

A Study of Rural Market in India and Relevance of Thompson Rural Market Index in the Rural Market in Contemporary India

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ABSTRACT- Rural market in India has been grown faster than ever in previous decade. In different parts of country, the villages have seen transformation. The government of all the parties in different states had it clear in their minds that if villages will not grow the growth of state is not possible. Some credit can be given to consumerism too. The urban market is becoming saturated, whereas villagers have plenty of disposable income thanks to bumper harvests in recent years. Rural markets are estimated to have three times the potential of the European market. This clearly defines the amount of business that can be generated in rural Indian markets. For quite some time, the allure of rural India has been the subject of intense debate among corporate executives. With increased rural literacy and media exposure, people in rural areas are becoming more conscious of their purchasing decisions, just like their urban counterparts. This makes it even more difficult for businesses to comprehend the rural consumer's purchasing habits, consumption patterns, and needs and desires. This thesis follows the path of rural marketing. It goes on to discuss the challenges that companies face when marketing their products, as well as the strategies that companies can use to overcome these challenges.

KEYWORDS- Rural Marketing, Rural Market segmentation, Village market.

I. INTRODUCTION

The seller wishes to see the rural market demand pattern match the urban demand. However, rural buyer behaviour is thought to be diametrically opposed to urban buyer behaviour. The paradox forces the seller to devise drastically different marketing strategies for rural markets. The basic fact that consumers require motivation to purchase a specific product, a specific brand, necessitates learning the buyer's psychographic profile, and this is true not only for the rural-urban divide. The other troubling factor is the total denial of rural presence in the country's geography. The beauty of the rural scene, the pristine natural unpolluted air, is completely lost on the urban soul. Naturally, rural tragedies, happiness, and the overall. The result can be seen in the few available reference points that can benchmark the stimuli levels required for rural buyers. Today's urban generation has no ties to the village or its people. The mindset has been completely urbanised. The senior generation believes that

the villages are still in pastoral bliss, whereas the villagers watch Hindi films on TV or in makeshift theatres on a daily basis. Village life is still reflected in the assistance provided by elders to children writing school essays on village life. However, the topic of village has a finite life because it can never sustain a lengthy discussion or inquiry [1].

The rural market in India is not a separate entity in and of itself, and it is heavily influenced by the country's sociological and behavioural factors. In India, the rural population accounts for approximately 627 million people, or 74.3 percent of the total population. Rural marketing in India is frequently found to create ambiguity in the minds of people who believe rural marketing is solely concerned with agricultural marketing. Rural marketing, on the other hand, governs the carrying out of business activities that bring goods from urban sectors to rural regions of the country, as well as the marketing of various products manufactured by non-agricultural workers from rural to urban areas.

Rural markets in various countries, particularly developing ones, present great opportunities and challenges to marketers in the twenty-first century. Even though there has been a shift from an agricultural to a manufacturing economy, particularly in India, an increasing emphasis is being placed on the development of these rural areas. The increase in income, combined with increased awareness of the various brands, adequately justifies the aforementioned statement. The desire for new gadgets in rural areas has had a significant impact on India's rural marketing environment [2,3].

II. LITERATURE REVIEW

A literature review's objective is to gather current, pertinent research on study [3,4,6] investigated the marketing and operations practises of rural banks in India. In this context, the term "marketing strategy" refers to any set of actions taken with the goal of increasing demand for a specific product or service. Work [3, 4] suggested that over the last few years, the rural market has grown gradually. According to the 2011 Census, the figure is 68.84%. Aimed to identify the major barriers to digital marketing in rural India. To identify the barriers to digital marketing in rural India, an extensive literature review was conducted. Study examined [10, 11] the interrelationships between factors that promote rural tourism development. Study [12, 13] discovered what

motivates people to use digital marketing tools for further research. Attitude, trust, adaptation, value, and quality are factors that affect digital marketing, according to the author's previous research [9,11]found that the market power of intermediaries contributes to farmers' low incomes in India [10,11,12]. I investigate the role of spatial competition among intermediaries in determining farmer prices in India by focusing on a law that requires farmers to sell their goods only to intermediaries in their own state [13]. The researcher has studied 50 researcher papers related with the research topic. Key contributions related with research problem have been mentioned here. The researcher has fund that there are following research gaps [4]:

