



Rural India Market-Creating Growth by Communication.

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ABSTRACT

In context of Indian scenario, 72% of Indians reside in the rural area. The increase in disposable income of rural population, their desire to change their lifestyle has attracted producers and thereby creates awareness amongst them using versatile communicating tactics. The paper presented is theoretical, based on information from secondary sources. The paper reflects that in the age of advanced information and communication technology, modes adopted with bonding of people literally, to communicate and create awareness is still a success mantra. It aims to reflect at the changes brought about in the Indian households by empowering women and is catalysts of change to the society. Rural market, though not an extension of the urban market, is lucrative for the producers and this paper supposedly should contribute value addition for the NGOs and other joining hands to create a platform for the rural inhabitants.

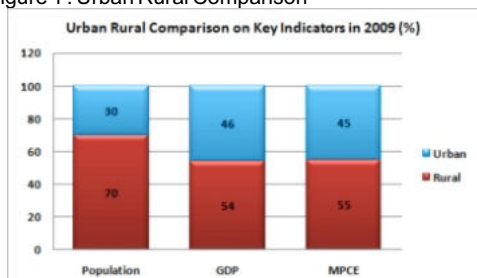
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Introduction

'The future lies with those companies who see the poor as their customers'- Late Dr. C. K. Prahlad

India Brand Equity Foundation (Trust established by Ministry of Commerce with the Confederation of Indian Industry) reports that the fast moving consumer goods (FMCG) creates employment to three million people in downstream activities. The current Indian market at present is estimated to be in size of 13.1 billion dollar, which is expected to rise to 33.4 billion dollar by 2015. According to NCAER, in 2009, of the 222 million households in India, the absolutely poor households (annual incomes below Rs. 45,000) accounted for only 15.6 % of them or about 35 million (about 200 million Indians). CIA World Factbook indicates 72% of Indians belongs to rural India. Hence a good enough proportion is distributed mostly in rural area. The bottom of the pyramid (BoP) is made up of the mass and needs to be addressed to ensure sustainable growth in India. The consumers in BoP are fairly ambitious in their attitude. The following data, Figure 1 about here by FICCI-Nielsen is a witness to this:

Figure 1 : Urban Rural Comparison



Source: Report: Challenges Before An Integrated India: Bridging The Urban-Rural Divide

Rural India Scenario

Table 1 about here which is a survey by NCAER, shows the increase in purchase of durables and expendables by rural consumers in comparison to urban buyers.

Table 1:

	Consumer Durables			
	Urban		Rural	
	2001-2002	2001-2010	2001-2002	2009-2010
Motorcycle	134.3	320.7	109.0	250.9
T V	942.8	1258.9	616.3	561.3
Car	31.4	52.2	1.6	3.5
	Consumer Expendables			
	Urban		Rural	
	2001-2002	2009-2010	2001-2002	2009-2010
Edible Oil	1000.0	1000.0	1000.0	1000.0
Shampoos	827.8	1000.0	354.5	458.4
Washing Powder	904.7	1000.0	775.4	946.9

Urban Rural Usage Pattern (Per '000 households)
Source: NCAER, The Great Indian Market

The above table, not only displays the figures and selling capacity of the sales force, but brings forth the fact that farmers' increase in purchasing power is steadily rising. The percentage of Below Poverty Line (BPL) families have come to 26% from 42%. At present 42 million rural households avails banking service.

In India, out of 6,00,000+ villages, only 10,000 villages have access to organized retailing. In the rest the conventional mass media techniques turns out to be helpless mainly due to two reasons: First, due to lack of network coverage and secondly even if there is coverage, conviction of people residing in such interior areas is not easy to be won over.

Contribution of media through marketing perspective as rural mass mobilizer

So, what are the adoptable mode of communication to reach out those yet to be reached with conviction?

In the year 2000, Hindustan Unilever Limited (HUL) conceptualised the model called Project Shakti was

first implemented in a few remote villages of Andhra Pradesh in the year 2000 and operates as direct to customer distribution channel involving local women entrepreneurs. With the support of self help groups, HUL identified disadvantaged women. Once the training was over they were given the liberty to set up their own business or become Shakti entrepreneurs. These underprivileged and illiterate women are now empowered with monthly average income between 16 -23 dollar. This model is applied in most interior villages of India except North east. The model has provided means for many women to come out of the clutch of poverty and lead to livelihood improvement. In a way this initiative is contributing to poverty alleviation in a developing country like India where as per the World Development Report (2008) every three out of four live on remote rural. In the year 2010, as per the annual report of HUL 45,000 entrepreneurs were selling products to 3 million households in 100,000 villages.

