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## Indian Rural Market: An Empirical Study

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### ABSTRACT

The rural market has been growing constantly over the years. The challenges of rural marketing are perpetuating. The vast market demands good marketing strategies to design a win-win situation for all the groups in the rural marketing chain. Rural markets are a time-consuming affair and demand substantial investment. Consumers in rural areas have a relatively low standard of living, and rural customers have diverse socio-economic backwardness. Price is the most crucial factor that influences the buying decision of a customer in a rural market. They can compromise on quality for a lower price and magnet towards discounts and sales. Buying decision process defines the rudimentary stages that a consumer goes through while he decides to buy a product. Purchase decision of a rural customer is determined by his lifestyle, his values, and personality. Challenges in the Indian Rural Markets are Underdeveloped People, Underdeveloped Markets, Unprofessional Communication, Multilingual, Low Per Capita Income & Poor Infrastructure Facilities.

This research study refers to a deep analysis of rural market in-terms of rural market strategies practiced by Four established companies belong to different industries namely ITC, HUL, LG, Nokia to tap the rural market and behaviour of rural consumers. This study has been conducted in Four selected rural districts of Madhya Pradesh state of India that is the central province of the country.

**Key words:** Purchase Decision, Rural Consumers, Low Per Capita Income, Socio-economic Backwardness & Underdeveloped Markets

### INTRODUCTION

India lives in villages are an often quoted fact. The villages of M.P., which are interior & inconsequential dots on maps is now getting the attention of global marketing giants and media planners. Growing sales of international brands in global world increasingly draws scholars and managers' interest. A huge proportion of India's population lives in rural village, the per capita consumption in these pockets are among the lowest in Brands consciousness but in recent years, rural markets of India have acquired significance, as the overall growth of the Indian economy has resulted into substantial increase in the purchasing power of the rural communities. Our nation is classified in around 450 districts, and approximately 630000 villages, which can be sorted in different parameters such as literacy levels, accessibility, income levels, penetration, distances

from nearest towns, etc. The rural markets dominate Indian marketing scene and need special attention for the expansion of marketing activities and also for providing better life and welfare to the rural people. The Indian rural market has a huge demand base and offers great opportunities to marketers. Two-thirds of Indian consumers live in rural areas and almost half of the national income is generated here.

The rural market has changed drastically in the past one decade. Companies came up with special rural products, like Chic Shampoo sachets, Parle G Tikki Packs, Rs 2, customized TVs by LG, Shanti Amla oil by Marico. All these brought positive results for them. Also, campaigns like Project Bharat by Hind Lever, where trials were generated across India in 1999, saw 30 per cent of its total personal products growing to contribute 50 per cent five years down the line.

The Indian rural market is vast and diverse, comprising approximately 70% of the country's population. The rural market has traditionally been underserved due to inadequate infrastructure, limited access to finance, and a lack of awareness about products and services.

### **Features of Rural Markets**

- Large Size and Scattered Population
- Low standard of living
- Traditional outlook
- Steady market growth
- Separate marketing mix is required
- Development of infrastructure facilities
- Rising purchasing power

**The strategies adopted by ITC, HUL, LG, Nokia for Rural Markets for their products and Services are as under:**

### **Best Promotion and Quality Perception**

Companies communicate their products and services to their customer. There is a trade-off between Quality a customer perceives and a company wants to communicate. Thus, this positioning of new products & services is very crucial. The perception of the Indian about the desired product is changing. Now they know the difference between the products and the utilities derived out of it. As a rural Indian customer always wanted Value for Money with the changed perception, one can notice difference in current market scenario especially in case of services given by the companies.

### **LG Electronics**

The Sampoorna TV launched by LG Electronics was aimed at providing its customers a good quality product at a price which was economic and reasonable. The hit example of Sampoorna TV is an example with 1 lac sets being sold in the first year itself. LG Electronics also uses road shows and vans to show their products to create awareness.

