

Rural Marketing



*Sawalia Bihari Verma
Madhusudan Narayan
Potukuchi Thryambakam*



SCIENTIFIC
PUBLISHERS (INDIA)

Rural Marketing

Editors

Dr. Sawalia Bihari Verma

Professor

SNS College, Muzaffarpur

BRA Bihar University, Muzaffarpur

Former Reader

Nagaland (Central) University, Kohima

Madhusudan Narayan

MBA (NIT Durgapur); JRF (DGC)

Shivpuri, Muzaffarpur

Dr. Potukuchi Thryambakam

Director

Ketan's Institute of Hospitality Management

Musrabagh, Hyderabad

Published by:

Scientific Publishers (India)
5 A, New Pali Road, P.O. Box 91
Jodhpur 342 001 (India)

E-mail: info@scientificpub.com
Website: www.scientificpub.com

Branch Office

Scientific Publishers (India)
4806/24, Ansari Road, Daryaganj
New Delhi - 110 002 (India)

© 2014, Editors

All rights reserved. No part of this publication or the information contained herein may be reproduced, adapted, abridged, translated, stored in a retrieval system, computer system, photographic or other systems or transmitted in any form or by any means, electronic, mechanical, by photocopying, recording or otherwise, without written prior permission from the author and the publishers.

Disclaimer: Whereas every effort has been made to avoid errors and omissions, this publication is being sold on the understanding that neither the author nor the publishers nor the printers would be liable in any manner to any person either for an error or for an omission in this publication, or for any action to be taken on the basis of this work. Any inadvertent discrepancy noted may be brought to the attention of the publishers, for rectifying it in future editions, if published.

ISBN: 978-81-7233-915-9
eISBN: 978-93-86237-50-7

Printed in India

PREFACE

Economic reforms in India have brought about major changes in the whole market environment, specially rural market. Rural marketing has become an important concern to marketers. Successful rural marketing call for review of rural marketing environment, proper understanding of the nature and profile of the rural consumers, designing the right products to appeal to them, and suitable media for communication and distribution.

The Indian markers need to change their traditional view about the rural India's rural consumer that settles for less. The consumer markets can be rejuvenated taking into account the Indian rural markets with their full potential. The environment of rural markets in our country is fascinating and challenging. They offer large scope on a account of their big size and demand base. But, in spite of these, the rural markets pose several complex problems like poor communication and distribution facilities, low literacy level, thinly populated and scattered markets, poor standard of living and socio-economic and cultural backwardness.

Rural Market in India started showing their potential since 1960 and this coincided with the green revolution. But may manufacturers were hesitant to enter into rural market for a long time as they believed that rural folks can not be conceived of used and hence a need for manufactured product can not be created in village. Besides, difficulties in having a free accessibility to those distant markets, forced the producers to think that these markets can not be served economically and profitably.

Prosperity in rural areas is very much reflected in the buying and consumption habits of rural folk. Their indignation to spend on the modern gadgets has increased as a result of their increasing purchasing power. This necessitates an appraisal of the rural marketing environment, which is, no doubt, an outgrowth of various socio-economic and cultural activities.

The 'Psyche' of rural consumers in rural India is a true reflection of the 'Psyche' of village in relation to consumer behaviour. So it is essential for the market to understand the rural consumer and size and composition of rural demand and marketing plans should be in tune with these qualitative aspects.

The change in the rural market may be due to change in attitude and way of life of rural consumers. So the composition of the demand has been changing significantly. More and more new products have entered the consumption basket of the rural consumers. The relative share of different categories of products in the consumption basket has also been recording welcome change knowing the exact size and composition of rural markets for consumables and durables will keep the marketers to start the next course of action.

Agricultural marketing scenario in the country has undergone a sea change over the last four decades especially after the on set of technological revolution in the country. The Indian rural market, with vast size and demand base, offers growing opportunities for marketing products. About three-fourth of the population live in rural areas and one-half of national income is generated there. In our country, a silent revolution has been taking place throughout rural areas. Infact, the rural market forms an integral part of marketing in India.

