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Reaching Out To the Rural Consumers through Haats: A Study in Karnataka

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ABSTRACT: *The oldest of all marketing channels in rural India is the haat, which has survived the rigorous of modern day marketing. Offering a wide range of products and services to rural consumers clustered around its location. They are also referred to as the mobile supermarkets of rural India. In spite of the development of permanent shops, these temporary markets play a vital role in the rural economy. The current empirical study reaching out the rural consumers through haats has been undertaken with an intention to understand the rural consumers buying pattern and behavior in rural haats. In order to realise the stated objectives a structured questionnaire has been prepared and pre-tested and administered on the 1,600 respondents. The validity of the questionnaire was adjudged, using Cronbach's coefficient (α). The values of α in this study for the framed questions were found to be 0.736, 0.805, 0.765 etc, giving an average value of 0.768. The collected data has been collated by SPSS software. Various statistical tools have been extensively used for the analysis of the collected data. We found a significant relationship between the demographic factors with bargaining habits of the rural consumers except gender of the respondents. Based on the analysis of the study a brief summary of findings have been made and a meaningful conclusion have been drawn. Finally the results have been compared with the possible evidence.*

Keywords: *Haats, melas, Cronbach's alpha, FMCG, Rural distribution, promotion*

I. INTRODUCTION

Indian rural market with its colossal size and demand base offers great opportunities to marketers. Two-thirds of India's consumers live in rural areas and almost one third of the national income is generated from rural India. It is only natural that rural markets form an important part of the total market of India. Everyone sees it as a profusion of opportunities, whether for marketing durables, textiles and garments, personal care products or financial services.

The rural marketer is faced with an entirely different set of conditions and problems when marketing in rural areas as compared to urban areas. For most marketers planning to enter the rural markets, distribution poses a serious challenge. For the successful exploration of rural markets, a basic requirement is infrastructure. The absence of such infrastructure is aggravating the distribution challenges in rural India. There are many other challenges that FMCG companies face in tackling rural markets, viz., the scattered (geographically) nature of rural markets, their small size, remoteness, poor connectivity and tremendous heterogeneity. Low level of literacy, too many languages and dialects, cultural diversities, inadequate banking facilities, spurious products, low per capita disposable incomes, acute dependence on the monsoon; seasonal demand, and media darkness are some serious limitations.

It has always been difficult to gauge the rural market. This is evident since many brands have not been successful in rural India. In the words of Sathyanarayana (2011) many a times, success in the rural markets has even been attributed to luck. Therefore, it is important for the marketer to understand the socio-economic dynamics and consumption pattern of products in rural areas.

A haat, is an open-air market that serves as a trading outlet for consumers in rural areas. They are conducted on a regular basis, generally once a week. It is conducted to support or promote trading by and with rural people. In addition to providing trading opportunities, haat bazaars gradually concentrate rural settlements and convert villages into small towns. They are often referred as the traditional hypermarkets of rural India, selling anything from fresh vegetables, fruits, garments, groceries, agricultural inputs and equipment, consumer expendables and set of spurious products. There are 47,000 haats and 7,000 commissioned mandis servicing lakhs of visitors each week (Sathyanarayana and Ramani. (2008)). In spite of well-developed markets, these temporary markets play a vital role in the rural economy. These could be a regular platform to reach out to rural consumers. Branded products now constitute one third of all FMCG sales at haats, pointing to the opportunity that awaits big brand marketers like HUL, ITC, and Godrej in upgrading consumers to their offerings. The crucial issue for the marketers is understanding from where and how sellers at these haats source the goods can be a good beginning. Haat sellers mostly buy on credit from wholesalers and sell on cash. The major advantage it offers to marketers is touch and feel experience and communication in local language to the rural consumers.

II. LITERATURE REVIEW

The oldest of all marketing channels in rural India is the haat, which has survived the rigorous of modern day marketing. Offering a wide range of products and services to rural consumers clustered around its location (Adite Chatterjee 1996). They are also referred to as the mobile supermarkets of rural India. In spite of the development of permanent shops, these temporary markets play a vital role in the rural economy. These markets provide an opportunity not only to purchase consumer goods, but also to sell surplus agricultural and allied products. They play a vital role in the lives of villages, as they provide a first contact point for villagers with the market (Kaushik), (Bhandari and Iyer 1995), (2003), (Bhatia 2000), (Narayan 2002), (Mehra and Kaushik 2003). A means of distributing local products and exchanging rural surplus, an opportunity for buying daily necessities as well as farm supply and equipments, and a place for socio-political-cultural contact. An average haat cater the needs of 16 villages and average number of outlets at a haat is 314. (Adite Chatterjee 1996).

