



Positioning Strategies in Rural Retailing: A Comparative Study of National and Local Brands

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ABSTRACT

This research delves into the positioning tactics used by both national and local companies in rural retail, drawing attention to the specific characteristics of these types of marketplaces. Research finds important aspects impacting brand choice, including price sensitivity, cultural relevance, and community participation, by examining consumer preferences and brand perceptions via surveys. The results show that local companies have a stronger connection with rural customers because they understand the culture and requirements of the area, in contrast to national brands that rely on their well-known reputations. As a resource for future strategy, this article highlights the significance of customized marketing tactics for firms targeting rural retail settings.

Keywords: Rural Retailing, Positioning Strategies, National Brands, Local Brands, Consumer Behavior.

I. INTRODUCTION

For companies aiming to broaden their customer base in India and other emerging nations, rural retailing has become an important focus. For a long time, stores have focused on city markets, ignoring the huge untapped potential in rural regions. A large section of the population lives in rural areas, therefore it's crucial for companies that want to succeed in these areas to understand what makes rural customers tick. Different cultural and social standards, lesser buying power, and a lack of access to contemporary retail formats are some of the unique difficulties faced by rural markets. But they also provide chances for expansion, since these markets are becoming more accessible thanks to better infrastructure and the widespread use of new technologies.

The significance of rural markets has been acknowledged by major companies in recent years, and they have been spending more and more in specific initiatives to attract customers from this area. These companies use their well-known names, extensive networks, and skilled marketers to attract customers in rural areas and earn their loyalty. Nevertheless, local brands often possess an inherent edge in these areas because of their profound familiarity with the local culture, customer habits, and community dynamics. Affordable and easily accessible goods and services are usually the top priorities for local businesses, and these companies generally cater to the unique demands and tastes of rural customers. Because of this, the environment is complicated, with both national and local firms vying for the allegiance of consumers.

In an effort to better understand what drives customer choices and how they see brands, this research looks at how both national and local companies present themselves in rural retail settings. This study aims to provide a thorough picture of how brands may successfully traverse the rural retail environment by evaluating the methods taken by both kinds of companies. If we want to create marketing strategies that connect with rural customers, we need to know how national and local companies stack up in this situation.

This research aims, among other things, to analyze and contrast customer behavior in urban and rural marketplaces. Rural customers' distinct buying habits are shaped by their socioeconomic status, cultural beliefs, and the connections they have within their communities. In rural places, for example, where word-of-mouth and personal connections matter more than ever before, brand loyalty might be stronger. Value for money and price sensitivity are more important to rural customers since they tend to prioritize necessities over luxuries.

The study will examine into the positioning techniques used by both national and local companies, in addition to customer behavior. Brands on a national level often use extensive advertising campaigns that target customers via digital and mass media channels. Aspirational ideals may be appealed to via marketing

communications that highlight the brand's legacy, quality, and status. Local firms, on the other hand, are more likely to use community-based promotions, support local events, and highlight their dedication to social responsibility as part of their localized marketing strategy. Local companies are positioned as more approachable and relevant via these techniques, which also help customers feel more connected and trustworthy.

Brand identity and customer perception are other issues that are brought up by the interaction of national and local brands in rural commerce. Overcoming the idea that national brands are divorced from the local community may be a problem. Their attempts to cultivate brand loyalty among rural customers, who value local relationships, may be thwarted by this distance. However, national companies may have an advantage in size and name recognition, making it difficult for small businesses to compete. How these two kinds of brands interact with one another and compete in rural areas is the complex question that this study seeks to answer.

Throughout its development, this project will collect data from rural customers in different parts of the country using both qualitative and quantitative techniques. In order to gauge customer tastes, shopping habits, and opinions about the brand, surveys will be sent. For the purpose of identifying successful positioning strategies, we will also examine case studies of nationally and locally successful brands in rural commerce. The results will add to what is already known about rural marketing and have real-world consequences for companies trying to break into these areas.

By contrasting national and local brands, this study hopes to illuminate rural retailers' positioning efforts. For companies aiming to succeed in this varied and dynamic environment, it is crucial to comprehend the specific difficulties and possibilities offered by rural markets. Marketing choices and brand success in rural retailing environments may be informed by this study's exploration of the elements affecting customer preferences and the efficacy of different branding methods. The study will ultimately show how important it is to reach rural customers with personalized marketing campaigns that speak to their unique wants and requirements. This will help underdeveloped areas flourish sustainably.

II. LITERATURE REVIEW

Van, Doan et al., (2023) A number of other major companies have sway in the electronics business, making it a cutthroat field. Consequently, in order to traverse their consumer base, smaller businesses must understand the market growth methods. Managers need to have a firm grasp of their target demographic and the products they frequently purchase in order to craft effective advertising and marketing campaigns for electronics chain stores. Consequently, a proliferation of electronics brands is taking place in Vietnam, each providing a unique set of goods and services. It is clear that major corporations control the majority of the electronics supply chains. When developing a plan to enter the electronics chain industry, smaller businesses must first understand the competitive market characteristics, their target consumers, their wants and requirements, and the origins of these elements.