Agricultural marketing is characterised by the involvement of a large number of functionaries and duplication of functions in the process of distribution of product from the producers to the consumers. There is need to undertake adaptive research which will aim at vertical and horizontal integration of marketing functions and functionaries so as to reduce the cost of marketing and ensure a fair price to the growers and consumers alike.

Government is promoting organised marketing of agricultural commodities in the country through a network of regulated markets, which have helped in mitigating the market handicaps of producers sellers at the wholesale assembling level.

Co-operative marketing was developed in India with an aim to deal with the multi-faced problems of agricultural marketing as well as to stream line direct marketing of farm products. Co-operatives play a significant role in alleviating poverty in rural areas. The following are objectives of co-operative marketing.

- To make arrangement for the sale of member's produce to their possible advantage by eliminating speculative practices.
- To provide facilities and guidance to producers for improving the quality of their produce.
- To stabilize prices.
- To provide financial assistance to member producers.
- To act as the government agent for procurement of food grains.
- To facilitate the transport of produce.
- To act as the government agent for implementation of price support policy.

- To assure a regular trade outlet to the member producers.

Social marketing is the social dimension of marketing that touches upon the social aspects. The concept is not new. Apparently, the idea has been around for over a quarter century. As the concept filters down to any community-based organisation, people are becoming aware of the term. But, like most buzzwords, the term often is misused, ordinarily, social marketing is the use of commercial marketing techniques to promote the adoption of a behaviour that will improve the well being of the target audience or of society as a whole. The very characteristic that distinguishes has social marketing from commercial marketing is its purpose, that is, the benefits accrue to the individual or society, rather than the marketer's organisation or the organisation that is pushing the information.

Social marketing helps the firm in bridging the gap between consumers wants, consumer interest and social welfare. It is adopted by the government and voluntary organisations for promoting social ideas and causes like pollution control, health care, energy conservation literacy, movement and safety measures. It is two dimensions-

- It is related to social responsibility of marketers in a way to respond to the consumer advocacy movements and the pressure of government regulations. Eventually, this results in the economic benefits to the business policies and social benefits to the society that emerge from socially responsible business firms.
- The adoption of marketing approach to the introduction and dissemination of social ideas.

Rural micro-enterprises sub-sector has grown in importance during the last two decades. Policy-makers and development administrators can not ignore its capacity to provide viable and sustainable avenues of self-employment to the members of self-Help-Groups (SHGs). Two market strategies viz. market penetration and market creation could be followed for identifying the self employment potential.

The Editor cum Anthologist Dr. S.B. Verma is thankful to 'Yojana'; 'Kurukshetra'; Employment News and so on for giving their permission to reprint the articles published by them.

Sawalia Bihari Verma
Madhusudan Narayan
Potukuchi Thryambakam

Place - Shivpuri, Muzaffarpur

CONTRIBUTORS

A. K. Malviya

Professor of Commerce and
Business Administration,
University of Allahabad,
Allahabad

A. Mohamed Jaffar

Reader in Commerce,
HKPH College,
Uthamapalayan, Tamilnadu

A. P. Pandey

Professor And Head,
Deptt. of Agriculture
Economics and Rural
Sociology, Allahabad
Agricultural Institute,
Deemed University, Allahabad

Adarsh Kumar

Auther, All India Artisans and
Craftworkers Welfare
Association,
New Delhi

Amit Banerji

Lecturer in Mangement studies
National Law University,
Jodhpur

Anand Kumar

Researcher in Commerce &
Business Administration,
University of Allahabad,
Allahabad

