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CHAPTER-1

INTRODUCTION

Rural Marketing

The concepts of ‘Rural’ and ‘Marketing’ through used very frequently in various forums have eluded any precise and non-controversial definitions. When we join then the resulting concept ‘Rural marketing’ means different things to different persons. Promotion of brands in rural markets requires the special measures due to the social and backward condition. The personal selling efforts have a challenging role to play in this regard. With the increase in the rural literacy levels and the exposure to media, people in rural areas are also becoming conscious about their buying decisions like their urban counterparts. This makes it even more challenging for the companies to understand the buying behavior, the consuming pattern, the need and wants of the rural consumer. One important question, which ails the marketer, is the heterogeneity of the rural market place. The heterogeneity is mainly on account of the geography, varied income levels, cultural differences of the consumers. The mantra for success for any company going rural can be the four a framework (Affordability, Acceptability, and Accessibility & Awareness). These factors will go a long way in providing
the company with market value coverage along with a steady source of revenue. The companies which are going to keep in mind the above stated factors are sure to emerge as winners in the rural markets. Marketing has changed the dynamics of the business. They found the way-out for the challenges to become successful. They believed that it is patience which is important to gain loyal customers than entering the rural with aggressive marketing. By introducing the products in to rural markets, companies are not changing customers' tastes and preferences but their habits which is most challenging and in which case if the customer is dissatisfied, it will become more difficult to regain the trust or may be never possible. According to the census of India, villages with clear surveyed boundaries not having a municipality, corporation or board, with density of population not more than 400sq. km and at least 75 per cent of the male working Population engaged in agriculture and allied activities would qualify as rural. So, from the above stated conditions, there are 6, 38, 000 villages in the country. Of these, only 0.5 cent has a population above 10,000 and 2 per cent have population between 5,000 and 10,000. Around 50 per cent has a population less than 200. But, FMCG and consumer durable companies are considering a territory as a rural market which has more than 20,000 and below 50,000 populations. Size of rural market is estimated to be 42 million households and rural market has been growing at five times the pace of the urban
market. “Go rural' is the slogan of marketing guru's after analyzing the socio-economic changes in villages. The Rural population is nearly three times of the urban, so Rural consumers have become the prime target market for consumer durable and non-durable products, food, construction, electronics, automobiles, banks, insurance companies and other sectors besides 100% of agri-input products such as seeds, fertilizers, pesticides and farm machinery”\(^1\). These companies' foreseeing the vast size and demand in the rural market cannot afford to ignore. Rural market accounts for half the total market for TV sets, Fans, Pressure cookers, bicycles, washing soap and tooth powder where FMCG products in rural products in rural markets is growing much faster than the urban counterpart.

“The attitude of the rural consumers favors quality products and brands but brand pricing has to take into account both the income level and income flow of the consumers. There are consumers who can afford high priced brands, a group of rural consumers can not only afford, but also are also willing to buy, high priced brands”2. According to Dr. G. Sridhar, Prof. Debiprashad Mishra, and L. K. Vaswani, “Rural market potential in India is so huge that a mere one percent increase in India’s rural income translates to rs.100, 000 million of buying power. Trends indicate that rural markets are growing twice as fast as those in urban areas. Intact rural is already a bigger market than urban in case of FMCG and durables. Rural consuming class is growing at annual rates of 3-4%. The no. of middle income and high income households in rural India is expected to reach 111 million by 2007 from the current 80 million (NCEAR, 2003).

Economic uprising in rural markets has led to the speculation in the business community that rural and urban are now increasingly becoming homogenous”

Alicia Barroso focused that the increase of a new product’s sales is usually attributed to consumers becoming informed about the existence of the product. Advertising can accelerate this consumer’s awareness process. We develop and estimate a structural model in which the consumer purchase decisions is specified using a discrete choice model with variation in the choice set”


Mandar Naresh Dhumal, Avishkar Tayade, Ankita Khandkar focused that Rural marketing can be seen as a function which manages all those activities involved in assessing, stimulating and converting the purchasing power into an effective demand for specific products and services and moving them to the people in rural area to create satisfaction and a standard of living to them and there by achieves the goals of the organization”\(^5\).

The sector also saw continuance of key trends like decline in agriculture and rise in wage employment the trend is attributable to low productivity, lack of credit and lack of extension services, apart from shortage of input and feed.


