

---

## UNIT 7 PRICING DECISIONS

---

### Objectives

After going through this unit you should be able to:

- Discuss the imperatives in rural pricing
- Describe the pricing methods and strategies
- Comment upon the rural pricing strategies
- Assess the impact of promotional pricing
- Define the strategic imperatives for rural marketers
- Design appropriate pricing strategies for

### Structure

- 7.1 Introduction
- 7.2 The Price/Quality Issue
- 7.3 Pricing Methods and Strategies
- 7.4 Rural Pricing Strategies
- 7.5 Pricing and Income Levels
- 7.6 Channel Selection and Pricing Implications for Rural Markets
- 7.7 Promotional Pricing
- 7.8 Competition and Pricing
- 7.9 Summary
- 7.10 Self Assessment Questions
- 7.11 Suggested Readings

---

### 7.1 INTRODUCTION

---

You have already covered the basics of pricing and its importance in the Marketing Management Course (MS-6) as a part of the marketing mix elements. The fundamentals of pricing theories, objectives of pricing and price setting in practice are not being discussed here afresh. We will build upon your understanding of pricing concepts already covered in the basic course. Some concepts of specific relevance to understanding of rural market will, however, be discussed. Prices of branded goods cannot really vary widely across the rural urban divide. The challenge is, therefore, to create product offering in a size or package that is, view of the lower paying capacity of the mass market in rural India, both affordable to the consumer, and viable for the manufacturer. This unit therefore, discusses in detail the quality and price issue and promotional pricing as well as the interdependence of distribution and pricing. Rural pricing strategies in use today have been explained and the directions as emerging from the buying trends have also been described.

---

### 7.2 THE PRICE/QUALITY ISSUE

---

The rural market presents a marketing situation where the mass market has low paying capacity, though' there are pockets of prosperity in most villages. The most basic issue that *affects* the pricing decision and consequently the product mix selection is determination of the quality and price level acceptable to the rural consumer. Let us look at the nine quality - price strategies to enable you to identify the variety of options one can exercise while seeking to price products targeted at the rural markets. The nine Price Quality strategies are important to understand, as price forms an important component of rural marketing effort.



**Table 7.1**  
**Nine Price-Quality Strategies**

<b>Product Quality</b>	<b>Price</b>		
	<b>High</b>	<b>Medium</b>	<b>Low</b>
<i>High</i>	<i>Premium Strategy</i>	<i>High Value Strategy</i>	<i>Super Value Strategy</i>
<i>Medium</i>	<i>Overcharging Strategy</i>	<i>Medium Value Strategy</i>	<i>Good Value Strategy</i>
<i>Low</i>	<i>Rip-off Strategy</i>	<i>False Economy</i>	<i>Economy Strategy</i>

Source: Marketing Management by Philip Kotler, 10th Edition, Chapter 15

In the context of rural markets, quality is always an issue which consumers have looked forward to in their quest of getting value for their hard earned money. On the other hand, the prices have had to be flexible to the extent of the socio-economic class the consumers. If the person is a prosperous farmer with enough land holdings and steady income, possibly he will be seeking a return on value on a higher price. Alternatively, his counterpart, lower on the social class will also seek value but on a lower price scale.

**The rural rich may have less exposure to brand but he is willing to pay the extra price for the premium products in the market. Brands like Onida KY Thunder and LG Golden Eye series were the highest selling brands in the rural markets.**

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

The rural marketers have for long been thriving on the perception that only low cost, low quality products will survive and if one refers to Table 7.1; the economy strategy has been the most preferred strategy of marketers. However, this is not the case in today's context, as rural markets have been witness to environmental changes, which definitely had implications for the marketers. For instance, TV ownership and viewership (DD and C&S) has gone up over the years. Hence access to information has been definitely been higher as compared to the past, and this has meant impact on the rural lifestyle too. In the earlier units you would have been exposed to various data that reflect on the current rural trends and practices. Most of the data has shown how the rural masses have moved up the value chain. From tooth powders to tooth pastes, electric bulbs to tubes, Amrutanjan to Iodex... are all instances where there are not only brand switches but category switches too.

Added to this, the overall economic prosperity in the region, has increased the purchasing power of the average consumers. It would, therefore, be unfair on the marketer's part to underestimate the potential of the region or even assume that the average spend levels of the region will be low. In most cases in the past, the stripped down version of the core product was sold, but today it would not be a wise decision. Instead, offering relatively similar products like the *urban* markets but providing necessary value to the product will be the key. For instance, the Pepsi or Coke 300-ml bottle can be marketed to the rural customers, but the 1-1/2 litre or 2 litre bottles would be difficult. It will not be for lack of need for the product but for fact that irregular electricity supply or absence of electricity will be a problem for product disposition. This also illustrates another issue with respect to the quantity that the rural customer buys at any given point in time. The quantity bought is less in volume and well measured and this where pricing becomes all the more difficult. A rural customer's toilet soap usage is once in five bathing occasions, hence, 5-6 times in a month. This will mean that the soap usage overall is less and the product mix to be offered to such profile of customer will have to be very different than his urban counterpart. Alternatively, the typical offer of buy two get one free in soaps, extremely popular in urban markets, will not be so successful here. So it is not just an issue of quantity alone but pricing too, that has to be offered to the rural consumers. The following sections of this unit give insight into how the right pricing can be developed and offered to the rural customers.



### Activity 1

The price/quality issue has for quite some time been a typical dilemma for markets trying to access the rural markets. Used to low paying capacities of the rural consumer, marketers, have typically loaded the retail points with stripped down, lower priced versions of the urban brands, only to find that quite a few rural consumer are flocking the nearby feeder town for the products “like the urban people buy”, on the outskirts of your town, visit the retailers who are likely to have a rural clientele as well. Discuss with them to find out if there are

- Changes in the brand buying behavior
- Category switches as explained in the section above
- Any movements up the value chain

Comment upon these shifts

.....  
.....  
.....

### **7.3 PRICING METHODS AND STRATEGIES**

Before we discuss the other facets of pricing in rural markets, let us recapitulate on the pricing methods and strategies.

