

Discernment of the Myths and Beliefs Prevalent Towards Rural Markets: A Tamilnadu Rural Consumer Opinion

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Abstract:

Rural markets in emerging Economies like India offer both opportunities and challenges. As per census India 2011, there are 15,979 Villages in Tamil Nadu, in which 37,189,229 consumers making 51.55% of the total population reside. There are several opinions about the rural market. Some are beliefs with strong support whereas some others are just myths with no empirical support. This study tries to discern the myths and beliefs towards rural markets by gathering the opinion from the 411 rural consumers of Tamil Nadu. Forty six statements describing myths and beliefs were identified. The top myths identified were a. addressing rural market requires reaching all villages; b. franchising is only option to reach rural market; and c. rural consumers lack of knowledge, so can be convinced easily and the top beliefs identified were a. products whose prices are low can be sold in a rural market; b. rural market will be mainly an extension of urban markets and will eventually embrace the product and brand lifestyles of the latter; and c. rural customer are unwilling to pay for premium service.

Keywords: Discern, Myths, Beliefs, rural market.

Introduction

Rural marketing implies identification and provision of needs related to goods and services to the rural masses. Rural area means a specific inhabitation where the inhabitants are mostly performing agricultural functions. There is a misconception regarding rural marketing and agricultural marketing. While rural marketing is explained above, agricultural marketing involves marketing of agricultural products to the urban masses. This study is focussed on rural marketing. India, with its huge rural population, which is emerging as a vital contributor to the economy, has immense potential for industrial and innovative products and services. As a natural phenomenon, opportunity carries with it obstacles as well. The obstacles can be classified under geographical area, lack of infrastructure, social dynamics, attitudinal variance and earning capacity. The success in rural market lies in the

understanding of the social dynamics such as cost consciousness, utility orientation, lacking possession of pride, lacking certain pre requisites and devising a strategy that would take care of these aspects along with the other factors like area, attitude and lack of infrastructure. Underlying these objective factors, there is a notion among the marketing strategists that rural marketing is unpredictable and more luck reliant for its success. This study strongly counters this misconceived notion.

Significance:

India has made tremendous progress in infrastructure development. Roads have been laid covering the entire length and breadth of the country during the first decade of the 21st century. India has the largest pool of skilled manpower and this has paved way for industrialisation through which the purchasing power of the rural

population also has increased. The post green revolution era has brought in revolutionary changes in the cultivation methods and this has increased the demand for technologically advanced goods and services in rural areas. The information technology in its different spheres has pervaded the rural area too, providing greater exposure of modernity to the rural masses. This has created a huge demand in the rural market for consumer durables, non durable products, food, construction, electrical, electronic, automobiles, banks, insurance companies besides hundred percent agri- input products such as seeds, fertilisers, pesticides, farm machinery. Presently 70 percent of the rural population contributes for 50 percent of the GDP. But the latent potential is more. The government, having understood the fact, has introduced several measures to support the rural economy to bring out the full potential. This has the impact and impetus to elevate the rural consumption pattern. The marketing community, despite the changing trend, is yet to respond to the dynamics of rural marketing. There are several opinions about the rural market. Some are beliefs with strong support whereas some others are just myths with no empirical support. This study tries to differentiate the myths and beliefs surrounding rural markets.

Objective of the study

To discern the valid beliefs surrounding rural market from the myths

Research methodology

This descriptive study that uses primary data collected from 411 respondents from rural villages of the seven districts of Cuddalore, Tiruvanmalai, Krishnagiri, Theni, Madurai, Sivaganga, and Tirunelveli using convenience sampling method. The data was collected using a structured interview schedule. Descriptive Statistics and factor analysis have used for analyzing the data.

There are several opinions about the rural market. Some are beliefs with strong support whereas some others are just myths with no empirical support. This study tries to differentiate the myths and beliefs surrounding rural markets.

Demographic profile of the respondents

Summary of the demographic profile of the respondents

Age	20 – 30 years	30 - 40 years	40 - 50 years	50 – 60 years
Frequency	81	124	107	99
Percentage	19.7	30.2	26	24.1
Education	School Education	Degree	Post graduation	Professional Degree
Frequency	99	189	83	40
Percentage	24.10	46.00	20.20	9.70
Family size	Three	Four	Five	-
Frequency	40	290	81	-
Percentage	9.70	70.60	19.70	-
Gender	Male	Female	-	-
Frequency	356	55	-	-
Percentage	86.60	13.40	-	-
Marital status	Unmarried	Married	-	-
Frequency	82	329	-	-
Percentage	20.00	80.00	-	-
Type of family	Nuclear	Joint family	-	-
Frequency	164	247	-	-
Percentage	39.90	60.10	-	-

(Source: Primary data)

More than three tenths of the respondents were in the ages of 30 - 40 years; Forty six percent of the respondents were degree holders; more than seventy percent of the respondents had four members in their family; eighty percent of the respondents were married; and more than three fifths of the respondents were from joint family.

