



# Potentialities and Challenges of Rural Market in Odisha: A Case Analysis

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## ABSTRACT

*This paper is a trail on intervention strategy on capacity building of the rural producers for role evolution of the community and then gradual withdrawal from it for self-management of enterprises. It tries to ensure empowerment of the rural producers with sustainability at the micro and macro level which may lead to ever growing inflation in the Indian economy. It is imperative to get a glimpse of the humble beginning and development of this Society, which initially cherished to provide marketing support to the rural producer/products for the larger goal of economic empowering of poor.*

*Poverty remains a chronic condition for almost 30 per cent of the rural population of India. The incidence of rural poverty has declined somewhat over the past three decades as a result of rural to urban migration. While Odisha has rich in resources but it still in bottom level in the list of development index. Currently, Odisha is a rural dominated state with 12.6 Percent with respect to the Indian economy. The present paper is an attempt to discuss the rural marketing challenges and scope based on empirical data available over Pilot survey. Never the less the Author had referred a lot of secondary data available from reliable sources for scripting the article and to draw conclusion further. Sustainable Development Goal aims to end poverty in all its forms everywhere by 2030. Almost one third of the population of our country that is more than 1.1 billion are surviving below the poverty line in rural areas. Poverty remains a chronic condition for almost 30 per cent of the rural population of India. The incidence of rural poverty has declined somewhat over the past three decades as a result of rural to urban migration. While Odisha has rich in resources but it still in bottom level in the list of development index. Currently, Odisha is a rural dominated state with 12.6 Percent with respect to the Indian economy. The present paper is an attempt to discuss the rural marketing challenges and scope.*

**Keywords: Rural Market, Challenges, Opportunities, Employment Generation.**

## THE OBJECTIVES

- 1) To understand the rural market and its dimensions in general and Odisha in particular.
- 2) To study the poverty gap between rural and urban areas in Odisha.
- 3) To analyse the challenges and scope of the rural market in Odisha with case studies. The databases used in this paper is based on secondary data, mainly Census of India, National Sample Survey Organisation, and other government published the report.

The purpose of this paper is to examine the impact of marketing strategies on rural Odisha and shift of Multinational Corporation's concentration towards the Indian rural market. But very often, rural marketing is confused with agricultural marketing, the Particular emphasis is placed on the impact of the four A's principles on the rural economy and its participants namely farmers, landless labourers and marketing intermediaries where the marketing had a positive effect on all these through the creation of vast marketing opportunities. The driving force for this success was generating virtuous cycles in the transition marketing.

As this market is observed as a high potential across the world and at the same time the absence of poor marketing policy is identified as a key for the success in the context of India where excessive intervention of private companies like H.U.L, CALVIN CARE, PORTER AND GAMBLE, and ITC & Patanjali often resulted in success of rural marketing.

**INTRODUCTION**

Nearly one third of the population of our country is more than 1.1 billion are living below the poverty line in rural areas. Poverty remains at an enduring state for almost 30 percent of the rural population of India. The occurrence of rural poverty has declined somewhat over the past three decades as a result of rural to urban immigration. While Odisha has rich in resources but it still in bottom level in the list of development index. Currently, Odisha is a rural dominated state with 12.6 Percent with respect to the Indian economy. The present paper is an attempt to discuss the rural marketing challenges and scopes. Sustainable Development Goal aims to end poverty in all its forms everywhere by 2030.

The paper is to examine the impact of marketing strategies on rural Odisha and shift of MNC absorption towards the Indian rural market with special respect to KBK Areas. Very often, rural marketing is confused with agricultural marketing, the Particular emphasis is placed on the impact of the four A’s principles on the economy and its participants namely farmers, landless labourers and marketing rural intermediaries where the marketing had a positive effect on all these through the creation of vast marketing opportunities. The driving force for this success was generating virtuous cycles in the transition marketing. It observed from a recent survey that only Trade Fair and Cultural Fest are not enough to create ample marketing opportunities for the Rural market in research areas of Odisha.

**Definition**

Rural marketing is defined as a function that manages all activities involved in assessing, stimulating and converting the power of rural consumers into an effective demand for specific products and services and moving these products and services to the people in rural areas to create satisfaction for a better standard of living and there by achieving organisational goals.

This paper contains and carries the meaning of the definition of Rural marketing but addition is given by including KBK areas as Rural geographic for our research.

ADMINISTRATIVE SET UP OF KBK DISTRICTS							
Sl. No.	DISTRICTS	%Share in State	Blocks	TSP	Sub.Div.	Tahsils	Villages
1	Kalahandi	5.09	13	2	2	7	2236
2	Bolangir	4.22	14	-	3	6	1794
3	Koraput	5.66	14	14	2	7	2028
4	Malkangiri	3.72	7	7	1	3	1045
5	Nabarangpur	3.4	10	10	1	4	901
6	Rayagada	4.54	11	11	2	4	2667
7	Nuapada	2.47	5	-	1	2	663
8	Sonepur	1.5	6	-	2	4	959

The above table shows data regarding complete dispersion of administration and physical existence of KBK and other remote areas of Odisha.

