



EFFECTIVENESS OF MARKETING PRACTICES ADOPTED BY RURAL INTERVENTION ORGANISATIONS

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Abstract

There has been a significant shift in the focus of economic policy in India in the last few years, with issues of equitable growth getting more importance. Economist and policy makers are trying that economy should not only maintain the tempo of growth but also spread the benefits of growth to all sections of the society and geographical regions of the country. This change in approach is particularly important for the hilly regions of the country, as they constantly struggle with under development. Same circumstances are also with the hills dominated state like Uttarakhand in india. This paper focuses on the various rural intervention organizations operating in Uttarakhand which are engaged in promotion of products manufactured by various unorganised people and NGOs. This is a study of effectiveness of marketing practices adopted by rural intervention organizations in Uttarakhand The NGO's under study were AT India and HARC .The areas of study were selected districts of Uttarakhand Garhwal where the NGO's are currently operational. The marketing effectiveness has four dimensions; corporate, competitive, customers and exogenous factors. The study has shown the five factors driving the level of marketing effectiveness that marketer can achieve are marketing strategy, marketing creative, marketing execution ,marketing infrastructure and external factors like seasonality, interest or the regulatory environment which can help marketers to improve their marketing effectiveness.

Keywords: Marketing Infrastructure; Marketing Strategy; Regulatory Environment; Seasonality

1. Introduction

Economists and policy makers worldwide are stressing not only on the maintenance of pace of economy but the focus has now been shifted towards spreading of benefits of growth equally to all sections and geographical regions of the society. In case of country like India which is having huge variations in terms of geography, culture and beliefs. Such change in approach is required in order to boost the economy and to bring the progress and development uniformly in all regions and areas. The change in approach is

particularly important for the hilly regions of the country, as they constantly struggle with under development. Further with more than three-fourths of its total population (78%) dependent on agriculture for livelihood, the economy of Uttarakhand region is predominantly dependent on agriculture. However, the scope for agriculture policies based on modern input-intensive agriculture has several constraints in hilly region due to various physical, geographical, and environmental problems. This has resulted in majority of the rural population in the hills either surviving on subsistence or migrating to other parts of the country for employment. In the face of such economic backwardness in the rural mountainous areas, non-governmental organizations can play an important role by adopting effective marketing policies and practices for marketing of different agro and craft products and giving an opportunity to population for generating remunerative livelihoods at their own. Many government and non-government organizations are operating in the rural regions with the objective of uplifting the livelihood of rural people, spreading awareness, promotion of Regional co-operation and community development. It is evident that the rural areas have vast potential in production of local products and services. The potential will remain untapped if these lack proper information and distribution. In order to strengthen their marketability, the marketing practices should be carefully adopted as the rural areas are characterized by geographic constraints (accessibility, hilly terrains), climatic constraints. Marketing by an NGO means usually means attracting human and capital resources. NGO's today use various marketing principles and techniques to influence a target audience to voluntarily accept, reject, modify or abandon a behavior for the benefit of individual, groups or society as a whole while in other terms we can say marketing focuses on the satisfaction of customer needs, wants and requirements. The philosophy of marketing needs to be owned by everyone from within the organization and future needs have to be identified and anticipated.

2. Objectives of the Study

Researchers from different regions had identified marketing policies and practices adopted by various public and private sector organizations. This study draws an attention towards the effectiveness of marketing policies and practices adopted by rural interventions organizations in the Uttarakhand as they are performing in the state for the last many years withdrawing significant monetary funds from the state and central government. For effective marketing practices an organization has to understand different marketing policies which itself are complex one with multiple trajectories by which an organization engaged in the marketing of products can reach to its ultimate goal. The proposed study will also examine the fruitfulness of different NGO'S in the state and policy priorities that can enable the state to achieve inclusive growth.

