

Exploring the Awareness and Effectiveness of Promotional Schemes in FMCG Markets: A Comparative Study of Rural and Urban Buyers in Punjab

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Abstract

The paper examines the awareness and effectiveness of promotional schemes for fast-moving consumer goods among rural and urban buyers in Punjab. The sample consisted of 250 respondents to explore the impact of location on consumers' perception and response towards the promotional activity. Results indicate that the awareness and effectiveness ratings of these schemes are higher among urban consumers than their rural counterparts. Hypothesis test confirms that geographical location is an important factor influencing consumer responses to schemes of promotions, and thus, there is a comparative requirement for marketing efforts in these two markets as well.

Keywords: FMCG, promotional schemes, rural and urban buyers, consumer awareness, effectiveness, marketing strategies, Punjab

Introduction

The FMCG business by its very nature is highly competitive and requires significant use of the promotion schemes to gain market share and drive consumer purchasing power. Areas of Promotions in FMCG The traditional tools of discounts, coupons, and loyalty programs have come to play critical roles for marketers aimed at influencing short-term sales and long-term loyalty. Being a diversified country like India, there are deep dichotomies in consumers of rural and urban areas because of a variety of income, media outreach, literacy, and purchasing power. Punjab is one such forward-looking Indian state where these contrasts can be explored. Urban buyers are likely to have wider media exposure and would respond more readily to digital promotions while rural consumers depend more on traditional media like television and radio. This study will draw comparisons between the awareness and effectiveness of promotional schemes in the rural and urban markets to help FMCG companies design target marketing strategies.

Research Questions

1. To what extent do rural and urban consumers understand and know about the promotional schemes of FMCG products?
2. To what extent do rural and urban consumers believe the promotional schemes are effective?
3. To what extent does place of consumer influence understanding and acceptance of promotional schemes?

Literature Review

Promotional schemes, with regard to customer behavior, have been of much concern through various analysis works. Kumar (2019) noted that FMCG promotional schemes have been so significantly exposed to digital platforms and media, thus generally better aware among the urban consumers. This better awareness finds translation into a bigger effectiveness of such schemes in influencing purchasing behavior.

Rana, Singh, and Gupta, for instance, explored the role of digital media in enhancing promotion awareness among city consumers, showing how online advertisements, mobile applications, and social media campaigns play a major role in shaping consumers' choices. Conversely, Rao and Gupta show how communication gaps still exist, especially in rural areas due to less exposure to digital media but more reliance on traditional media like the radio and television to deliver the message to consumers.

These studies by Chatterjee show that promotional schemes have lower effectiveness in a rural scenario, mainly due to lower level awareness.

Khandelwal and Jain (2022) discuss the scope of local and context-specific promotional efforts in overcoming such challenges in rural markets.

Some of the current research conducted on consumer awareness and effectiveness of promotion schemes in the fast moving consumer goods market are reported in this regard. For instance, **Singh (2024)** has come up with a review of the effects of electronic promotions on consumer sensitiveness. The author stated that the responders to promotion schemes are high in cases of urban buyers owing to easy access towards digital platforms. On the contrary, due to low exposure towards traditional media, rural buyers show high dependency toward television and radio-based promotions.

Further, **Kumar (2023)** examined the impact of location on promotion effectiveness. Kumar found that consumers in cities consider promotional schemes to be more effective than the rural consumers. The study concluded that the most relevant marketing strategy is to target specific segments. Marketers need to come up with specific campaigns for specific markets.

The available past literature in such studies always depicts a gap between rural and urban consumers; for example, **Rana et al. (2023)** pointed out that while promoting an offer to buyers, the level of awareness of promotional offers among urban buyers is higher, and they interact much more because of greater media exposure. **Sharma and Gupta (2023)** further depicted that effectiveness is being higher in promotional schemes when targeted at rural areas due to greater localization and community-based approaches as rural consumers are generally not supposed to access digital promotions due to some obstacles.

