

Consumer Behaviour in Rural Markets

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ABSTRACT: Rural marketing is the process of developing, pricing, promoting and distributing rural specific products and services leading to consumer satisfaction and achievement of organizational objectives.^[1] It aims to improve standard of living of rural consumers by providing them greater awareness and accessibility to new products and services.

There were four phases of rural marketing:^[2]

Phase I (before the mid-1960s): Before the mid-1960s, rural marketing focused on agricultural products (such as food grains) and industrial inputs (such as cotton and sugarcane), while excluding heavy and durable products such as tractors, electric motors, and harvesters.^[2]

Phase II (mid 1960s-mid 1990s): During this period, it was influenced by Green Revolution, which enabled rural areas to have better irrigation facilities, high yielding seeds, soil testing, and application of implements such as power tillers and harvesters.^[2]

Phase III (after the mid-1990s): In the 1980s, the industrial sector of many developing countries like India became increasingly important and its contribution to Gross National Product increased substantially. After the Indian economic reforms of 1991-1992 competition in rural markets increased significantly.^[2]

Phase IV (around 2015): This phase marks the emergence of the global market. Globalization resulted in factors such as the information revolution, creation of appropriate technology, increasing urbanization promoted by greater focus on cities leading to the development of rural markets.^[2]

KEYWORDS: Rural, Markets, Consumer, Behavior, Globalization, Urbanization, Phase, Revolution

I.INTRODUCTION

Because rural markets are in high demand, a range of different businesses are looking to them for growth support. A marketing mix framework focuses on delivering the right product, at the right price, using the right promotion strategy, choosing an appropriate distribution channel, and fostering long-term relationships with customers. Traditional literature in the field focused on 4P's (Product, Price, Place, and Promotion) as the drivers of marketing. Rural marketing is nowadays understood through the axes of 4As: Availability, Affordability, Acceptability, and Awareness.^[3]

Availability: In remote rural settings, providing consistent product availability is a fundamental aspect of rural marketing as rural population are known to be daily wage earners who spend money on their basic needs on a regular basis. Thus, they go for other substitute product.

- Coca-Cola has developed a hub and spoke distribution plan to reach out to villages since it sees rural India as a developing country. In order to stay full, the company receives supplies twice a week from large distributors. Distributors in these areas appoint and supply smaller distributors in their neighboring areas once a week.^[4]
- The bike manufacturer Hero Honda has introduced 'servicing on wheels' that makes it easy for consumers to service their vehicles from remote locations.^[5]

Affordability: Targeting rural consumers who are more price-sensitive, marketers introduced smaller packages at cheaper rates in order to capture their attention.^[1,2,3]

- For instance, in July 2013 UK-based companies Unilever and Mondi collaborated to develop aluminum-free, recyclable paper-based packaging for Colman's meal maker and sauces range. Packaging material made of 85% paper replaces the multi-material laminate previously used.^[6]
- In Columbia, Amcor introduced a plastic sachet for powered chocolate in June 2013. This sachet is designed so that the chocolate will be protected from atmospheric humidity. It also reduces carbon emissions by 53%.^[7]
- To grab the rural market, Hindustan Unilever launched products like Sunsilk, Head & Shoulders in sachets which are quite affordable to rural consumers.^[8]



- For the rural market, Eveready developed low-cost lanterns.^[9]
- Idea Cellular, launched Behtar Zindagi, a VAS rural areas.^[10]
- Philips introduced smokeless stove named Chulha for rural population.^[11]

Acceptability: To derive some value from the product to satisfy the need of the consumer, much emphasis is given to product design. It shows their acceptance towards the brand if the rural consumers are willing to pay more for the product.

- LG has launched a television named Sampoorna which is a customized television for the rural markets.^[12]
- Coca-Cola provided ice boxes as an alternative to refrigerators for seasonal stores.^[13]
- Philips introduced a color television range named Vardaan, a customized television for rural market which works on low voltage.^[14]

Awareness: Keeping in mind the low accessibility of the media (such as television and smartphones) among the rural population, marketers need to grab the attention of rural consumers and their focal point is to opt for that medium of communication and entertainment that are readily available in rural areas.

