
UNIT 5 RURAL MARKETING RESEARCH

Objectives

- After going through this- unit you should be able to
- describe the type of research being carried out in the rural markets
- explain how has the scope of research changed over the years
- comment upon the implications of rural research for marketers
- analyse the difficulties in conducting rural research
- identify organisations involved in rural research and their work
- select appropriate research methods for your rural marketing effort

Structure

- 5.1 Introduction
- 5.2 Rural Market Research : The Prevailing Scenario
- 5.3 Rural Research : Transition Over the Years
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- 5.6 How Do Marketers Gain from Rural Research?
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5.1 INTRODUCTION

Rural market research has traditionally existed much longer and has had a structure even before the urban markets developed fully. This is quite ironical but it is true, as most research which have pertained to health, literacy, family planning or infrastructure related projects have their base always in the suburban or rural areas to start with. However, research related to marketing and its problems have started to take shape more recently when companies like HLL, Dabur, Colgate Palmolive, Richardson Hindustan Ltd. (now P&G) started to make headway into the rural markets and found that they had very little or no information regarding the markets. Data existed pertaining to socio-economic classifications, more specifically on occupation profiles, education profile or ownership profile, but data on income, its allocation and buying preferences was not available. Hence, it became difficult to segment the markets. Most organisations wanting to enter rural markets either relied on the existing published sources or commissioned studies. However, commissioning a study was time consuming and involved huge financial resources. Besides, the heterogeneity of the market meant that data from one region could not be adopted elsewhere. It was difficult to assess the market size and the potential. After having spent considerable amount of time and investments in research today companies like HLL have strong rural presence. But, issues like infrastructure and geographic reach of the places still continue to bother companies. The situation regarding rural marketing research is however slowly changing with our knowledge base on rural marketing growing on the basis of both higher experiential data available as well as deeper penetration of rural markets. In this unit, an attempt has been made to introduce you to the scenario in rural marketing research, the organizations involved and the methods in use.



5.2 RURAL MARKET RESEARCH: THE PREVAILING SCENARIO

Organisations like NCAER, ORG-MARG, PSI, National Institute of Family Health and Welfare (NIFHW), Statistical Institutes of India, GOI's Census Study Organisation, etc. have for quite some time now been involved in rural research. Organisations like NCAER are involved directly in primary research pertaining to demographic study for both urban and rural markets besides handling a portfolio of other products under research. ORG MARG's retail audit is one of the most accomplished and largest research processes involving brand tracking for companies at retail level. The number of regions covered is geographically expansive and therefore the retail audit of ORG MARG is respected in the trade circles. Agencies like PSI, TERI, NIFHW are involved in research of the completely different kinds in rural India. Their research is focussed more on Health, Sanitation, Family Planning, Literacy and other related social issues. Unfortunately, a large part of our rural India still cannot access basic health facilities and primary education. Pregnancy related deaths are still the highest in India and even basic amenities are not provided because of which such deaths are common. Low literacy levels, absence of a local Health Centre are reasons for such mishaps too, so research in these areas is imperative.

The government has been taking several initiatives in this regard and several government-funded institutions are involved in related projects. For instance on the AIDS awareness drive alone close to Rs.1000 crores is supported by grants from external and internal sources. Several NGO's are also involved in researches in rural areas either for an eradication or awareness programme. The Pulse Polio Campaign and the Balbir Pasha AIDS campaign are a few instances where the government focus and drive is more intended towards the semi-rural and rural areas.

Market research in rural markets is considerably different from the urban market research. Issues like literacy level, civic amenities and infrastructure support are some key factors that affect rural market research. Some broad differences in rural and urban market research are illustrated as follows:

Table 5.1- : Differences in Urban-Rural Market Research

S. No.	Aspect	Urban	Rural
1.	Respondents	Literate, brand aware, individuals respond individually	Semiliterate or illiterate, brand knowledge low. Difficult to get individual responses. Generally group response.
2.	Time	Willing to respond. Have time pressures. Spare little or virtually no time to field staff	Hesitant initially, but once opens up, devotes time.
3.	Accessibility	Easy to access, though many suffer from research fatigue	Tough to access; geographical distances and psychological apprehensions are barriers. Do not speak easily to outsiders.
4.	Secondary data source	Internal data, syndicated research, published media. Many sources and large data	Very few sources and less data



5.	Primary data source	Large number of middlemen, experts, sales force, consumers and opinion leaders	Less number of all categories
6.	Sampling	Respondents form relatively homogeneous group. Income can be a criterion	Heterogeneous groups. Income and land holding to be carefully applied.
7.	Data collection	Use of sophisticated instrument, style and administration. Respondents, comfortable with numbers, ratings and timelines	Requires simplified instruments. Respondents comfortable with colours, picture and stories.

