INTRODUCTION

Rural marketing has been defined as the flow of goods and services from urban to rural areas and vice versa. In addition, the flow of goods and services within the rural area also forms part of the definition. Rural market in India, has become a tremendous potential sector for the Indian Industry. The marketing experts are moving towards the rural market to sell their products. This is because the urban market in India is becoming saturated with competitive consumer products.

In West Bengal the rural market is seeing a new transition, with the development of agriculture, which is the principal occupation for the rural mass. The support of the government to the farmers have seen the advent of modern agriculture technology. The improved productivity of rice and food grains is noteworthy. This has resulted in more disposable incomes in the hands of rural consumer.

The government of West Bengal’s initiative to increase rural literacy, together with increasing influence of the media in the rural sector have made the consumers go for a change in their consumption pattern. From traditional items, they are moving towards newer products – the branded ones.

Although there is a vast potential in the rural sector, it has been observed that the marketing is urban biased. The target of marketing is mainly set towards the urban population, as if the urbanites are the ultimate deciders. However, majority of the population in our country lives in villages and that is the main source of our Gross Domestic Product. We are missing the real
essence of marketing if we do not study the rural market. It is this very concept which initiated our study in Rural Marketing.

Chapter II of this study gives a brief description about the background of the rural market in India and that in West Bengal. It takes into view that India’s experiment with liberalization and market friendly reforms is in full swing. Our strengths, as predicted by economic theory and revealed through market experience, lie in agriculture.

The rural market in West Bengal is also developing very fast. The growth in the rice and food grains production in this state has led to an increase in the purchasing power of the people. With the improvement in the purchasing power their demand for consumption goods and agricultural items have also increased.

The objectives of this study are to authenticate that the purchasing capacity of rural India with particular reference to rural West Bengal is increasing and the reasons thereof; the change in the consumption pattern in rural India with reference to rural West Bengal; how the consumer goods companies are coming to attract the rural consumers, the marketing strategies adopted by the consumer goods manufacturers to have the optimum share; whether the rural consumers in India with special emphasis to West Bengal are moving towards branded products and the reasons thereof.

The study has been done through literature as well as through primary survey in rural belts in three districts of West Bengal. Viz. Midnapore, Jalpaiguri and Burdwan. The primary consumers,
dealers in different villages had been contacted and their views taken on their consumption pattern.

The small scale industries and large scale manufacturers of different items had also been contacted to have their opinion about the changing scenario in rural West Bengal.

The survey of literature has revealed that the rural consumers are going definitely from the traditional items to non traditional items both in consumption and agricultural goods. The percentage share of rural markets for consumer products have been more for different items.

Since, our study takes into account the post liberalization era and mainly moves into the ninth plan of Indian economy it is worthwhile to take the indicators of the ninth plan in our study, as revealed in Chapter III. The ninth plan is set for an overall growth in the economy. This plan targets a higher growth in GDP, governments investment, exports, imports and in domestic savings.

The infrastructural developments like power, telecommunication, road, railway, port and irrigation together with improvement in the scientific infrastructure will enhance the nation’s growth rate. It is expected to bring about a quality development in humanity and will generate a higher level of employment.

Chapter IV takes an overview of the West Bengal economy. It observes that the bulk of the productive workers in West Bengal are still engaged in agricultural or other primary activities. The rural West Bengal as observed is also developing rapidly. In West Bengal the agriculture
sector in terms of SDP (State Domestic Product) has grown 53% from 1983-84 to 1993-94. This indicates that the purchasing power of rural West Bengal has gone up impressively.

The marketing mix parameters, viz. Product, Price, Place and Promotion are playing a significant role in influencing the rural consumers. Redesigning or modifying the products to meet the rural consumer's needs are often needed. Distribution has received adequate attention of different organisations operating rural markets both in terms of width and depth. Promotional measures have received tremendous importance resulting in the growth of rural market. Brand awareness has significantly increased amongst the rural consumers. Empirical studies in villages of different districts of West Bengal have revealed this also.

Chapter V deals within the annual production figures of some selected consumer items used in rural sector and agricultural products viz. Bicycles, LPG cylinders, Razor Blades, Electric Fans, Fluorescent Tubes, GLS Lamps, Tape Recorder, Refrigerator, Scooters and Mopeds, Wrist Watches, Soaps, Motorcycle, Tractors and Fertilizer. The trend equations of these products were fitted. Average values, Standard deviations, Maximum and Minimum values and Coefficient of Variations of production of these items were estimated.

It was revealed from the regression coefficients that the growth rates of production of razor blades is the highest because of the changing requirements in rural and urban sector. There is also a notable growth in the productions of Fluorescent Tubes and GLS Lamps which shows that the electricity has spread in rural areas of the country. The total area under electricity is growing over the years. As a result the electric consumers are increasing in number. Production of items like Scooters, Mopeds, Motorcycles and Bicycles are growing due to rise in purchasing power of the
middle class as a whole and that of agriculturists. Since the big agriculturists are keen to have their own tractors, it is observed that the demand for tractors are increasing, hence the production trend. Since the purchasing power of the agriculturists have increased there is also a spurt in the growth of requirement of fertilizers and therefore, fertilizer production have also increased.

In Chapter VI, a study on small scale industry in India vis-a-vis West Bengal have been made. By small scale industry it is meant that segment of industry which has investment in plant and machineries upto Rs. 30 million. An empirical study was undertaken amongst a few small scale industries located in Jalpaiguri, engaged in different business. The district of Jalpaiguri was selected principally because this district reveals purely rural problems in marketing.