Anil Chandhok

Reader,
S. A. Jain Institute of
Management & Technology,
Ambala

Annapurna MY

Research Associate, ICFAI
Business school Bangalore

Aruna Verma

Expert in Handloom Marketing

Ashish Mathur

Professor of Management
Studies, Lachoo Memorial
College of Science and
Technology, Jodhpur

B. K. Sinha

Development Commisisoner,
Ministry of Textile,
Govt. of India

B. Syama Sundari

Coordinator, Research and
Advisory Programme
Dastkar, Andhra, Secundrabad

B. V. Subramaniam

Journalist and Writer

Bupinder Zutshi

Educationist and Writer

C. Rajendra Kumar

Researcher in Business
Administration
Amrawati University,
Maharastra

D. Satish

Journalist and Writer

Deepak R. Gupta

Prof. of Management studies
University of Jammu,
Jammu

Dharma Rajupolli

St. Joseph's Degree College,
Hyderabad

Dinesh Kumar

Reader in Agriculture Economics
& Rural Sociology, Allahabad
Agricultural Institute,
Deemed University, Allahabad

Dr. A Sel Varaj

Reader in Commerce
Gobi Arts and Science College
Email- dras 2005 @
rediffmail.com

Dr. Amrit Patel

Consultant, World Bank funded
project, Kazakhstan

Dr. M. Sarngadharan

Professor And Head, Deptt. of
Commerce,
University of Kerala,
Trivandrum

Dr. Madhusudan Naryan

MBA (NIT); JRF (UGC)

Dr. Mohindra Singh

Writer and Journalist

Dr. Potukuchi Thryambakam

Director
Ketan's Institute of Hospitality
Management, Musrabagh,
Hyderabad

Dr. Sheeta Kapoor

Writer and Journalist

Dr. Shiv Kumar Singh

Head & Reader-cum-cordinator,
Institute of
Commerce and Management,
Jiwaji University, Gwalior

Dr. T. Thomas

Principal, Guruvayurappan
Institute of Management,
Coimbatore, Tamilnadu

Dr. Yogesh Upadhyay

Reader in Management , Jiwaji
University, Gwalior
Participant FDP Programme,
IIM Ahmedabad

Gerard Hastings

OBE First UK Professor of
Social Marketing and Founder/
Director of the Institute for
Social Marketing,
University of Stirling.

Huchhe Gowda

Researcher, DOS in Economics
and Co-operation, University of
Mysore

K. A. Raju

Director, Centre for Sustainable
Economic
Development, NIRD, Hyderabad

K. P. Nachimurthi

Lecturer, Sona School of
Management, Salem

K. Rajamohan

Lecturer in Commerce, D.D.E.,
Annamalai University,
Tamilnadu.

K. Raji Reddy

Reader, Kakatiya University, P.
G. College,
Karimnagar, Andhra Pradesh

Keshav Sharma

Reader in Management studies,
University of Jammu, Jammu

Marylyn Carrigan

Senior Lecturer in Marketing
Open University Business
School, and Deputy Director of
ISM-Open. Business School.
Michael Young Building. Walton
Hall, Milton Keynes,
MK7 6AA.

Mohit A. Parekh,

Faculty member, Icfai Business
School, chennai

Naren N. Joshi

Chief Representative, ING
Insurance
International BV.

P. K. Mishra

Ex. Managing Director
National Co-operative
Development
Corporation, New Delhi

Pinaki Gosh

Lecturer, Xavier Institute of
Social Service,
Ranchi

Poonam Bir Kasturi

National Institute of Design,
Ahmedabad

Prof. P. N. Singh

Former State Finance Minister,
Bihar, Former Head, Deptt of
Economics , Former Director,
Academic Staff College,
BRA Bihar University,
Muzaffarpur

Prof. S.B. Verma

Faculty of Commerce, S.N.S.
College, Muzaffarpur,
B.R.A.Bihar University,
Muzaffarpur, Former Reader,
Nagaland Central University,
Kohima.

