 (100)
Total		195 (60.94)	125 (39.06)	320 (100)

Note: Figures in parenthesis represent the percentages
Source: Field Survey

Methods of selling the products by sample units in SPSR Nellore District

Methods of selling the products of sample units in SPSR Nellore District presented in Table 3. It indicates that 55 (17.19 per cent) of the rural industrial units sell personally, 46 (14.38 per cent) units are through mediators, 35 (10.94 per cent) through foreign agencies, 38 (11.88 per cent) through whole sellers, 30 (9.38 per cent) each through retailers and franchising units, 33 (10.31 per cent) through commission agents, 24 (7.50 per cent) through brokers and 29 (9.06 per cent) through others. The leather and leather footwear units highest with 20 and chemical based units lowest with 2 in sell personally. The Food and agro based units highest with 7 and mineral and textile based units lowest with 2 each sell through mediators. The plastic and rubber units highest with 6 and service units lowest with 1, the textile based and forest based units 3 each sell through franchising (out of 30). In Engineering based units out of 34, 6 (17.65 per cent) each are personally and commission agents sell

products, 3 (8.82 per cent) each though mediators and retailers, 9 (26.47 per cent) though wholesalers and 5 (14.71 per cent) through foreign agencies sell the products.

Table 3
Methods of selling the products by sample units in SPSR Nellore District

S. No	Types of industry	Methods of selling the products									Total
		1	2	3	4	5	6	7	8	9	
1	Textile units (Excluding Khadi)	10 (26.32)	02 (5.26)	03 (7.89)	03 (7.89)	03 (7.89)	05 (13.16)	03 (7.89)	04 (10.53)	05 (13.16)	38 (100)
2	Forest units	08 (20.00)	03 (7.50)	06 (15.00)	03 (7.50)	00 (0.00)	00 (0.00)	09 (22.50)	08 (20.00)	03 (7.50)	40 (100)
3	Mineral units	05 (19.23)	02 (7.69)	00 (0.00)	07 (26.92)	06 (23.08)	00 (0.00)	03 (11.54)	03 (11.54)	00 (0.00)	26 (100)
4	Leather and footwear units	20 (50.00)	04 (10.00)	02 (5.00)	00 (0.00)	04 (10.00)	06 (15.00)	00 (0.00)	04 (10.00)	00 (0.00)	40 (100)
5	Food and agro units	00 (0.00)	07 (25.00)	02 (7.14)	02 (7.14)	07 (25.00)	02 (7.14)	03 (10.71)	00 (0.00)	05 (17.86)	28 (100)
6	Engineering units	06 (17.65)	03 (8.82)	05 (14.71)	09 (26.47)	03 (8.82)	02 (5.88)	06 (17.65)	00 (0.00)	00 (0.00)	34 (100)
7	Chemical units	02 (8.33)	06 (25.00)	07 (29.17)	02 (8.33)	00 (0.00)	03 (12.50)	00 (0.00)	00 (0.00)	04 (16.67)	24 (100)
8	Fishery units	02 (9.09)	04 (18.18)	02 (9.09)	03 (13.64)	00 (0.00)	03 (13.64)	00 (0.00)	03 (13.64)	05 (22.73)	22 (100)
9	Poultry units	00 (0.00)	05 (33.33)	02 (13.33)	00 (0.00)	00 (0.00)	03 (20.00)	03 (20.00)	02 (13.33)	00 (0.00)	15 (100)
10	Plastic and rubber units	00 (0.00)	03 (20.00)	02 (13.33)	02 (13.33)	02 (13.33)	03 (20.00)	03 (20.00)	00 (0.00)	00 (0.00)	15 (100)
11	Printing units	00 (0.00)	00 (0.00)	00 (0.00)	03 (21.43)	05 (35.71)	00 (0.00)	00 (0.00)	00 (0.00)	06 (42.86)	14 (100)
12	Khadi units	02 (15.38)	04 (30.77)	00 (0.00)	04 (30.77)	00 (0.00)	00 (0.00)	03 (23.08)	00 (0.00)	00 (0.00)	13 (100)
13	Service units	00 (0.00)	03 (27.27)	04 (36.36)	00 (0.00)	00 (0.00)	03 (27.27)	00 (0.00)	00 (0.00)	01 (9.09)	11 (100)
	Total	55 (17.19)	46 (14.38)	35 (10.94)	38 (11.88)	30 (9.38)	30 (9.38)	33 (10.31)	24 (7.50)	29 (9.06)	320 (100)

Note: Figures in parenthesis represent the percentages
Source: Field Survey

1. Personal selling, 2. Through Mediators, 3. Foreign Agencies, 4. Wholesalers, 5. Retailers, 6. Franchising, 7. Commission agent, 8. Brokers and 9. Others.