Source: Rural Marketing by C.S. Krishnamacharyulu and Lalitha Rarnakrishna, Pearson Education (Singapore) Pte. Ltd. 2002.

The table indicates the broad differences in the rural and urban research and how the distinct differences are critical while developing a suitable research design for researching in respective markets. However, in the context of rural markets the research process is critical for two prime reasons'

- (i) The marketer has a limited understanding of the rural consumer; and
- (ii) The marketer who is urban oriented may find it useful to unlearn consumer response to decision variables in the urban market. This requires the use of research methodology that is sensitive to social processes in rural marketing.

What is important to understand is that rural markets are not as evolved as urban markets and hence it might not be appropriate to use the tools and techniques used in the urban markets. For instance, the VALE-Lifestyle Analysis model would be difficult to implement locally owing to the respondent's lack of awareness about several issues which are usually covered in the VALS classification. A more stripped down qualitative research will be a more feasible option. In depth interviews, observational study or open-ended questionnaire will be easy to implement. A few research houses have developed special tools³ for the rural markets.

- ORG-MARG has a rural consumer panel referred to as the R panel comprising 20,000 households whose purchasing and consumption habits are monitored every day. The study covers 16 state clusters over 1000 villages and 32 FMCG product categories.
- Initiative Media, the AP Lintas media buying arm developed Lin- Quest- a software package that provides marketers with data on rural India and this package helps in using the census data in an interactive manner.
- MICA has also developed a report referred to as the MICA Rural Market Ratings, covering aspects of⁴:

- A. Digital Maps: Covering all the districts in the country including those of Jammu and Kashmir are included in the maps. These cover:
 - a. Boundaries of districts
 - b. Location of tehsil headquarters
 - c. National highways
 - d. State highways
 - e. Metalled roads

- f. Railway lines along with railway stations
- g. All urban centres
- h. Names of all 41,888 places where haats (weekly bazaars) are held
- i. Days of the weeks when the haats are held
- j. Distance from nearest town

B. Rural Socio-economic indicators:

A total of 42 socioeconomic indicators are given for all the districts in the country except the 14 districts of Jammu and Kashmir. For each district the socioeconomic indicators are classified in the following categories:

- Demographics
- Major Occupations
- Communication methods
- Education profile
- Shops and other establishments
- Commercial Banks
- Agriculture data
- Medical facilities
- Major crops of the district

C. Names and Population of all villages in India: The data covers each of the 6,31,307 villages in the country. You will read more about the MRMR and its application to distribution decisions in block 5 of this course.

There are other organisations and agencies involved in rural market and social research and we shall discuss these in the section 5.5. With this backdrop of existing scenario in rural research, let us look at the issue in rural research a little more closely in the remaining sections.

Activity: 1

You have already studied about the rural behaviour in Units 3 and 4. You have been assigned the task of collecting information on the ideal attributes that rural people want in a two wheeler. What are the methods of information collection, that looking at the buyer profile, would you like to use?

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5.3 RURAL RESEARCH TRANSITION OVER THE YEARS