### **ITC E-Choupal**

ITC E-Choupal is the initiative by the Indian Tobacco Company started in 2000 connect its farmers via technology to the latest updates related to agricultural farming information. It strengthens the weak infrastructure and involvement of weak intermediaries by connecting the farmers through internet, it gives them the knowledge of profit margin on their crops and other relevant information which helps them increase their productivity, today it is one of the largest internet innovative initiatives which caters to rural India. ITC E-Choupal has empowered the local farmer, and this knowledge helps him in agriculture so that he can take the right decision ahead. The venture has network coverage of more than 100,000 villages.

## **Easy-Way Communication in local language for Rural Market**

The companies make proper communication in local language for promoting their products in rural market. They have started selling the concept of quality with proper communication and easily understandable way of communications.

## **Changing Pattern of Rural Customers**

Now-a-days villagers are constantly looking forward for new branded products and good services. Indian customers want value for money. They are ready to pay premium for the product if the product is offering some extra utility for the premium.

## **Regards for Cultural and Social Values**

Companies have recognized that social and cultural values have a very strong hold on the people in rural markets. Cultural values play major role in deciding what to buy. Furthermore rural people are emotional and sensitive. Thus, to promote products and services we should regard their social and cultural values.

## **Focus on Customer Requirement**

Every customers want Value for their Money. They do not see any value additional associated with the products. They aim for the basic functionality. However, if the sellers provide frills free of cost they are happy with that. They are happy with such a high technology that can fulfill their need. For example Nokia has launched a simple product, which has captured the market. Promoting Products and Services with Right Person in Case of Celebrity Endorsement Companies are picking up Indian models, actors for advertisements as this helps them to show themselves as an Indian company.

## **Patriotism with Products and Services**

Companies are associating themselves with India by talking about India, by overtly saying that they are Indian and they are more patriotic. Using Indian Tricolor while doing advertisement during Independence Day and Republic Day like Nokia has designed a new cellular phone 5110, with the India tricolor and a ringing tone of "Sare Jahan se achcha".

## **Product/Services Campaign like "Be Indian"**

Companies are now talking about Be Indian. It is a normal tendency of an Indian to try to associate him/her with the product. If he/she can visualize himself/herself with the product, he /she become loyal to it.

## **Developing Specific Products for Specific Segment**

Companies developing rural-specific products. Keeping into consideration the requirements, a firm develops these products. Electrolux is working on a made-for India fridge designed to serve basic purposes: chill drinking water, keep cooked food fresh, and to withstand long power cuts. Birla Sun life insurance & Avia Life Insurance Companies are focusing on Micro insurance products for rural segments.

## **Effective Media Modes of communication**

Traditional media or the modern media used for rural marketing is being used by companies. The traditional media include meals, puppetry, folk theatre etc. while the modern media includes TV, radio, e-chaupal. ITC's e-chaupal (chaupal is the common place where villagers gather) has been the most elaborate and extensive venture in this field so far. Conceived by ITC's international business division and launched in 2000, the e-chaupal project has since grown to around 2,700 chaupals covering a population of around 1.2 million in a few states namely- Madhya Pradesh, Gujarat and Maharashtra.

## **Adopting Best localized way of Distributing Channels**

Companies try to reach the "local Paanwala, Local Baniya or Kirana Shop Owners" to capture the rural market share in India.

Issues of Rural Marketing in India are vastness, Low per Capita Income, Low Level of literacy and Hierarchy of Market

## LITERATURE REVIEW

There are many studies carried out in India in connection with rural marketing, which have revealed a major setback of temperamental attitude of underrating a potential source like rural marketing. These studies have thrown light on the rural marketing pros and cons, and its dimensions in various manners. There are many studies carried out in India in connection with rural marketing, which have Narayan Krishnamurthy (1989) researched out that by using the regional language, it becomes much easier to increase the penetration in rural areas. Rakesh Singh and Kapil Bhagat (1989) explained that the corporate and rural India have entered into collaborative partnership through vertical coordination. Vivek Parikh (1989) pointed out that most of the rural marketers underestimate the verbal power magic of words to enter into the rural market, and again (1989) he added some another dimensions necessary for marketers. Pradeep Kashayap and Siddhartha (1989) elaborated that various aspects of rural marketing like the rural customers, rural marketing research, rural products, pricing, distribution strategies, and the role of media and government initiation contributed in uplifting the rural demand and market. Tarun Narayan (1990), Hansa Yonga (1990, N. Janardhan Rao (1990, and Y. Krishan Mohan Reddy (1990): focused on challenges faced by the marketers and opportunities available to them. These studies on related problems are useful or indicate the type of difficulties and possible analytical shortcomings and suggest new line of approach to present and study the problem in new context.