3. The Region under Study: Uttarakhand

Uttarakhand is a small state located in north of India. But, in spite of being a small state, Uttarakhand has certain key features that make it distinct from other states of the country and highlights its potential for development. However, development has predominantly been in the plains, and the hill districts have been left behind, in our study we will pay more attention on the effectiveness of marketing policies adopted by rural development organizations in hilly areas. All the hill districts have subsistence farming as their main economic activity. Due to subsistence livelihood, migration and a remittance economy Operate in the hill districts. They are land-locked with huge distances between the markets and resources, because of these constraints, traditional agriculture cannot be the lead sector for development. Thus the state faces the challenge of promoting Livelihoods to minimize migration through local employment and income generation, and to enhance the quality of life of people living in villages. Different rural interventions

organizations who are working for increasing the livelihoods of villagers through infrastructure development, tourism promotion, agriculture diversification, poultry wool-based livelihoods, forestry, fishery, mining, handicrafts are important sectors which can play a significant role in Uttarakhand's economy not only in providing employment to a vast segment of craft persons in rural and urban areas but also in terms of generating substantial foreign exchange for the country.

The problem which is faced by this field is non availability of a developed market; NGOs can do this thing in a better way by designing a proper marketing mix of Product, Price, Place, and Promotion for them. This will enable the artisans to achieve better returns for their product besides creating productive employment in rural areas. However, villagers and rural population is not that much, literate and mainly comes from remote and rural areas do not get adequate opportunities to access the domestic /international high end markets. To enhance their access rural interventions organization can implement marketing support & services schemes for domestic marketing and export promotion scheme for international marketing, by domestic Marketing, International Marketing, and Publicity.

Table 1: Major Activities of NGO's

S.No	Programmes	Activities	
		HARC	ATI
1	Agricultural programmes	Technical Support for production of high quality agricultural goods Distribution of Planting Materials	Distribution of Planting Materials Distribution of sericulture and bee keeping Materials
2	Community development programmes	Provides financial and insurance services to meet community needs through microfinance.	Livelihood promotion through self help and participatory development
3	Human resource development	Empowering people to take decisions regarding their progress to build a stable society.	Creation of income and employment opportunities by Conducting biological and socio-economic research and monitoring.
4	Trade and industrial promotion	Technical interventions for increasing production and promotion	Product development and production management services in the non-organized rural sector and establish linkages with main stream markets

Table 1 depicts the major activities performed by the Non Government organizations operating in the state of Uttarakhand. The activities carried out by HARC include providing of technical support for production of high quality agricultural goods and distributing planting materials whereas, ATI is engaged in distribution of planting materials and distribution of sericulture and bee keeping materials. Regarding Community development programmes, HARC Provides financial and insurance services to meet community needs through microfinance and ATI deals with livelihood promotion through self help and participatory development. Talking about Human resource development, HARC has objective to empower people so that they can take decisions regarding their progress to build a stable society and ATI believes in Creation of income and employment opportunities by Conducting biological and socio-economic research and

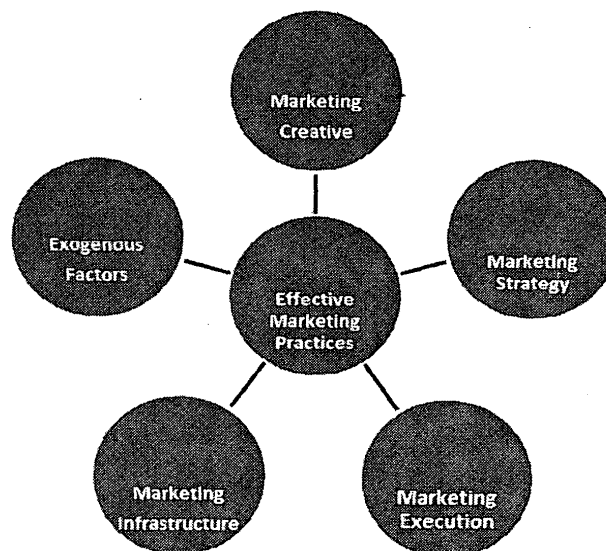
monitoring. HARC provides technical interventions for increasing production and promotion and ATI helps the rural people in product development and production management services in the non-organized rural sector and establish linkages with main stream markets.