Some of the pricing methods as discussed in your basic course were:

- Markup Pricing
- Target Return Pricing
- Perceived Value Pricing
- Value Pricing
- Going Rate Pricing
- Seated Bid Pricing

Some of the pricing strategies studied you earlier were:

- Geographical Pricing (cash, countertrade, barter)
- Price Discounts and Allowances
- Promotional Pricing
- Discriminatory Pricing
- Product Mix Pricing

Among the most popular pricing strategies adopted by marketers in rural markets are promotional pricing and in the later part of this unit we will discuss how some of the promotional pricing methods are adopted in the rural markets. Some of the promotional pricing methods in use are:

- Loss-Leader Pricing
- Special Event Pricing
- Cash Rebates
- Low-Interest Financing
- Longer Payment Terms
- Warranties and service contracts
- Psychological discounting

In your unit of pricing in MS-6 you would have already discussed some of the aspects mentioned above. This unit will look at implications from the rural market



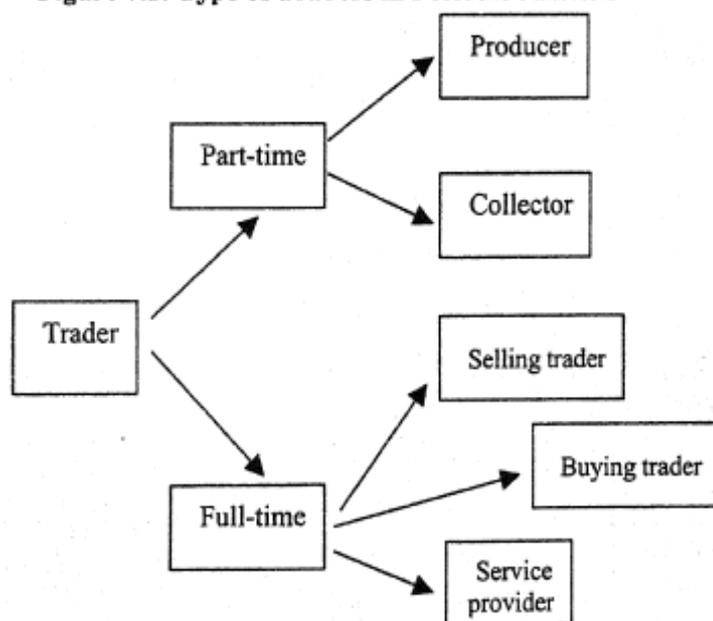
perspective. One of the factors that the marketers will have to bear in mind, in addition to the seasonality of demand in rural areas on account of primarily agricultural occupation, is the very high degree of volatility of rural earnings. This high volatility of earnings is on account of the unpredictability of monsoon dependent agriculture in India which employs 70% of the populace directly or indirectly. It is evident that this high volatility results in suppression of buying power of the farmer as he is never sure of a sustained source of earnings, were he to squander his earnings on products that are deemed less than absolute necessity. The pricing in all cases therefore, has to clearly define and reflect the value proposition of the products/ services on offer.

## 7.4 RURAL PRICING STRATEGIES

One of the key aspects of rural pricing is the distribution cost that adds to the overall cost of the product. Marketers on the other hand have felt that the rural markets will fetch them lower prices. Between this dilemma rural marketers have always looked at offering. Those products to the consumers which offer more value at a lower cost. On the other hand, marketers have also been making attempts to help consumers in rural markets switch to their products with better price offer than their competitors or the nearest local version of the product. But before we dwell on this issue further, it will be critical to evaluate some fundamental price structures that exist in rural markets. Rural markets usually work on two different price levels for similar products.

- i) When the product is distributed from company sources at the rural retail markets, the price structures include the cost of distributing right at the retail or distributor level.
- ii) Alternatively, in other cases, the local retailer also visits the nearest distributor/dealer at the nearest town or district to collect his stocks, and there the retailer adds his own cost of distribution to the product.

**Figure 7.1: Type of Traders in Periodic Markets<sup>1</sup>**



The above figure 7.1 is a broad indication of the kind of retailers we are referring to in point (ii).

At both these levels the pricing structures are very different owing to the nature and amount of logistics cost incurred being different. In some instances where marketers



are not able to approach certain markets for absence of proper infrastructure (primarily roads), the local retailers take the onus of approaching the nearest distributor/dealer/stockiest. On the other hand, the local haats and fairs also offer products at the best deal and so the third pricing structure though more a part of promotional pricing strategy, also coexists alongwith the first two.

With different price structures, very often, for the same products rural marketers find it difficult to ensure the sustainability. Sustainability also refers to maintaining similar price levels. If the monsoon season leads to bad road conditions and the local retailer incurs a higher cost of reaching the goods to his village, the final product price will also vary substantially. However, as mentioned earlier, due to usage occasions and usage amount of average FMCG products being less than urban markets, price differences in aggregate terms are not usually varying. Sachets, one of the most successful forays in rural markets are usually low in amount and cost. The price differentials are also at times affordable from the consumer's perspective. The retailing comparison as shown in Table 7.2 explains the differences between urban, semi-urban and village markets with regard to pricing issues.

**Table 7.2**  
**Retailing Comparisons**

<b>Retailer</b>	<b>Products</b>	<b>Promotion</b>	<b>Role and Influence</b>	<b>Price</b>
Urban* (city or town)	Global and national brands. Few local brands	Wide range. Intensive	Informative and suggestive. Help identify alternatives	MRP. One price for all. Select discounts at the local retail level usually on informal basis. Packaging, billing and other related
Semi-urban (small towns) feeder points for villages	National and local brands. Few global brands and large number of unbranded products.	Limited. Mostly POP, discounts and incentive offers,	Informative and suggestive. Help identify alternatives	MRP in case of branded products, improper display of prices for essential commodities. Products sold in local packaging too, referred to as loose sales. Weights and measures less accurate. Selective credit policy.
Rural (village selling points)	Largely local and unbranded products	Marginal. Mostly POP and road signage	Helps in purchase decisions	Mark-up on all items. No display of prices. Different prices to different customers based on customer knowledge and type of purchase (barter or cash). Improper weights, adulteration, loose selling of items. Mostly undocumented

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



## Activity 2

On the basis of the section just covered ; identify the major difference between pricing strategies for the rural Vs the urban market. How would you address the pricing decision for small village in India if you were to decide on price of

- Common salt?
- Insurance policies ?
- Cold cream?

.....

.....

.....

.....

.....

## 7.5 PRICING AND INCOME LEVELS

Another issue critical to the rural markets is the large income disparity that results in the consumption patterns being not so regular. In fact, between the urban and rural consumers the income disparity is fairly large and hence prices for average products remain different. As a result the basic price differentials are fairly large between these markets. Per capita income in rural India (Rs.9481 per annum) is almost half of that of urban India (Rs. 19, 407 per annum) indicating the level of income disparity between urban and rural areas<sup>2</sup>.