As discussed earlier rural research has always existed but has been more in the form of social research. As marketers began to identify the potential of a given region, market research began to slowly evolve in that region. In the 70's and 80's, the pre-reform stage, very few companies really approached the rural sector and those existing or entering could only look at the vanilla. The prosperous belts of Punjab or AP or Maharashtra were the few belts tapped by marketers. Also, inconvenience of bad roads, limited electricity and other related infrastructure was an added plight. It was not only a problem of reaching the customer but also understanding his psyche too. Having made some inroads, marketers were also stuck with the proposition of what to sell. Will the customer readily buy the Liril



or Lux or the Surf or Hamam just like his counterparts, or is he any different? Questions were aplenty, and the initial years were full of trial and error, wherein in addition to stripped down versions of the branded products, a large number of spurious and counterfeit products were sold. However, most marketers had to unlearn a few things of the past to gather new information on these markets. Besides, they also realised that eventually the customers in rural markets were seeking the same values from the products like their urban counterparts in terms of value for money, quality, convenience but their environment, culture, value system had different orientation which meant consumption patterns were also different. A rural customer also used a toilet soap, but soap usage was maybe once in five occasions or exhibited usage of washing bar as against detergents or tooth powder against tooth paste. Marketers found a great diversity of Language forms and cultural nuances in villages, which made wholesale extension of urban promotion impossible. The initial research was more of commissioned research by companies taken up at regional level, based on the companies annual plan or marketing plans to target a certain region and on which the marketer had virtually no information. However, as the rural markets began to open up with reforms and agrarian sector growth, they generated surplus funds. Besides, migrant population was also a key factor for information flow and changes in the value system. You have already been exposed to some of the issues relating to migrant population in the Unit 3 of this block.

Gradually, as the rural markets began to expand in size and potential too, it meant larger and complex implications for the marketers. It also meant that more and more marketers approached the rural markets to find a niche for themselves. The imperative for rural research become more pronounced and some trends began to emerge clearly as marketers began expanding their operations and physical areas of operations. These were the following:

- (i) While there is purchasing power in the country, this is scattered across a 'wide geography, and marketers have to collect their sales bit by bit to achieve scale. There are no easy solution in rural market segmentation.
- (ii) There is beginning to be a surfeit of supply in every category of goods, and companies have to be smart in the manner in which they target and approach the market place to outsmart competitors.
- (iii) The Indian market is more severe in its value orientation, more so in our rural experience, than most other markets. This keeps prices low and margins under pressure, making efficient marketing an absolute imperative.
- (iv) Every marketer has to work with finite and limited resources, in terms of both money and manpower. It is a simple truism that the more focused the application of these research resources in the most fertile of target areas, the better the results will be.

The initial lack of information led to trial and error kind of decisions regarding the market, some of which were costly and made way for need for focused information and hence market research began to evolve. Agencies and organisations with urban market fortes started making efforts and the age of the commissioned study gave way to more of policy research. ORG Retail Audit, one of the most successful market research report providers, began compiling information with substantive inputs on both urban and rural markets. Advertising agencies, media buying houses and corporates rely heavily today on this data, which has a virtual monopoly in the market in the area of information generated from the rural audit.

Today, there are many published data on the rural markets, which help the marketers unravel the dynamics of the rural market. The R.K. Swamy/BSLDO guide to market planning incorporating media coverage at the district level is



another excellent source of data. Published first in 1989⁶, it was the first time ever that the traditional rural-urban divide was broken, and the district was viewed as the composite unit for market planning. The MICA Rural Market ratings is another comprehensive guide on the rural markets and details of which have been discussed in the previous section.

Today, most research is structured and detailed, giving figures right up to the district or tehsil level, making the reports informative and usable. There are - reports today on the readership patterns of the rural audience, viewership patterns and also their usage habits of durables and non-durables. The behavioural details resulting in such usage, though, are currently lacking, while there is substantial data on the demographic profiles. Unfortunately most of the behavioural study is usually commissioned and is limited in nature, undertaken by organisations on a limited basis. Such studies are usually qualitative in nature and give a specific solutions to imminent problems that the marketer might face. Applicability of such behavioral research to the general context of rural buyer behavior is, therefore, limited. Overall, in the context of the rural markets, most studies are quantitative in approach and give more of a situational analysis. As urban markets are more evolved and complex, more and more qualitative studies are being undertaken to assess the market. There is also a large segmentation of historical data available on behavioural issues in urban markets, as research has had a longer history there. Rural market research is currently involved in more of demographic data analysis. Psychographic data pertaining to rural markets are still not available and this is one area where marketers rely on commissioned studies, usually region specific, for solving their current marketing problems. Data on rural lifestyle or on reliable income sources are also a problem and marketers use occupational or land ownership as variables to segment the market. Lifestyle analysis models like P: SNAP (Pathfinders), SRI VALS might be too, early to implement in the rural settings, however, it won't be long before marketers look for related data on rural lifestyles.