The 2024 and 2023 reviews reflect the continued evolution in the strategy of promotion for FMCG markets-most particularly on account of the digital divide amongst rural and urban consumers. The issue has become ever more pressing with regard to differentiated marketing approaches, considering recent research into this field.

Research Methodology

This study plans to discuss the awareness and effectiveness of promotional schemes of FMCGs amongst the rural and urban buyers in Punjab.

Sampling Procedure

A stratified random sampling procedure was selected in order to ensure that both rural and urban market respondents would be proportionately represented. The sample had 250 respondents, with 150 having been drawn from urban areas and 100 from the rural areas.

Data Collection Tools

Data were gathered through a structured questionnaire that enabled the capture of respondents' awareness and perceived effectiveness of different promotional schemes. The questionnaire was supposed to include demographic characteristics: age, income, and education level along with a Likert scale on the awareness and effectiveness.

Data Analysis

I. The differences existing between the rural and the urban consumers were analyzed using descriptive statistics, t-tests, ANOVA, and Chi-Square tests; the analyses allow for the evaluation of the significance of such differences in the responses toward the promotional schemes

1. Descriptive Statistics

The urban consumers were more aware and that the promotional schemes were also found to be more effective compared to the consumers.

Table 1.1 The following table represents the finding:

Metric	Rural Mean	Urban Mean	Rural Std. Deviation	Urban Std. Deviation	t-value	p-value
Awareness of Promotional Schemes	3.60	4.15	0.78	0.68	6.80	< 0.001
Effectiveness of Promotional Schemes	3.30	4.05	0.80	0.75	7.10	< 0.001

Interpretation

The findings indicate that the consumers who dwell in an urban area and are much more exposed to mass media and online websites are much more aware of the promotion schemes and view them to be effective. The t-test substantiates that the differences between the levels of awareness and perceived effectiveness are statistically highly significant at $p < 0.001$.

2. ANOVA Table

Table 1.2 A One-way ANOVA was conducted to further clarify the difference in awareness and effectiveness of promotional schemes between rural and urban consumers.

Source	Sum of Squares	df	Mean Square	F-value	p-value
Awareness	23.12	1	23.12	51.10	< 0.001
Effectiveness	25.14	1	25.14	55.02	< 0.001

Interpretation

Table 2: Results of ANOVA for Self-Selected Consumers The ANOVA results present adequate basis that a significant difference exists between consumers belonging to the rural and urban categories based on awareness ($F = 51.10$, $p < 0.001$) and effectiveness ($F = 55.02$, $p < 0.001$).

3. Chi-Square Test for Independence

Table 1.3: Chi-Square test was further conducted in order to determine the relationship between the location of consumers and their perception about promotional schemes.

Factor	Chi-Square Value	df	p-value	Significance
Awareness	21.05	1	< 0.001	Significant
Effectiveness	24.85	1	< 0.001	Significant

Interpretation

Significant associations were found between geographical location and both awareness ($p < 0.001$) and effectiveness ($p < 0.001$). Urban consumers showed higher engagement with and response to promotional schemes.

II. Managerial Implications

1. Urban Markets: The marketers should focus more on the digital promotions, like online advertisements, mobile applications, and social media, which would cater to the requirements of customers in urban markets.
2. Rural Markets: In the case of rural markets, print media, television, radio, and point-of-purchase promotion continue to hold value. Localized campaigns that focus on the community will boost both awareness and effectiveness.

Conclusion

From above data and analysis, it can be said that there is a significant difference between rural and urban consumers of Punjab in terms of awareness and effectiveness of promotional schemes. Urban consumers have better awareness and find the promotional schemes more efficient; thus, they favor the rejection of the null hypothesis (H_0). The marketers should tailor promotional strategies for the different markets based on their inherent characteristics. To appeal to urban customers, this can be catered for through digital channels; however, media activities required in rural areas would be more localized and traditional.

Future Scope of study

Further studies should be conducted in knowing whether promotion schemes help to sustain brand loyalty and retention in rural and urban settings. More studies may look into the impact of innovation: how AI and big data influence customer behavior and promotion effectiveness within those markets.

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