The approximate number of persons visiting a haat ranged from a minimum of 500 in Haryana to a maximum of 9,100 in Andhra Pradesh, with an overall average of 4,580 persons. Considering that the average population of an Indian village is 1,031, the total number of visitors at single haat represents the populations of nearly five villages (Adite Chatterjee 1996).

Melas are a prominent feature of Indian rural life, held periodically or annually to commemorate important events or to honour a deity. Besides their religious and social significance, they have a strong commercial aspect. Some fairs, like those at Kumbh, Pushkar attract millions of people and are institutions by themselves (Adite Chatterjee 1996), (Herr 1994). Melas can be classified on the basis of their nature into commodity fairs, cattle fairs, combinations, exhibitions and religious fairs, and on the basis of their periodicity into one-day fairs, short (between two and seven day fairs), and long (over a week) fairs. However, almost 90% of these melas are held for just a day, usually in conjunction with a festival at a holy place, and have limited commercial value (Adite Chatterjee 1996). Melas are organized after harvest season, so the villagers have enough money, which he will be ready to spend.

A comprehensive survey of haats and melas conducted by a team lead by Pradep Kashyap (1995), to the Government of India, commissioned by the government in 1995, the study covered a sample of 128 haats and 49 melas in 30 districts of the ten different states in India. The following are the key findings: Over 47,000 haats and 25,000 melas are held annually; the average daily sale at a Haat is about Rs.2.25 Lacs; annual sales at melas amount to Rs.3,500 crore; over half the shoppers at haats have shopping lists; more than 10,000 melas draw visitors from all over India; and nearly half the outlets at melas are for manufactured goods.

C. S. Adhikari (2002), conducted a study regarding the “marketing of rural industry products through rural Haats”. Some of the findings show that the problem of marketing of rural industry products stems from factors like quality products, obsolete mode of production, no standardization, competition with close substitutes from organized industries etc.

A comprehensive survey of haats and melas conducted by a team lead by a Delhi based Pradep Kashyap, consultant (rural marketing) to the Government of India, commissioned by the government in 1995. This study covered a sample of 128 haats and 49 melas in 30 districts of the ten states of Andhra Pradesh, Bihar, Haryana, Karnataka, Maharashtra, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh resulting to these key finding. The survey reveals an average number of stalls per mela as 854. The largest number of stalls, over 3,000 are to be found at the Ardh Kumbh, Bali Jatra, and Pushkar. The average sales per mela are lowest in Assam – Rs. 3.5 lakh – while Bihar has the highest of Rs. 3.5 crore. An overwhelming majority i.e., 90 percent of visitors feels that the products and services available at melas are of good quality and reasonably priced. Since many sellers normally offer discounts, buyers feel that the price of similar products in their neighbourhood markets is higher. The typical rural fair goers are Male (84%), Female (16%), majority of the visitors average age is 35 years and less than that (35%), and their average land holding is 3.1 acres and 81% of these rural visitors are visit haats regularly and they have a very clear shopping list. Out of them 58 % buy specific products in the melas. As much as 36 % of visitors, mostly from nearby villages, walk to the haat. 34% use a cycle, while the rest travel by bus, tractor or motorcycle, where in 15% of the visitors have no opinion about product quality and price (Adite Chatterjee 1996).

The objective of the above study is to identify, at a macro level and micro level the drivers of rural marketing in FMCG. The review of literature on rural marketing, thus throws light on facts relating to the gap in the study of this subject. Most studies have been retrospective, and most have neglected to collect the first hand information from rural respondents. The review of literature on rural marketing thus, throws open the fact that there are gaps in the studies on this subject. Most of the studies covered some aspects of the rural market. In the light of this, it is assumed that the present work would make an addition to existing works on rural marketing. Therefore, the current empirical study focus on the collection of primary information from the rural respondents and their buying habits and opinions about the rural haats. The structure of the current study is as follows. Section two provides a brief discussion of previous literature done with respect to the proposed title.

Section three discusses the objectives of the study, sampling technique and the methodology employed for the study. Section four covers the empirical results and in the final section a brief discussion and conclusion has been drawn and the results are compared with the possible evidence.