5.4 COMMISSIONED STUDY VERSUS PUBLISHED STUDY

One of the issues confronting rural researchers is that of commissioned versus published research studies for rural markets. Commissioned studies are those which are undertaken on behalf of a certain organisation by a certain research house in response to a particular, limited research objective. These studies are usually on short-term basis and solve a current marketing problem of the company. Assume that in district of Darbhanga, Bihar, most villages are showing a sudden jump in the sales of Vicks Vaporub Cough Tablets, especially during monsoons i.e. July-September. Sales normally tapir off after this time and the marketer intends to know the reason for the sudden jump in sales. A study commissioned by the organisation to some research agency was used in this case and can be termed a commissioned study.

The scope and the methodology of research in this case will be responsive to the research objective of finding the reason for the seasonal jump in sales of a particular product. The research findings therefore are likely to be non generalisable for insights in overall astral consumer behaviour.

A published study or report is more of a broad based policy research which is undertaken independently by research houses and interested organisations may avail the reports at a cost. Hence, reports like the Indian Readership Survey, ORG Retail Audit, MICA Rural Market Report or R.K. Swamy/BBDO Guide to Market Planning are all published reports, which can be availed by organisations at a certain cost. Most advertising agencies, media planning/buying houses and other organisations buy such published reports. These reports are usually



exhaustive and give a detailed analysis of the area that they cover.

For instance, the *ORG-MARG Retail Store A Udit* being published for the last four decades, covers all retail outlets including grocery stores, general stores, retail pharmacies, tobacconists, food stores, restaurants, cosmetic stores, supermarkets, kiosks, etc. for FMCG market. For the different audits, liquor shops, petrol pumps, hardware stores, paint shops and electrical stores are empanelled in urban and rural areas. ORG-MARG continuously monitors a panel spread across 367 cities and about 983 villages in India. Given the diverse retail universe in a country that has over five million FMCG outlets, the challenge lies not only in sampling, but also in the logistics of providing robust estimates of purchase, stocks and consumer off-takes made at the Stock taking Unit (SKU) level every month. This data can be used by organisations for⁸:

- (i) Identification of market opportunities
- (ii) Trend analyses and forecasting
- (iii) Studying market structures
- (iv) Prioritisation of markets
- (v) Conducting analysis of competitors
- (vi) Product portfolio analysis
- (vii) Understanding changes in distribution
- (viii) Pricing trend analyses

The product categories covered are⁹: (This audit covers more than 100 product categories including)

- (i) Baby products (oil, powder, diapers, milk food, weaning food)
- (ii) Beverages (coffee, soup mix, squash and juice, syrup tea, concentrated drinks)
- (iii) Contraceptives
- (iv) Cosmetics (colognes, deodorant, perfume, lipstick, nail polish)
- (v) Environmental hygiene (air freshener, floor cleaner, floor polish etc.)
- (vi) Fabric Care (fabric bleach, washing powder, liquid, whitener, soap, detergent)
- (vii) Food products (butter, margarine, salt, packaged food etc.)
- (viii) General toiletries (mouthwash, talcum powder, toilet soaps, toothpastes, toothbrush, sanitary napkins)
- (ix) Hair care (conditioner, dye, oil, shampoo)
- (x) Health products and OTC (analgesic, digestive, medicated dressing etc.)
- (xi) Liquor (beer, brandy, gin, rum, vodka, whisky, wine, liqueur)
- (xii) Milk products (milk, condensed. milk, milk powder, cheese)
- (xiii) Semi-durable products (batteries, bulbs, lubricants, paint, tubelights, etc.)
- (xiv) Shaving products (after-shaves, blades, razors, etc.)
- (xv) Skin care (cream, cold cream, lotion, face-wash, etc.)
- (xvi) Snack foods and soft drinks (biscuits, chocolates, confectionery, etc.)

The data is given as measures of.