- Studies on rural market segmentation have considered few key indicators. MICA Rural Market Ratings, and Thomson Rural Market Index (TRMI) are mostly discussed. In the modern business world, it becomes relevant to conduct a new study in this regard [8].
- Rural India has seen major changes after digital revolution in previous years. Rural market is completely different now. Considering earlier studies as a base for the rural market segment a study can be done to understand the rural market.
- The researcher has found that rural market has developed potential and people are willing to spent more. A study on the potential buying attitude of rural buyers can fill the gap in this regard [6, 7].
There are studies on rural market and banking, few studies are on FMCG products consumption. A multivariate study on the issue will fill the research gap in the study.

III. RESEARCH METHODOLOGY

A. Objective of Study

Following objectives have been defined for present research:

- To study the rural market of Uttar Pradesh.
- To study the buying potential of the rural buyers.
- To identify the factors that affects the buying potential of rural buyers.
- To suggest the measures to enhance the scope of marketing of products in rural market

B. Hypothesis

Based upon the objectives, researcher has proposed following hypothesis:

H₀₁- There is no significant relation of transportation availability in rural area with the buying attitude of rural buyers

H₀₂- There is no significant relation of agricultural ease in rural area with the buying attitude of rural buyers

H₀₃- There is no significant relation of the availability of civic facilities in rural area with the buying attitude of rural buyers

H₀₄- There is no significant relation of tele-communication availability in rural area with the buying attitude of rural buyers

H₀₅- There is no significant relation of banking services availability in rural area with the buying attitude of rural buyers.

IV. FINDINGS OF THE STUDY

Based upon the objectives, researcher has proposed following hypothesis:

H₀₁- There is no significant relation of transportation availability in rural area with the buying attitude of rural buyers.

Table 1: Correlations

		transportation availability	buying attitude
transportation availability	Pearson Correlation	1	.712**
	Sig. (2-tailed)		.000
	N	500	500
buying attitude	Pearson Correlation	.712**	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The researcher has conducted corelation test among the selected variables. Corelation value from .000 to .400 is considered as low corelation. A value from 0.400 to 0.600 shows the moderate corelation among the variables. A value above 0.600 has be considered as high corelation among the variables. Present value of r is 0.712 shows high corelation among the selected variables. So, it can be said that, there is a significant relation of transportation availability in rural area with the buying attitude of rural buyers

H₀₂- There is no significant relation of agricultural ease in rural area with the buying attitude of rural buyers.

Table 2: Correlations

		agricultural ease	buying attitude
agricultural ease	Pearson Correlation	1	.590**
	Sig. (2-tailed)		.000
	N	500	500
buying attitude	Pearson Correlation	.590**	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The researcher has conducted corelation test among the selected variables. Corelation value from .000 to .400 is considered as low corelation. A value from 0.400 to 0.600 shows the moderate corelation among the variables. A value above 0.600 has be considered as high corelation among the variables. Present value of r is 0.590 shows significant corelation among the selected variables. So, it can be said that, there is a significant relation of agricultural ease in rural area with the buying attitude of rural buyers

H₀₃- There is no significant relation of the availability of civic facilities in rural area with the buying attitude of rural buyers.

Table 3: Correlations

		civic facilities	buying attitude
civic facilities	Pearson Correlation	1	.545**
	Sig. (2-tailed)		.000
	N	500	500
buying attitude	Pearson Correlation	.545**	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The researcher has conducted correlation test among the selected variables. Correlation value from .000 to .400 is considered as low correlation. A value from 0.400 to 0.600 shows the moderate correlation among the variables. A value above 0.600 has been considered as high correlation among the variables. Present value of r is 0.545 shows significant correlation among the selected variables. So, it can be said that, there is a significant relation of the availability of civic facilities in rural area with the buying attitude of rural buyers

H₀₄- There is no significant relation of tele-communication availability in rural area with the buying attitude of rural buyers.

