

Study Material

Class - B. Com Hons Sem VI

Subject Code – BCH- 6.2

Subject – Principles of Marketing

Topic – Rural Marketing - Part 5 (Characteristics of Rural Consumers)

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Learning outcome from this lecture note:

- Characteristics of Rural Consumers

The concept of rural marketing in India Economy has always played an influential role in the lives of people. In India, leaving out a few metropolitan cities, all the districts and industrial townships are connected with rural markets. The rural market in India is not a separate entity in itself and it is highly influenced by the sociological and behavioural factors operating in the country. The rural population in India accounts for around 627 million, which is exactly 74.3 percent of the total population. The rural market in India brings in bigger revenues in the country, as the rural regions comprise of the maximum consumers in this country. The rural market in Indian economy generates almost more than half of the country's income.

Characteristics of Rural Consumers

Some interesting facts about rural consumers.

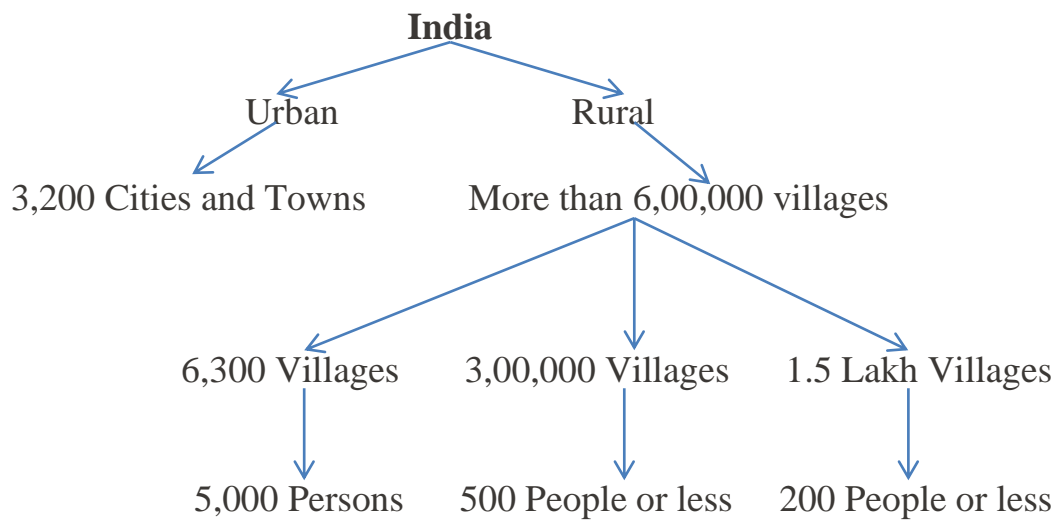
1. **Literacy level** – Literacy is one of the important factor in developing awareness and knowledge about technological changes.

Consumers	Literacy level
Urban India	53%
Rural India	45%

2. **Income level** - Low purchasing power, standard of living, per capita income, economic and social positions are the traits of rural consumers.

Consumers	Income level
Urban India	High
Rural India	Low

3. Locational pattern of rural consumers -



4. Reference Group

Typically, in a rural area the reference groups are primary health workers, doctors, teachers and panchayat members, the village trader or the grocer, commonly called ‘Baniya’ or ‘Mahajan’ are an important influencer in the decision making of rural customer. A marketer needs to be aware of these influences that can effect changes in the rural customer’s consumption patterns.

5. Occupation

Consumption patterns differ according to income levels. Typically, in a rural area the principal occupation is farming, trading, crafts, plumbing, electric works, primary health workers and teachers.

Agriculture and related activities continue to be the main occupation for majority of the rural population. Land is the major source of income for about 77% of the population.

6. Media Habits

Rural people are fond of music and folklore. In rural areas a popular form of entertainment is the ‘Tamasha’ and ‘Nautanki’. And then there are television, radio and video films.

7. Rural Electrification

The main objective is to provide electricity for agricultural operations and for small industries in rural areas. About 5 lakh villages (77%) have electric supply and this has increased the demand for electric supply and this has increased the demand for electric motors, pumps and agricultural machinery.

8. Other Variables

Culture, language, religion, caste and social customs are some other important variables for profiling a rural customer. Rural consumers have a lot of inhibitions and tend to be rigid in their behaviour. A company has to take intense care while targeting them.

Rural Consumer Class

Groups	Population	Examples
The Affluent	150 million	Cash rich wheat farmers in Punjab. Chilli merchants in Andhra Pradesh
The Middle Class	300 million	Sugarcane farmers in Uttar Pradesh. Jute farmers in West Bengal
The Poor	Size is very large	Farmers growing jowar, bajra etc...of Bihar and Orissa