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Problems of Rural Market

Rural markets, as part of any economy, have untouched potential. There are several difficulties confronting the effort to fully explore rural markets. The concept of rural markets in India is still in evolving shape, and the sector poses a variety of challenges. Distribution costs and non-availability of retail outlets are major problems faced by the marketers. The success of a brand in the Indian rural market is as unpredictable as rain. Many brands, which should have been successful, have failed miserably. The unique consumption patterns, tastes, and needs of the rural consumers should be analyzed at the product planning stage so that they match the needs of the rural people. Therefore, marketers need to understand the social dynamics and attitude variations within each village though nationally it follows a consistent pattern. The main problems in rural marketing are:

* Understanding the Rural Consumer

* Poor Infrastructure

* Physical Distribution

* Channel Management

* Promotion and Marketing Communication

Dynamics of rural markets differ from other market types, and similarly, rural marketing strategies are also significantly different from the marketing strategies aimed at an urban or industrial consumer. The rural market offers
a great scope for a concentrated marketing effort because of the recent increase in the rural incomes and the likelihood that such incomes will increase faster because of better production and higher prices for agricultural commodities. This population was always ignored by the private sector due to its low-income level, low literacy rate, and high cost because of improper infrastructure facilities. Unavailability of proper distribution channels and media, and low awareness, rural market was never looked upon as profit making market. However, as the growth in the urban market started stagnating, the need for exploring new market became evident. Organizations thus, started looking for forays into the rural market for growth. However, as rural consumer is different from urban consumer in terms of interests, priorities, attitudes, etc., they had to be dealt in different way. Buying decision of the consumer of different age, occupation differs from rural to urban area. The rural area is more bounded by traditions, customs, and values which bring a gigantic change in the life style and personality of the consumers of rural area in comparison to urban area where people are more attracted towards the western culture. Low per capita incomes of the consumers in the rural area restrict them for low conscious and are ready to pay high. The major difference in rural and urban market is, rural market is under developed and the consumers are also less aware about the trends and brands as compared to the urban consumers. The medium of
communication for rural, is also different in comparison with the urban market. Words of mouth, print, radio, puppetry, melas and folk theatres are few of the medium of promotion where as television and print media advertisement are the leading source of promotion for urban market. Language diversification is also a problem as India never had a common language which could be understood by the masses; it is a barrier in effective communication in the rural market as language varies from state, place to place and district to district. Following are the major problems:

1. Large manufactures have ample budgets for customer need identification, market research, product development and advertising. Thus they can develop and create demand of their products.

2. Quality is inconsistent because of the very nature of handmade crafts.

3. Access to low cost finance, cost of credit, and availability of raw material are some major issues for small rural producers.

4. Administrative complexity, multiplicity of required formalities while dealing with different agencies.

5. Lack of assistance in value addition which can dramatically improve marketability of the product. Assistance can be given in the areas of skill up gradation training, design input and technical up gradation.

6. They are unaware about potential new markets in India and abroad. Their means of access to these markets is severely limited.
7. Crafts persons suffer greatly from lack of accessible credit and loan facilities. This might be due to lack of information on facilities and credit procedures, lack of properties to serve as collateral, necessity of having a “contact man” in the bank etc.

8. Civic infrastructure is another hurdle, poor condition of roads, irregular electricity, lack of transportation facilities are major issues. Professional infrastructure like work sheds, storage, shipping and packing facilities and social service infrastructure like insurance, medical care etc are addition to these problems.

Need and Importance for the Study

The main reason why the companies are focusing on rural market and developing effective strategies to tap the market potential can be identified as:

- Large population:
- Market growth: Market is growing at a rate of 3-4 % per annum adding more than one million new customers every year.
- Development of infrastructure: Government is taking a number of initiatives and investing towards development of infrastructure facility and
public service projects in rural India, which includes construction of roads, electricity connection, and telephone connection.

– Thus more number of rural people will start enjoying facilities like television, internet access, electricity connection, improve roads and better public transport system.

The present study has the scope defined in the following points:-
* Only urban to rural market transactions are considered. Study did not consider rural to urban, rural to rural transactions.
* Only products that are marked in both rural and urban markets are considered i.e. those products which are marketed exclusively for rural markets are not considered.
* Only four product categories are chosen for the study; viz. pharmaceuticals, financial products (banking and insurance), television and hair care. Number of products categories chosen for the study is few because of the cost and time implications.
* Organizations marketing their products in rural markets of Rajasthan are studied. Choice of Rajasthan is made for optimizing cost and time.
* Keenly debated topics.
* Definitions based on organizational/institutional vision, mission & goal.
* Need for a comprehensive and modular understanding.
* Rural marketing is a “work in progress”.
* Multy disciplinary approach is necessary for sharper understanding.