Kumar Y. (1994) conducted a study on 'Rural marketing and urban marketing in India for FMCG's'. In this study they try to identify the most preferred brands in tooth past, shampoo and soap categories in rural areas do India. They also interpret the output on the basis of the gender. With the help of the study they come to know that quality is the most influencing factor to the consumers at rural areas of India as compared to the other factors are price, colour, packaging and taste

Dr. Sanjeev Kumar and Dr Singh M R P (1995) in "Brand aspirations and brand switching behavior of rural consumers a case study of Haryana" state that changing socio- economic environment was greatly affecting the rural ties and marketer's influence was clearly observable in terms of changing consumption pattern which was reflecting in products and brand choices of rural ties. Income is the biggest influence on the purchase decisions and consumption pattern.

Dogra and Ghuman (2008) have defined rural marketing as planning and implementation of marketing function for the rural areas. Gopaldaswamy (1997) borrowed from Jha's (1988) conceptualization and defined rural marketing as a two- way marketing process concerned with the flow of goods and services from urban to rural, rural to urban, and rural to rural areas. Kotler et al.'s (2007) definition is much evolved than the previous definitions of rural marketing. They defined rural marketing as any marketing activity in which one dominant participant is from the rural area. However, it does not clarify what constitutes a dominant participant and who all can be considered as participants in marketing activities. For example, should we consider the rural poor as participants in rural marketing activity just because multinationals are targeting them for selling their beauty products? The definition also fails to provide a precise criterion that can help identify and demarcate rural marketing activities from other marketing activities taking place in rural areas.

Study of rural marketing and urban marketing in India in the present scenario in India (2009) states that "While we all accept that the heart of India lives in its villages and the Indian rural market with its vast size and demand base offers great opportunities to marketers, we tend to conclude that the purse does not stay with them. Nothing can be far from truth.

Several fast moving consumer goods (FMCG) companies such as Godrej Consumer Products, Dabur, Marico and Hindustan Unilever (HUL) have increased their hiring in rural India and small towns in order to establish a local connect and increase visibility- Nielsen (2010).

After the cities, insurance companies are moving to the countryside to grab a meaty piece of the Rs 1000 crore untapped rural market pie. After the directive from IRDA to get 18% of their policies



from rural India, market leaders in the insurance space like Tata AIG, Birla Sun Life and Bajaj Allianz are looking to tap the market. The regulator has given a go-ahead to companies to tie up with NGOs, self help groups and micro finance institutions to market their products (2011).

Considering the daily wage earners who have less disposable income; the product should be packed in small units with a minimal price to serve the requirements of the rural consumers - Sneha R & Bibi Hajira (2017).

Price is the most crucial factor that influences the buying decision of a customer in a rural market. They can compromise on quality for a lower price and magnet towards discounts and sales. The payment mostly functions on a credit basis. They are accustomed to postponing payments - Dr. Sanjeev Kumar Prabhakar (2019).

Rural consumers expect value for money hence the firms need to focus on the 4A's Model i.e awareness, acceptability, affordability and availability. The biggest influencing factors of Advertisement for Rural consumers are: Word of Mouth, Advice of retailer/distributor, Hoardings and Road-shows, TV and Radio Ads. Modification of the Marketing mix should be done in order to suit the requirements of the rural consumers. Eg: Chhota Coke, Single use products like Razors, sachets of shampoo etc. For consumer durables, Aesthetics, warranties and recommendations of Shop-keeper plays a huge role on consumer decisions. While positioning a product, one has to try to use local beliefs, culture or traditions to one's advantage- or at least special attention should be given that it is not in conflict with them - Dr Shaili Vadera & Dr. R.P. Gupta (2020).

## RESEARCH METHODOLOGY

The present study adopted descriptive research design based on survey method to study of rural marketing practices of selected established companies in selected four rural districts in Madhya Pradesh state of India . The required data for the study have been collected from both primary and secondary sources. The primary data have been collected through Rural marketing executives and managers by a well structured questionnaire The secondary data have been collected from the reports, journals, magazines, newspaper, periodicals, and websites.