The Small Scale Industry have entered the rural market with their products, keeping the price sensitivity into consideration. They are mainly operating through dealers located in different district towns, who in turn pass on the products to the retailers located in various villages. However, there are some problems faced in rural marketing. The principal is that of bank loan facilities. As a result they face extreme cash problems to market their products. Banks do not want to give loans without pledging high securities. Direct schemes given by the entrepreneurs are rejected by the banks. The rural market is becoming competitive. The competition between the small scale enterprises is pushing the profit of small scale enterprises down. The problem of obtaining raw materials to manufacture products is increasing. As a result, it is becoming difficult to keep the cost of production low. Therefore, again there is a pressure on profit. Duplicate products are creating confusion in the minds of the consumers. Using the duplicate products people begin to question the quality of the original product. Infrastructural lag is also creating serious problems. Power crisis in districts of West Bengal is greatly inhibiting the operation of
small scale enterprises. Absence of proper roads in the remote areas is preventing the small scale enterprises to market their products in these localities.

Chapter VII deals with an empirical study in the three districts of West Bengal namely, Midnapore, Burdwan and Jalpaiguri selecting certain villages at random to comprehend the change in the consumption pattern of the rural consumers, the rating of brands and factors influencing the purchase of a commodity. The empirical study was conducted mainly to have a feel of the actual scenario of the rural market.

The reasons for selection of the above mentioned districts are two fold:

First, in order to cover the rural market of entire West Bengal we have selected the districts in such a way that geographically one district is situated in the northern part of West Bengal, the other in the central part, while the third is situated in the southern part of West Bengal.

Secondly, in order to choose the actual districts we have also considered rice yield per hectare. It is observed that Burdwan has the highest yield amongst all the districts in West Bengal. Midnapore is in the mid-way of production of rice while Jalpaiguri is ranked amongst the lower yield districts of West Bengal.

The empirical study clearly show that

• Rural consumers have become brand conscious
• Quality is an important factor for the buyers for choosing a brand of the product
• Dealers are important players in rural marketing
• ‘Word of mouth’ is the most important factor for influencing the rural consumers to buy a product

• Pirated brands have infiltrated the rural market.

The opinions of some Large Scale Manufacturers of different products, who are presently undertaking rural marketing in West Bengal, have been taken through an empirical study as dealt in Chapter VIII.

The marketing managers were contacted and certain statements were made and their reactions were noted on a 5 point scale. The statements were put under three classes – Resources, Managers’ Orientation & Evaluation. Mean, Standard deviations and Coefficient of variation of ratings of statements by organisations under Rural Marketing were taken. It is seen that the organisations have strongly agreed on the following points – i) there is a great scope for rural marketing in India, ii) Managers of organisations be given specialised training in developing rural marketing strategies and iii) there should be a proper feedback system from company personnel on field to higher management.

The shares of the organisations in rural marketing is increasing. It is not only in the case of consumer non durables that the rural share is increasing but also in the case of consumer durables. The purchasing power of the rural buyers over the last 7 years, have increased 50%. In West Bengal the rural consumers are going for branded items of washing powders. Incare and hair care items are being consumed more now. The consumption pattern of cosmetics have increased 10% to 15% in the last two years in West Bengal. Brand consciousness in rural West Bengal perhaps
have been rated better than in the other parts of the country because of the better penetration of media and higher political awareness of the rural mass.

Hence, from the above study it can be concluded that (as mentioned in Chapter IX),

i) The purchasing capacity of rural West Bengal has increased. The state government through village Panchayats are giving aids to farmers to buy fertilizers and pesticides. This has resulted in the growth of yield per hectare which has brought about increase in agricultural income. Buyers are spending more to meet their needs.

ii) The consumption pattern of rural West Bengal have greatly changed. The products which did not find significance in the rural market earlier have slowly gained its place. With the increase in purchasing capacity the rural buyers are not only buying non durable goods but are also purchasing durable products like TVs, Transistors, Stereos, and Two-in-Ones.

iii) Brand consciousness has increased at a fast pace in West Bengal. Brand consciousness has increased owing to the penetration of media into the villages.

iv) Empirical studies in villages have revealed

- brand consciousness have significantly grown in rural marketing
- rural consumers are price conscious and hence the rural market is a price sensitive market
- the village retailers are the most sensitive channel members in influencing a consumer
- word of mouth is the most influencing criterion for consumers to purchase a particular brand
v) Manufacturers are carrying out with products to serve the particular needs of the rural market.

The rural market is a price sensitive market for which modified products with low unit cost is coming out in case of non durable items. Distribution is a crucial factor in marketing. Promotion has received adequate attention of manufacturing and marketing men. It is the promotional measures adopted by various companies which has resulted in tremendous growth in rural market.

Based on the above conclusion it has been recommended that:

i) Product Strategies like smaller packings, low price packing of premium brands and utility oriented products be made for the rural buyers. Brand names of products should be given to bring about rural flavour. They should be linked with the beliefs and aspirations of the rural consumers.

ii) Pricing strategies like simple packing, refill packs, cheaper raw materials for manufacturing a product and loan facilities at easy installments can be given to the consumers to purchase durable products.

iii) Distribution Strategies like the use of Public Distribution system, utilization of feeder markets and organising exhibition of products in village markets have been suggested. The concept of Redistribution Stockist is recommended to be done away with. This will reduce the cost of the product to the ultimate consumer.

iv) The promotional campaigns of products should be such that it takes into consideration the comprehensibility power of the rural consumers. Advertisements should be done in regional languages. Hoardings and wall paintings are highly suitable with visuals and minimum write up. Video on wheels and free samplings could be important measures of campaigning. Opinion leaders in villages like, School Teachers, Doctors, etc. could be
contacted and personal campaigning could be done to them so that they may in turn influence the villagers to buy a particular product of an organisation. Other mass media like booklets, posters, stickers and banners could be adopted.