**Table 7.3**  
**Income variations in Urban and Rural areas, 1999-2000**

State/UT	Per capita Income (Rs./annum)		Ratio of Urban PCI to Rural PCI	Rank
	Urban	Rural		
Delhi	29,364	24,852	1.18	1
Haryana	18,134	14,855	1.22	2
Chandigarh	34,509	27,256	1.27	3
Punjab	21,413	16,540	1.29	4
Pondicherry	18,193	13,215	1.43	5
Rajasthan	15,850	10,693	1.48	6
Assam	17,231	11,109	1.55	7
Gujarat	22,742	14,574	1.56	8
Goa	17,440	11,017	1.58	9
Karnataka	18,394	11,300	1.63	10
Kerala	17,372	10,342	1.68	11
Andhra Pradesh	19,143	11,033	1.74	12
Bihar	12,404	6976	1.78	13
Uttar Pradesh	12,257	6738	1.82	14
Himachal Pradesh	19,881	10,816	1.84	15
Tamil Nadu	24,246	12,888	1.88	16
Maharashtra	23,747	11,769	2.02	17
All India	19,407	9481	2.05	-
Madhya Pradesh	14,719	7079	2.08	18
Meghalaya	20,714	9284	2.23	19
West Bengal	23,892	8792	2.72	20
Orissa	15,993	5704	2.80	21

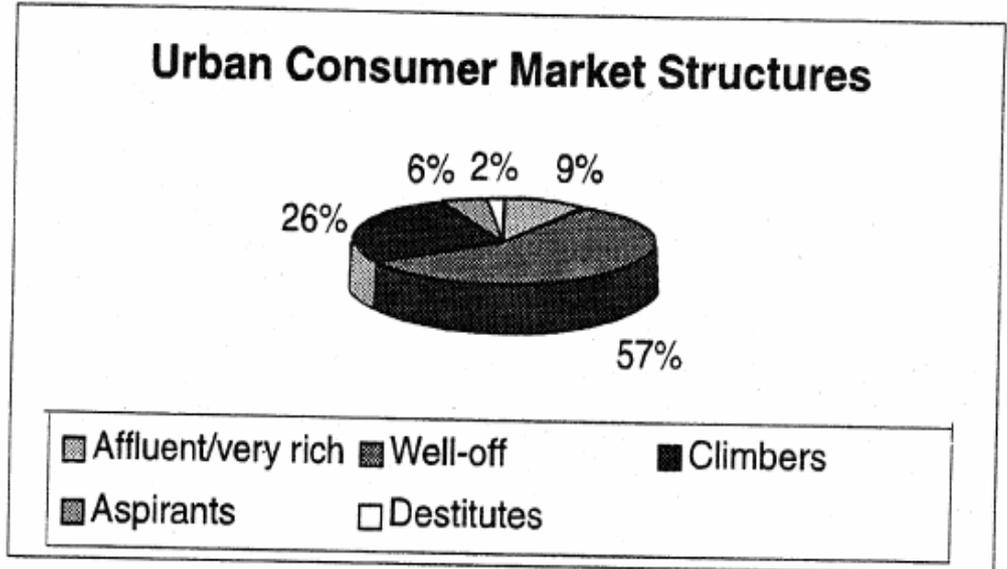
Source: Indian Market Demographics Report 2002, NCAER

<sup>2</sup> Source: Indian Market Demographics Report 2002, NCAER



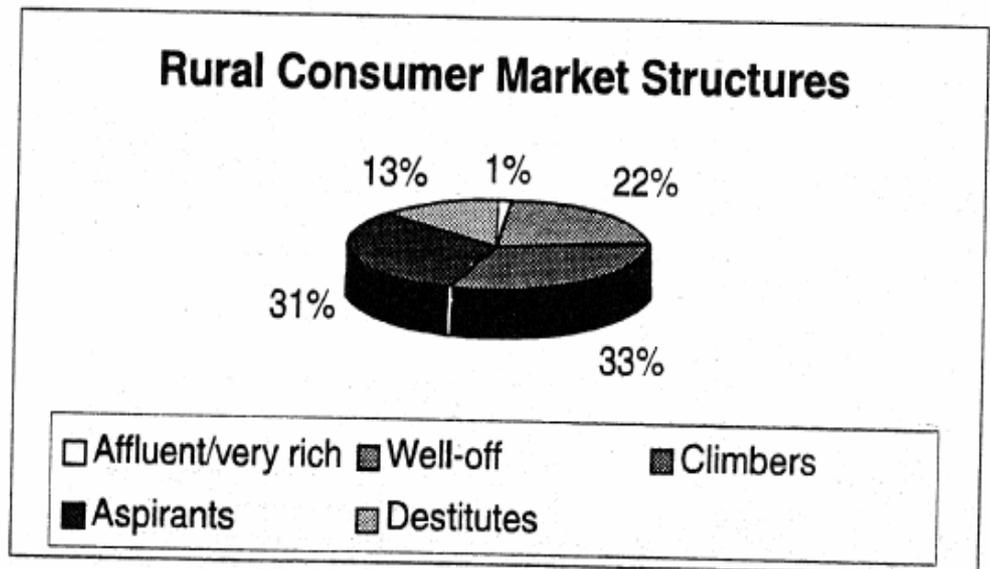
The above table is fairly indicative of the current income levels in the region and how income disparities are more prominent states like Bihar, UP, West Bengal, MP, and Markets Orissa. The disparities have also bearings on the purchase power parity in the region. The figure 7.2 and 7.3 show the NCAER classification on the five-SEC structures for both urban and rural markets and represent a more comprehensive picture of the rural market structures as compared to urban markets.

Figure: 7.2



Source: Indian Market Demographics Report 2002, NCAER

Figure: 7.3



Source: Indian Market Demographics Report 2002, NCAER

While the highest percentage of aspirants are in the rural sector, the urban sector has the highest number of well-off, which in practical term refers to middle and upper middle. With aspirants and climbers forming a substantial part of the market, the value sought from the product will be higher and marketers need to trudge this path very carefully. It does not have any easy correlation to selling cheap and stripped down versions of the products, but offering the best value.<sup>3</sup> Small pack sizes will get easy

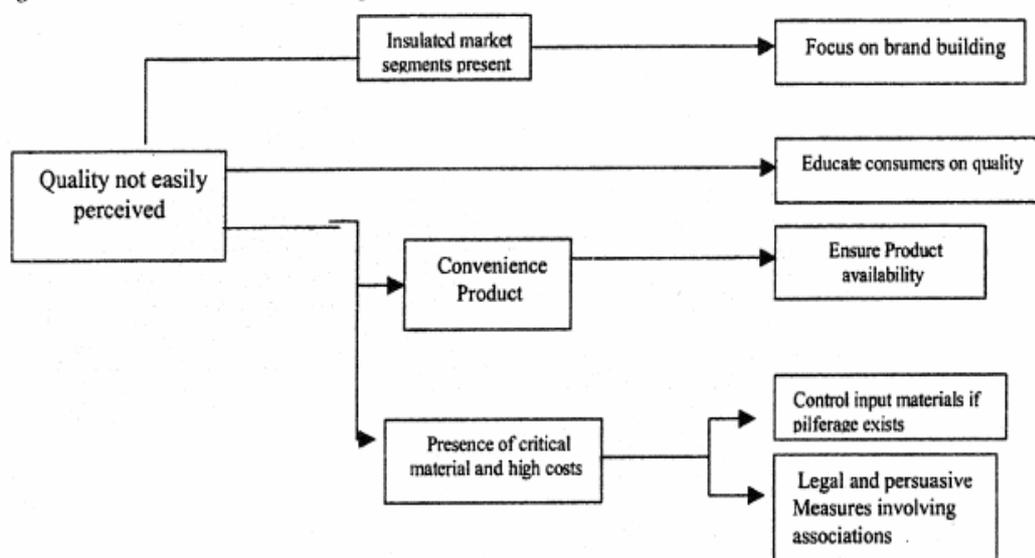
<sup>3</sup> Source: Rural Marketing: Targeting the Non-Urban Consumer by Sanal Kumar Velayudhan, Response Books, 2002



lesser quantity and this is where the marketer's patience and deep-pockets; will help him, because of sustenance and specifically on bottom lines being delayed on this kind of product packaging and pricing. As shown by the off quoted examples <sup>4</sup>HLL on finding its Lifebouy 100gin soap being split into smaller sizes by retailer, introduced a small 75grn version to suit local usage patterns.

