

A Study on the Importance of Marketing Mix and Promotional Mix at M/S Primary Agricultural Co-Operative Credit Society

AUTHOR NAME : **KEERTHI. M**

UNDER THE GUIDENCE OF **Ms.S.JEEJA** ASSISTANTPROFESSOR

DEPARTMENT OF MANAGEMENT STUDIES, MANAKULA VINAYAGAR INSTITUTE OF TECHNOLOGY

ABSTRACT

Primary Agricultural Co-operative Credit Societies(PACCS) act as a fundamental element of the rural financial system in India. Their main goal is to offer crucial credit options and assistance to small-scale farmers. Nevertheless, in spite of their notable impact on rural advancement, numerous PACCS encounter obstacles such as poor visibility, restricted outreach, and insufficient member engagement. In the current evolving rural economy, adopting a robust marketing and promotional approach has become essential for maintaining the relevance, sustainability, and effectiveness of PACCS.

The marketing mix includes important components such as product, price, place, promotion, people, process, and physical evidence. This strategic model allows PACCS to customize their financial and non-financial offerings to cater to the distinct requirements of rural populations. By adjusting pricing methods, optimizing service location, and refining processes, PACCS can improve operational effectiveness and increase customer satisfaction.

In addition to the marketing mix, the promotional mix is equally vital for PACCS, encompassing advertising, personal selling, public relations, sales promotions, and digital marketing. Successful promotional tactics not only increase awareness among rural communities but also inform them about the services offered, building trust within the community. These initiatives can draw in new members, expand the customer base, and enhance the society's public image.

INTRODUCTION

Primary Agricultural Cooperative Credit Societies (PACS) serve as the cornerstone of India's cooperative credit system. Functioning at the village level, PACS are community-operated financial entities that offer affordable credit, savings, and agricultural support services to farmers, rural families, and small business owners.

In contrast to commercial banks, PACS represent trust, social connections, and easy access. They are frequently the initial point of contact for institutional financing for small and marginal farmers, who would otherwise rely on moneylenders.

However, in the current evolving rural economy—facing increasing competition from banks, microfinance institutions, and digital finance applications—PACS must enhance their significance. This is where the Marketing Mix (7Ps) and the Promotional Mix play a crucial role, assisting PACS in better serving their members, communicating effectively, and upholding strong community trust.

The promotional mix emphasizes how PACS cultivate awareness, trust, and enduring relationships with their members:

Advertising & Awareness: Utilizing posters in local markets, wall murals, or community radio broad casts can effectively disseminate information about new schemes in a manner that resonates with farmers and residents of rural areas.

Personal Selling: PACS personnel engaging directly with farmers in fields or during village gatherings fosters a personal connection. A handshake accompanied by a clear explanation in the local dialect often proves more effective than a formal announcement.

Public Relations: Hosting farmer melas, training sessions, or celebrating the achievements of farmers enhances the perception of PACS as collaborative partners in development.

Sales Promotion: Offering small incentives such as reduced processing fees for early repayments or discounts on seeds acquired through PACS can encourage timely engagement.

When implemented with empathy, the promotional mix guarantees that members feel included, informed, and appreciated, not merely as customers, but as integral members of a collective community.

OBJECTIVES OF THE STUDY

To evaluate the awareness of rural communities regarding the services offered by PACCS

- To pin point the advantages and disadvantages of the marketing mix
- To investigate how improved promotion might enhance community participation
- To examine the impact of promotional and marketing initiatives on trust and credibility
- To contribute to the broader goal of rural development set forth by the Government of India

REVIEW OF LITERATURE

1) Sujith, T.S. & Sumathy, M. (2019)—Kerala PACS & Member Satisfaction Focus/Setting: Kerala PACS; service quality driver so satisfaction.

Core Findings (from abstract cues): Satisfaction is strongly tied to staff responsiveness, grievance redressal, and perceived service reliability.

Implications: Elevate People (training, empathy scripts) and Process (queue, complaint TATs). Use Promotion to communicate grievance channels; reinforce Physical Evidence (noticeboards, service charters) to signal accountability.

2) Shinde, H.R. et al. (2020)—PAC Sin Kolhapur Focus/Setting: Performance re-view of PACS (Kolhapur).

Core Findings: Credit outreach and recovery performance are central; product/loan mix breadth and geographical presence matter.

Implications: Optimize Product (crop/gold/SHG/working-capital mix) and Place (hamlet-level camps, mobile counters).

Promotion: seasonal campaigns around cropping cycles; recovery education drives.

3) Dongre, Y. & Narayana Swamy (1999)—Performance Model for PACS

Focus/Setting: Financial performance evaluation frame work.