III. RESEARCH DESIGN

The following are the objectives of the study, which the researcher wishes to enquire and understand in the process of this study.

1. To understand the rural consumers with respect to buying habits at haats;
2. To know the products and the commodities generally they shop in rural haats;
3. To understand the intention of visiting rural haats;
4. To know the average spending patten of the rural respondents in weekly haats and
5. To offer suggestions based on the current study.

IV. RESEARCH METHODOLOGY

NATURE OF STUDY

The study is exploratory in nature as it endeavors to uncover the latent behavioural aspects of rural consumers with respect to shopping habits in rural haats in the state of Karnataka. As the study involved covering the respondents from several rural regions of north, south, east and west Karnataka, the study has to be executed in phases.

UNIVERSE OF STUDY AND POPULATION

The universe of the study is rural retailers and consumers in the rural villages of Karnataka situated in India. The study is based on the empirical survey of 200 villages situated in the state of Karnataka. The study covered selected villages of various districts of Karnataka state. For this purpose Karnataka state has been divided into four zones viz. South, West, East and South. South and West Karnataka represent the upcoming face of villages with developments in respect to infrastructure, literacy, and shift from traditional occupation (farming) to dairy farming, horticulture etc. On the other hand, rural areas in North and East side are still struggling for basic facilities.

PRIMARY DATA SOURCE

Firsthand information was obtained from respondents through a structured questionnaire. An interview schedule was constructed to elicit information from the respondents. The researcher chose an interview schedule since the respondent has to be coaxed to answer the questions put forth in the questionnaire. Moreover the researcher had a stringent requirement for the data to be pure and in all senses comprehend the very spirit of the questionnaire and thus the research. The researcher could also clarify any doubts to the respondent and explain the objective of each question whenever the respondent raised doubts.

The questions were both open ended and close ended. In close ended, questions consisted of dichotomous, multiple choice and rating scales, to elicit the respondents' association with the question posed. Before scaling for full research, the researcher initiated a pilot study with 100 rural consumers. These collected questionnaires were analysed to determine whether the data collected helps the researcher to fulfill the objectives of the study, apart from testing the validity of the questions put across to the respondents. The validity of the questionnaire was adjudged, using Cronbach's coefficient (α) was calculated to test the reliability and internal consistency of the responses. Cronbach's coefficient, having a value of more than 0.7 is considered adequate for such exploratory work. The values of α in this study for the framed questions were found to be 0.736, 0.805, 0.765 etc, giving an average value of 0.768. It implies that there is a high degree of internal consistency in the responses to the questionnaire.

SAMPLING PLAN

The sampling plan adopted for the survey was stratified two-stage. The census villages were the first stage units (FSUs), while households were the second stage-sampling units (SSUs). The selection of villages was done with probability proportional to population (with replacement), based mainly on the 2001 census list of villages. For first stage units, the sampling frame of the strata was the 2001 census list of villages. The sample blocks were selected by simple random sampling without replacement, also in the form of two independent sub-samples. The list of villages were listed in spreadsheet (MS Excel) and random numbers generated. The condition by which a sample (village) is included is based on the condition whether the random number generates a value greater than 0.5. If the random number generated is less than 0.5 for an assigned village, the village is excluded from the sample.

SAMPLE SIZE

The researcher has arrived at a sample size of 1600 for rural consumer respondents from among four zones of Karnataka state comprising approximately 200 accessible villages.

ANALYTICAL METHOD

The data collected is initially organized in a meaningful manner with the help of software. Once organized, the researcher tabulated the frequencies, which provided the requisite profile of the data collected and helped the researcher build the contingency tables for further detailed analysis. On performing detailed analysis, patterns from the data is further put for validation through testing of hypothesis, wherever the researcher deemed important and based on the conditions set for such test.

V. DATA ANALYSIS

TABLE No. 4.1 Type of Shop Preferred By The Respondent To Shop For Fmcg

	Fair Price		**Bargain**		**Buy and Save**		**Shops at Haats**	
	F	%	F	%	F	%	F	%
No	680	42.5	1376	86.0	272	17.0	216	13.5
Yes	920	57.5	224	14.0	1328	83.0	1384	86.5
Total	1600	100.0	1600	100.0	1600	100.0	1600	100.0

Source: Field survey

Inference

The intention of the researcher in constructing Table 4.1 is to understand the shop preference for purchases from the rural consumer respondent. From preliminary study the researcher has understood the following choices of shops are available for rural respondent to buy, viz – fair price, bargain, buy and save and shops at haats. From Table 4.1 it is evident to the researcher that 86.5% of the rural consumer respondents shop at haats, followed by 83% at buy and save type shops, 57.5% indicating that they purchase in fair price shop and 14% indicating their purchases in bargain type shops.