**Rural Marketing in Rajasthan**

The Rajasthan’s rural market with its vast size and demand base offers great opportunities to marketers. Two-third of countries consumers live in rural areas and almost half of the national income is generated here. It is only natural markets form an important part of the total market in India. Our Rajasthan is classified in around 33 districts and approximately 41,352 villages, which can be sorted in different parameters such as literacy levels, accessibility, income levels, penetration, distance from nearest towns, etc. Given the development, which has taken place in the rural areas under the five year plans and other special programs, today the rural market offers a vast untapped potential. Development programs in the field of agricultural and allied activities, health education, communication, rural electrification, etc. have improved the lifestyles of poor and the illiterate. Rajasthan is the largest state in India in terms of geographic area. South Rajasthan is predominately habited by tribal. Tribal producers, suppliers and artisans old age traditional knowledge is still cherished not only in this region but outside also. This province is rich in natural resources and boosts a lot of cultural diversity. This tribal region is not economically well off and
economic empowerment is a felt requirement today. There is a need to accord greater attention to rich and diverse cultural heritage, traditional crafts and customs of the country in general and this region in particular which are showing signs of neglect. There is a huge scope of market traditional rural products and services. Out of lots, “ethnic origin” and indigenous design and appearance are two traits of rural products, attracting a premium in the market. The present study is confined to tribal region of South Rajasthan.

**Objectives of the Study**

Against this back drop, the proposed study attempts to achieve following objectives:

a. To explore the prevalent scenario in the field of rural marketing in India.

b. To understand the diversified rural product and service mix with in the tribal region of Rajasthan (India).

c. To interrogate selected rural producers, suppliers and artisans regarding the problems faced by them.

d. To seek the opinions of representative of various facilitating agencies such as government organizations, NGOs and educational institutes.
**Consumers Buying Behavior in the Rural Market**

Consumer behavior is a major issue in marketing and more so in rural marketing. In a vast country like India, there are so many diversities. They are a part of the historical, geographical and social situations. Marketers will have to think on the basis of regions. Targeting, segmenting and positioning needs to be region specific. Whatever is the nature of product, the consumer behavior in the rural markets will have to be understood in each of the areas like product, price, promotion and physical distribution. Consumer decision making would vary with the type of buying decision.

There are 4 types of buying behavior based on the degree of buyer involvement and the degree of difference between buyers:

<table>
<thead>
<tr>
<th>High involvement</th>
<th>Low involvement</th>
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<tbody>
<tr>
<td>Significance difference between the brands</td>
<td>Variety seeking buying behavior</td>
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<tr>
<td>Complex buying behavior</td>
<td>Dissonance buying behavior</td>
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<td>Habitual buying behavior</td>
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Few differences between the brands
CONSUMER BUYING PROCESS:-

1. **Need Identification**: The buying process starts when the buyer recognizes a problem or need, this need could be because of internal or external stimulation.

2. **Internal Stimulation**: Say when we are hungry we may want to eat something.

3. **External Stimulation**: Say when we are passing through a bakery shop you smell the freshly baked biscuits based on this you may want to buy, to consume biscuits.

4. **Information Search**: Once the need has been identified the consumer would look for more information about the product. This information he may get from personal sources {family friends, neighbors, etc.} or commercial sources {advertising, sales person, dealers, displays}.

5. **Evaluation of Alternatives**: Now that consumer has got information of the product and the companies that are selling their product. He would to evaluate the various alternatives that he has; various products will have different attributes on which they would be evaluated. For e.g.: cameras, picture sharpness, camera speed, camera size and price.
Factors influencing buying behavior:-

1. **Environment of the consumer** - The environment or the surroundings, with in which the consumer lives, has a very strong influence on the buyer behavior, e.g. Electrification, water supply affects demand for durables.

2. **Geographic influences** - The geographic location in which the rural consumer is located also speaks about the thought process of the consumer. For instance, villages in south India accept technology quicker than in other parts of India. Thus, HMT sells more winding watches in the north while they sell more quartz watches down south.

3. **Family** – It is an important buying decision making organization in consumer market, family size & the roles played by family members exercise considerable influence on the purchase decisions. Industry observers are increasingly realizing that at times, purchase of durable has less to do with income, but has more to do with the size of the family & that’s where rural India with joint family structures, becomes an attractive proposition.

4. **Economic factors** - The quantum of income & the earning stream are one of the major deciding factors, which determine to a great extent, what the customer will be able to buy. Many people in the rural market are below poverty line & for large number of people, agriculture is the primary
occupation. More than 70% of the people are in small-scale agricultural operation. These factors affect the purchase decision.

5. **Place of purchase** - (60% prefer Hats due to better quality, variety & price) companies need to assess the influence of retailers on the both consumers at village shops and at haats.