Core Findings: Financial prudence is pivotal for resilience and member confidence.

Implications: Align Price (interest, fees, rebates) to risk tiers; codify Process for appraisal and monitoring. Promotion: communicate transparent pricing to build trust.

RESEARCH:

Research is a systematic, organized, and scientific process of finding solutions to problems or discovering new facts, relationships, and principles. It is essentially a quest for knowledge, carried out using defined methods and logic.

RESEARCH METHODOLOGY

Research methodology is the overall strategy and approach used to conduct research. It explains the logic, philosophy, and process behind how research is carried out — including methods of data collection, tools, analysis, and reasoning

DESCRIPTIVE RESEARCH DESIGN (DRD)

Descriptive Research Design is a type of research design that is used to systematically describe phenomena on, population, or situation. It does not focus on explaining why something happens (cause-and-effect), but rather on answering “what is happening?” and “how it is happening?”

**DATA ANALYSIS AND INTERPRETATION
WEIGHTED AVERAGE METHOD**

The Weighted Average Method is a statistical tool used in research to calculate an average where different values (data points) have different levels of importance or significance. Instead of giving equal importance to all data points, this method assigns weights to each value based on how relevant, frequent, or critical it is in the context of the study. For example in the rank of 1 to 5 and commonly known as weights.

FORMULA,

$$\text{Weighted Average} = \frac{\sum(w_i \cdot x_i)}{\sum w_i}$$

MARKETING MIX	HIGHLY SATISFIED	SATISFIED	NEUTRAL	DISSATISFIED	HIGHLY DISSATISFIED	TOTAL WEIGHTS
PRODUCT	50	204	132	14	0	400
PRICE	50	148	174	14	0	386
PLACE	15	156	123	58	0	352
PROMOTION	110	280	57	2	0	449

RESULT:

FACTORS	TOTAL WEIGHTS	RANKS
PRODUCT	400	2
PRICE	386	3
PLACE	352	4
PROMOTION	449	1

INFERENCE:

It is noted from weighted average method that respondents rank first place to promotion and last rank of the place among the 4p's of marketing mix.

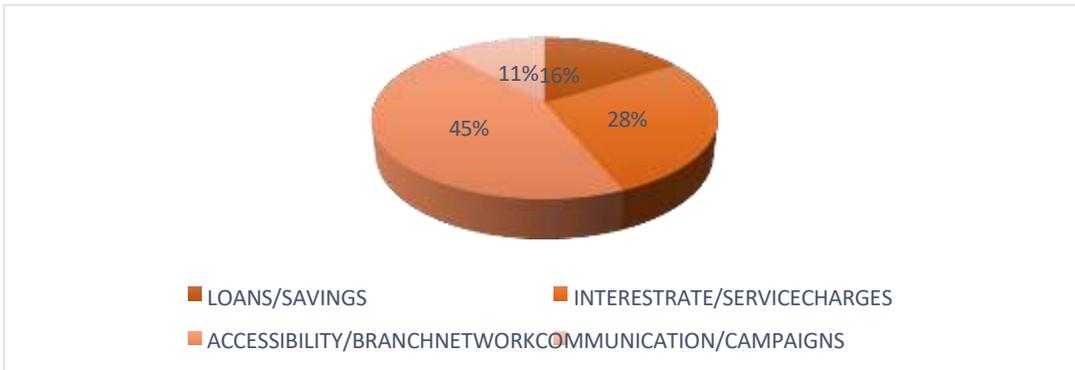
By applying weighted average method it is found that the respondents rank second place to "product" and third rank "price".

PERCENTAGE METHOD

ELEMENTS SHOULD PRIORITISE FOR MEMBER'S SATISFACTION

OPTIONS	NO. OF RESPONDENTS	PERCENTAGE
LOANS/SAVINGS	18	16%
INTEREST RATE/SERVICE CHARGES	31	28%
ACCESSIBILITY/BRANCH NETWORK	50	45%
COMMUNICATION/CAMPAIGNS	13	12%