Opinion about prevalence of Myths and beliefs about Rural markets

Opinion	Highly not Prevalent	Not Prevalent	Neither Prevalent nor not Prevalent	Prevalent	Highly Prevalent
Frequency	12	42	239	94	24

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Percenta ge	2.90	10.20	58.20	22.90	5.80

(Source: Primary data)

239 respondents forming 58.2% of the total respondents felt that myths about rural marketing neither prevalent nor not prevalent, 94 respondents forming 22.90% of the total respondents felt that myths about rural marketing was prevalent, 42 respondents forming 10.20% of the total respondents felt that myths about rural marketing was not Prevalent, 24 respondents forming 5.80% of the total respondents felt that myths about rural marketing was highly prevalent and rest of the 12 respondents forming 2.90% of the total respondents felt that myths about rural marketing was highly not prevalent. The overall mean prevalence score was 3.18.

Myths and beliefs about rural marketing

Forty six myth variables were identified and their descriptive statistics is presented below.

Descriptive statistics for the settlements describing myths towards rural marketing

Statements describing myths and beliefs	Mean	Std. Deviation
1. Rural people lack of knowledge, so can be convinced easily	2.5766	.96820
2. That rural market represents a more or less homogenous matrix of attitudes, values and purchasing behavior across regions leading to what may be termed "one size fits all" approach	3.3942	1.20583
3. That rural markets are highly price-inelastic and only suited for 'value-for money' products as against premium quality products	3.4015	.91699
4. Rural market looks for endorsement by local leaders or icons	2.9465	.91973
5. Rural consumer has his daily routine, and there is no sense of urgency in his lifestyle	2.4428	1.15759

6. Rural consumer has a very high involvement in any product purchased, especially when he decides to buy high-end products, which cost a few hundreds or thousands of rupees.	3.6983	.90066
7. Poor Infrastructure Prevents Quality Product Delivery in rural market	3.1022	1.03795
8. Addressing rural market requires reaching all villages	2.3090	1.05894
9. Franchising is only option to reach rural market	2.4988	.50061
10. Rural customer unwilling to pay for premium services	3.9513	.84828
11. Rural Customers are very demanding	3.5182	.97857
12. They will buy, awareness is all that is required	2.5985	.93282
13. Packaging in small size is the only customization that is required	3.3796	.95354
14. Business opportunities are limited	3.2944	1.12984
15. They are scattered markets	3.2628	1.07932
16. They are thin Markets	3.6302	.94969
17. They are underdeveloped Markets	3.6715	1.10504
18. They have small number of sellers	3.3358	1.14089
19. There are many overlapping and Small Segments	3.0900	1.43957
20. They show low response to Marketing	3.2749	.97272
21. They have low exposure to Marketing	3.4404	1.23889
22. Access to limited Products Brands	3.4015	.97375
23. Low competition	3.4574	.97781
24. Weak Infrastructure	3.2944	1.02097
25. Advertisement and Sales Promotion do not work	3.5255	1.20616
26. Joint Family System is prevalent	3.7056	.91248
27. Convenience small shops with limited display dominate rural market	3.2287	1.26153
28. Rural consumers have low social media influence	3.9586	.81495

29. Rural consumers are less aware of consumer rights and Consumerism	3.6496	.92334
30. Rural consumers buy smaller package	3.6058	1.03375
31. Rural markets have higher brand loyalty	3.6034	.99309
32. Low penetration of plastic money – credit/debit cards	3.1460	1.17207
33. Traditional influencers solely determine purchase decision never based on word of mouth alone	3.8783	1.07285
34. Products whose prices are low can be sold in a rural market	4.0462	.93459
35. The rural consumer is a simpleton and drive village actions	3.6229	.95067
36. Rural consumer cannot afford branded products	3.6861	.98093
37. Rural market will be mainly an extension of urban markets and will eventually embrace the product and brand lifestyles of the latter	4.0024	.84247
38. Market size can be estimated based on mere demographic interpolation of current penetration levels	3.8175	1.05381
39. Fringe presence or limited acceptance of lifestyle consumer products in rural market would translate into future market potential to be tapped	3.7324	.90602
40. Rural incomes are low so, their market potential is low	3.6715	1.06686
41. Male dominance in purchase decisions	3.6058	1.05478
42. A slight unethical practice may result in huge boycott of their products	3.5231	1.29024
43. The cultures, subcultures and living patterns influence advertising, sales promotion, selling and packing strategies of the marketing organizations	3.4769	1.04360

