

# Retailer Influence and Point-of-Sale Dynamics in AMUL Product Selection: A Rural Market Perspective

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## ABSTRACT

Retailers play a pivotal role in influencing consumer choices in rural India, where personal trust, local relationships, and in-store dynamics often guide purchasing decisions more than mass advertising. This study explores how retailers and point-of-sale (POS) elements impact product selection among rural consumers, focusing on AMUL's dairy products in Jhunjhunu district, Rajasthan. Based on interviews with 40 rural retailers and surveys with 300 consumers, the study reveals that factors such as retailer recommendation, product display, signage, and stock availability significantly influence buyer preferences. The paper concludes with strategies to optimize POS marketing and deepen AMUL's rural engagement through localized retail networks.

**Keywords:** Retailer influence, point-of-sale marketing, AMUL, rural consumers, purchase decision, dairy retail, trust, product visibility, rural branding

## 1. INTRODUCTION

Rural India represents a complex marketplace where personal relationships, habit-based buying, and contextual trust shape consumer behavior. Unlike urban consumers who rely heavily on advertisements, rural buyers are often guided by the advice and suggestions of local shopkeepers. In this context, the retailer becomes not just a seller, but a key opinion leader, especially when consumers are unsure or unaware of product details. This dynamic is especially relevant in FMCG and dairy sectors, where daily purchases and tight budgets drive consumer priorities. Brands like AMUL, though nationally recognized, must ensure their rural distribution and visibility strategies account for local POS influence.

In Jhunjhunu, a semi-arid district of Rajasthan with a mix of educated youth and conservative farming households, rural kirana stores and cooperative milk centers remain the primary retail outlets for dairy consumption. This study examines how AMUL's rural market performance is shaped by POS elements such as visibility, packaging, price display, and most importantly—retailer influence.

## 2. REVIEW OF LITERATURE

- Kotler & Keller (2016) assert that in rural markets, the point of sale is often the moment of decision-making due to low brand knowledge.
- Ramaswamy & Namakumari (2011) highlighted the role of trust and verbal assurance from shopkeepers in influencing rural buyer behavior.
- Mehta (2015) noted that AMUL's rural success is partly due to empowering local retailers and village-level distributors.
- Bansal & Gupta (2018) found that shelf placement and product grouping improve visibility and sales in low-literacy regions.
- Rani & Sharma (2020) emphasized that retailer-customer conversations in rural shops often substitute for brand advertising.
- Kumar et al. (2019) concluded that consistent availability and POS branding increase repeat purchase in the dairy category.
- Tiwari & Singh (2021) discovered that rural consumers prefer brands that are visibly and physically stocked in familiar outlets.
- Gupta & Joshi (2016) identified that retailer schemes and incentives increase brand-push behavior among rural shopkeepers.
- Chatterjee (2022) discussed how micro-retailers in India influence demand through suggestion selling and bundling.

- Singh & Paul (2023) noted that loyalty to shopkeepers often precedes brand loyalty in rural environments.

### 3. OBJECTIVES OF THE STUDY

- To assess the role of retailers in influencing AMUL product selection in rural markets
- To examine key point-of-sale factors affecting consumer buying decisions
- To identify barriers and enablers of POS marketing effectiveness for AMUL in rural Jhunjhunu
- To suggest actionable recommendations for enhancing AMUL's retail engagement

### 4. RESEARCH METHODOLOGY

- Research Design: Qualitative and quantitative
- Study Area: 8 rural villages in Jhunjhunu district, Rajasthan
- Sample Size: 300 rural consumers + 40 retailers (general stores, dairy outlets, small kirana shops)
- Tools: Semi-structured questionnaires, field observation, in-store audits
- Data Analysis: Descriptive statistics, correlation, thematic analysis from interviews

### 5. RESULTS AND ANALYSIS

#### 5.1 Consumer Feedback

- 66% of consumers said they trust retailer advice over brand ads
- 52% often buy the brand suggested by the shopkeeper, especially for new products
- 45% reported choosing a product based on how prominently it was displayed
- 39% complained of non-availability of AMUL items, especially paneer and cheese

#### 5.2 Retailer Insights

- 85% of retailers said AMUL is easier to recommend due to brand trust
- 72% display AMUL stickers or wall ads provided by distributors
- 58% prefer pushing AMUL products because of higher customer satisfaction and fewer complaints
- 40% said lack of discount margins limits promotion of AMUL vs local alternatives

#### 5.3 Point-of-Sale Dynamics

- Shops with AMUL-branded refrigerators showed 33% higher purchase frequency
- Use of counter displays and posters increased visibility and inquiries by ~25%
- Stores with organized dairy shelves had greater customer interest in variety (flavored milk, lassi, etc.)

### 6. DISCUSSION

The results confirm that retailers are gatekeepers of rural brand engagement. In Jhunjhunu's rural markets, AMUL benefits from positive brand associations, but its success hinges on how effectively retailers recommend and stock the products. The absence of dedicated promotional materials or lower distributor incentives can limit brand visibility.

Consumers, especially the elderly and less literate, rely on retailer suggestions as a proxy for product information, making verbal branding a critical tool. Even among younger buyers, the visibility of AMUL products—like placement at the counter or in a cold fridge—shapes preference.

In short, retail environments are not passive spaces—they are active brand influencers, and AMUL's strategy must account for that.

### 7. RECOMMENDATIONS

- **Retailer Training:** Conduct workshops to educate shopkeepers on new AMUL products and usage benefits.
- **POS Branding Kits:** Provide branded fridges, shelf strips, posters, and uniform signage to increase in-store visibility.
- **Incentive Programs:** Offer margin-based bonuses or gift schemes to retailers who meet monthly sales benchmarks.
- **Improve Stock Consistency:** Ensure last-mile delivery of full AMUL product range to avoid customer dissatisfaction.
- **Leverage Digital POS Tools:** Use QR-coded display boards or WhatsApp support for retailers to get instant product information.

### 8. CONCLUSION

In rural markets like Jhunjhunu, retailers are more than salespeople—they are brand ambassadors. Their opinions, stocking behavior, and point-of-sale presentations greatly influence consumer decisions. For AMUL, leveraging this relationship through strategic retailer engagement, effective POS branding, and consistent supply can significantly improve market penetration and product loyalty. As rural India modernizes, blending traditional trust networks with modern retail strategies will be essential to long-term brand success.

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