- Microsoft is collaborating with Chinese government to bring technology to the rural population. Microsoft provided two of six Info Wagons to small town in Luohe, Henan Province in Central China, as part of an innovative rural computing pilot programme. The high-tech buses, each with 15 students PCs and one instructor PC, will travel to remote areas around one of China's most populous provinces to function as mobile computer training centres.^[15]
- To tap the potential rural market, Hero Honda launched the 'Har Gaaon Har Angan' (every house, every village) campaign.^[16]
- At Kumbh Mela where thousands of people converge for a month, Colgate Palmolive supplied herbal toothpaste free of charge.^[17]

The initiatives undertaken by organizations

As a part of their Corporate Social Responsibility (CSR),^[18] companies operating in metropolitan markets also participate in rural development operations. Some prominent examples are:

- DuPont, an American-based company is trying to enhance the lives of 3 million farmers and their rural communities by increasing maize productivity and income through agronomic training (the field of economics concerned with the distribution, management, and productivity of land), improved inputs, and increased access to loans, markets, and grain storage. To achieve this, DuPont has established a partnership with the Government of Ethiopia and the U.S. Agency for International Development (USAID).^[19]
- The International Labour Organization (ILO) is assisting a number of countries, including Zimbabwe, to improve rural women's employment and economic empowerment, Kenya, to improve access to financial services in rural areas, and Nepal and India, to improve rural infrastructure through employment-intensive investment programmes.^[20]
- As a part of Digital India initiative, e-commerce players like Flipkart, Snapdeal, Infibeam, and mobile wallet major Paytm have signed Memoranda of Understanding (MoUs) with the government to reach rural areas by connecting with the government's common service centres (CSCs) being set up in villages.^[5,7,8]
- Godrej Good Knight's commercial emphasizes children's education by providing mosquito protection, which would otherwise distract them from their studies. With this knowledge, Good Knight Fastcard decided to introduce 'Fastcard ki Paathshaala', a voice-based education Interactive Voice Response (IVR) – that might help rural markets while also serving as an educational enabler. And, by using mobile phone, effectively bringing a classroom into their homes.^{[21][22]}
- Dabur India Limited has launched a voluntary organization- Sundesh for the development of rural areas. This programme takes into consideration the holistic approach covering various aspects like health, literacy, employment and empowerment.^[23]
- Hindustan Unilever Limited (HUL) has launched Project Shakti, a programme that helps rural women across India develop an entrepreneurial mindset and become financially self sufficient. These women entrepreneurs (known as Shakti Ammas), are trained in basic distribution management and familiarization with company's products in order to provide them with a steady income.^[24]

- Unilever took the concept a new level in Pakistan by launching Guddi Baji, a programme that trains hundreds of local women to work as beauticians from the comfort of their own homes. Unilever tackled the issue of gender inequality through this programme. Guddi Baji, which means "Good Sister", is a female community influencer programme that assists women in becoming self sufficient and gaining economic empowerment.^[25]
- Integrated Watershed Management Programme (IWMP), an initiative by Mahindra and Mahindra is a Public Private Partnership (PPP) model with Government of Madhya Pradesh in the district of Damoh. The programme is believed to solve the issue of climate change as it helps in conserving soil fertility, increasing productivity of crops, restoring ground water table, etc. along with the development of community.^[26]

II.DISCUSSION

A Rural Consumer is an end-user of the products offered in rural markets. More precisely, a rural consumer is one who buys goods & services for self-consumption, reselling or reproduction in rural areas. The rural consumer has less disposable income. Therefore, they prefer to buy less expensive products. They differ from urban consumers in respect of lifestyles and thinking. Marketers noticed a significant change in rural consumers due to the growth in:

- Disposable Income
- Education Facilities
- Media Reach
- Urban Interactions
- Reach of the marketers

Rural markets emerged as potential markets over the years. With the markets, there is growth in the consumer base possessing varied characteristics.[9,10,11]

Therefore, rural marketers analyze the consumption pattern and lifestyle of the consumer. To remain competitive, marketers try to develop rural and region-specific marketing strategies.

Hence, marketers must explore and understand rural consumers' buying habits and preferences. This is helpful in meeting the organizational marketing objectives and earning profits.

Characteristics

The user's needs and wants in the rural market are different. Thus, the rural consumer possesses distinctive characteristics from urban consumers.

Education

Consumers are less literate due to fewer educational facilities.

Marketers need such strategies which generate product awareness considering this characteristic. They can incorporate an audio-visual medium of communication in their marketing campaign.

Low-Income Levels

The income of the rural consumer has grown over the years. But still, their disposable income is spent on basic necessities. They prefer affordable products and purchase only the required quantity of goods.