Formal marketing planning by sample units in SPSR Nellore District

Marketing planning by the sample units is exposed in table 4. It indicates that out of 320 rural industrial units, 119 (37.19 per cent), have developed annual marketing planning, 103 (32.19 per cent) have more than one year plan and 98 (30.63 per cent) do not prepare any kind of marketing planning in this regard. The leather and footwear units rank highest with 17 (42.50 per cent) and the service units rank lowest with 1 (9.09 per cent) as per more than one year marketing planning, the textile based units highest with 14 (36.84 per cent) and service units rank lowest with 1 (9.09 per cent) as per no marketing planning and the forest based units rank highest with 21 (52.50 per cent) and the khadi units lowest with 6 (46.15 per cent) have developing annual marketing planning.

Out of the total number of 320 rural industrial units in Nellore district, 38 are in textile based industries, and out of those 38 textile based industries 14 (36.84 per cent) have no marketing planning,

11 (28.95 per cent) have developed annual marketing planning, and 13 (34.21 per cent) have plan for more than one year. Out of 320 rural industrial units in Nellore district, service units are the lowest with 11 only. Out of 11 service units, 1 (9.09 per cent) have no marketing planning, 9 (81.82 per cent) have plan for more than one year and 1 (9.09 per cent) have developed annual market planning.

Table 4
Use of formal marketing planning by sample units in SPSR Nellore District

S. No	Types of industry	Formal marketing planning			Total
		No marketing planning	Developing annual marketing planning	Developing plans for more than one year	
1	Textile units (Excluding Khadi)	14 (36.84)	11 (28.95)	13 (34.21)	38 (100)
2	Forest units	11 (27.50)	21 (52.50)	08 (20.00)	40 (100)
3	Mineral units	10 (38.46)	06 (23.08)	10 (38.46)	26 (100)
4	Leather and footwear units	09 (22.50)	14 (35.00)	17 (42.50)	40 (100)
5	Food and agro units	08 (28.57)	08 (28.57)	12 (42.86)	28 (100)
6	Engineering units	12 (35.29)	12 (35.29)	10 (29.41)	34 (100)
7	Chemical units	06 (25.00)	05 (20.83)	13 (54.17)	24 (100)
8	Fishery units	08 (36.36)	10 (45.45)	04 (18.18)	22 (100)
9	Poultry units	05 (33.33)	07 (46.67)	03 (20.00)	15 (100)
10	Plastic and rubber units	05 (33.33)	10 (66.67)	00 (0.00)	15 (100)
11	Printing units	03 (21.43)	00 (0.00)	11 (78.57)	14 (100)
12	Khadi units	06 (46.15)	06 (46.15)	01 (7.69)	13 (100)
13	Service units	01 (9.09)	09 (81.82)	01 (9.09)	11 (100)
	Total	98 (30.63)	119 (37.19)	103 (32.19)	320 (100)

Note: Figures in parenthesis represent the percentages
Source: Field Survey

Market opportunities for sample units in SPSR Nellore District

The purpose of the study is to elucidate whether the sample units have adequate information about the opportunities for marketing their products. Table 5 gives the details concerning it. It reveals that 194 (60.63 per cent) units have adequate information about marketing opportunities for their products, and the remaining 126 (39.38 per cent) sample units do not have any information. The Forest units rank highest with 28 (70 per cent) and the fishery units rank with lowest 46.67 per cent in this respect. The leather and footwear units have highest per cent 42.50 and the khadi units the lowest

per cent (15.38) regarding not having adequate information about marketing. It is concluded that majority of the sample units have adequate information about marketing opportunities.