### Measurement Instrument

A preliminary version of the questionnaire was developed in both languages, English and Hindi, on the basis of insights from in-depth qualitative interviews with subject experts and rural marketing managers of Companies. A pilot study was conducted in rural areas of surrounding Bhopal (MP) with 30 respondents. The purpose was to ensure that the respondents understand the questions properly and to make sure that the recording of data was properly executed. Minor amendments were made based on feedback from the pilot study. The questionnaire consisted of two sections. In the first section, questions were related to rural marketing practices of selected Companies' in rural areas. The final set of 21 items was examined by an academic experienced in questionnaire design. The detailed list of constructs is presented in the following table. All the items were put on a five-point Likert scale where a value of 1 expresses strongly disagree and a value of 5 expresses strongly agree. Participants were asked to indicate their level of agreement with each statement. The second section contained questions regarding demographic characteristics of the employees such as gender, age, education, company name, designation, work experience etc.

## Constructs of Questionnaire

S. No	Construct	S. No	Construct
1	Companies are attracting towards Indian rural market	12	Limited choice of products and services
2	Companies are focusing rural market with proper marketing mix practices and strategies	13	Low per capita income of rural market
3	Companies are putting persistent and sustainable marketing efforts on rural market	14	News paper appealing on rural consumer is low
4	Targeting rural market is profitable for Companies	15	Impact of pamphlets, posters, and hoardings on rural consumer is low
5	Road transportation problems	16	Rural consumers are not able to read and understand the essence of advertising
6	Warehouse problems	17	Print media has not a considerable impact on rural market
7	Distribution network problems	18	Rural consumers are more cautious in their purchase decision and buying process
8	Communication network and system problems	19	Purchase decision and buying process is normally influenced by others
9	Major barriers in the way of successful rural market practices for Companies	20	Limited source of information about products/services
10	Rural consumer has a poor standard of living	21	Purchase decision and buying process is normally low
11	Low purchasing power		

### Sample Size and Design

The sample of study has been obtained from the rural marketing executives and managers who are working with companies under study in Madhya Pradesh (MP), namely, Hindustan Unilever Limited (HUL), Imperial Tobacco Company (ITC), Life's Good Limited (LG), Nokia.

**Table : The details of sample size District & Company Wise**

Geographical Location	District	Companies
Madhya Pradesh (414)	Betul (103)	HUL (101)
	Raisen (97)	ITC (102)
	Sehore (102)	LG (105)
	Vidisha (112)	Nokia (106)

**Note: Number in brackets presents the respondents.**

### Statistical Analysis

The Statistical Package for the Social Science (SPSS version 16.0) was used for the analysis of primary data. The selected methods of data analysis include descriptive analysis, validity and reliability analysis, percentage and analysis of variance (ANOVA) to test the research hypotheses.

The study has following research hypotheses:

H1: Rural market is being tapped profitably through persistent and sustained efforts by Companies.

H01: Rural market is not being tapped profitably through persistent and sustained efforts by Companies.

- H2: In rural market, infrastructure poses a major problem.  
 H02: In rural market, infrastructure does not pose a major problem.  
 H3: Per capita income is low in rural market.  
 H03: Per capita income is high in rural market.  
 H4: The print media ineffective in rural areas considerably.  
 H04: The print media ineffective in rural areas moderately.  
 H5: Rural consumers purchase decision and buying are slow.  
 H05: Rural consumers purchase decision and buying are swift.

### Limitations and Future Research Directions

All research studies have their own limitations and the present study is no exception. The study is limited to the districts of Madhya Pradesh State & Companies under study. The same study may be extended in more rural districts in more states of the country.

### Data Analysis and Interpretation

The study has been conducted among the rural marketing executives and managers in five rural districts surrounding rural areas. Details information about five districts depicted in Table - 1.