4. Parameters of Effective Marketing

The five factors (figure 1) that drive the level of marketing effectiveness which a marketer tends to achieve are as:

- **Marketing Strategy:** Effectiveness in marketing can be achieved by adopting a superior marketing strategy. Positioning the product or brand correctly will lead to enhanced success level in the market than that of competitors'.
- **Marketing Creative:** Creativity in marketing can yield better results without changing strategy by introducing new creative concepts. New and creative concepts help an organization to increase the growth rate.
- **Marketing Execution:** Effective results can be achieved without changing the strategy or creative execution by improving the way marketers take the market. Talking at the level of marketing mix, execution can be improved by making changes in any of the 4-Ps without changing the strategic position. Also, effectiveness can be improved at programme level by managing and executing the marketing campaigns better.
- **Marketing Infrastructure** – Coordination of marketing activities, budgeting, motivation and managing agencies lead to significant gains for the company. The overall accountability for brand leadership and business results is often reflected in an organization under a title within a department.
- **Exogenous Factors** -. There are many factors outside the control of marketer like seasonality, interests or the regulatory environment. The effectiveness of marketing activities can be achieved by taking advantage of these uncontrollable factors.

Figure 1: Factors for effective implementation



5. Study Design and Methods

The respondents from various NGOs have been considered as the population for data collection in this study. The units being studied in this case has been two rural intervention organisations in Uttarakhand state only. The extent of universe in this study was especially rural and hilly areas of the state. The total sample size of the proposed study is two major NGOs, from operating in four districts of Uttarakhand from where the responses were taken for study. These regions are marked with diversity in the context of language, literacy level, customs, life styles and economic growth. This heterogeneity holds many implications to the marketers especially to those who want to study the decision making aspects of rural consumers. Therefore, the selection of these areas represents a true perspective for the proposed study.

Sample size: The total sample size was 50. 25 beneficiaries from each intervention organization were selected through proportionate random sampling procedure.

Data Collection: The data has been collected through questionnaires. A structured questionnaire has been designed to find out responses for effectiveness of marketing policies and practices adopted by rural intervention organizations in Uttarakhand. The sources of secondary data include Internet, magazines, journals and books from various concerning libraries and registrar office of NGOs in Uttarakhand.

6. Results and Discussion

AH1: There is a significant relationship between the positioning of brands and it repeated purchase by the customers.

Table 2 A: Needs and contribution

		To what extent products manufactured by NGO's contribute your total purchase					Total	
			To a great extent	To a considerable extent	To some extent	To a little extent	Not at all	
Products offered by NGO's	Strongly agree	Count	1	1	2	3	2	9
		% of Total	2.0%	2.0%	4.0%	6.0%	4.0%	18.0%
cater the needs of different segments of people	Agree	Count	1	1	1	4	2	9
		% of Total	2.0%	2.0%	2.0%	8.0%	4.0%	18.0%
	Neither agree nor disagree	Count	1	1	14	1	1	18
		% of Total	2.0%	2.0%	28.0%	2.0%	2.0%	36.0%
	Disagree	Count	0	4	2	1	1	8
		% of Total	.0%	8.0%	4.0%	2.0%	2.0%	16.0%
	Strongly disagree	Count	1	3	1	1	0	6
		% of Total	2.0%	6.0%	2.0%	2.0%	.0%	12.0%
Total		Count	4	10	20	10	6	50
		% of Total	8.0%	20.0%	40.0%	20.0%	12.0%	100.0%

Table 2 B: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.259 ^a	16	.022
Likelihood Ratio	29.101	16	.023
Linear-by-Linear Association	4.965	1	.026
N of Valid Cases	50		

a. 24 cells (96.0%) have expected count less than 5. The minimum expected count is .48.