Another innovator in rural distribution of products and upgrading is eChoupal venture of Indian Tobacco Company Limited. Dahod, an interior village in Madhya Pradesh is dominated by soyabean farmers and an unlikely place to be affected by common mass media. ITC Ltd sourced from farmers located in many such villages in Madhya Pradesh. However, due to lack of awareness farmers suffered loss. Like a normal practice, in the evening, the farmers would gather informally 'choupal'(in Hindi) in somebody's home and spend the evening talking about their everyday life. In the year 1999 the 'e-choupal' was conceived by ITC Ltd, where farmers would rather discuss something productive and come out of their present cycle of poverty. Suddenly the farmers were promoted from gossips to browsing World Wide Web through a site dedicated to them www.soyachoupal.com, developed by ITC Ltd's own information technology subsidiary.

Progress and Development

Today 4 million farmers use e-Choupal to advantage bargaining as virtual buyers' co-operatives, adopting best practices, matching up to food safety norms. e-Choupal has been specially cited in the Government of India's Economic Survey of 2006-07, for its transformational impact on rural lives.

Dabur India Ltd, has adopted 'Advanced Sales Training for Retail Ascendance,' ASTRA. This model trains complexities of sales and distribution to the channel partners of Dabur stretched far into remote areas that in turn will see that villagers are not used as dumping ground of unused in urban areas, low quality and spurious products.

Paradigm Shift in Communication Mode

How do we define this medium of marketing communication which is mobilizing the mass un (able)to be reached by conventional mass media?

It has been observed that to bring changes in the purchase behaviour of rural people, which leads to development and growth in rural market, persuasive communication is preferred. To the rural mass, availability of information is low hence need accurate and real time information. The decisions in rural households are orthodoxically carried out by aged head of the family who wants information to come to him rather than venturing out to seek news. The best way out of the alternatives needs to be assessed and implemented. The reach and rich matrix, Figure 2 about here shown below displays 'reachable' capacity of various

types of medias' relevance to rural market in the vertical axis; which also indicates its mass mobilizing appeal. The 'richness' which is placed in the horizontal axis refers to media's authenticity of information and the empowerment on its utilization. The reach-rich matrix is divided into four quadrants each indicating a different type to publicize, promote, pull and develop rural areas and people. A quick look at the matrix shows that publicity through retail channel is low in rich as well as in reach to be applicable in remote rural areas. The use of folk art, CSR activities is again high in rich and truth of information but moulding to change mindset within a short span of time for undeveloped villages is low. Conventional mass media is very high in reach but again falls short when it is compared to richness and acceptability where there is no coverage at all and to change mindset of illiterate mass. At this juncture, the models (discussed in detail above) used effectively to publicize and promote products have reached to the widest possible customer base of the bottom of pyramid with rich information and has privileged them with knowledge of wealth creation. These steps justify addressing them a paradigm shift in media which is trying to give the taste of modernity to every Indian, move them one step ahead of poverty and lead to progress and development in the true sense.

Table 2 : The Reach-Rich Media Matrix

High	Conventional Mass Media	New Paradigm
Rich	Publicity by retail channel	Folk arts, CSR and Societal Marketing VOW
Low		
	Richness	High

Source: Corporate Rural Initiatives,HUL

Strictly following the conventional definition of media, these innovative ways of mass communication developed will not be easily accepted by the media world. The factor that cannot be denied out here is that it is a strong medium and is the 'pull strategy' which is making us witness in shift of rural purchasing trends. For example, Maruti Suzuki India generates 10 per cent of its domestic sales from rural sales, amounting to 32000 cars. Maruti has launched its marketing campaign for rural India "Ghar Ghar Mein Maruti" (Maruti in every Household") and Hero Honda, the two wheeler market leader, is planning to cover 1 lakh out of the six lakh villages by end of 2010-11 financial year under a campaign called Har Gaon, Har Aangan (Every Village, every Household). This mode of communication brings in a 'paradigm shift' to conventional mass media which has both genuine 'richness' of 'absolute information'; 'reaching' and building capacity to those residing in remotest of hinterland.

Conclusion

The new communication media strategies discussed, which provide a win-win situation for both rural consumers and sellers, have to be effectively combined with product, pricing and distribution strategies. The rural market cannot become extension of the urban market due to psychographic differences. The paradigm shift in mode of communication evolutionized through rural marketing strategies has mobilized and upgraded the livelihood and lifestyle of rural people, has made them aware of health and hygiene and their worth to the society. People are earning the freedom of choice and rural places are posing as handsome market.

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