6. **Brand preference and loyalty** - (80% of sale is branded items in 16 product categories). Over the years, the attitude and lifestyle of rural folk has changed due exposure through TV and awareness through an increase in literacy level. Also, consumers are becoming brand loyal. This makes it clear that the importance of rural market at present competition is to capture market share and consumer loyalty.

**The 4A approach**

Of the consumers, though the weakness like low per capita income, illiteracy and etc. can be overcome as more and more companies are taking interest into rural marketing in India to capture the untapped market. Opportunities for rural marketing are the vast size of rural market in India, around 128 million households; huge potential market for FMCG and durables, rise in the literacy rate of rural population, easy reach of mass media and television has influenced the consumer behavior. Threats for the rural marketing are its unpredicted nature as compared to urban market. The rural market may be
alluring but it is not without its problems: Low per capita disposable incomes that is half the urban disposable income; large number of daily wage earners, acute dependence on the vagaries of the monsoon; seasonal consumption linked to harvests and festivals and special occasions; poor roads; power problems; and inaccessibility to conventional advertising media. However, the rural consumer is not unlike his urban counterpart in many ways. The more daring MNCs are meeting the consequent challenges of availability, affordability, acceptability and awareness.

**Availability**

The first challenge is to ensure availability of the product or service. India's 638,000 villages are spread over 3.2 million sq km; 700 million Indians may live in rural areas, finding them is not easy. However, given the poor state of roads, it is an even greater challenge to regularly reach products to the far-flung villages. Any serious marketer must strive to reach at least 13,113 villages with a population of more than 5,000. Marketers must trade off the distribution cost with incremental market penetration. Over the years, India's largest MNC, Hindustan Lever, a subsidiary of Unilever, has built a strong distribution system which helps its brands reach the interiors of the rural market. To service remote village, stockiest use auto rickshaws, bullock-carts and even boats in the backwaters of Rajasthan. Coca-Cola, which considers rural India as a future growth driver, has evolved a hub and spoke
distribution model to reach the villages. To ensure full loads, the company depot supplies, twice a week, large distributors which who act as hubs. These distributors appoint and supply, once a week, smaller distributors in adjoining areas. LG Electronics defines all cities and towns other than the seven metros cities as rural and semi-urban market. To tap these unexplored country markets, LG has set up 45 area offices and 59 rural/remote area offices.

**Affordability**

The second challenge is to ensure affordability of the product or service. With low disposable incomes, products need to be affordable to the rural consumer, most of who are on daily wages. Some companies have addressed the affordability problem by introducing small unit packs. Godrej recently introduced three brands of Cinthol, Fair Glow and Godrej in 50-gm packs, priced at Rs 4-5 meant specifically for Madhya Pradesh, Bihar and Uttar Pradesh, Rajasthan— the so-called `Bimaru' States. Hindustan Lever, among the first MNCs to realize the potential of India's rural market, has launched a variant of its largest selling soap brand, Lifebuoy at Rs 2 for 50 gm. The move is mainly targeted at the rural market. Coca-Cola has addressed the affordability issue by introducing the returnable 200-ml glass bottle priced at Rs 5. The initiative has paid off: Eighty per cent of new drinkers now come from the rural markets. Coca-Cola has also introduced Sun fill, a powdered
soft-drink concentrate. The instant and ready-to-mix Sun fill is available in a single-serve sachet of 25 gm priced at Rs 2 and multi serve sachet of 200 gm priced at Rs 15. The survey conducted by CCI in 2001 revealed that 300 ml bottles were not popular with rural and semi-urban residents where two persons often shared a 300ml bottle. It was also found that the price of rs/-10 per bottle was considered too high by rural consumers. For these reasons, CCI decided to make some changes in the size of its bottles and pricing to win over consumers in the rural market in 2002, CCI launched 200 ml bottles (Chhota Coke) priced Rs/-5 CCI announced that it could push the 200 ml bottles more in rural areas, as the rural market was very price sensitive. It was widely felt that the 200 ml bottles prices at Rs/-5 would increases the rate of consumption in rural India. Reports put the annual per capita consumption of bottled beverage in rural areas at one bottle as compared to 6 bottles in urban areas.