TABLE No. 4.2: Mode of Transportation to Haat

	On Walk		**Bicycle**		**Two Wheelers**		**Bus**	
	F	%	F	%	F	%	F	%
No	1256	78.5	1128	70.5	1016	63.5	712	44.5
Yes	344	21.5	472	29.5	584	36.5	888	55.5
Total	1600	100.0	1600	100.0	1600	100.0	1600	100.0
	Bullock Cart		**Truck and LCV's**		**Car or Jeep**		**Tractors**	
	F	%	F	%	F	%	F	%
No	1520	95.0	1320	82.5	1384	86.5	1416	88.5
Yes	80	5.0	280	17.5	216	13.5	184	11.5
Total	1600	100.0	1600	100.0	1600	100.0	1600	100.0

Source: Field survey

Inference: The intention of the researcher in constructing Table 4.2 is to understand the mode of transport used by the rural consumers to visit haats. From discussion and observation, the researcher has understood that the following are the means of transportation used by the rural respondents to visit haats, viz – by walk, bicycle, two wheelers, bus, bullock cart, trucks and LCV's, car or jeep and tractors. From Table 4.2, it is evident to the researcher that 55.5% of the rural consumers use bus to visit haats, 36.5% indicating two wheelers, 29.5% indicating bicycle and 21.5% indicating they visit haats on walk. Only 17.5% of the respondents indicate that they visit haats using LCV's or trucks, 13.5% using cars or jeeps and 11.5% through tractors.

TABLE No. 4.3: Purpose of Visiting Haats

	Trading		**Only to Purchase**		**To meet friends and relatives**		**To pass time**	
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**
No	1120	70.0	304	19.0	1432	89.5	1496	93.5
Yes	480	30.0	1296	81.0	168	10.5	104	6.5
Total	1600	100.0	1600	100.0	1600	100.0	1600	100.0

	To purchase daily necessity		**To study market trends**	
	F	**%**	**F**	**%**
No	1136	71.0	1480	92.5
Yes	464	29.0	120	7.5
Total	1600	100.0	1600	100.0

Source: Field survey

Inference:

The intention of the researcher is to understand from the rural consumers for what all reasons that they visit haats. After careful discussion and from preliminary study, the researcher has understood that the following are the reasons for a rural consumer to visit haats, viz – trading, only for purchase, to meet friends and relatives, to pass time, to purchase daily necessity and to study market trends. 81% of the rural consumers stated that they visit haats only for purchases, 30% indicate that they visit haats for trading and 29% indicating that they visit haats for daily purchases. Other reasons stated become an insignificant part of the reasons why the rural consumer visit weekly haats.

TABLE No. 4.4: Reasons for Shopping At Weekly Haats

	Wide Variety		Reasonable or Low Price		Convenience		Expose to new products	
	F	%	F	%	F	%	F	%
No	648	40.5	312	19.5	680	42.5	1504	94.0
Yes	952	59.5	1288	80.5	920	57.5	96	6.0
Total	1600	100.0	1600	100.0	1600	100.0	1600	100.0

	Products other than available in the village should be added		Good quality compared to village outlets	
	F	%	F	%
No	1432	89.5	776	48.5
Yes	168	10.5	824	51.5
Total	1600	100.0	1600	100.0

Inference:

The intention of the researcher in constructing Table 4.4 is to understand the reasons why rural consumers shop at weekly haats. From preliminary study, the researcher has understood the following are the reasons that attract rural consumers to haats, viz – wide variety, reasonable or low price, convenience, exposed to new products, products other than available in the village should be added and good quality products compared to village outlets. From Table 4.4, it is evident to the researcher that 80.5% of the respondents state reasonable or low price as the motive for shopping in weekly haats, 59.5% indicating the availability of wide variety, 57.5% indicating convenience and 51.5% indicating good quality compare to village outlets.