A key concern facing marketers in respect of rural pricing is issue the branded versus unbranded goods. Rural consumers are aware of the branded product vis-a-vis price as a critical aspect of branded goods consumption. The local and spurious product will continue to exist alongside the branded products. It does become difficult for consumers to choose at times, considering the price disparities and the income scarcities. The spurious products are very common in the rural settings where close imitation of a popular brand, with similar packaging could outsell the original simply because it is sold at a far lower price, sometime a differential of 50%. AC Neilson through a study conducted in rural markets were able to establish that sales of spurious Vicks equaled that of the original brand. The company was able to bring an injunction of sale and the raids conducted on the premises of the stockiest enabled seizure of the stock of look alike, worth Rs. 3.5 million, with the spurious rub branded as Vikas and the Cough drops as Venus 5 -

**Figure 7.4: Measures to Counter Duplicates and Imitations**



Source: Rural Marketing: Targeting the Non-Urban Consumer by Sanal Kumar Velayudhan, Response Books, 2002

Figure 7.4 is an indication of how to control the counterfeiters and spurious products in the market. However, recent trends have clearly indicated the rural preferences for branded products, which have proved to be superior and long lasting too. A case in point is *that of* Transistors, a favoured rural product, where there is intense competition between the local-assembled version versus Philips' Bush.

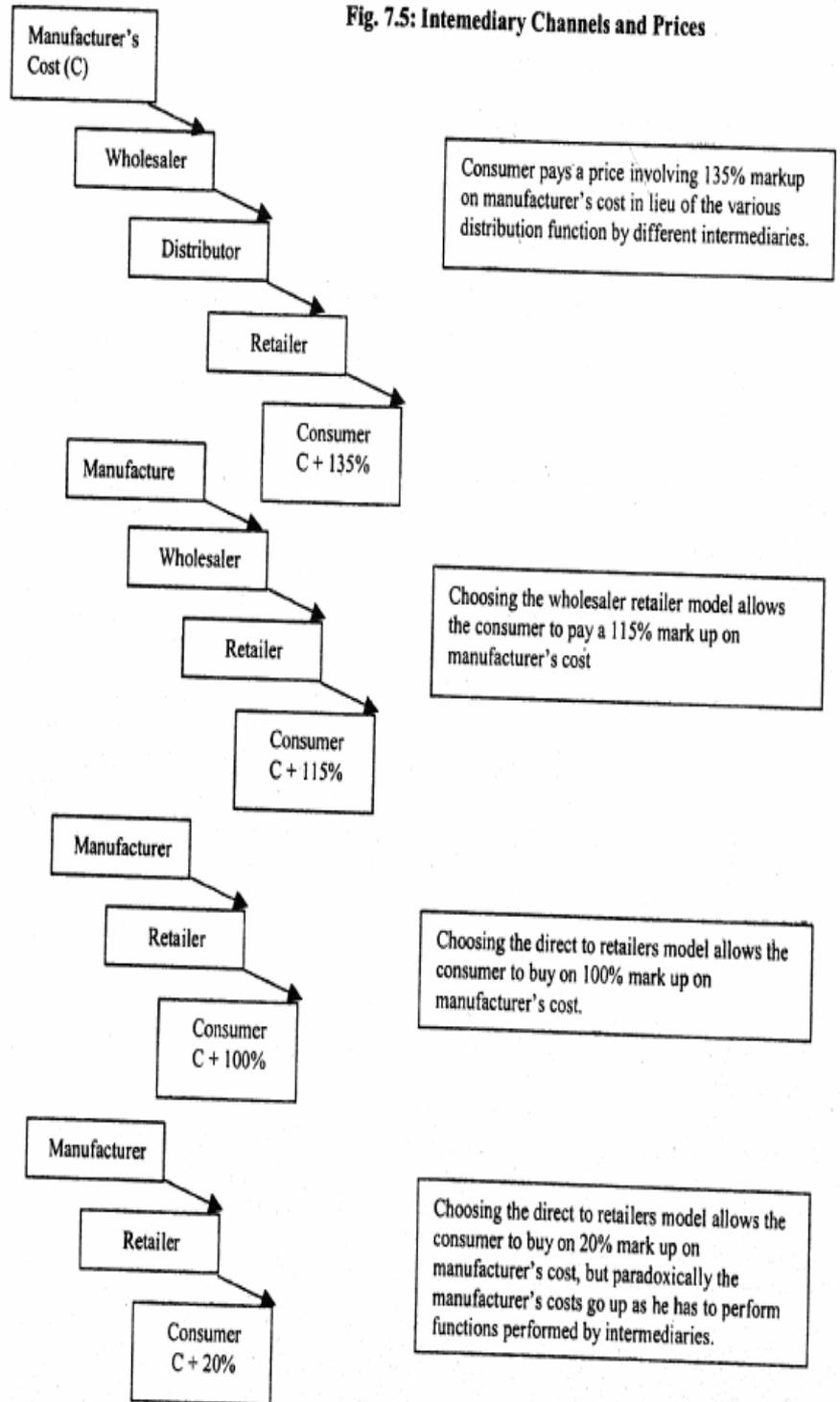
## 7.6 CHANNEL SELECTION AND PRICING IMPLICATION FOR RURAL MARKETS

<sup>4</sup> Source: Rural Marketing: Targeting the Non-Urban Consumer by Sanal Kumar Velayudhan, Response Books, 2002

<sup>5</sup>The Economic Times, Oct, 19, 2002



and intermediary organizations, familiar with the concept that while the use of intermarries is imperative to gain access to remote and dispersed markets, the increase in the number of levels in the channel, between the producer and the consumer also has a bearing on the final price paid by the consumer (Fig. 7.5). The rural markets present a situation where the products reach the consumer through several layers in the distribution channel comprising, authorized dealers, stockiest, wholesalers, C and F agents, large retailers and the local village retailer. You can appreciate that the greater the number of layers in a channel the larger will be the aggregate total trade margin paid to the distribution network. The final price paid by the consumer thus