**Acceptability**

The third challenge is to gain acceptability for the product or service. Therefore, there is a need to offer products that suit the rural market. One company which has reaped rich dividends by doing so is LG electronics in 1998; it developed a customized TV for the rural market and christened it shampoo. It was a run way hit selling 100,000 sets in the very first year. Because of the lack of electricity and refrigerators in the rural areas, coca
Cola provides low cost ice-box for new outlets and thermocol box for seasonable outlets. The initiatives of CCI in distribution and pricing were supported by extensive marketing in the mass media as well as through outdoor advertising. The company put up hoardings in villages and painted the name Coca-Cola on the compounds of the residences in the villages. Further, CCI also participated in the weakly mandies by setting up temporary retail outlets, and also took part in the annual haats and fairs – major sources of business activity and entertainment in the rural India. CCI also launched television commercials (TVs) targeted at rural consumers, in order to reach more rural consumers, CCI increased its ad-spend on Doordarshan. The company ensured that all its rural marketing initiatives were well supported by TVCs. When CCI launched Chhota Coke in 2002 priced at Rs/.5, it bought out a commercial featuring Bollywood actor Amir Khan to communicate the message the price cut and the launch of 200ml bottles to the rural consumers. The commercial was shot in rural settings.

The insurance companies that have tailor-made products for the rural market have performed well. HDFC Standard Life topped private insurers by selling policies worth Rs 3.5 crore in total premium. The company tied up with non-governmental organizations and offered reasonably-priced policies in the nature of group insurance covers. With large parts of rural India inaccessible to conventional advertising media only 41 per cent rural
households have access to TV for building awareness is another challenge. Fortunately, however, the rural consumer has the same likes as the urban consumer movies, music and for both the urban and rural consumer; the family is the key unit of identity. However, the rural consumer expressions differ from his urban counterpart. Outing for the former is confined to local fairs and festivals and TV viewing is confined to the state-owned Doordarshan. Consumption of branded products is treated as a special treat or indulgence. Hindustan Lever relies heavily on its own company-organised media. These are promotional events organised by stockists. Godrej Consumer Products, which is trying to push its soap brands into the interior areas, uses radio to reach the local people in their language. Coca-Cola uses a combination of TV, cinema and radio to reach 53.6 per cent of rural households. It doubled its spend on advertising on Doordarshan, which alone reached 41 per cent of rural households. It has also used banners, posters and tapped all the local forms of entertainment. Since price is a key issue in the rural areas, Coca-Cola advertising stressed its `magical' price point of Rs 5 per bottle in all media. LG Electronics uses vans and road shows to reach rural customers. The company uses local language advertising. Philips India uses wall writing and radio advertising to drive its growth in rural areas. The key dilemma for MNCs eager to tap the large and
fast-growing rural market is whether they can do so without hurting the company's profit margins.

**Awareness**

Rural consumers visit high congregation areas like haats/fairs etc. where product awareness can be created. Therefore, the right product needs to reach the right person at the right time and place. Brand awareness is another challenge. Fortunately, however the rural consumer has the same likes as the urban consumer—movies and music—and for both the urban and rural consumer, the family is the key unit of identity. However the rural consumer expressions differ from his urban counterpart. Studies indicate that there has been a visible shift in the people's preference for brands. People are upgrading from the use of tooth powders to tooth pastes, and from using traditional mosquito repellants to using mats and coils. Also there is shift from low priced brands to semi-premium brands. With large parts of rural India inaccessible to conventional advertising media only 41 per cent rural households have access to TV. Outing for the former is confined to local fairs and festivals and TV viewing is confined to the state-owned Doordarshan. Consumption of branded products is treated as a special treat or indulgence. Hindustan Lever relies heavily on its own company-organized media. These are promotional events organized by stockiest. Godrej Consumer Products, which is trying to push its soap brands into the
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Role of Economic Development in Rajasthan