Table 4: Correlations

		tele-communication availability	buying attitude
tele-communication availability	Pearson Correlation	1	.663**
	Sig. (2-tailed)		.000
	N	500	500
buying attitude	Pearson Correlation	.663**	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The researcher has conducted correlation test among the selected variables. Correlation value from .000 to .400 is considered as low correlation. A value from 0.400 to 0.600 shows the moderate correlation among the variables. A value above 0.600 has been considered as high correlation among the variables. Present value of r is 0.663 shows high correlation among the selected variables. So, it can be said that, there is a significant relation of tele-communication availability in rural area with the buying attitude of rural buyers

H₀₅- There is no significant relation of banking services availability in rural area with the buying attitude of rural buyers.

Table 5: Correlations

		banking services	buying attitude
banking services	Pearson Correlation	1	.569**
	Sig. (2-tailed)		.000
	N	500	500
buying attitude	Pearson Correlation	.569**	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The researcher has conducted correlation test among the selected variables. Correlation value from .000 to .400 is considered as low correlation. A value from 0.400 to 0.600 shows the moderate correlation among the variables. A value above 0.600 has been considered as high correlation among the variables. Present value of r is 0.569 shows high correlation among the selected variables. So, it can be said that, there is a significant relation of banking services availability in rural area with the buying attitude of rural buyers

Multiple correlation coefficient analysis and regression weight.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715 ^a	.511	.508	3.84828
a. Predictors: (Constant), civic facilities, banking services, tele-communication availability, agricultural ease, transportation				

The R value for the correlation among the variables is 0.715 which shows that the variables are extremely correlated. The findings supported the hypothesis testing.

Table 7: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	7671.082	3	2557.027	192.568	.000 ^b
	Residual	7345.390	496	14.809		
	Total	15016.472	499			
a. Dependent Variable: buying attitude						
b. Predictors: (Constant), civic facilities, banking services, tele-communication availability, agricultural ease, transportation						

Table 8: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	9.678	1.024		9.449	.000
	civic facilities	.328	.026	.461	12.754	.000
	banking services	.083	.031	.105	2.697	.007
	tele-communication availability	.453	.048	.339	9.513	.000
	agricultural ease	.441	.046	.337	9.115	.000
	transportation	.511	.051	.355	9.117	.000
a. Dependent Variable: buying attitude						

Table 9: Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
buying attitude	<---	Civic facilities	.155	.023	6.815	***	
buying attitude	<---	Banking services	.600	.064	9.351	***	
buying attitude	<---	tele-communication availability	.353	.034	10.340	***	
buying attitude	<---	Agricultural ease	.328	.026	12.792	***	
buying attitude	<---	transportation	.083	.031	2.705	.007	

The researcher has used AMOS to find the impact relationship among the variables. The P value in the regression weights supports the hypothesis testing.

V.CONCLUSION

While wholesalers do an excellent job of ensuring that the last mile is covered, they are hesitant to sell new products. Traditional wholesale methods are also slow in moving stocks, resulting in delays.

It causes problems for new brands in rural areas. Some rural retailers stopped visiting wholesalers/wholesale markets during the outbreak of the pandemic, causing supply chains to dry up. At the time, brands felt compelled to expand their reach into rural areas. The goods that were the first to enter the markets reaped significant benefits, and not just from increased consumption in states such as Uttar Pradesh and Bihar. During the first phase of the lockdown, the pandemic had a much smaller impact on rural markets. Many FMCG companies were able to make a difference by utilising intelligent analytics and technology.

CONFLICTS OF INTEREST

The authors declare that they have no conflicts of interest.

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