Table 2 A shows the relationship between the positioning of brands and its impact on purchase of products. On the basis of data collected, it was found that 36% of total respondents were neither agree nor disagree that the products offered by NGO's cater the needs of different segments of people, out of these 28 % respondents responded that to some extent their purchase constitutes the products from NGO's. Similarly, 18% respondents strongly agreed that proper positioning of different products has been done by the NGO's and out of which 6% responded that to a little extent their purchase constitutes products manufactured by NGO's followed by 2% each with to a great extent and to a considerable extent and 4% each respondents with to some extent and not at all . Similarly, 18% respondents were agree followed by 16% and 12 % respondents which were disagree and strongly disagree respectively. Value of Chi square 29.259 is higher than the table value 26.296 at 5% significance level with degree of freedom 16. Hence, null hypothesis is rejected. It clearly indicates that there is a relationship between the positioning of products and its purchase by the customers.

AH2: There is a significant relationship between the advertisement of products and their quality being offered to the customers.

Table 3 A: Quality and Advertisements

		Quality of products offered by NGO's					Total	
		Excellent	Good	Average	Poor	Very Poor		
How often do you see the advertisement of products offered by NGO's	Almost	Count	0	1	2	1	0	4
	do you see always	% of Total	.0%	2.0%	4.0%	2.0%	.0%	8.0%
	Usually	Count	0	3	1	1	3	8
		% of Total	.0%	6.0%	2.0%	2.0%	6.0%	16.0%
	Sometimes	Count	2	2	8	6	1	19
		% of Total	4.0%	4.0%	16.0%	12.0%	2.0%	38.0%
	Rarely	Count	2	4	5	2	1	14
		% of Total	4.0%	8.0%	10.0%	4.0%	2.0%	28.0%
	Never	Count	0	0	4	0	1	5
		% of Total	.0%	.0%	8.0%	.0%	2.0%	10.0%
	Total	Count	4	10	20	10	6	50
		% of Total	8.0%	20.0%	40.0%	20.0%	12.0%	100.0%

Table 3B: Chi-Square Tests of the Table 3A

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.396 ^a	16	.301
Likelihood Ratio	20.534	16	.197
Linear-by-Linear Association	.312	1	.577
N of Valid Cases	50		

a. 23 cells (92.0%) have expected count less than 5. The minimum expected count is .32.

Table 3 A demonstrates the relationship between the advertisement of products and their quality offered. 38% of total respondents responded that they sometime come across advertisements of products offered by NGO's and out of them 16% rated the quality of products as average followed by 12% of respondents which rated it as poor. 28% of total respondents rarely come across advertisements of products offered by NGO's and out of them, 10% rated product quality as average followed by 8% people which rated it as good followed by 4% which rated it as excellent. Similarly, 16% responded usually, 10% never and 8% as almost always. Further, the value of Chi square 18.396 is lower than the calculated value with 5% significance level with degree of freedom 16. Hence null hypothesis is accepted. It clearly shows that the quality of products offered does not depend upon its advertisements.

7. Conclusion

The study indicated towards a relationship between brand positioning and its purchase. The more properly the brands are positioned, the more will be the purchase by the customers. In case of NGO manufactured products, they have low variety of products with limited number of product users. Hence it is evident that the product positioning (which is a component of effective marketing practices) in case of NGO's marketed products is satisfactory and hence adds to its effective marketing practices. The study also reflected that the quality of products is not dependent upon the extent of advertisement. It also highlighted that the NGO's have a limited amount of resources available to advertise their products because of various constraints. Although, there are limited marketing sources available in remote areas, but still the NGO's are doing well with their marketing campaigns and are engaged in manufacturing of quality products from local resources which enhances its effectiveness. So, it can be stated that the major achievement of these rural intervention organizations are their utilization of available resources to the fullest in each front. These institutions have performed well not only in the region but are also trying to come up on national level with their offerings. These organisations are now offering their products in new and innovative packages in order to make their presence felt in the market. These intervention organisations are working to improve the supply chain and are also trying to find various ways of marketing their products like promotion of product in the rural market or by organizing buyers and sellers meets frequently. More and more people have now started taking benefits from these organisations' practices and its still counting. But still these organisations have a long way to go in terms of promotion of their products into the big Indian market.

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