Professor L. P. Singh

Profressor cum-Co-Ordinator
Deptt. of Commerce And
Business Administration
L. N. Mithila University,
Darbhanga.

Pushpa Girimati

Educationist and Writer

R. Venkatesh

Faculty Member, ICFAI
Business School,
Chennai

Rajender Chaudhary

Educationist and Author

Ross Gordon

Research Associate and
Business Development Manager
with the ISM-Open (Institute for
Social Marketing at the Open
University) Business School,
Michael Young Building, Walton
Hall, Milton Keynes, MK7 6AA.

Sanjay S. Kaptan

Director
Deptt. of Business
Administration, Amrawati
University, Maharastra

Sanjay S. Kaptan

Director, Deptt. of Business
Administration and
Management, Amaravati,
University, Amarawati

Sapna Chadah

Educationist and Writer

Savita Modak

Exper in Marketing, Financial
Services and Banking

Seemanthini, Niranjana

Coordinator, Researcher and
Advisory Programme
Dastkar, Secundrabad

Sivamurugan

Professor of Economics,
Aditanagar College of Art and
Science, Tiruchendur

Sunil Kumar

Assistant General Manager
NABARD

Suresh Mishra

Journalist and Writer

T. R. Nagesh,

Research Associate, Icfai
Research Centre, Hyderabad

T. Sai Vijay,

Researcher, Icfai School of
Management (IIMT)
Hyderabad

Tanu Marwah

Assistant Professor Hindustan
College of Science and
Technology,
Mathura, U.P.

V. Pawan Kumar

Reader, Kakatiya University,
P.G. College,
Karimnagar, Andhrapradesh.

Vivek Kumar Tripathi

Assistant Professor Hindustan
College of Science and
Technology, Mathura, U.P.

Yashwant Bhawe

Educationist and Author

CONTENTS

Part - A **A Profile of Indian Rural Marketing**

1.	Issues and Challenges in the Rural Marketing	<i>Dr. A. Selvaraj</i>	1
2.	Challenges in Rural Marketing	<i>Prof. P.N. Singh, Prof. S.B. Verma, Madhusudan Narayan & P. Thryambakam</i>	6
3.	Rural Marketing: Perspective and Issues	<i>Prof. L.P. Singh</i>	15
4.	Rural Marketing : Challenges in new Millennium	<i>Keshav Sharma & Deepak R. Gupta</i>	21
5.	Rural Marketing and Rural Development	<i>Huchhe Gowda</i>	29
6.	Develop Rural Marketing System	<i>Sivamurugan</i>	34
7.	Rural Marketing - The Mantra for Sustainable Growth	<i>Pinaki Ghosh</i>	41
8.	Rural Markets : Miles to Go	<i>Naren N. Joshi</i>	52
9.	Rural Marketing in India Corporate Strategies	<i>D. Satish & B. V. Subramaniam</i>	57
10.	Changing Face of Rural Marketing	<i>C. Rajendra Kumar & Sanjay S. Kaptan</i>	62
11.	Rural Marketing in India : An Empirical Investigation	<i>Dr. Yogesh Upathyay & Dr. Shiv Kumar Singh</i>	68
12.	Kaleidoscope of Rural Marketing	<i>K. Rajamohan</i>	80
13.	Management of Rural Fair Price Shops	<i>K. Raji Reddy & V. Pavan Kumar</i>	86