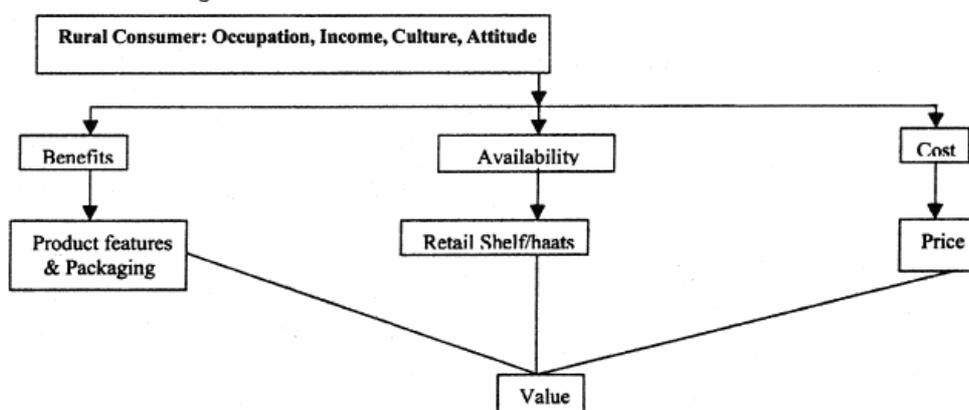


would need to absorb all these margins as well as the cost of goods sold. One way that the marketer can actually offer products at a lower price is to find innovative ways of reaching the rural consumer without involving a large number of intermediaries. A study in the distribution costs resulting overall, in lieu of the various distribution functions performed by different intermediaries is illustrative of the point discussed and is shown in figure (7.5).

## 7.7 PROMOTIONAL PRICING

Having discussed some of the basic issues in pricing for rural markets, this section looks at some of the pricing strategies actually adopted by marketers, which are usually covered in the rural markets. Though the remaining pricing strategies are also adopted by the rural markets, promotional pricing is usually the preferred route. Geographical pricing and product mix pricing are also adopted by marketers for any given market. LG's Sampoorna range of TV was launched exclusively for the suburban and rural markets, which was a stripped down version of the core product, eventually meeting with little success in the rural markets. The critical point for rural markets are products focusing on needs of the consumers or the other alternative is to look at low-priced products targeted at the price sensitive rural markets. The choice will purely be on the organisation's objective to meet consumer demand effectively.

Figure 7.6 Product and Price as critical factors<sup>6</sup>



The figure above represents the product versus pricing issue, which will be critical to consider for organisations entering rural markets. It is always not be true that only the cheap products will sell in the rural markets. Usha found that the sale of its economy models were falling sharply in rural areas. Farmers preferred Usha's premier Century brand, though it was priced 20% higher, as they found the value proposition of the latter, more in keeping with their perception of value.

Promotional pricing in the rural markets may involve introductory price offers targeted at promoting trial, free samples or quantity discounts to ward off competition. The following table summarizes the type of prices discounts that are in usual practice.

<sup>6</sup> Source: Rural Marketing: Targeting the Non-Urban Consumer by Sanal Kumar Velayudhan, Response Books, 2002

<sup>7</sup> Source: Rural Marketing: Targeting the Non-Urban Consumer by Sanal Kumar Velayudhan, Response Books, 2002



**Table 7.4: Promotional Pricing: Price Discount**

Type of Discount	Objective
1. Volume discounts	To encourage consumer to buy larger volumes and avail of much lower prices. May succeed at post harvest, festival or pre marriage seasons.
2. Trade discounts	To motivate channel members to service customers effectively. Usually given at the time of special schemes or product introduction or new model introduction
3. Seasonal discounts {	To stimulate demand in lean periods and to smoothen wide fluctuations in demand. Usually offered in periods preceding and following peak demand periods
4. Promotional discounts	To stimulate channel members to make special efforts to promote demand. Usually for a limited period.

Table adapted from Rural Marketing by CGS Krishnamacharylu and Lalita Ramkrishnan, Pearson Education 2002.

A key consideration is also the sources of income in the rural sector, which affect consumption patterns. With harvest season, disposable income goes up and farmers have a tendency to experiment with purchases. The synchronising of price offers and assortment offers to such patterns is referred to as "income stream and consumption basket offering". This in effect means that the price and positioning decision is therefore influenced not just by the income received but also on when it is received and how it is allocated among different needs.

Haats and melas form an integral part of the rural consumer's shopping patterns. Owing to the nature of such fairs and timings purchases are usually varied and even made in bulk. For instance, the Sonapur Cattle Fair, finds buyers and sellers for not just cattle but as a variety of other elements are also dovetailed onto the fair, it witnesses all kinds of purchases and bargains beyond cattle. Naturally, price will be the key differentiator for most purchases. The Kumbh Mela, the annual ritual of the Hindus, also witnesses a large number of visitors from the rural countryside. Marketers encash every opportunity to offer the best deals and product, on such occasions, to take advantage of the heightened purchase intention.

## **7.8 COMPETITION AND PRICING**

You are aware that apart from the costs of a product and the consumers capacity to pay, the third leg of the pricing decision tripod is the competition, In any competitive category, prices need to be responsive to competition's price points as in price elastic and value for money kind of market scenario, small differentials in seemingly similar product offers could see you lose market to your competitors. The rural markets represent situation where competitor presence may be thin at present but as more and more organisations warm to the emerging potential of rural markets, the pricing decisions would need to be very sensitive to what the competition offers. Competitive pricing offer takes the form of price reduction, package size reduction accompanied by price reduction or offering more volume for the same price. Price setting becomes an issue when your competitor either reduces his price or initiates a price increaser While your final decision on price fixation under such situations may rest on an

" Source: Rural Marketing: Targeting the Non-Urban Consumer by Sanal Kumar Velayudhan, Response Books,



analysis of the price sensitivity of the consumer and your own costs, certain generalisations can indicate direction towards appropriate strategy. A price rise by the competitor should be matched in a period of growing demand or rising costs. If you can manage to control your costs to existing level, and are in highly price conscious market, market advantage is likely to occur when you maintain your prices while the competition initiates a price increase. If economies of scale or technology enable you to get a clear cost advantage, you could benefit significantly in actually lowering prices even if it means narrower margins because you could preempt or oust competition from the market.