- (i) Market size in terms of units sold, volume and value
- (ii) Market share by volume and value
- (iii) Numeric distribution



- (iv) Weighted distribution
- (v) Share among handlers
- (vi) Out-of-stock retailers
- (vii) Per dealer take-off
- (viii) Purchase by retailers
- (ix) Stock level with retailers
- (x) Stock turnover ratio
- (xi) Trends for market, company, brand and SKU-for size and shares

A published data like ORG retail store audit being so exhaustive and informative, marketers usually rely for their analysis with respect to markets upon such published sources. However, there are certain limitations of the published reports, prime amongst the same being they are usually based on a certain benchmark or parameter, which might not be relevant to the company or not all the aspects of the reports might be relevant. Besides, these reports are at a certain cost and which is usually very steep, hence the ROI on these reports is always a question mark. Yet, on the flip side, if the organisations were to independently commission even a certain portion of these exhaustive reports, it will mean huge expenditure of time and money. Companies, however, do at various points in time go ahead with commissioned studies also.

The commissioned studies are based on internal requirements of a company. Also if the published reports do not contain the specific information, organisations initiate studies based on their requirements. Research agencies also independently carry out such assignments. Most agencies have a rural division, specialising in rural research. At IMRB, one of the premier research houses in India, the rural market research division is referred to as SRI (Social & Rural Research Institute). Some of the research assignments it has undertaken for clients are indicated in Table 5.2 and selected list of clients that SRI has is also mentioned.

Table S.2: Projects Executed (indicative list)

Assignment	Client	Coverage	Sample Size
Contingent Evaluation of drinking water services in Lucknow	Overseas Development Administration	Lucknow	550 household interviews to assess willingness to pay for water
Rapid Assessment of Health NGOs	Policy Project-Futures Group	U.P.	Research among Health Workers
Rural soap users	WIPRO	A.P.	Attitudes and perceptions of soap and cleanliness
Agro-inputs Database	Tata Chemicals and Rallis	U.P., Punjab and Haryana	Studies among 4,000 farmers to understand agricultural practices
Evaluation of IAEP Project in Madhya Pradesh	National Afforestation and Eco-development Board	M.P.	5 districts throughout 12 technical evaluations of forestry sites, 100 interviews with beneficiaries and Project officials

Source: <http://www.imrbint.com/corpprof.htm>



Some of the major users of SRI are research work are

- (i) Actionaid India
- (ii) Andhra Pradesh Forest Department
- (iii) BASICS
- (iv) Credit Analysis & Research
- (v) DANIDA
- (vi) Dept. of Adult Education
- (vii) Doordarshan
- (viii) Eicher Goodearth
- (ix) International Centre for Research on Women
- (x) Indian Medical Association Johns Hopkin University
- (xi) Lok Seva Sanchar Prishad Madhyam
- (xii) Ministry of Rural Development
- (xiii) Ministry of Health & Family Welfare
- (xiv) Parivar Seva Sanstha
- (xv) Population Services International
- (xvi) Rajiv Gandhi Foundation
- (xvii) Swedforest
- (xviii) Tata Chemicals
- (xix) Thompson Social (Hindustan Thompson Associates)
- (xx) UNICEF
- (xxi) USAID
- (xxii) World Bank
- (xxiii) World Health Organisation

This illustrative list has only been provided as indication of the fact that a considerable portion of rural research is still commissioned by development agencies and by the government for developmental purposes as well as by commercial organizations.

In most cases organisations prefer to give research assignments which are based on their internal problems and cover a specific region only. Like IMRB, other research houses also work on assignments, which may include rural assignments as well.

In the context of rural research, another issue is that of tools and techniques to be adopted for rural research. Most research organisations have their own in-house techniques and tools. Some of these are implemented as such for the rural markets. Some organisations prefer to use stripped down versions of the tools they have been using for urban markets IMRB in India uses some of the tools of Millward Brown as a licensee for these products in India. Similarly, other research houses are also adopting their own tools. Also, the arrival of a large number of Multinational organisations in research, namely, AC Nielsen, SRI, Mediamark etc., is changing the scenario of rural research. They bring with them certain level of expertise and innovations in the field of research, in different and diverse market situations, some of which may be applicable in Indian rural markets as well. Most local agencies have a tie-up with some foreign affiliate and the affiliation helps in sharing of talents and resources.