44. Consumer behavior, attitudes, personality and mental make ups are unique so marketers the study of rural consumer behavior is vital to evolve marketing mix	3.2676	1.20422
45. The presence of local brands in the rural markets has great impact on competition	2.9976	1.24057
46. Even the rural folks are eager to adopt the faster changing technology	3.7032	1.08176

(Source: Computed from Primary data)

The highest mean agreement is observed for the statement 'Products whose prices are low can be sold in a rural market' with a mean score of 4.0462, followed by 'rural market will be mainly an extension of urban markets and will eventually embrace the product and brand lifestyles of the latter' with a mean score of 4.0024, and third highest mean agreement is observed for the statement 'rural customer unwilling to pay for premium services' with a mean score of 3.9513. The lowest mean agreement is observed for the statement 'addressing rural market requires reaching all villages' with a mean score of 2.3090, followed by 'franchising is only option to reach rural market' with a mean score of 2.4988, and third lowest mean agreement is observed for the statement 'rural people lack of knowledge, so can be convinced easily' with a mean score of 2.5766.

The highest mean agreement is observed for the statement 'there are many overlapping and Small Segments' with a standard deviation of 1.43957, followed by 'small shops with limited display dominate rural market' with a standard deviation of 1.26153, and third highest variation in agreement is observed for the statement 'the presence of local brands in the rural markets has great impact on competition' with a standard deviation of 1.24057. The lowest variation in agreement is observed for the statement 'franchising is only option to reach rural market' with a standard deviation of .50061, followed by 'rural consumers have low social media influence' with a standard deviation of .81495, and third lowest variation in agreement is observed for the statement 'rural market will be

mainly an extension of urban markets and will eventually embrace the product and brand lifestyles of the latter' with a standard deviation of .84247.

Factor analysis of the statements describing the myths towards rural marketing

The 46 statements describing the myths towards rural marketing were subjected to factor analysis to reduce the statements into few using the Principal Component Analysis Extraction Method and Varimax with Kaiser Normalization Rotation Method.

Rotated Component Matrix

	Factor Component												
	1	2	3	4	5	6	7	8	9	10	11	12	
Rural consumers are less aware of consumer rights and Consumerism	.894												
They have low exposure to Marketing	.865												
Advertisement and Sales Promotion do not work	.855												
Low competition	.843												
Joint Family System is prevalent	.821												
Rural consumers have low social media influence	.813												
Rural consumers buy smaller package	.797												
Rural markets have higher brand loyalty	.790												
They have small number of sellers	.784												
Rural consumer cannot afford branded products	.778												
There are many overlapping and Small Segments	.712												
Convenience small shops with limited display dominate rural market	.701												
Low penetration of plastic money – credit/debit cards	.692												
Weak Infrastructure	.682												

Rural consumers are less aware of consumer rights and consumerism, have low exposure to Marketing, have low social media influence, advertisement and sales promotion will not work, face low competition, and prevalence of joint family system.

Market size can be estimated based on mere demographic interpolation of current penetration levels	.631		
Traditional influencers solely determine purchase decision never based on word of mouth alone	.598		
They are underdeveloped Markets	.591		
Consumer behavior, attitudes, personality and mental make ups are unique so marketers the study of rural consumer behavior is vital to evolve marketing mix		.900	<p><i>They are underdeveloped markets with unique consumption behavior, attitudes, personality and mental make ups requiring a different marketing mix with the presence of local brand having great impact on competition</i></p>
The presence of local brands in the rural markets has great impact on competition		.891	
A slight unethical practice may result in huge boycott of their products		.758	
The cultures, subcultures and living patterns influence advertising, sales promotion, selling and packing strategies of the marketing organizations		.609	<p><i>The cultures, subcultures and living patterns influence advertising, sales promotion, selling and packing strategies</i></p>
The rural consumer is a simpleton and drive village actions		.597	