TABLE No. 4.5: Average Spending In Weekly Haats

	Frequency	Percent
Less than Rs 150	952	59.5
Rs 151 to Rs 300	480	30.0
Rs 301 to Rs 450	32	2.0
Rs 450 to Rs 600	112	7.0
Above Rs 600	24	1.5
Total	1600	100.0

Source: Field survey

Inference:

The intention in constructing Table 4.5 by the researcher is to understand the average spending by the rural consumer in weekly haats. The researcher after careful preliminary study has constructed the slabs or classifications by Rs.150 and has five classifications. 59.5% of the rural consumer respondents indicate that their weekly purchases in haats is less than Rs 150, followed by 30% rural consumer respondents indicating that their purchase value is between Rs. 151 and Rs 300. Only 10.5% (cumulative) stated that the purchase value is greater than Rs 300 in weekly haats.

TABLE No. 4.6: Person Who Shops For Commodities in Haats In The Family Of Rural Consumer Respondent

	Father		**Mother**		**Self**		**Spouse**	
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**
No	1104	69.0	1432	89.5	232	14.5	1080	67.5
Yes	496	31.0	168	10.5	1368	85.5	520	32.5
Total	1600	100.0	1600	100.0	1600	100.0	1600	100.0

	Son or Brother (s) in law		**Daughter (s) or Daughter in Law**	
	F	**%**	**F**	**%**
No	1304	81.5	1560	97.5
Yes	296	18.5	40	2.5
Total	1600	100.0	1600	100.0

Inference:

The intention of the researcher in constructing Table 4.6 is to understand the member of family who commonly purchases commodities from weekly haats. From observation the researcher has understood that the following members of the family visits the haats to make purchases, viz – father, mother, self, spouse, son or brother in law and daughter or daughter in law. 85.5% of the rural consumer respondents indicate that they make the purchases, 32.5% indicate that the respondents spouses usually is the member visiting the haat, 31% indicating that it is the father of the respondents who is the member who visits the haats and 18.5% indicate that it's the respondents son or brothers or son-in-law who visits the haats for purchases.

TABLE No. 4.7: Rating of Rural Consumer Respondents Purchase Behavior In Haat

	Walking around the haat before making the purchase		Straightaway make purchase	
	F	%	F	%
Always	1272	79.5	248	15.5
Mostly	8	.5	64	4.0
Sometimes	8	.5	-	-
Total	1288	80.5	312	19.5

Source: Field survey

Inference:

The intention of the researcher in constructing Table 4.7 is to understand the purchase procedure adopted by the rural consumer respondents while they make purchases at weekly haats. From observation the researcher has understood that the rural consumer respondents make purchases after making a preliminary round of walking visiting all the shops and understanding the price, variety and quality available and then makes a purchase decision as to which vendor one should buy from or the rural consumer respondent can directly walk to a particular vendor and buy it directly. 79.5% of the rural consumer respondents indicate that they always walk around the haats first and then make a purchase decision and only 15.5% of the rural consumer respondents indicate that they straight away purchase the product from a vendor in haats, always.

TABLE No. 4.8: Commodities or Goods Bought At Haat

	Vegetables		**Groceries and FMCGs**		**Cloth and Allied**		**Health Care and Cosmetics**	
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**
No	8	.5	200	12.5	1184	74.0	1304	81.5
Yes	1592	99.5	1400	87.5	416	26.0	296	18.5
Total	1600	100.0	1600	100.0	1600	100.0	1600	100.0

	Fertilizers and Manures		**Cattle Feeds**		**Others**	
	F	**%**	**F**	**%**	**F**	**%**
No	1512	94.5	1512	94.5	1568	98.0
Yes	88	5.5	88	5.5	32	2.0
Total	1600	100.0	1600	100.0	1600	100.0

Source: Field survey

Inference:

The intention of the researcher is to understand the commodities that are bought in haats and thus the researcher constructed Table 4.8. From careful observation the researcher has understood the following product categories are available in haats, viz – vegetables, groceries and FMCG's, cloth and allied, health care and cosmetics, fertilizers and manures, cattle feeds and other products which do not fall in any of the above mentioned categories. 99.5% of the rural consumer respondents state that they buy vegetables from haats, 87.5% indicate that they buy groceries and selected FMCG's in haats, 26% indicate that they purchase cloth and allied products from haats and 18.5% indicate that they buy health care and cosmetics from weekly haats.