Table 5
Market opportunities for sample units in SPSR Nellore District

S. No	Types of industry	Market opportunities		Total
		Adequate	Not-adequate	
1	Textile units (Excluding Khadi)	24 (63.16)	14 (36.84)	38 (100)
2	Forest units	28 (70.00)	12 (30.00)	40 (100)
3	Mineral units	17 (65.38)	09 (34.62)	26 (100)
4	Leather and footwear units	23 (57.50)	17 (42.50)	40 (100)
5	Food and agro units	12 (42.86)	16 (57.14)	28 (100)
6	Engineering units	30 (88.24)	04 (11.76)	34 (100)
7	Chemical units	08 (33.33)	16 (66.67)	24 (100)
8	Fishery units	14 (63.64)	08 (36.36)	22 (100)
9	Poultry units	07 (46.67)	08 (53.33)	15 (100)
10	Plastic and rubber units	10 (66.67)	05 (33.33)	15 (100)
11	Printing units	03 (21.43)	11 (78.57)	14 (100)
12	Khadi units	11 (84.62)	02 (15.38)	13 (100)
13	Service units	07 (63.64)	04 (36.36)	11 (100)
	Total	194 (60.63)	126 (39.38)	320 (100)

Note: Figures in parenthesis represent the percentages
Source: Field Survey
Effectiveness of marketing by sample units in SPSR Nellore District

The efforts made to measure the cost-effectiveness of marketing of the rural industries are discussed in Table 6. It shows that 228 (71.28 per cent) units have made efforts to measure the cost-effectiveness of marketing and 92 (28.75 per cent) units have not made any efforts to appraise their marketing cost effectiveness. The printing units are 85.71 per cent and engineering units score the lowest 64.29 per cent regarding efforts made to measure the cost-effectiveness of marketing. The printing units rank highest with 14.29 per cent (out of 14) and the forest units have lowest rank with 26.32 per cent (out of 38) for not making any efforts to appraise their cost-effectiveness of marketing. The leather and footwear units rank highest with 35 per cent (out of 40) and the khadi units have lowest rank with 23.08 per cent (out of 38) for not making any efforts to appraise their cost-effectiveness of marketing. It can be concluded that 228 i.e., 71.25 per cent (out of 320) of the sample units have made efforts to measure the cost effectiveness of marketing.

Table 6
Effectiveness of marketing by sample units in SPSR Nellore district

S. No	Types of industry	Effectiveness of marketing		Total
		Yes	No	
1	Textile units (Excluding Khadi)	28 (73.68)	10 (26.32)	38 (100)
2	Forest units	28 (70.00)	12 (30.00)	40 (100)
3	Mineral units	19 (73.08)	07 (26.92)	26 (100)
4	Leather and footwear units	26 (65.00)	14 (35.00)	40 (100)
5	Food and agro units	18 (64.29)	10 (35.71)	28 (100)
6	Engineering units	28 (82.35)	06 (17.65)	34 (100)
7	Chemical units	17 (70.83)	07 (29.17)	24 (100)
8	Fishery units	15 (68.18)	07 (31.82)	22 (100)
9	Poultry units	09 (60.00)	06 (40.00)	15 (100)
10	Plastic and rubber units	10 (66.67)	05 (33.33)	15 (100)
11	Printing units	12 (85.71)	02 (14.29)	14 (100)
12	Khadi units	10 (76.92)	03 (23.08)	13 (100)
13	Service units	08 (72.73)	03 (27.27)	11 (100)
Total		228 (71.25)	92 (28.75)	320 (100)

Note: Figures in parenthesis represent the percentages
Source: Field Survey

Conclusion

I conclude that the rural industrialization facilitates shifts in work force from primary to secondary sector. Rural industrialization promotes an economy fundamentally relying on agriculture into a more advanced industrial economy. Rural industrialization may be considered as an aspect of spatial diversification of industries and is treated as a part of the problem of the location of industries in general on the development of village industries. Rural industrialization fulfills several economic and social needs of rural areas such as increasing employment opportunities, diversifying rural occupations, raising income and living standards of rural communities, reducing exodus to urban centers, eliminating regional and economic imbalance and ensuring social justice. But rural industries need not merely location condition.

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