Rural markets have been shown to be highly price conscious markets, specially when the brands are perceived to be more or less similar. When the competition introduces a price reduction on his products, you may need to carefully consider the price maintenance option. Not reducing the price may mean loss of consumer franchise in extremely price conscious markets. On the other hand, if the market is more value conscious and has displayed brand loyal behaviour, reinforcing the value proposition of your brand may allow you to retain your position even in the face of price reduction. Matching the price cut initiated by the competition is indicated when the market is, as noted above, very price conscious and does not display any notable brand preference or loyalty to your brand. A strategy to counter direct price cut is to offer more affordable, but smaller package sizes. Dr. Shiva Kumar, GM, Marketing (Personal) Products, FILL, stressed that while all Ps apply in the hinterland, price is the single most important determinant. Product and package innovations however can be used to gain instant success as value proposition can be built around smaller sized, specially designed offers for the rural market as demonstrated by Brooke Bond's Al, Wheel, Kissan, Lipton Tiger etc. Following the reduction in excise duties for tooth powder, Colgate Palmolive, in a bid to convert rural non users to users, has reduced prices even further and introduced a special 50 gram pouch and even a ten gram pouch, priced at Rs. 6 and Rs. 1.50 respectively. This has been done with an objective of initiating usage of tooth powder among all the members of the family as well as to preempt competition.

**Activity 3**

Visit the websites of leading FMC G companies like ILL, Proctor and Gamble, Colgate Palmolive and ITC. Look at the products they are offering to the rural market. Compare their pricing strategies for the rural markets and comment on them.

.....  
 .....  
 .....  
 .....  
 .....  
 .....

Offering quality on a low price or changing price on basis of quality offered will always be critical issues to ponder upon in the context of rural markets and marketers will need to consider a few important factors before deciding on the final price. These include

- i) The geographic reach and infrastructure of the region
- ii) The income spread in the region and overall agrarian revenues
- iii) The presence of local products and players
- iv) The retail presence in the region
- v) The vicinity to feeder towns/cities
- vi) The popular pack sizes available and in demand
- vii) The substitutes available for the product
- viii) Finally, selection of the right villages



---

## 7.9 SUMMARY

---

Pricing is among the most critical decisions in the rural marketing strategy in view of the prevailing socioeconomic and resource profile of the rural consumer. While the basic determinants of pricing i.e., costs, competition and consumers capacity to pay, remain as valid, it is the wide variation in these variables, that makes pricing a difficult decision for the rural marketer. This unit discuss strategies for the rural markets and familiarises you with the issues involved in promotional pricing, competition related pricing as well as the pricing implication of channel decisions. The impact of factors like volatility of rural earnings and seasonality of demand have also been discussed.

---

### 7.10 SELF ASSESSMENT QUESTIONS

---

1. Explain the concept of promotional pricing in the context of rural markets.
2. Do you agree that stripped down versions *for* rural markets at a lower cost or similar cost structures but smaller quantity can be effective as alternate strategies? Comment
3. Visit any nearby village in the vicinity of your town and observe the price differentials across product category if any. Attribute the reasons for the same.

---

### 7.11 FURTHER REAIDINGS

---

1. Rural Marketing by C.S.G. Krishnamacharyulu and Lalitha Ramakrishnan, Pearson Education, 2002
2. Rural Marketing: Targeting the Non-Urban Consumer by Sanal Kumar Velayudhan, Response Books, 2002

## INDIAN MARKET DEMOGRAPHICS REPORT 2002

Table: Purchases of Durable Products - Rural Share

Product	Appendix *									
	1995-86	1989-90	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	
Bicycle	82.00	73.82	78.09	77.75	78.95	78.08	78.31	78.01	77.83	
Cassette Recorder	47.00	42.77	49.06	53.45	54.75	55.03	63.84	66.79	67.76	
Electric Iron	46.00	43.00	34.45	42.18	43.81	43.45	44.14	44.88	45.66	
Fan (Ceiling)	46.00	45.00	46.10	48.09	48.97	50.36	53.16	54.93	55.99	
Fan (Table)	60.73	58.00	60.78	64.98	64.55	65.89	65.39	65.79	68.23	
Geyser (Instant)	--	1.60	0.15	0.87	2.62	2.04	6.05	3.23	2.51	
Geyser (Storage)	--	2.58	4.31	0.95	1.49	1.55	3.89	1.65	1.30	
Mixer/Grinder	18.00	21.00	23.16	24.57	26.93	27.43	30.43	32.13	33.25	
Motorizes 2 Wheeler (Moped)	42.00	42.94	39.59	41.53	42.03	39.27	45.86	46.72	47.31	
Motorized 2 Wheeler (Motor cycle)	52.00	51.00	47.66	49.09	47.54	47.87	49.56	51.00	51.12	
Motorize 2 wheeler (Scooter)	36.00	27.74	27.83	29.50	32.71	28.56	33.88	34.46	37.50	
Pressure Cooker	34.00	37.00	45.14	46.13	51.28	51.51	52.43	49.72	52.08	
Pressure Pan	+	+	+	17.98	15.50	19.45	21.97	19.66	19.76	
Radio (Portable)	79.00	78.39	79.43	78.61	78.74	79.20	80.31	80.19	80.89	
Refrigerator	14.00	15.00	18.07	20.15	24.38	24.30	25.25	26.30	28.19	
Sewing Machine	60.00	56.00	63.72	64.29	66.40	64.34	66.79	72.20	73.51	
TV (B & W)	26.00	44.00	47.70	57.11	59.44	62.65	65.01	70.43	81.11	
TV (Colour)	11.00	19.00	31.10	30.90	31.72	28.77	31.73	34.73	36.68	
VCR/VCP	4.85	4.58	7.82	7.98	10.31	24.87	14.34	19.99	8.47	
Washing Machine	12.00	7.00	9.93	12.30	14.02	14.64	14.85	15.34	16.99	
Wrist Watch (Mechanical)	78.00	71.00	72.14	76.10	76.64	76.59	75.91	82.26	83.19	
Wrist Watch (quartz)	59.00	47.00	51.57	50.32	52.08	54.00	55.74	57.82	58.81	

\* All the tables in this appendix are from Indian Market Demographics Report 2002 NCAER



Table: Purchases of Durable Products – Occupational Distribution

Product	Year	Cultivator	Wage Earner	Salary earner	Professional	Artisan	Petty shopkeeper	Business man	Others
Bicycle	1993-94	39.91	16.82	26.68	2.56	1.77	5.28	1.59	5.39
	1994-95	42.95	17.70	21.85	1.69	3.42	5.99	1.59	4.81
	1995-96	40.59	19.21	18.68	2.68	2.51	5.78	5.39	5.16
	1996-97	28.94	21.08	13.74	2.86	4.60	4.90	6.26	17.62
	1997-98	35.55	18.74	24.01	1.94	2.85	6.63	6.05	4.23
	1998-99	32.57	20.18	24.90	1.96	1.79	6.25	6.63	5.74
Cassette Recorder	1993-94	27.34	9.17	38.61	3.99	3.25	6.97	3.55	7.12
	1994-95	26.73	11.19	39.30	2.58	2.14	6.98	2.96	8.13
	1995-96	21.52	11.25	33.19	5.36	3.65	7.77	9.62	7.65
	1996-97	25.34	21.95	18.73	2.18	3.88	7.18	8.64	12.12
	1997-98	23.70	19.27	31.07	3.30	0.38	8.25	12.26	3.75
	1998-99	19.16	18.42	27.89	5.61	3.89	4.56	5.73	4.75
Electric Iron	1993-94	19.94	7.75	42.08	3.82	2.36	10.26	4.35	9.24
	1994-95	20.40	10.44	42.85	3.46	2.59	7.14	3.03	10.09
	1995-96	16.63	8.65	35.66	5.20	4.83	7.54	12.03	9.44
	1996-97	10.55	14.07	33.01	3.91	5.85	7.55	10.53	14.52
	1997-98	19.06	14.19	36.87	3.53	2.50	5.58	12.75	5.53
	1998-99	19.91	11.73	35.78	4.68	1.64	7.44	11.68	6.95