### Demographic Classification of Madhya Pradesh Respondents

Madhya Pradesh (MP) is the second largest state in the country in terms of area. The 414 usable responses of rural marketing executives and managers were collected from five districts of MP surrounding rural areas, namely, Betul (103), Raisen (97), Sehore (102), and Vidisha (112). The detailed information of these districts with its tahsils and villages are presented in table - A. The respondents were the representatives of selected companies understudy those are operating business in these districts and its rural markets, included Hindustan Unilever Limited (HUL), Imperial Tobacco Company (ITC), Life's Good Limited (LG), Nokia. The numbers in brackets presents the sample size from that region. The samples belong to different age group, gender, education, company name, designation, work experience and name of the district with state. Table-B shows the breakdown of respondents' sample of MP.

**Table A: The detailed information about four districts of MP**

District Name	Population	Rural Population	Tahsils	Villages
Betul	15,75,247	11,36,056	8	1341
Raisen	13,31,597	10,28,172	8	1497
Sehore	13,11,332	10,62,870	8	1080
Vidisha	14,58,875	11,19,257	10	1621

**Source: District population census 2011, Madhya Pradesh**

**Table -B: Profile of rural marketing executives and managers of MP**

Demographic Characteristics	Data	Frequency (N = 414)	Percentage
Gender	Male	326	78.74
	Female	88	21.26
Age (In Years)	20 & Below	117	28.26
	21 – 30	183	44.20
	31 – 40	76	18.36
	41 – 50	25	6.04
	51 & Above	13	3.14
Education	Undergraduate	153	36.96
	Graduate	195	47.10
	Postgraduate	57	13.77
	Doctorate	9	2.17
Designation	Sales executive	254	61.35
	Sales officer	88	21.26
	Business development manager	40	9.66
	Sales manager	32	7.73
Work Experience	1 Year & Below	211	50.97
	2 – 4	166	40.10
	5 – 7	24	5.79
	8 – 10	10	2.42
	11 Years & Above	3	0.72

### Scale Validity and Reliability

The content validity of the scale was evaluated by using a panel of experts in the field of the subject to judge the validity of the instrument. In order to ensure the reliability of the constructs of scale, Cronbach's alpha ( $\alpha$ ) was calculated by Statistical Package for the Social Science (SPSS 16.0). Cronbach's alpha ( $\alpha$ ) is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. The calculated value of Cronbach's alpha (overall) for the survey instrument is 0.79 which indicates strong internal consistency. If Cronbach alpha is closer to 1, it means that the data are more reliable (Brown, 2002).

### Descriptive Analysis

The study applied descriptive statistics to analyze the samples' characteristics in detail with the help of SPSS version 16.0. This analysis denotes the key rural market and its consumers' features which are important to consider for companies while selecting the Indian rural markets for their products and services. The study identified 20 variables from the survey instrument as an attributes of rural market and its consumers. Additionally, the study separately identified and analyzed the rural markets variables i.e. 11 and rural consumers' variables i.e. 9 from the questionnaire.

### Descriptive Analysis of Indian Rural Market

The following table presents the detailed descriptive analysis of Indian rural market. As shown in the below table, Indian rural market is facing road transportation problems, warehouses problems, distribution network problems, and communication network and system problems respectively from



first to fourth ranks. It was found that news paper appealing on rural consumers' is low as on fifth rank, followed by Companies' attraction towards India rural market on sixth and the impact of print media on rural consumers which are not considerable, as on seventh rank. It was revealed that the impact of pamphlets, posters, and hoardings on rural consumer is also low on eighth rank. Further, the analysis found that Companies' are focusing rural market with proper marketing mix practices and strategies and targeting rural market is profitable for them on ninth and tenth ranks respectively. Finally, the study disclosed that putting persistent and sustainable marketing efforts on Indian rural market is needed as on eleventh rank.