Fayvishenko, Diana. (2018) In this post, we will go over what we mean when we talk about positioning, how to create a positional scheme, and the principles that should guide the success of brand positioning initiatives. Executed gnoseological, analytical, synthesical, logical, and comparative analysis in accordance with systemic principles. The following are some of the key takeaways from studies on effective brand development and positioning strategies: first, that brands need to establish their unique identities in the minds of consumers in order to establish a positive association with them and a lasting impression of the brand in the marketplace.

Fred, et al., (2015) The study's overarching goal is to catalog the promotional approaches used by rural merchants in the Salem area. Ten years ago, corporations did not emphasize the rural market because of its lack of structure. Innovative methods and advertising campaigns were nonexistent. Although weak, a distribution mechanism was in place. The low level of awareness and the limited accessibility of items among the peasants were also caused by their lack of education and technology. Over time, business came to the realization that although the urban market was saturated, highly competitive, and cluttered, the rural sector was seeing a growing need. They began to concentrate on these underdeveloped, promising regions after realizing the enormous potential of the 70% of Indians living in rural areas. There are 5,70,000 villages in India, and agriculture accounts for roughly 60% of rural income. This has led to the proliferation of stores selling a wide variety of goods in almost every town. Marketing in rural areas requires targeted approaches to each of the four Ps of the marketing mix—Product, Price, Place, and Promotions—in order to entice consumers. The product itself may need to be adjusted to accommodate the unique characteristics of the target demographic; the pricing strategy must be meticulously considered, as consumers in rural areas tend to spend less on consumer goods than those in urban areas; the optimal location must be determined to ensure easy accessibility; and effective marketing must be implemented to boost sales.

Manhas, Parikshat Singh. (2010) Using a comparison of conative and cognitive perceptions, this paper examines the market position of a rival set of hair oil products. A factor analytic adaptation of significance performance analysis will be used to trail in order to identify cognition. Conation will then be measured by the customers' declared desire to buy the hair oil products that are part of the research. A brand's dominant position in the hair oil industry may be determined by aligning the findings from these strategies. In today's cutthroat business climate, it's crucial for marketers to know which brand traits customers value most so they can position their products effectively. Modern marketers have the daunting task of narrowing their broad and

multi-attributed brand range down to a manageable number of brands that may be built to separate themselves meaningfully from customers. This positioning analysis approach gives a realistic strategy to do just that.

III. RESEARCH METHODOLOGY

The positioning strategies of national and local brands in rural retailing are investigated in this study using a mixed-methods research technique. For a complete picture of customer tastes and opinions of brands, data collecting uses quantitative and qualitative methods. A random sample of 500 rural customers from different locations will be surveyed to find out what brands they like, how they shop, and what variables impact their choices. Furthermore, in order to get qualitative insights into the tactics used by both national and local brands, we will be conducting in-depth interviews with important stakeholders such as brand managers and merchants. To better understand the intricacies of consumer behavior in rural marketplaces, we will use statistical tools to discover patterns and correlations, and we will supplement this with thematic analysis of qualitative replies. The overarching goal of this methodology is to provide light on the relationship between brand perception, customer choice, and positioning tactics in rural retail settings.

IV. RESULT AND DISCUSSION

According to the findings, rural customers are more drawn to local businesses because of their cultural relevance and active participation in the community, but national companies stand out for their availability and brand loyalty. Findings from this research stress the significance of developing rural consumers-specific marketing plans to better position brands in the minds of these people.