Fringe presence or limited acceptance of lifestyle consumer products in rural market would translate into future market potential to be tapped		.594	
Rural market will be mainly an extension of urban markets and will eventually embrace the product and brand lifestyles of the latter		.814	<i>Rural market will be mainly an extension of urban markets and will eventually embrace the product and brand lifestyles of the latter</i>
Products whose prices are low can be sold in a rural market		.713	
Male dominance in purchase decisions		.633	
Rural incomes are low so, their market potential is low		.630	
Rural consumer has a very high involvement in any product purchased, especially when he decides to buy high-end products, which cost a few hundreds or thousands of rupees.			<i>Rural consumer lacks high involvement in any product purchased, when he decides to buy high-end products, which cost a few hundreds or thousands of rupees</i>
Franchising is only option to reach rural market		.713	
The rural markets are highly price-inelastic and only suited for 'value-for money' products as against premium quality products		.658	
Rural market looks for endorsement by local leaders or icons		.651	

Even the rural folks are eager to adopt the faster changing technology		-.625	<i>Rural folks are not eager to adopt the faster changing technology</i>	
They show low response to Marketing		.585		
Access to limited Products Brands		.747	<i>They have access to limited Products and Brands</i>	
They are thin Markets		.642		
Addressing rural market requires reaching all villages	<i>Addressing rural market do not require reaching all villages</i>		-.809	
That rural market represents a more or less homogenous matrix of attitudes, values and purchasing behavior across regions leading to what may be termed "one size fits all" approach			.695	
Rural consumer has his daily routine, and there is no sense of urgency in his lifestyle	<i>Rural consumer has his daily routine, and there is no sense of urgency in his lifestyle</i>		.743	
Rural people lack of knowledge,so can be convinced easily			.624	
Poor Infrastructure Prevents Quality Product Delivery in rural market			.724	
They are scattered markets	<i>Poor infrastructure prevents quality product delivery in rural market</i>			.646
Rural Customers are very demanding				.397
They will buy, awareness is all that is required				

Rural customer unwilling to pay for premium services	<i>Rural customer unwilling to pay for premium services</i>	.807
Business opportunities are limited	<i>Business opportunities in rural markets are unlimited</i>	-.653
Packaging in small size is the only customization that is required		.652

(Source: Computed from Primary data)

Total Variance Explained for the factor components extracted

The table below presents the factor component label and their individual and cumulative variances.

Total Variance Explained

Factor Component label	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1. Rural consumers are less aware of consumer rights and consumerism, have low exposure to Marketing, have low social media influence, advertisement and sales promotion will not work, face low competition, and prevalence of joint family system.	11.830	25.717	25.717
2. They are underdeveloped markets with unique consumption behavior, attitudes, personality and mental make ups requiring a different marketing mix with the presence of local brand having great impact on competition	5.341	11.612	37.328
3. The cultures, subcultures and living patterns influence advertising, sales promotion, selling and packing strategies	3.608	7.844	45.172
4. Rural market will be mainly an extension of urban markets and will eventually embrace the product and brand lifestyles of the latter	2.414	5.247	50.419
5. Rural consumer lacks high involvement in any product purchased, when he decides to buy high-end products, which cost a few hundreds or thousands of rupees	2.009	4.367	54.786
6. Rural folks are not eager to adopt the faster changing technology	1.986	4.318	59.104
7. They have access to limited Products and Brands	1.440	3.131	62.235
8. Addressing rural market do not require reaching all villages	1.319	2.867	65.101
9. Rural consumer has his daily routine, and there is no sense of urgency in his lifestyle	1.262	2.743	67.845
10. Poor infrastructure prevents quality product delivery in rural market	1.235	2.684	70.529
11. Rural customer unwilling to pay for premium services	1.221	2.655	73.184
12. Business opportunities in rural markets are unlimited	1.145	2.490	75.673

(Source: Computed from Primary data)

The first factor labeled as Rural consumers are less aware of consumer rights and consumerism, have low exposure to Marketing,

have low social media influence, advertisement and sales promotion will not work, face low competition, and prevalence of joint family

system explains 25.717% of the total variance explained by the twelve factors. All the factors explained 75.673% variance.

Findings

The top myths were

1. Addressing rural market requires reaching all villages;
2. Franchising is only option to reach rural market; and
3. Rural Consumers lack of knowledge, so can be convinced easily

The top beliefs were

1. Products whose prices are low can be sold in a rural market;
2. Rural market will be mainly an extension of urban markets and will eventually embrace the product and brand lifestyles of the latter; and
3. Rural customer unwilling to pay for premium services

Conclusion

The top beliefs and myths enunciated in the study and its findings would attract the attention of the marketing community and regulate its focus and energy on rural marketing. It will also help them to understand the nuances of the social dynamics of the rural mass, the intricacies of attitude, impact of globalisation and industrialisation on rural economy and facilitate working out a long term strategy for tapping the rural market to its fullest potential.

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