**Table : Descriptive analysis of Indian Rural Market**

S. No.	Rural Market Variables	Mean	Standard Deviation	Rank
1.	Attraction towards Indian rural market (1)	4.41	0.49	6
2.	Focus rural market with proper marketing mix and strategies (2)	4.20	0.79	9
3.	Persistent and sustainable marketing efforts (3)	3.80	1.19	11
4.	Targeting rural market is profitable (4)	4.00	.95	10
5.	Road transportation problems (5)	4.61	0.39	1
6.	Warehouse problems (6)	4.58	0.42	2
7.	Distribution network problems (7)	4.51	.49	3
8.	Communication network and system problems (8)	4.45	0.55	4
9.	News paper appealing on rural consumer is low (14)	4.44	0.56	5
10.	Impact of pamphlets, posters, and hoardings on rural consumer is low (15)	4.37	0.63	8
11.	Print media has not a considerable impact on rural market (17)	4.39	0.61	7

**Note: Number in brackets denotes the question number in survey questionnaire**

### Descriptive Analysis of Indian Rural Consumers

The following table shows the detailed attributes of Indian rural consumers. As shown in the below table, Indian rural consumer has a poor standard of living on first rank, followed by low per capita income of them on second rank and their low purchasing power on third rank. It was found that rural consumers' purchase decision and buying process is normally influenced by others and they are more cautious about it, as on fourth and fifth ranks respectively. It may be possible that their purchase decision and buying process is low, as on sixth rank. The rural consumers have limited source of information about products and services on seventh rank. The study also indicated that rural consumer has a limited choice of products and services on eighth rank. Finally, it was revealed that rural consumers are not able to read and understand the essence of advertising, as on ninth rank.

**Table : Descriptive analysis of Indian Rural Market Consumers**

S. No.	Rural Market Variables	Mean	Standard Deviation	Rank
1.	Poor standard of living (10)	4.80	0.40	1
2.	Low purchasing power (11)	4.60	0.49	3
3.	Limited choice of products and services (12)	4.38	0.71	8
4.	Low per capita income (13)	4.75	0.58	2
5.	Not able to read and understand the essence of advertising (16)	4.25	0.72	9
6.	More cautious about purchase decision and buying process (18)	4.50	0.51	5
7.	Purchase decision and buying process is normally influenced by others (19)	4.56	0.52	4
8.	Limited source of information about products/services (20)	4.46	0.65	7
9.	Purchase decision and buying process is normally low (21)	4.48	0.62	6

**Note: Number in brackets denotes the question number in survey questionnaire**

### Testing of Hypotheses

Analysis of variance (ANOVA) was used to test the research hypotheses through SPSS version 16.0, which provides more information including F – statistics for drawing conclusions from the data. ANOVA is used for examining the differences in the mean values of the dependent variable associated with the effect of the controlled independent variables, after taking into account the influence of the uncontrolled independent variables. ANOVA examines group differences on a single dependent variable. In ANOVA, the null hypothesis is that the means of the dependent variable are equal across the groups. Based on this approach, ANOVA was conducted and F-values were examined for  $p < 0.05$  in order to accept or reject the following hypotheses:

**H1: Rural market is being tapped profitably through persistent and Sustained efforts by multinational corporations.**

**H01: Rural market is not being tapped profitably through persistent and sustained efforts by multinational corporations.**

In order to test the first hypothesis, the study considered Companies' are attracting towards Indian rural market (1), Companies' are focusing rural market with proper marketing mix practices and strategies (2), and Companies' are putting persistent and sustainable marketing efforts on rural market (3) as independent variables and Targeting rural market is profitable for Companies' (4) as dependent variable from the survey questionnaire. The numbers in brackets denote the question's number in survey instrument. Table -1 represents the ANOVA estimation to test the first research hypothesis.

**Table - 1: ANOVA estimation for tapping rural market is profitable for Companies**

Source of variation	Sum of squares	Df	Mean square	F	Sig.
Between Groups	33.597	3	11.199	59.810	.000
Within Groups	29.397	157	.187		
Total	62.994	160			

**Note: df denotes the degree of freedom**

The null hypothesis is tested by the F – statistic based on the ratio between these degrees of freedom. The critical value (Table Value) of F for 3 and 157 degrees of freedom is  $F(3, 157) = 2.70$  for  $p < 0.05$ . Because the calculated value of F (59.810) is larger than the critical value (Table value), the null hypothesis that rural market is not being tapped profitably through persistent and sustained efforts by Companies' are **rejected**. Thus, the alternative hypothesis is **accepted**. The effects of independent variables on dependent variable are also strong with the mean square of 11.199.