TABLE No. 4.9: Frequency of Purchasing Fmcg in Weekly Haats

	Frequency	**Percent**
Always	24	1.5
Mostly	152	9.5
Sometimes	496	31.0
Rarely	720	45.0
Never	208	13.0
Total	1600	100.0

Source: Field survey

Inference:

The intention of the researcher in constructing Table 4.9 is to understand the frequency of purchases of FMCG from weekly haats. On the flipside the researcher also prefers to understand whether FMCG's are purchased in weekly haats? The researcher has used a five-point scale to gauge the responses with respect to the frequency of FMCG purchases in weekly haats. From Table 4.9 it is evident that 45% of the respondents indicate that they rarely purchase FMCG's from weekly haats, 31% indicating that they sometimes buy FMCG's from weekly haats and 13% indicating that they never buy FMCG's in weekly haats. Only 1.5% of the respondents state that they always buy FMCG's from weekly haats.

TABLE No. 4.10: Exposure to Advertisements At Haats

	Frequency	Percent
No	304	19.0
Yes	1296	81.0
Total	1600	100.0

Source: Field survey

Inference:

The intention of the researcher is to understand from the rural consumer respondents whether they have seen/ noticed any advertisements in haats. 81% of the rural consumers respondents state that they have seen/ noticed advertisements and 19% indicate that they have not noticed advertisements. Thus from Table 4.10 it is clear that the effectiveness of advertisements displayed in haats, with respect to its visibility is high.

TABLE No. 4.11: Different Forms of Advertisements Seen At Haats

	V o W		Sandwich Man		Mike Announcements	
	F	%	F	%	F	%
No	1288	80.5	1384	86.5	592	37.0
Yes	312	19.5	216	13.5	1008	63.0
Total	1600	100.0	1600	100.0	1600	100.0
	Puppetry		**Posters**		**Demonstrations**	
	F	%	F	%	F	%
No	1536	96.0	1040	65.0	1216	76.0
Yes	64	4.0	560	35.0	384	24.0
Total	1600	100.0	1600	100.0	1600	100.0
	Folk theatres		**Banners**			
	F	%	F	%		
No	1400	87.5	808	50.5		
Yes	200	12.5	792	49.5		
Total	1600	100.0	1600	100.0		

Source: Field survey

Inference:

The intention of the researcher in constructing Table 4.11 is to understand the visibility of advertisements that are displayed by companies or dealers in haats. If the rural consumer respondent has noticed the advertisements, in any form, the companies has displayed in the haats the purpose of advertisement is fulfilled. From preliminary study the researcher has understood that the following are the media of advertisement a company or a dealer uses in haats in rural areas, viz – video on wheels, sandwich man, mike announcements, puppetry, posters, demonstrations, folk theatres and banners. From Table 4.11, it is evident to the researcher that 63% of the respondents have noticed or listened to mike announcements, 49.5% have notice banners being displayed, 35% indicating posters and 24% indicating demonstration in haats.

TABLE No. 4.12: Bargaining Habits of Respondents in Haat

	Frequency	Percent
Always	944	59.0
Mostly	152	9.5
Sometimes	104	6.5
Rarely	160	10.0
Never	240	15.0
Total	1600	100.0

Source: Field survey

Inference:

The intention of the researcher in constructing Table 4.12 is to whether the rural consumer respondent bargains while making purchases in weekly haats. Researcher here has used a five-point scale to gauge the responses that help to tabulate the frequency of bargaining. From Table 4.12 it is evident that 59% of the rural consumer respondents always bargain while shopping in haats, 15% never bargain and 10% indicate that they bargain rarely. Only 9.5% and 6.5% of the respondents indicate that they mostly bargain and sometimes bargain while purchasing in weekly haats.

TABLE No. 4.13: Test of Significance

The intention of the researcher in constructing Table 4.13 is to understand the influence of various demographic factors of the respondents on the bargaining while the rural consumer shops for commodities in haats. To understand the influence the researcher constructed the following hypothesis and used a Pearson Chi-Square analysis to prove or disprove the hypothesis.

H0: There is no significant influence of demographic factors of the respondent on bargaining while purchasing in weekly haats.