Marketers must try to launch their products in small packaging and at lower rates.

Occupation

The consumption pattern of rural consumers largely depends upon their income and occupation. It is observed that the occupation of a rural consumer is framing in general.

There exist other professions as well, like service providers, technical workers, etc. The companies must launch such products in markets that satisfy all income groups.

Impact of Reference Groups

In rural areas, the consumer is often influenced by a few people. Consequently, there is a significant change in their buying behaviour.[12,13,15]

Rural marketers must plan their strategies that positively impact these influencers.

The people who may influence rural consumers may include:

1. Local Vendors
2. Teachers
3. Bank ManagersLocal Leaders
4. Health Workers, etc
5. Media Habits

People residing in rural areas are less literate, as discussed above. Thus, print media does not have much impact on rural consumers.

Companies must use those communication channels that reach consumers quickly.

Brand Loyalty

Rural consumers tend to be loyal to brands. With the development, rural consumers are well aware of the available brands.

Some brands have successfully created a strong consumer base in rural markets.

Value for Money

It is the main characteristic of rural consumers. Consumers look for quality products at justified prices. Rural marketers should try to create a sense of trust in the mind of the consumers. And offer products that deliver maximum benefits as per their value.

Types of Consumers

We can categorize users of rural areas into three categories mentioned below:

- Households: The customers who purchase products for self-consumption. The goods purchased are consumed and not used for further production. They buy products for:-
 - Family Needs
 - Personal Use
- Rural Industrial: This type of consumer buy products for reproduction. The industries procure raw materials from the market and reproduce them into a new product.
- Rural Resellers: They are the retailers of rural areas. The rural resellers don't consume the products themselves. However, they buy the products to resell them in the local markets.[17,18,19]

Myths about Consumers in Rural Areas

There are some myths about the Rural Consumer. Rural marketers need to know the real picture to develop an effective strategy.

Following are several myths related to the rural consumer:

1. Buy only low-priced products
The rural consumer seeks value for money. That doesn't mean they only buy low-priced goods. They make purchase decisions based on quality, functionality, and product availability.

2. Homogeneous consumer base
Marketers have a misconception that all rural consumers are homogeneous. But research reveals that in rural areas consumer base is diversified. Their taste and preferences differ from one another.
3. Buy whatever the companies offer to them
Consumer brand loyalty makes marketers think that consumers will buy anything they offer. But, companies must make continuous initiatives to attract and retain their consumers.
4. No brand awareness
With the increase in literacy rate and widespread use of the Internet and Broadcast media, consumers are aware of the products. Consequently, they can differentiate among various brands and products available in the market.
5. Many uses of products
It is perceived that rural consumers use a product in multiple ways. This may be an outcome of the incomplete information provided to the user about the products.
The marketer must convey the correct usage and directions for the use of the products.

The exploitation of Rural Consumers

Some marketers may even exploit innocent consumers residing in rural areas in the following ways:

- Wrong measurement of the goods.
- Undue high prices of the products are charged.
- The sale of fake and duplicate products in the rural markets.
- Misguiding consumers by giving wrong product information.
- The sale of expired medicines in the market.
- The dominance of the suppliers, producers and officials by creating groups.[20,21,22]

Rural Consumer Behaviour

In rural areas, consumers get highly influenced by internal and external forces. The rural marketing strategy widely depends upon the consumer's behaviour.

Marketers try to achieve a high level of consumer acceptance. So, they explore and understand the preferences of the consumer. Also critically examines rural consumer behaviour.

The rural consumers include:

1. Individuals
2. Groups
3. Organizations, etc

We can classify buyer behaviour according to:

- Degree of involvement while making the purchase. Also, the risk and investment associated with the product.
- The time of purchase, i.e., planned, emergency or impulse.

Factors Affecting Rural Consumer Behaviour

1. Socio-cultural factors
2. Group
3. Family
4. Role and Status
5. Sociability
6. Economic Factors
7. Political Factors

Classification of Rural Consumers based on their Behaviour



- Habitual Group
Such customers consistently buy specific products because they are completely satisfied with them.
- Cognitive Group
People belonging to this group have some selective perception, and their buying behaviour gets influenced by it.
- Emotional Group
Customers in this class are influenced by their emotional intellect. They are more focused towards the product's image and features.
- Impulsive Group
This group make purchase considering the physical attributes of the product. Thus, there is no brand query from the customer's end.
- New Group
With the growth and development of a new group has emerged over the years.