**H2: In rural market, infrastructure poses a major problem.**

**H02: In rural market, infrastructure does not pose a major problem.**

In order to test the second hypothesis, the study considered road transportation problems (5), warehouse problems (6), distribution network problems (7), and communication network and system problems (8) as independent variables and these problems are the major barriers in the way of successful rural market practices for Companies (9) as dependent variable from the survey questionnaire. The numbers in brackets denote the question's number in survey instrument. Table - 2 represents the ANOVA estimation to test the second research hypothesis.

**Table 2: ANOVA estimation for infrastructure poses a major problem in rural market**

Source of variation	Sum of squares	Df	Mean square	F	Sig.
Between Groups	38.348	3	12.783	12.512	.000
Within Groups	28.632	155	.162		
Total	66.98	158			

**Note: df denotes the degree of freedom**

The critical value (Table Value) of F for 3 and 155 degrees of freedom is  $F(3, 155) = 2.70$  for  $p < 0.05$ . Because the calculated value of F (12.512) is larger than the critical value (Table value), the null hypothesis that in rural market, infrastructure does not pose a major problem is **rejected**. Thus, the alternative hypothesis is **accepted**. The effects of independent variables on dependent variable are also strong with the mean square of 12.783.

**H3: Per capita income is low in rural market.**

**H03: Per capita income is high in rural market.**

In order to test the third hypothesis, the study considered rural consumer has a poor standard of living (10), low purchasing power (11), and limited choice of products and services (12) as independent variables and low per capita income of rural market (13) as dependent variable from the survey questionnaire. The numbers in brackets denote the question's number in survey instrument. Table - 3 represents the ANOVA estimation to test the third research hypothesis.

**Table - 3: ANOVA estimation for per capita income is low in rural market**

Source of variation	Sum of squares	Df	Mean square	F	Sig.
Between Groups	38.944	2	19.472	24.918	.000
Within Groups	13.441	158	.281		
Total	52.385	160			

**Note: df denotes the degree of freedom**

The critical value (Table Value) of F for 2 and 158 degrees of freedom is  $F(2, 158) = 3.09$  for  $p < 0.05$ . Because the calculated value of F (24.918) is larger than the critical value (Table value), the null hypothesis that per capita income is high in rural market is **rejected**. Thus, the alternative hypothesis is **accepted**. The effects of independent variables on dependent variable are also strong with the mean square of 19.472.

**H4: The print media ineffective in rural areas considerably.**

**H04: The print media ineffective in rural areas moderately.**

In order to test the fourth hypothesis, the study considered news paper appealing on rural consumer is low (14), impacts of pamphlets, posters, and hoardings on rural consumer is low (15), and rural consumers are not able to read and understand the essence of advertising (16) as independent variables and print media has not a considerable impact on rural market (17) as dependent variable from the survey questionnaire. The numbers in brackets denote the question's number in survey instrument. Table - 4 represents the ANOVA estimation to test the fourth research hypothesis.

**Table - 4: ANOVA estimation for the print media ineffective in rural areas considerably**

Source of variation	Sum of squares	Df	Mean square	F	Sig.
Between Groups	23.668	2	18.567	21.951	.000
Within Groups	9.233	154	.142		
Total	32.901	156			

**Note: df denotes the degree of freedom**

The critical value (Table Value) of F for 2 and 154 degrees of freedom is  $F(2, 154) = 3.09$  for  $p < 0.05$ . Because the calculated value of F (21.951) is larger than the critical value (Table value), the null hypothesis that is the print media ineffective in rural areas moderately is **rejected**. Thus, the alternative hypothesis is **accepted**. The effects of independent variables on dependent variable are also strong with the mean square of 18.567.

**H5: Rural consumers purchase decision and buying are slow.**

**H05: Rural consumers purchase decision and buying are swift.**

In order to test the fifth hypothesis, the study considered rural consumers are more cautious in their purchase decision and buying process (18), purchase decision and buying process is normally influenced by others (19), and limited source of information about products/services (21) as independent variables and purchase decision and buying process is normally low (21) as



dependent variable from the survey questionnaire. The numbers in brackets denote the question's number in survey instrument. Table - 5 represents the ANOVA estimation to test the fifth research hypothesis.