<b>Fan (Ceiling)</b>	1993-94	23.60	9.04	40.49	4.32	3.28	7.69	2.62	8.96
	1994-95	24.56	12.06	35.79	3.14	4.18	7.42	3.22	9.63
	1995-96	22.23	9.88	31.47	3.70	2.36	7.56	11.77	11.03
	1996-97	16.62	14.86	26.20	4.41	5.18	6.59	14.09	12.06
	1997-98	22.44	13.21	34.59	3.42	2.18	6.72	11.05	6.40
	1998-99	26.63	11.79	31.91	3.37	2.34	6.72	11.05	6.19
	1993-94	30.75	13.12	31.77	3.42	4.13	7.36	2.36	7.09
	1994-95	33.97	12.61	29.43	2.54	2.35	6.78	2.49	9.83
	1995-96	30.51	10.37	29.57	5.41	3.14	7.69	6.63	6.68
<b>Fan (Table)</b>	1996-97	19.28	18.50	21.70	3.62	7.42	4.90	9.32	15.26
	1997-98	28.46	14.60	31.26	2.32	2.40	5.80	7.89	7.26
	1998-99	31.73	16.11	29.95	3.33	1.74	6.15	8.23	2.77
	1993-94	7.00	5.66	47.36	5.71	1.09	7.18	16.24	9.76
	1994-95	15.95	1.09	65.04	1.61	5.13	3.06	3.08	5.04
	1995-96	1.18	0.00	46.91	11.10	0.00	6.09	30.79	3.93
	1996-97	0.86	7.67	29.75	7.83	4.91	13.41	22.38	13.20
	1997-98	0.88	0.95	43.86	7.75	0.00	10.24	30.38	5.94
	1998-99	0.70	0.65	52.55	13.64	1.62	1.29	20.82	8.71
<b>Geyser (Storage)</b>	1993-94	8.33	10.82	37.90	3.08	11.10	12.65	9.44	6.68
	1994-95	23.39	3.08	30.98	1.25	1.38	5.14	9.77	25.01
	1995-96	0.17	0.27	26.60	4.41	2.26	6.23	40.47	19.59
	1996-97	0.44	8.43	25.93	12.21	4.41	2.73	40.99	4.86
	1997-98	2.26	3.73	35.18	4.88	1.09	9.83	35.99	7.03
	1998-99	3.22	2.22	29.60	9.30	0.07	14.79	26.60	14.20
	1993-94	8.33	10.82	37.90	3.08	11.10	12.65	9.44	6.68
	1994-95	23.39	3.08	30.98	1.25	1.38	5.14	9.77	25.01
	1995-96	0.17	0.27	26.60	4.41	2.26	6.23	40.47	19.59
1996-97	0.44	8.43	25.93	12.21	4.41	2.73	40.99	4.86	
1997-98	2.26	3.73	35.18	4.88	1.09	9.83	35.99	7.03	
1998-99	3.22	2.22	29.60	9.30	0.07	14.79	26.60	14.20	
<b>Geyser (Instant)</b>	1993-94	8.33	10.82	37.90	3.08	11.10	12.65	9.44	6.68
	1994-95	23.39	3.08	30.98	1.25	1.38	5.14	9.77	25.01
	1995-96	0.17	0.27	26.60	4.41	2.26	6.23	40.47	19.59
	1996-97	0.44	8.43	25.93	12.21	4.41	2.73	40.99	4.86
	1997-98	2.26	3.73	35.18	4.88	1.09	9.83	35.99	7.03
	1998-99	3.22	2.22	29.60	9.30	0.07	14.79	26.60	14.20
	1993-94	8.33	10.82	37.90	3.08	11.10	12.65	9.44	6.68
	1994-95	23.39	3.08	30.98	1.25	1.38	5.14	9.77	25.01
	1995-96	0.17	0.27	26.60	4.41	2.26	6.23	40.47	19.59
1996-97	0.44	8.43	25.93	12.21	4.41	2.73	40.99	4.86	
1997-98	2.26	3.73	35.18	4.88	1.09	9.83	35.99	7.03	
1998-99	3.22	2.22	29.60	9.30	0.07	14.79	26.60	14.20	

gnou  
THE PEOPLE'S  
UNIVERSITY



ign  
THE PE  
UNIVE

Mixer/Grinder	1993-94	8.96	5.27	58.77	4.28	2.11	8.13	4.63	7.85
	1994-95	11.43	5.68	53.44	5.78	2.46	7.77	5.36	8.08
	1995-96	11.48	4.39	41.64	6.50	2.84	7.84	14.72	10.59
	1996-97	13.29	10.75	37.94	5.36	5.36	5.90	12.29	9.12
	1997-98	13.00	8.18	45.58	3.88	2.92	5.35	13.99	7.10
	1998-99	16.38	6.26	43.39	3.01	1.78	7.99	13.91	7.27

Motorized 2 wheeler  
(Moped)

	1993-94	20.57	6.30	44.26	3.27	3.72	9.41	5.66	6.81
	1994-95	20.54	4.84	44.83	4.39	4.67	9.33	3.38	8.02
	1995-96	13.93	7.00	41.34	5.55	4.42	7.19	12.51	8.06
	1996-97	18.54	10.12	32.19	5.14	5.92	6.59	13.21	8.29
	1997-98	14.78	8.97	40.63	3.98	2.31	5.88	16.03	7.41
	1998-99	18.09	6.16	42.41	4.92	1.23	6.67	17.79	2.72

Motorized 2 wheeler  
(Motor Cycle)

	1993-94	28.01	4.01	33.66	6.74	1.99	9.22	9.06	7.31
	1994-95	27.89	4.98	34.21	7.88	1.65	5.35	8.74	9.30
	1995-96	18.27	4.64	29.20	8.33	1.61	5.64	22.62	9.69
	1996-97	14.12	12.88	23.63	4.99	6.73	6.93	15.98	14.74
	1997-98	21.38	4.81	38.49	4.68	1.43	4.24	19.96	5.01
	1998-99	24.18	2.28	40.26	5.51	0.65	4.05	19.29	3.77