Activity 2

How as a marketer of economy range of tooth paste and toilet soap , would you use the ORG retail audit ? Explain

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5.5 ORGANISATIONS INVOLVED IN RURAL SEARCH

The changing competition in the market research industry has also influenced the foray into quasi-consultancy". Though the number of research agencies in the country has not increased considerably from the 30-odd agencies that were around 10 years back, mergers and tie-ups over the past three years or so have changed , the structure of the business. In the 1980's, the two agencies, IMRB and ORGMARG, dominated the Indian market research scene, followed by Mode. In the mid-nineties, Bangalore based Research and Consultancy Group (RCG) tied up with MBL and was eventually taken over by the interpublic group's \$450-million market research company, NGO Worldgroup. Around the same time, AC Nielsen entered and bought a stake in MRAS while TNS bought a stake in Mode. Dutch giant VNU, bought a stake in ORG-MARG in 1996.

Several new outfits have also stepped in". For example Blackstone, a small outfit from the US, set up shop and teamed up with a large American agency, Market Facts, in India. Market Probe, a boutique US company, set base in 1999. Then MBA, a small Mumbai-based outfit, tied up with Gallup. Barring the WPP group's Research International, which has been here since 1992, most global players came to India in the last three years. ¹²If the newer players ushered in change through branded techniques, then the pre-reform players like ORG-MARG and IMRB had vast databases, culled over two decades or more, that could be used to better effect. ¹³The nature of the market is changing too with the advent of Internet and Information technology era. The Telecom and Financial Market reforms also opened up the market and newer avenues like consultancy-research opened up.

While the Indian market research industry is worth Rs.4000 crores¹⁴, rural research forms only 10-15% of the total research pie. According to ORG-MARG the rural market research spends will be in the tune of Rs.50 crores¹⁵. Though the size of rural research industry is small, it will be more complex and difficult to carry out research in the rural markets. The major players in rural research are¹⁶:

- (i) NCAER (National Council for Applied Economic Research)
- (ii) ORG-MARG
- (iii) NFO-MBL
- (iv) Sampark
- (v) MART
- (vi) ORCN (Ogilvy Rural Communication Network)
- (vii) RC&M (Rural Communication & Marketing)
- (viii) Initiative Media
- (ix) Anugrah Madison



Some of the other organisations engaged in rural research are:

- (i) IMRB (SRI Division)
- (ii) R.K. Swamy/BBDO
- (iii) MICA (Mudra Institute of Communication and Advertising)
- (iv) IRMA (Institute of Rural Management, Anand)
- (v) Population Services International
- (vi) Central Statistical Organisation
- (vii) National Institute of Health and Family Welfare
- (viii) National Sample Survey Organisation
- (ix) The Census Study of GOI

The last five organisations are involved more in social and health related issues and not on marketing research. However, their expertise on rural markets is unquestionable and the data generated by these organisations are used by related organisations. Especially, with rural insurance today showing huge untapped potential; data relating to health and diseases will be of critical interest to insurance companies.

Activity 3

In addition to the organisations given above, identify the organisations in your area, including advertising agencies, which are involved in rural research. Prepare a note on their activities.

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5.6 HOW DO MARKETERS GAIN FROM RURAL RESEARCH?

Today, as rural markets are considered as high potential markets, marketers are trying to take full advantage of the current boom, for which they need to know more about the markets they are entering. A large number of research organisations have begun to make their advent with newer tools and techniques into the rural markets.

However, the critical point for the marketers will be the implementation techniques in the rural markets. They cannot use the same ways and means they have been using in the urban markets. For instance, while watching television, the images absorbed by the rural and urban audience will be very different. Take the case of the Pepsodent GI Joe offer and its effect on the urban child and the rural child. The imagery as perceived is likely to be very different. Obviously, media planning has to ensure that the right audience will view your commercials. Tattoos, another huge product pusher might have strong pull in the urban markets but with little relevance in the rural markets. In light of this backdrop and the changing face of competition, marketers will have to work out a new game plan for rural market research.