**Table - 5: ANOVA estimation for rural consumers purchase decision and buying process**

Source of variation	Sum of squares	Df	Mean square	F	Sig.
Between Groups	25.640	2	2.661	2.112	Not significant
Within Groups	2.431	154			
Total	28.071	156			

**Note: df denotes the degree of freedom**

The critical value (Table Value) of F for 2 and 154 degrees of freedom is  $F(2, 154) = 3.09$  for  $p < 0.05$ . Because the calculated value of F (2.112) is smaller than the critical value (Table value), the null hypothesis that rural consumers purchase decision and buying are swift is **accepted**. Thus, the alternative hypothesis is **rejected**.

It can be concluded that the first four hypotheses of the study are accepted and the remaining fifth is rejected based on ANOVA analysis. The summary of hypotheses testing is presented in table - 6.

**Table - 6: Summary of testing of research hypotheses**

Hypotheses (H)	Result
H1: Rural market is being tapped profitably through persistent and sustained efforts by multinational corporations.	<b>Accepted</b>
H2: In rural market, infrastructure poses a major problem.	<b>Accepted</b>
H3: Per capita income is low in rural market.	<b>Accepted</b>
H4: The print media ineffective in rural areas considerably.	<b>Accepted</b>
H5: Rural consumers purchase decision and buying are slow.	<b>Rejected</b>

**References:** Brown, J. D. (2002). The Cronbach alpha reliability estimate. JALT Testing & Evaluation SIG Newsletter.

## MAJOR FINDINGS OF THE STUDY

- In the case of Indian rural market, the study finds that still Indian rural market is facing road transportation problems, warehouses problems, distribution network problems, and communication network and system problems.
- News papers' appealing on rural consumers is low.
- The study reveals that impact of print media on rural consumers is not considerable.
- Sustainable marketing efforts on Indian rural market is needed.
- Indian rural consumers have a poor standard of living and they belong to low per capita income group.
- It has been found that rural consumers' purchase decision and buying process are normally influenced by others.
- It has been found that the rural consumers have limited source of information about products and services.
- The rural youth are more open to fresh concept as against their elderly family members.

- Rural consumers favour products that can be used and that benefit all family members rather than the personal-use ones.
- Branding, packaging, and labelling have minimal influence on this market segment.
- Street shows and wall paintings are quite popular in villages. There are many examples of effective street shows being employed to promote a product.
- Rural Consumers more focus on price rather than quality. They are accustomed to postponing payments.

## SUGGESTIONS

- The company should plan for a robust model of the product (especially of durable goods) while launching it for rural consumers and it must appeal the rural consumers.
- Brands should be simple in their name, visual logos, taste and colour of the products.
- The product should be priced slightly cheaper to grab the attention of rural consumers.
- Rural consumers look for the utility of the product. So it would be simple
- The companies should come up with cash discounts, gift schemes, offers and quantity discounts to build the loyalty of such retailers towards the brand and increase product sales.
- A bundle is a mix of different products in a single pack available to the consumer for a reasonable price. The marketers must plan for a product bundle pricing to make the offer appealing to the rural consumers.
- Companies should more focus on Delivery Vans, Retailers & Company depots as distribution strategies.
- Companies should more focus on Mass Media & Advertise Through Paintings: The rural consumers are attracted towards the bright colours and the pictorial representation of the products; hence, wall paintings are a good idea in the rural markets.

## CONCLUSION

The rural market in India generates bigger revenues in the country as the rural regions comprise of the maximum consumers in this country. The rural market in Indian economy generates almost more than half of the country's income. Hence companies must focus on the rural markets and adopt new innovative strategies in order tap the untapped rural markets for their long run survival and to grow rapidly in the market. In spite of various challenges, Rural Markets is always promising for the companies to grow further. Companies must adopt different strategies for rural India for the better outcomes. The marketers need to develop a connection with the rural consumers and then according to their needs and demands develop and sell products. The development of rural markets is a way towards development of the nation. The concept of Rural Marketing in India Economy has always played a crucial role in the minds of business houses. In today's competitive market environment all the companies are trying to maximize their growth and profits. Each and every company has its own marketing strategies. Marketing strategies are different for different markets.

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