Year	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Motorized 2 wheeler (Scooter)	18.17	17.13	13.89	14.27	12.99	14.17	5.01	4.58	2.93	14.49	2.75	2.37	43.89	41.17	29.80	29.88	48.56	47.92
	7.55	7.18	5.58	6.12	5.09	6.62	2.38	3.53	2.59	3.87	2.01	1.45	8.75	9.79	11.08	6.95	5.42	7.17

Year	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Pressure Cooker	23.35	19.70	22.55	19.12	20.77	18.86	8.78	8.57	9.31	14.99	11.71	9.91	41.04	41.78	32.87	29.93	36.57	37.11
	3.53	3.02	4.30	4.57	3.70	5.05	2.28	2.35	2.47	4.42	2.00	1.66	10.90	9.98	7.98	4.56	7.86	8.73

Year	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Pressure Pan	5.39	4.62	9.02	9.73	3.90	10.79	3.43	3.97	3.71	10.50	16.62	14.24	49.09	66.87	47.46	34.38	32.93	48.58
	13.42	8.82	10.95	7.89	9.64	2.99	1.31	1.07	1.64	6.17	0.28	4.22	8.55	5.58	4.15	4.17	6.98	7.17

gnou  
THE PEOPLE'S  
UNIVERSITY

gnou  
THE PEOPLE'S  
UNIVERSITY

gnou  
THE PEOPLE'S  
UNIVERSITY

gnou  
THE PEOPLE'S  
UNIVERSITY



ign  
THE PE  
UNIVE

**Radio (Portable)**

1993-94	39.05	25.70	19.71	2.14	3.12	5.39	1.05	3.84
1994-95	42.83	18.46	22.42	1.67	3.01	5.54	0.63	5.44
1995-96	38.93	22.57	14.45	1.28	2.90	8.51	4.20	7.16
1996-97	23.95	32.17	9.99	2.57	4.84	4.05	5.09	17.34
1997-98	36.34	26.50	16.82	1.72	2.35	6.11	5.04	5.12
1998-99	35.97	26.17	16.43	1.01	2.14	5.85	5.33	7.10

**Refrigerator**

1993-94	11.77	6.13	48.04	8.85	1.30	8.62	6.53	8.76
1994-95	11.85	4.36	47.44	7.19	2.13	7.95	7.64	11.44
1995-96	6.63	3.72	40.43	6.52	2.63	4.88	25.64	9.55
1996-97	9.68	9.38	35.70	5.55	2.93	8.15	19.63	8.97
1997-98	7.33	3.63	52.07	4.93	1.56	5.74	17.20	7.53
1998-99	11.69	2.05	47.71	4.59	1.61	7.16	18.54	6.65

**Sewing Machine**

1993-94	31.45	11.65	28.40	4.30	5.27	7.70	2.33	8.90
1994-95	27.98	15.28	29.66	4.17	3.77	8.98	2.47	7.69
1995-96	28.32	11.58	24.98	2.92	3.39	9.22	8.23	11.36
1996-97	18.87	18.72	21.24	3.63	6.02	4.09	10.97	16.49
1997-98	25.93	11.32	34.04	2.52	4.06	5.47	11.27	5.37
1998-99	35.34	7.51	31.86	2.08	3.03	6.15	9.50	4.53



Year	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
TV (B & W)	24.87	32.70	28.84	21.71	28.63	20.87
	11.60	10.64	12.91	18.59	17.27	7.12
	39.02	33.57	30.73	23.05	26.60	41.98
	3.25	2.53	2.33	2.97	2.15	2.62
	3.72	3.04	3.41	4.97	2.98	1.59
	8.18	7.20	7.09	6.94	8.97	6.95
	2.39	2.00	7.55	7.34	7.50	12.15
	6.97	8.33	7.13	14.43	5.90	6.74

Year	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
TV (Colour)	13.38	17.20	10.66	11.76	11.31	12.06
	5.16	3.55	3.63	9.64	4.15	2.76
	49.25	47.96	39.91	35.08	47.02	50.81
	6.93	6.10	5.70	8.65	5.43	4.80
	2.84	2.13	3.63	2.16	1.73	0.76
	6.31	5.54	4.14	6.89	5.15	5.44
	6.44	6.81	21.93	15.55	18.39	17.16
	9.69	10.70	10.40	10.27	6.83	6.21

Year	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
VCR/VCP	6.90	6.44	7.87	3.83	15.02	2.32
	9.11	2.99	11.41	4.93	4.55	2.87
	41.41	41.26	18.27	36.34	42.68	45.39
	6.54	13.47	11.61	10.49	4.66	7.96
	1.03	1.07	1.26	4.57	0.14	3.34
	8.12	11.07	7.71	5.81	3.73	7.92
	11.72	9.26	36.93	27.16	24.66	25.91
	15.17	14.44	4.94	6.88	4.56	4.28

gnou  
THE PEOPLE'S  
UNIVERSITY

gnou  
THE PEOPLE'S  
UNIVERSITY

gnou  
THE PEOPLE'S  
UNIVERSITY

gnou  
THE PEOPLE'S  
UNIVERSITY



ign  
THE PE  
UNIVE

Washing Machine	1993-94	7.96	2.81	43.95	15.14	3.81	6.38	8.21	11.84
	1994-95	8.95	4.77	49.66	8.69	1.49	6.10	10.38	9.96
	1995-96	4.55	1.10	42.74	6.52	1.93	3.06	31.38	8.72
	1996-97	6.82	4.72	37.49	8.51	3.57	9.66	20.58	8.65
	1997-98	3.07	1.44	50.20	8.64	1.60	3.66	24.82	6.59
1998-99	6.07	0.99	46.62	9.23	1.27	3.20	25.77	6.84	
Wrist Watch (Mechanical)	1993-94	39.25	14.82	29.12	2.56	2.21	7.11	1.58	3.35
	1994-95	43.93	13.17	24.29	1.64	3.40	5.35	2.02	6.20
	1995-96	36.96	19.67	18.80	2.13	2.23	6.31	6.87	7.03
	1996-97	26.99	17.89	21.85	3.71	4.58	5.56	7.01	12.42
	1997-98	36.32	16.72	23.06	3.27	1.32	4.58	7.40	7.33
1998-99	27.26	20.21	28.21	3.49	0.59	5.04	10.72	4.46	
Wrist Watch (Quartz)	1993-94	29.06	9.39	40.36	4.71	1.55	6.87	2.89	5.17
	1994-95	28.63	8.74	37.50	4.30	3.10	5.37	3.75	8.61
	1995-96	25.39	11.97	28.16	4.09	2.40	6.71	11.72	9.56
	1996-97	29.31	14.56	13.66	3.81	6.04	4.68	8.74	19.21
	1997-98	26.34	13.81	31.03	3.90	1.22	5.33	11.87	6.49
1998-99	25.28	18.27	26.56	2.98	2.41	6.59	12.42	5.49	