Pearson Chi-Square Tests

		Do you bargain while purchasing in weekly haats
Sex of the Respondent	Chi-square	7.692
	df	4
	Sig.	.104
Remoteness	Chi-square	66.061
	df	3
	Sig.	.000
Income of the respondents	Chi-square	52.135
	df	4
	Sig.	.000
literacy level	Chi-square	78.953
	df	4
	Sig.	.000
Age of the respondents	Chi-square	106.722
	df	4
	Sig.	.000
Occupation of the respondents	Chi-square	69.725
	df	4
	Sig.	.000

As the tabulated value of χ^2 is 66.061 in case of remoteness with 3 degrees of freedom, 52.135 in case of income with 4 degrees of freedom, 78.953 in case of literacy level with 4 degrees of freedom, 106.722 in case of age with 4 degrees of freedom and 69.725 in case of occupation with 4 degrees of freedom with a significance level of 0.000 which is lesser than the set significance of 0.05 (95% confidence limit) for tabulated relationship, therefore, we can reject the null hypothesis.

Since the tabulated value of χ^2 is 7.692 with 4 degrees of freedom with a significance level of 0.104 which is greater than the set significance of 0.05 (95% confidence limit) for tabulated relationship, we cannot reject the null hypothesis.

TABLE No. 4.14: Reason For Bargaining -

	To Save		**Shop keepers deliberately keep high prices**		**Habitual Bargainer**	
	F	**%**	**F**	**%**	**F**	**%**
No	352	22.0	344	21.5	968	60.5
Yes	1008	63.0	1016	63.5	392	24.5
Total	1360	85.0	1360	85.0	1360	85.0

Source: Field survey

Inference:

The intention of the researcher in constructing Table 5.10.17 is to understand the reasons why rural consumer respondents bargain while purchasing. From preliminary study by the researcher on these rural markets the following are the reasons identified as the reasons for bargaining, viz – to save, the belief that the shop keepers deliberately keep high prices, and habitual bargainer. From Table 5.10.17, it is evident that 63.5% of the rural consumer respondents believe that the shop keepers deliberately keep high prices, hence required to bargain, followed by 63% indicating the reason for bargaining is to save and 24.5% indicate that they are habitual bargainers and they derive psychological satisfaction while and after bargaining.

VI. DISCUSSION AND CONCLUSION

The current empirical study entitled "reaching out to the rural consumers through haats: a study in Karnataka" has been undertaken with an intention to understand the role of haats while reaching the rural consumers. In order to realise the stated objectives the researcher has collected the data from 1,600 rural respondents across Karnataka state. The research instrument was pretested and administered on the 1600 respondents. The validity of the questionnaire was adjudged, using reliability statistics, Cronbach alpha coefficient. Cronbach's coefficient (α) was calculated to test the reliability and internal consistency of the responses. Cronbach's coefficient, having a value of more than 0.7 is considered adequate for such exploratory work. The average value of α in this study for the various questions were found to be 0.768. It implies that there is a high degree of internal consistency in the responses to the questionnaire. India's oldest traditional supermarket format haat holds the key to rural penetration. The average daily sale at a Haat is about Rs.2.25 Lakh. It serves as a feeder market for all rural markets across India. The study revealed that 55.5% of the rural consumers use bus to visit haats, 36.5% use two wheelers, 29.5% use bicycle, 21.5% visit haats by walk, 17.5% use LCV's or trucks, 13.5% use cars or jeeps and 11.5% use tractors to visit haats. 81% of the rural consumers visit haats only for purchases, 30% for trading and 29% for daily purchases. There is a significant difference in the reasons attributed by the rural consumer for visiting weekly haats. 80.5% of the rural consumer respondents state reasonable or low price as the motive for shopping in weekly haats, 59.5% stating wide variety, 57.5% stating convenience and 51.5% stating good quality compared to village outlets. There is a significant difference in the reasons attributed by the rural consumer for shopping in weekly haats. 59.5% of the rural consumer respondent's weekly purchases in haats is less than Rs 150, 30% weekly purchase value between Rs 151 and Rs 300, 10.5% (cumulative) stated that the purchase value is greater than Rs 300 in weekly haats. 85.5% of the rural consumer respondents indicate that respondent makes purchases, 32.5% cases the respondent's spouses visiting the haat, 31% the respondents father visits the haats and 18.5% indicate that it's the respondents son or brothers or son-in-law who visits the haats for purchases. 79.5% of the rural consumer always walk around the haats first and then make a purchase decision and 15.5% straight away purchase the product from a vendor in haats, always. There is a significant difference in the shopping habits of the rural consumers while shopping in weekly haats. 99.5% of the rural consumer respondents buy vegetables from haats, 87.5% buy groceries and selected FMCG's, 26% purchase cloth and allied products and 18.5% buy health care and cosmetics from weekly haats. There is a significant difference in the commodities that are purchased by the rural consumer respondents in weekly haats. 45% of the rural consumer respondents rarely purchase FMCG's from weekly haats, 31% sometimes buy FMCG's from weekly haats and 13% never buy FMCG's in weekly haats and 1.5% always buys FMCG's from weekly haats. 81% of the rural consumers respondents noticed advertisements and 19% have not noticed advertisements in weekly haats. 63% of the rural consumer respondents listened to mike announcements, 49.5% notice banners being displayed, 35% noticed posters and 24% notice demonstration in haats. 59% of the rural consumer respondents always bargain while shopping in haats, 15% never bargain, 10% bargain rarely, 9.5% mostly bargain and 6.5% sometimes bargain while purchasing in weekly haats. There is no significant influence of sex of the respondent on bargaining while purchasing in weekly haats. There is a significant influence of remoteness, income, literacy level and occupation of the respondent on bargaining while purchasing in weekly haats. 63.5% of the rural consumer respondents believe that the shop keepers deliberately keep high prices, hence required to bargain; 63% reason for bargaining is to save and 24.5% indicate that they are habitual bargainers.