Games can be used as effective marketing research tools, which involve collective participation of the tribe. Typical 5-point, 7-point or 10-point scales used in the urban market are not effective in the rural context because they involve complex understanding on the part of the rural consumer. The rural consumer is not spatially well equipped. Pictorial scales may be used in their



place. Scales can also be simplified to three-pointers, which involve less complex processing of information required. TAT (Thematic Apperception Test) can be used very effectively for such researches.

A photograph/painting is highly visual and supplies more information than that can be processed by the rural consumer". Instead, cartoons or caricatures, which lack information, are effective and provide for participatory role of all the five senses. Another trend is the increasing use of participant observation methods. Typically used in cultural anthropology, these methods indicate an important lesson for marketing research too¹⁹. The researcher participates in the rituals and activities along with the tribe so as to understand the shared meanings, not as passive and objective observer but as an active participant. Such socioparticipatory roles played by the researcher in the village may lead to important insights, which may be overlooked otherwise by objective means of measurements. Studying rural consumers in their natural environments is a better research technique that may be employed instead of using CLTs (central location tests), which are non-indicative of their natural surroundings. -"Care needs to be taken so as to respect the hierarchical, rigid, social class structure of the rural village owing to their time and tradition rooted culture. This fact has been stressed on time and again by market research agencies.

Till the 1980s, market research was restricted to the data delivery function alone". As competition grew, predicting consumer behaviour came to the forefront of client demand. So research agencies started adding value by defining what kind of information should be collected rather than merely sticking to the client's brief. For example, a soft drink player today would also look at competition from a category like bottled water. Similarly, a moisturiser would also compete not only with other moisturisers but also with skin lotions and homemade products like malai and so on.

Marketers also agree that the needs are evolving.²² For example, the new area that HLL has added to its research requirements is the concept of consumer windows. HLL has two consumer windows- one is the traditional view of consumers through market research and the second is direct customer contact. For the latter, a website was set up, where HLL managers across the country can log in and request for an interface with any type of consumer across India. The request is then processed by the research agency, which organises meetings between the managers and the consumers. HLL claims that after this window was set-up, every day, roughly nine managers contact consumers in 20 locations and interface with five consumer groups.²³ For instance, when sales of Lifebuoy, one of HLL's designated 'power" brands, were tapering, the consumer window sessions, especially in rural areas, helped the company change the product composition from carbolic to non-carbolic and reposition the soap from a male market to a family product.

Today the rural market is grappling with the following fundamental issues'-':

- (i) Declining soil productivity
- (ii) Mismanagement of water resources
- (iii) Increasing pressure of people on land resources
- (iv) Lack of efficient' market linkages between the producers and the consumers
- (v) Globalisation of the commodities markets

The marketer will have to be sensitive to the needs of the rural consumer and especially to consumer behaviour. Market research as a tool will help cut down the uncertainties of the market and help prepare marketers for the transition. The implications of the change that the rural marketer will have to prepared with and where research will be effective²⁵ are:



The farmer of the future will be a large farmer having scientific methods of being adopted for all aspects of production and marketing.

The mode should not be of provider of products and services, but to build relationships.

The company can extend its role from being just a facilitator or rural production system to becoming an influence on product mix decided at stage one itself. This way the identification of the right kind of communication and the product delivery pattern can be worked out for the company.

5.7 SUMMARY

Marketing Research techniques and tools always have had to be adapted to the target group that is being addressed. Rural marketing research is undergoing a major transition as the scope of the research is expanding with the rising size and potential of the rural market. The mostly quantitative approach followed so far is giving way to behavioural and qualitative studies. In view of the illiteracy and lower exposure of rural consumers, however, tools are required to be specifically adapted or designed. This unit addresses the main issues in rural research, introduces you to the major organizations in the field and outlines the routes that rural research is likely to take.

5.8 SELF ASSESSMENT QUESTIONS

1. From your understanding of Market research and its techniques in qualitative research, identify the techniques, which can be used in rural research?
2. What kind of sampling techniques can be used for rural markets while undertaking research?
3. Suggest some possible areas where rural marketing research would find increasing application in India?

5.9 FURTHER READINGS

Rural Marketing by C.S.G. Krishnamacharyulu and Lalitha Ramakrishnan, Pearson Education, 2002

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Indian Market Demographics 2002: NCAER, Global Business Press, 2003.

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