14.	Education in Rural Marketing : Some Suggestions		
	<i>Dinesh Kumar, A. P. Pandey & A. Mohamed Jaffar</i>		97
15.	Education in Rural Marketing: Some Key Issues		
	<i>Anil Chandhok</i>		104
16.	Impact of Information Technology on Rural Marketing in India		
	<i>C. Rajendra Kumar & Sanjay S. Captan</i>		108
17.	Challenges Faced in Communication By Rural Marketing		
	<i>Amit Banerji</i>		114
18.	Rural Retail Markets: Opportunities for India's Business and Commercial Houses		
	<i>Dr. Amrit Patel</i>		121
19.	The Changing Scenario of Rural Marketing Environment under different Phases-An-Emperical Study		
	<i>Dr. Vijay Pareek</i>		126
20.	Rural Marketing under LPG Era: Perspective and Challenges		
	<i>A. K. Malviya & Anand Kumar</i>		137
21.	Marketing Paradigms for Rural India		
	<i>Dr. Thomas T. Thomas</i>		146
22.	Corporate-SHG Linkages for Rural Markets		
	<i>Vivek kumar Tripathi & Tanu Marwah</i>		156

Part - B

Status of Rural Marketing in India

23.	Fabindia : Marketing Handloom Fabrics		
	<i>Savita Modak</i>		167
24.	Changing Landscape for Survival of Handloom		
	<i>Aruna Verma</i>		177
25.	Marketing Handlooms : Increasing Competitiveness		
	<i>Adarsh Kumar</i>		182
26.	Enhancing Product Range and the Value for Customer Enjoy		
	<i>Poonam Bir Kasturi</i>		191
27.	Altering Dominant Market Norms and Changing the Nature of Market Transactions		
	<i>B. Syama Sundari</i>		202
28.	Handlooms : A Tradition of Skills		
	<i>B. K. Sinha</i>		211

29.	Handlooms: Needs and Challenges	<i>Seemanthini Niranjana</i>	219
30.	Continuing Crisis in Handlooms	<i>Dharma Raju Palli</i>	227
31.	Changing Face of Marketing Co-operatives	<i>Prof. L. P. Singh</i>	234
32.	Cooperative Marketing in India	<i>Prof. L. P. Singh</i>	243
33.	Co-operative Marketing: A Rural Prospective	<i>C. Rajendra Kumar & Dr. Sanjay S. Kaptan</i>	255
34.	Marketing Co-operatives in Agriculture: Emerging Challenges	<i>P. K. Mishra</i>	265
35.	Social Marketing and their Relevance	<i>M. Samgadharan & Hena Naqui</i>	281
36.	Social Marketing and Rural Development	<i>K. A. Raju</i>	289
37.	Online Marketing in the Hospitality Industry	<i>R. Venkatesh</i>	296
38.	Cost Effective Marketing through SMS and Internet	<i>Mohit A Parekh</i>	301
39.	Online Shopping in India Finding from a Consumer Research	<i>T. Sai Vijay & M.S. Balajit</i>	310
40.	Virtual Socialisation Services: Cyber Currency of the Future	<i>K. P. Naachimuthu</i>	318
41.	Emerging Trends and Strategies in Tourism Marketing	<i>T. R. Nagesh & Srikantha Kumar Pathi</i>	324

Part - C

Rural Marketing and Consumer Welfare

42.	A Framework for Sustainable Marketing	<i>Ross Gordon; Marylyn Carrigan & Gerard Hastings</i>	335
43.	Marketing to the Indian Rural Consumers	<i>Annapurna M. Y.</i>	363
44.	Customer Satisfaction for the Rural Banking Services	<i>Ashish Mathur</i>	370

45.	Consumer Protection and Welfare	
	<i>Prof. S.B. Verma & Dr. Potukuchi Thryambakam</i>	385
46.	Consumer Protection : An Overview	
	<i>Yashwant Bhave & Rajender Chaudhary</i>	397
47.	Consumer Redressal System in India	
	<i>Bupinder Zutshi, Sapna Chadah & Pushpa Girimati</i>	409
48.	Growing Consumerism in Rural India	
	<i>Dr. Sheeta Kapoor & Dr. Mohindra Singh</i>	419
49.	Market and the Rural Consumer	
	<i>Suresh Mishra</i>	432
50.	Rural Market – A Gold Mine for the Entrepreneurs	
	<i>Dr. S.B. Verma & Madhusudan Narayan</i>	444