With low disposable incomes and mostly seasonal income, products need to be affordable to the rural consumer as most of them are daily wage earners. Some companies have addressed the affordability problem by introducing low unit packs. This works with some products like hair oil, shampoos, and biscuits. Despite of this, the major problem for the marketers while targeting the rural market is the distribution. Therefore, marketers need to consider alternative ways to reach the rural customers and rural retailers instead of being totally dependent on urban markets and wholesalers in feeder towns. The marketer can reach the rural retailers and consumers effectively by utilizing haats to promote and distribute their products. The marketer may build the rural distribution system by using van operations especially during the haat days. The same van can also be used for promotional activities viz. audio-visuals, demonstration of products or distribution of free samples. To achieve this, a well-trained marketing executive should be employed. The distribution costs in the initial year would be high because of low volumes and this cost is to be treated as an investment rather than expenditure. Most of the advertisers in haats are manufacturers of local goods and spurious products. National marketers are hardly making use of haats to reach out to rural consumers. Present study reflects that most of the rural consumers and retailers are regular visitors of haats. Haats and melas are highly cost-effective merchandising platforms; sellers pay very low participation fees. Most of the shops in haats are tents or temporary hutments or mobile in nature which are more convenient and cheap. Therefore, using haats as a launch pad to promote or advertise products is more advisable. Putting up of backdrops, hoardings, sandwich man, puppet shows, mike announcements, animal parades are other important modes that they can be employed to reach their prospective consumers. By participating in such haats on regular basis, companies can reach rural consumers. Another prominent observation made in this research is that of the mobile sales man mode of distribution. It was shown that most of the retailers buy spurious products and other regional brands through mobile sales men. Therefore, to reach certain remote locations, especially in Northern Karnataka region, this is the most cost effective means, as rural markets require quite a different type of sales force. In tune with the specific requirements, the sales force need to be oriented. The lack of all-weather roads and high distribution costs can be substituted by employing mobile traders in place of conventional channels of distribution to reach remote rural locations. They can be trained to educate rural consumers regarding the differences between fake and genuine products especially in haats. Similar findings were documented by Deepa Ingavale (2011) in her research.

In the background of the current study, the researchers have identified the following areas for future research which can be carried in the field of rural marketing. First, the current study was conducted only on a sample size of 1,600 and was confined to geographical limits of Karnataka state only, therefore, the results obtained may not be pertinent to the country as a whole. Therefore, it is recommended to conduct an extended study of this kind encompassing more number of states or geographies (to capture to cultural differences across regions) and larger sample size may be taken up. Furthermore, the best possible way to understand the rural buying behavior and pattern is tapping the melas. Melas are a prominent feature of Indian rural life, held periodically or annually to commemorate important events or to honour a deity. Besides their religious and social significance, they have a strong commercial aspect. Some fairs, like those at Kumbh, Pushkar attract millions of people and are institutions by themselves (Adite Chatterjee 1996), (Herr 1994). Melas are organized after harvest season, so the villagers have enough money, which he will be ready to spend. Therefore, future research in this domain should evaluate the buying behavior of rural consumers and retailers with respect to melas.

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