Table 1 gender of the respondent

Particular	Frequency	Percentage
Male	120	60%
female	80	40%
Total	200	100%

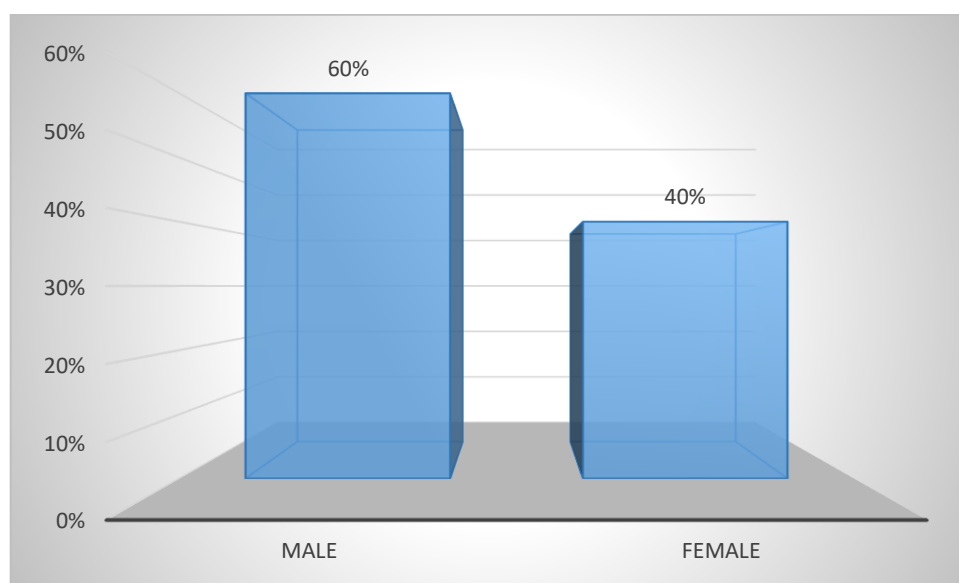
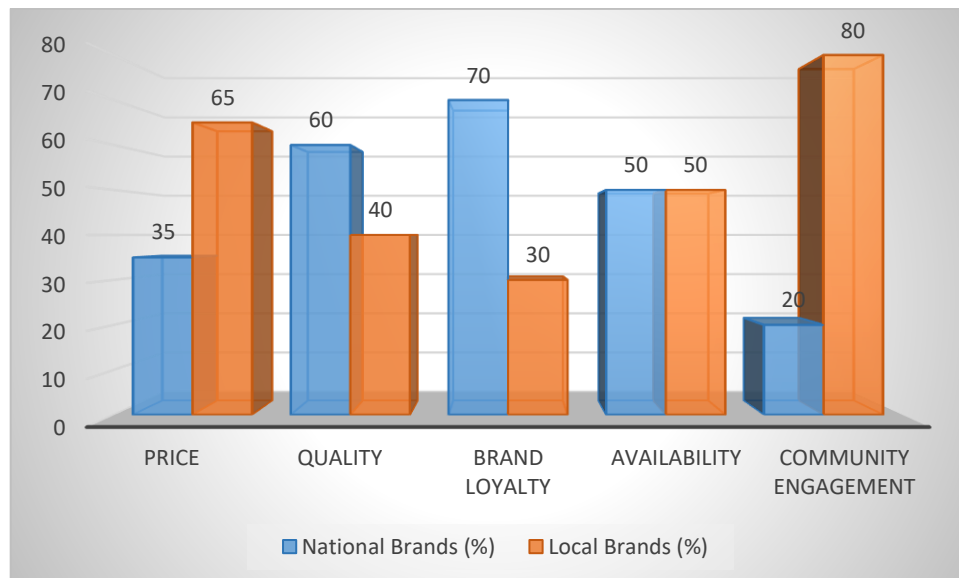


Figure 1 gender of the respondent

From a total of 200 participants, the table shows that 60% are male and 40% are female, representing the study's gender distribution. Based on this distribution, it seems that the study was conducted with a larger number of male respondents. Since gender may impact buying choices and brand impressions in rural commerce, such demographic data is essential for comprehending customer behavior and preferences. Brands should take into account these demographic aspects when creating focused marketing strategies to engage both genders in rural regions, since the preponderance of male responders might be a reflection of the social dynamics inside these areas.

Table 2: Consumer Preferences for National vs. Local Brands

Factor	National Brands (%)	Local Brands (%)
Price	35	65
Quality	60	40
Brand Loyalty	70	30
Availability	50	50
Community Engagement	20	80

**Figure 2: Consumer Preferences for National vs. Local Brands**

Differences in customer choice between national and local brands may teach us a lot about how to position our products. According to price sensitivity, local brands are highly preferred by 65% of respondents due to their affordability, whereas national brands are preferred by 35%. On the other hand, when it comes to perceived quality, 60% of customers say that national brands are better. The fact that 70% of consumers are loyal to national brands speaks volumes about their standing in the industry. Fascinatingly, the availability rate is 50%, indicating that both brands are equally accessible to customers. Eighty percent of those who took the survey said they favor local companies because of the personal connection they feel with them. This highlights the vital significance of community involvement. While recognizing the value that national brands provide via loyalty and quality, these findings highlight the significance of local relevance and competitive pricing for firms looking to compete in rural regions.

V.CONCLUSION

This research highlights the fact that when it comes to rural shopping, national and local companies use quite different positioning methods. A local brand's strength lies in its cultural relevance and community relationships, in contrast to the widespread recognition and larger distribution enjoyed by national companies. Brands need to develop targeted marketing strategies to thrive in rural marketplaces, according to the results, which emphasize the need of knowing rural consumers' habits and preferences. National and local companies alike may gain an edge in neglected regions by tapping into local knowledge and encouraging community involvement to build relationships with rural customers and attract their business.

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