The State economy has demonstrated reasonable progress in recent years. The State Gross Domestic Product (SGDP), at 2004-05 constant prices, has grown with a cumulative average real growth rate of 5% p.a. and 9.69% during 2010-11. The per capita income at current prices is Rs. 39,967. Agriculture in Rajasthan is mostly dependent on rainfall that remains scantily, low and irregular. The total food grain production in the State is estimated at 202.07 lakh tons, during 2010-11, which has shown an increase by 63.49 percent, as compared to that of 123.60 lakh tons in the previous year. The kharif food grain production in the year 2010-11 is estimated at the level of 105.93 lakh tons, as against 36.69 lakh tons of the previous year (showing an increase of 188.72 percent). The rabi food grain production in the year 2010-11 is expected to be higher with a level of 96.14 lakh tons as against 86.91 lakh tons during the year 2009-10, showing an increase of 10.62 percent. An analysis of per capita value of agricultural output in Rajasthan indicates that Rajsamand, Dungarpur, Barmer, Sirohi and Udaipur lie at the bottom of per capita agricultural output index. The major horticultural crops in the state are orange, kinnow, lime, aonla, chillies, garlic, coriander, cumin, fenugreek, isabgol, mehandi etc. Under National Horticulture Mission, an amount of Rs. 29.31 cr has been incurred during 2010-11 to increase the area, production and productivity of different
horticulture crops like fruits, spices, flower and medicinal crops in 24 districts. Traditionally animal husbandry has been an important source of supplementary income to farmers in Rajasthan. As agriculture is at the mercy of monsoon (which is scarce and erratic), farmers do animal rearing along with agriculture. The farmers, who have productive land and irrigation facility, rear cattle, while the small and marginal farmers rear goat and sheep. With introduction of irrigation systems through Indira Gandhi Nahar Pariyojna (IGNP) in western Rajasthan and other irrigation projects in rest of the state, farmers have started replacing local breeds of cows with cross bred cows and buffalos. The state is the main producer of wool in the country (40 %), though the quality of wool is poor and mainly used for making carpets and blankets. Though the production of milk accounts for 10 % of the total national production, the milk productivity of cattle (cows and buffaloes) is lowest in the state due to poor breeds and nutritional practices. There is huge potential for growth. Moreover, milk collection many a times becomes unviable because of large distances, with low density of milk producers (and therefore, low volume of milk). Due to scattered habitations (especially in western parts and tribal areas in southern districts) the milk collection carries risk of milk getting spoilt. Milk collection entails opportunity costs like fuel Rajasthan Microfinance Report-2011. The State Government has created an institutional mechanism for attracting
investment; the Bureau of Investment Promotion (BIP), Rajasthan State Industrial Development and Investment Corporation (RIICO), Rajasthan Financial Corporation (RFC), and Project Development Corporation are fully operational. The State Government has also put in place sector specific policies, like the Healthcare Policy, the Hotel Policy, the Power Policy etc. According to the data collected under Employment Marketing Information (EMI) programmed. India Today survey on economy and development in India. For infrastructure, Rajasthan ranks 14 out of 20 states, which were ranked in recent India Today survey on economy and development in India. For consumer market, Rajasthan ranks 13 out of 20 states, which were ranked in recent India Today survey on economy and development in India. For investment friendliness, Rajasthan ranks 18 out of 20 states, which were ranked in recent India Today survey on economy and development in India. Marwari with their business acumen have migrated across many different parts of the country, and to other countries of the world. However, in spite of these initiatives, investment friendly environment still seems a distant reality. Small scale industry forms the backbone of industrial activity and employment generation in Rajasthan. Over 70 per cent of Rajasthan's industrial output comes from four regions dominated by small scale industries: Jaipur, Bhilwara, Udaipur and Ganganagar account for 39%, 18%, 9% and 4% of the State's industrial output, respectively. “The key
districts driving industrial growth are Ajmer, Alwar, Barmer, Bharatpur, Bhilwara, Bikaner, Bundi, Chittorgarh, Jaipur, Jodhpur, Kota and Udaipur. The informal sector contributes significantly to employment in Rajasthan; there are an estimated 18.4 lakh enterprises in the informal sector in the State, generating employment for 29 lakh workers. Also, over 70% of the enterprises in the informal sector are currently involved in activities related to manufacturing, trade, and repair activities”


**Rural market vs. urban market:**

“Since ancient times, Indian villages had the concept of village markets popularly known as the village “Haats’. The “Haats” are basically a gathering of the local buyers and sellers. Haats are basically a weekly event and are central to the village economy. Companies like Mahindra have devised their marketing plan keeping in mind the importance of haats in villages. They set up stalls in the villages coinciding with the village haats and promote their tractors. This serves a dual purpose-getting the attention of a large number of their target market as well as getting critical insight about the rural consumer’s behavior.
The village mandis and the seasonal melas are other important occasions for the marketers to tap. This is one destination that should figure prominently in every tourist’s itinerary if he’s visiting Delhi. It’s the only place in country where you can purchase handicrafts, plan your wardrobe, view cultural programs or have your fill from the food stalls representing the 25 states and union territories of India. Its Dilli haat we’re talking about. Located on Sri Aurobindo Marg, opposite INA Market, and barely half a kilo-meter from Delhi’s well-known All India Institute of Medical Sciences, Dilli Haat is a permanent handicrafts bazaar. The haat was officially inaugurated on March 28, 1994. In the first year of its existence, the haat had 300 visitors on a daily basis. In the words of an official, the project is aimed at providing additional marketing outlets to genuine craftsperson from the handicrafts and handloom sectors throughout the country. Rajasthan’s handicrafts and embellished camel-hide footwear, Gujarat’s lehengas and cholis, Bihar’s Madhubani paintings, Assam’s teak wood furniture, artificial and semi-precious jewellery, brassware, pottery they can all be found here. The display halls on the premises are rented to NGOs or state handicraft organizations that hold regular exhibitions. Most items sold here could be pegged at small premiums, depending on the artisan concerned. Handicrafts and garments are not the only highlights here. For culture vultures, there is an open-air theatre where folk music, song and dance are held frequently.
Bhangra, kathakali, bharatnatyam and other dance performances is a regular feature. For kids, the occasional pantomime and puppet shows are a big draw and for women, alongside semi-precious jewellery and trinkets. Regional festivals are also held regularly at the Haat, Rajasthan’s Teej Festival was celebrated between July and August. Organized by the Rajasthan Tourism Development Corporation, the highlights of the festival were the food fiesta and a puppet show organized by Rajasthan artistes. Quite naturally, this was one time of the year when the Rajasthan food stall stole a march over the more popular ones. Specialties like dal bati churma, the special thali and ghevar were all lapped up with gusto. Throughout the year, Dilli Haat hosts one regional festival or the other in collaboration with a state tourism department. Thanks to the Haat’s roaring success as a mini heart of India, Plans are afoot to build Haats in each zone of Delhi. Until then, south Delhi’s Dilli Haat will continue to rule the roost”