TOTAL	112	100%
-------	-----	------

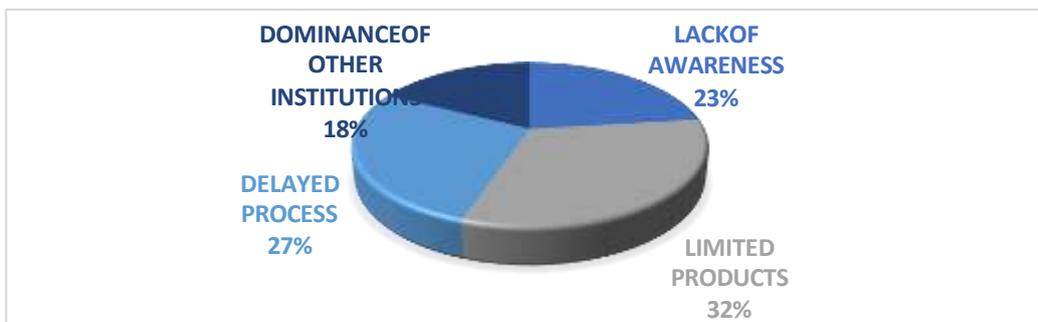


INFERENCE:

From the above table it is found that 45% of the respondents prefer accessibility and branch network and 11% prefer communication campaigns.

WHAT STOPS MEMBER’S FROM USING PACCS

OPTIONS	NO.OF RESPONDENTS	PERCENTAGE
LACK OF AWARENESS	33	29%
LIMITED PRODUCTS	46	41%
DELAYED PROCESS	39	35%
DOMINANCE OF OTHER INSTITUTIONS	25	22%
TOTAL	112	100%



INFERENCE:

From the above table it is found that 41% are not satisfied with the products availability and 22% is dominance of other institutions.

CORRELATION

CORRELATION			
WHATSTOPSMEMBERSFROM USING PACCS SERVICES?		WHATPACCSHOULDDOTOATTRACT PEOPLE?	
LACKOFAWARENESS	33	BETTERPUBLICITY	18
LIMITEDPRODUCTS	46	MODERNSERVICES	33
DELAYEDPROCESS	39	SIMPLIFYPAPER WORK	49
DOMINANCEOF OTHERINSTITUTIONS	25	MORECOMMUNITYEVENTS	12

CORRELATIONCO-EFFICIENT	0.7200839
-------------------------	-----------

RESULT: R=0.7200839 From the SPSS output generated, the correlation Value is 0.720039 and the significance value is less than 1. So, the null hypothesis is rejected.

INFERENCE:

Hence, it is strongly correlated. Thus, there is significant relationship between the services which stops PACCS members in using them and what they do to attract more people.

KEY FINDINGS

1. Product Diversification Fosters Trust and Loyalty

PACS that go beyond conventional agricultural loans to provide crop insurance, farm inputs, savings programs, and rural development loans draw a broader member base.

Farmers perceive PACS not just as a source of credit but as a "comprehensive service center," which boosts loyalty and diminishes reliance on private moneylenders.

A clearly articulated product strategy guarantees that PACS stays pertinent to both agricultural and non-agricultural rural households.

2. Pricing Transparency Boosts Member Confidence

Clear interest rates, lower processing fees, and repayment terms favorable to farmers services significant competitive advantages for PACS.

In contrast to private financiers, PACS pricing strategies are community-focused rather than profit-driven, thereby enhancing trust.

Farmers are more likely to opt for PACS over alternative credit sources when they view pricing as equitable and adaptable.

3. Place Strategy Enhances Rural Reach

PACS functions directly within villages, providing easier access compared to commercial banks situated in urban areas.

A localized presence minimizes travel expenses, reduces paperwork challenges, and saves time for farmers.

The "proximity advantage" is a vital component of the marketing strategy, as members prioritize accessibility over luxurious amenities.

4. Promotion Boosts Awareness and Engagement

Knowledge about loan products, subsidies, and government initiatives often remains limited among farmers.

PACS that implement creative promotional tactics—such as farmer gatherings, local fairs, street performances, and digital awareness initiatives—can effectively reach even illiterate and marginalized farmers.

CONCLUSION:

The research focused on enhancing the marketing and promotional strategies within PACCS emphasizes the strong link between customer awareness and satisfaction. Initially, the launch of innovative bundled products not only expands the service offerings but also inherently raises awareness by demonstrating to members that PACCS is more than merely a credit provider. Furthermore, clear pricing policies, conveyed through digital displays, SMS, and WhatsApp, are crucial in fostering trust and enhancing satisfaction, as farmers feel informed and valued. Additionally, the local availability of services—via village counters, kiosks, and mobile banking vans—ensures that even the most isolated members are aware of their choices while benefiting from the convenience that enhances satisfaction. Moreover, the integration of effective promotional tactics with well-trained, customer-focused staff fortifies the emotional and functional bond between PACCS and its members, rendering awareness initiatives more effective. Lastly, the digital integration through applications, SMS notifications, and WhatsApp groups boosts both awareness and satisfaction, as members receive real-time updates and improved service experiences.