There is a huge span between the attributes of rural and urban consumers. Marketers must examine consumer behaviour to gain profitability from the rural markets. In comparison to urban areas, consumers are price sensitive yet simple. Firms can earn marvellous profits by creating a huge consumer base in rural markets.

III.RESULTS

Consumer behaviour is a study of all associated activities like buying, purchasing and selling performed by any individuals, groups and organization inside market place. There are two types of consumer living world wide like rural consumers and urban consumers.

In this article gives you complete answer of your question about what criteria are used for rural consumer behaviour.[23,25,26]

Consumer coming from rural areas known as rural consumers. Study of consumer behaviour of rural consumers and urban consumers are not very easy. Consumer of rural areas goes near market which is located generally 2-5 km from their village.

Culture, religion, language, social customs and caste criteria are used for rural consumer behaviour by marketing companies. Rural consumers are very rigid in behaviour and have lots of demands and for full filling it rural consumers ready spend money and never stands behind.

Company wanted to increased their selling of present goods and new launched products in rural areas must study consumer behavior of particular rural population. Global influence on rural consumers behaviour has influenced lot because rural consumers started to increased their started living due to increased in their income.

World suffering from many global diseases in this modern world like carona virus pandemic. Due to pandemic strike rural consumers behaviour changing very fast and buisness environment also changing.

Marketing companies doing survey regularly to collect data from primary data source to understand rural consumers behaviour to increased their selling of goods and services and new products launched.

Marketing companies inside Indian economy started targeting rural consumers because 65-72 percentage population of India living in rural areas.

Rural consumers has high buying potential and ready to buy any goods and services which they think suitable for daily life.

Determinant of rural consumers behaviour

Marketing companies collected data from rural population of a world wide indicated that determinant of rural consumers behaviour grouped into economic conditions, social culture and caste system.[20,21,22]

Rural consumer can be defined as individuals, groups and any organization doing activities of buying, purchasing and selling in a village area and also living in rural areas.

Rural consumer have their many characteristics of rural consumer. They have very strong cultural activities, language, religion, cast, social customs and personal income.

Factors affecting rural consumer

There are major 4 factors that affecting consumer behaviour of rural consumer are given below :-

1. Cultural factors of rural consumer behaviour
2. Social factors
3. Personal income
4. Psychological

Importance of rural consumer behaviour

The sucess of any company marketing in rural are only possible after knowing importance of rural consumer behaviour.



1. At present rural population getting to educated but in whole world view they are consider less literate. Rural consumer can be less literate but they have more common sense. In intelligence rural customer as equal as his counter part.
2. Rural consumer always give value for their money before spending. Rural consumer may not go for cheaper products, and also not always buy brands products.
3. Rural customer not easily beleive any outsiders.

We all know that area of rural market is more than urban market area. Any company marketer can't ignore rural market because to increase company sell company marketer need to focus on rural consumer. Majority of population still belong to rural area.

IV.CONCLUSIONS

In recent years, marketers see an untapped potential in the rural segment of the country due to the economic shifts which in turn led to rise in purchasing power of the rural community. Lately, introductions of schemes by major telecom players such as cutting down cost of data packs have led to rise in number of internet users in the rural segments. Also in-situ, launching of cheap range smart phones has contributed to the cause. In a way now this untapped potential in rural markets can also be targeted via digital means. This paper focuses on what digital mediums of marketing can be used, and which type of products can use these digital mediums to expand their consumer base to the less emerged segment of consumers. Rural marketing is an emerging opportunity for marketers to invest. With its large consumers, a company can successfully generate optimum ROI. Many companies have already begun to market their products in the rural markets. But till now the techniques used are usually on ground marketing techniques. These techniques face their own challenges such as scattered markets, non-homogeneous behaviour of consumers, preference for local products and shopkeepers, and increased cost of travel and transportation. [18,19,20] Thus, shifting from on ground marketing to digital marketing can prove to be rewarding in the segment. Digital marketing has got an enormous scope to exploit the rural marketing in its nascent stage in India. With the increase in number of internet users and increased sign up on social networks, we are witnessing a heavy penetration of digital media into the earlier unexplored segment of population. This opportunity is not yet realized nitely in the coming years it will be one of the to its full extent but de popular medium of marketing. With the fact that urban markets responded very well to the digital marketing techniques it can be safely assumed that rural markets will follow. Also, the urban markets are now saturated, thus, marketers need a new place to channelize their resources and energy[26]

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