Differentiation between Rural and Urban market are as follows:

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<th>No.</th>
<th>Aspect</th>
<th>Urban</th>
<th>Rural</th>
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<td>Philosophy</td>
<td>Marketing &amp; Societal Concepts &amp; Relationship Marketing</td>
<td>Marketing &amp; Societal Concept, Development Marketing &amp; Relationship Marketing</td>
</tr>
<tr>
<td>2.</td>
<td>Demand</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Literacy</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Income</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Needs</td>
<td>High Level</td>
<td>Low level</td>
</tr>
<tr>
<td>3.</td>
<td>Product</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Awareness</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Concept</td>
<td>Known</td>
<td>Less Known</td>
</tr>
<tr>
<td></td>
<td>Positioning</td>
<td>Easy</td>
<td>Difficult</td>
</tr>
<tr>
<td></td>
<td>Usage methods</td>
<td>Easily Grasped</td>
<td>Difficult to Grasp</td>
</tr>
<tr>
<td></td>
<td>Quality</td>
<td>Good</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Preference</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Price</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sensitive</td>
<td>Yes</td>
<td>Very much</td>
</tr>
<tr>
<td></td>
<td>Level Desired</td>
<td>Medium- High</td>
<td>Medium-Low</td>
</tr>
<tr>
<td>5.</td>
<td>Distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Channels</td>
<td>Wholesalers, Stockist, Retailers, Supermarket, Specialty Stores, Authorised Showrooms.</td>
<td>Village Shops ‘Haats’</td>
</tr>
<tr>
<td></td>
<td>Transport</td>
<td>Good</td>
<td>Average</td>
</tr>
<tr>
<td></td>
<td>Facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Product</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>availability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Promotion</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Advertising</td>
<td>Print, Audio Visual Media, Outdoors, exhibitions etc. few languages</td>
<td>Tv, Radio, Print media to some extent more languages</td>
</tr>
<tr>
<td></td>
<td>Personal Selling</td>
<td>Door to Door Frequently</td>
<td>Occasionally</td>
</tr>
<tr>
<td></td>
<td>Sales Promotion</td>
<td>Contest, gift, price discount</td>
<td>gift, price discount</td>
</tr>
<tr>
<td></td>
<td>Publicity</td>
<td>Good Opportunities</td>
<td>Less Opportunities</td>
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</table>
Govt. Agencies Role for the Growth and Development in Rural Market

Collaboration between government and non-governmental organizations (NGOs) has been an outcome of emphasis on popular participation, sustainable development and increasing awareness in the developing societies. The State of Rajasthan in India, the location of this study, is no exception to this worldwide phenomenon.

Role Division And Management of The Relationship

The roles and space that NGOs acquire or are assigned depends on the programs development objectives and the perceived capacity of the NGOs to match (and perceived lack of government, conversely)"8.

We now consider for each such objective, the roles that government and NGOs share.

- For providing services, often the only requirement is that a local institution is available to reach to the targeted population or serve a specific function (such as training, artificial insemination) perhaps better than the government.

• Empowerment and popular participation in government projects requires that NGO not only act as a pressure group and people's organizer but possess understanding to influence the system.

• The objective of pursuing system or institutional reform in government is a broad-ranging one, and indeed a combination of the above three objectives.

• We may need actors with a systemic understanding to pull through the changes in government department (the role that Lok Jumbish Parishad plays vis a vis education department). The institutional reform could take a shape of introducing a new methodology in a department (like micro-level planning in PAHAL) or substituting public service with NGOs (like watershed development programme).

For each development scheme the government proposes standardized criteria of NGO selection, technical and cost norms, preferred approach and mode of implementation. The scheme is often open to all NGOs and a large number of NGOs participate. Astha and other NGOs worked with various levels of government hierarchy to demand an increase in the wages of tribal collectors in south Rajasthan, and even persuaded a government agency to give them license for and to finance marketing. JFM (Joint Forestry Management) is a well known example. Another variant of this is equally interesting where
one government agency undertakes reform of another government agency. NABARD's attempt to push commercial banks and RRB's to lend to the poor is a classical example, where it takes help from NGOs to link SHGs with banks. Lok Jumbish Parishad, acts as a pressure group on education department in a bid to reach the goal of universal primary education in the state. NGOs are assigned process intensive or software roles and the government physical implementation or hardware roles. Lok Jumbish, PAHAL and PAWDI are examples of this manner of institutional relationship. Sometimes, an operating structure, delinked from government bureaucracy, is created to allow flexibility and sensitivity to learning.

Rajasthan Bal Kalyan Samiti (RBKS) is a civil society organization working since 1981 for charity in the tribal dominated junction of Rajasthan. This area is known for: Anemic women, girls and boys, Very low literacy, Most of the farming families do not have ownership rights to their land; water scarcity and exploitation of resources; poor economic conditions, schools, hospitals, drinking water, road, electric supply etc. inaccessible for most families. Seva Mandir is an Indian non-profit organization that has been working for 40 years with the rural, predominantly, tribal population in Udaipur district of Southern Rajasthan. Seva Mandir’s work has centered on efforts to bring together and organize fragmented communities through a wide variety of interventions across diverse sectors, thereby simultaneously
addressing people’s immediate development needs and empowering them to become conscious agents of their own destiny.

**Conclusion**

This study deals with the introduction of the topic and the related issues. It deals with the importance of rural consumers in rural areas, consumers buying behavior in the market, awareness amongst villagers, role of Govt. in the development of rural markets, need for the study. Consumer behavior is a major issue in marketing and more so in rural marketing. In a vast country like India, there are so many diversities. They are a part of Historical, geographical and social situations. It is clear from the foregoing discussion, that rural marketing is an essential ingredient for the overall rural development. This is describes the importance of flow of goods and services from rural areas both rural as well as urban areas for sustainable rural growth. This also elaborates problems and prospects of marketing of rural products with specific reference to rural Rajasthan, India. Suggestive framework for improving the present marketing scenario of these rural products. At present these rural producers/suppliers are struggling to market their products and services due to various reasons such as Low Capital Labor ratio, preponderance of small land holdings, and excessive dependence on monsoons; massive unemployment and illiteracy. Apart from
these, rural producers in both farm and nonfarm product categories are facing serious problems about technical and marketing knowledge. They are also ignorant about modern marketing issues like quality, delivery schedule, packaging, after-sales-service, etc. The pricing concepts are not aligned with consumer want and goods are produced without a proper market survey or ascertaining beforehand whether there is a demand for a particular product. Consequently the rural producers are not able to give stiff competition to their urban counterparts. The increase in the services provided to the rural people (in terms of various services offered) will result in the overall betterment of the society on one side by enriching the people with updated market information and providing latest technological developmental news and organizations on other side by creating more market opportunities for them and adjustment of the market prices. IT can build up the role of each governance pillar in rural development and scarcity reduction. It can facilitate rapid, transparent, responsible, efficient and effective interaction between the stakeholders. Rural customer is simple and virgin. Upholding the dictum that customer is the king, if marketers try to approach him through his culture and values, he will feel respected and honoured and shall always be loyal to the marketers. The increase in share of agriculture sector in 2010-11 from 19% to 21.6% has been majorly due to 27% increase in agriculture contribution to total SGDP during last year, owing to robust
monsoon. Agriculture in Rajasthan is mostly dependent on rainfall that remains scanty, low and irregular. Traditionally animal husbandry has been an important source of supplementary income to farmers in Rajasthan. As agriculture is at the mercy of monsoon (which is scarce and erratic), farmers do animal rearing along with agriculture. Rajasthan contributes to 29.8% of SGDP, while the tertiary sector has assumed greater importance in the state as it contributes to over 48.6% of SGDP at current prices. This sector includes manufacturing activity, mining & quarrying, electricity, gas & water supply and all other construction related activities. According to the data collected under Employment Marketing Information (EMI) programmed. India Today survey on economy and development in India. For infrastructure, Rajasthan ranks 14 out of 20 states, which were ranked in recent India Today survey on economy and development in India For consumer market, Rajasthan ranks 13 out of 20 states, which were ranked in recent India Today survey on economy and development in India.