**Rural Marketing Environment**

Rural market in Odisha with special reference to KBK areas is carrying ample opportunities to access and still more challenges to face and succeed like:

- Population Density
- Occupation pattern
- Income generation
- Location and facilities
- Expenditure and grants

- Literacy level
- Agriculture and wild life
- Heritage

The paper includes five environmental factors that govern KBK areas.

- Population Density, Occupation pattern, Income generation, Location and facilities, Expenditure and grants

### **Taxonomy of Rural market in KBK Areas**

#### **Consumer Market**

Constituents:

- Individuals and Households
- Consumption pattern:
- Individuals and households
- Consumption rate
- Preference
- Perception
- Product and Brand selection
- Affordability

#### **Products**

Constituents:

Consumables (Daily Needs)

- Food Products
- Toiletries
- Personal care Products
- Garments
- Foot wears
- Personal stationeries

#### **FMCD**

- Smart phone
- Mobile Hand set
- Gadgets etc.

#### **Non-Durables:**

- Appliances
- Kitchen wares etc.

#### **Durables:**

- Television
- Furniture
- Bikes and other Vehicles
- Sewing Machines etc.

#### **Industrial Market:**

Constituents:

- Agricultural and its related items
- Poultry farming
- Fishing
- Animal Husbandry
- Cottage Industrial Equipment
- Health centres
- Equipment used in Schools & colleges (Public, KG to Higher Secondary, Technical and Professional Institutions, Vocational training Centres)

### **Service Marketing**

Constituents:

- Accommodation
- Transportation
- Telecom services (Mobile services)
- Internets
- Vehicles and other repairing centres
- Banking
- Insurance
- Health care units
- Education
- Entertainment

### **Problem and Constraints**

- Vastness & uneven Growth of market
- Scatterings of unorganised market
- Lack of organised Market
- Transport Problem
- Communication and network problem
- Warehousing problem
- Diversity of local language and Dialects
- Non-availability of Authorised dealers/ intermediaries
- Unorganised market structure

### **Rural Consumer Behaviour**

Consumer Behaviour in Rural marketing in K.B.K areas, in particular, is more complex and confusing due to lack of consistency in homogenous group attributes in Demographics. The Rural Consumer Buying Behaviour model is not suitably appreciated and applicable in practical cases.

Factors that rules over Rural Consumer Behaviour are like:

- Cultural
- Social
- Economic
- Political
- Gender variance
- Family tradition and belief
- Lack of Cognitive attitude etc.

Brand loyalty shows very unrealistically to assess the exact acceptance in the rural sector of Odisha particular in K.B.K areas.

### **THE OBJECTIVES**

- 1) To understand the rural market and its dimensions in general and KBK areas of Odisha in particular.
- 2) To study the poverty gap between rural and urban areas in Odisha w.r.t KBK.
- 3) To analyse the challenges and scope of the rural market in Odisha with case studies of KBK areas.

### **HYPOTHESIS TESTING**

The following hypotheses were adopted for testing the accuracy of the study. Testing of the hypothesis is one by taking the null (Ho) hypothesis and the alternative hypothesis (Ha1). On empirical testing, if the (Ho) holds true, the null hypothesis is accepted. Similarly, if Ho does not hold true or not valid then the null hypothesis is rejected and the alternative hypothesis is accepted.

**Hypotheses 1 (H1):** Infrastructure facilities have a direct correlation with the Rural market in KBK areas in Odisha.

**Hypotheses 2 (H2):** Factors pertaining to Rural Market in KBK areas promotional activities influence the Rural Odisha in KBK areas.

**Hypotheses 3 (H3):** The cultural and promotional activities in KBK areas of Odisha influence to overcome the challenges in Rural market w.r.t KBK areas in Odisha.

**Research Analysis**

The questionnaire was administered to the local community of both Tribe and other residents, within the study area of the different targeted place of Odisha which is as follows:

<ul style="list-style-type: none"> <li>• KALAHANDI</li> <li>• BOLANGIR</li> <li>• KORAPUT</li> <li>• SUBARNAPUR</li> <li>• RAYAGADA</li> <li>• NABRANGPUR</li> </ul>	<ul style="list-style-type: none"> <li>• MALKANGIRI</li> <li>• NUAPADA</li> <li>• KEONJHAR</li> <li>• MAYURBHANJ</li> </ul>
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The sample respondents are collected by using random sampling method. Out of the sample respondents, the scholar has included only 255 as to justify our paper objectives and to reach findings.

**RESEARCH METHODOLOGY**

Market survey Report: Sources- FIELD SURVEY and PARAB, MANDAI, BALIYATRA & LAXMI PUJA (DHENKANAL)

Sampling: Random

Sample size: 400

Data analysis:

Demographics:

Sl. No.	Particulars	Frequency	Percent	Cumulative Percent	
1	<b>Region</b>	<b>KBK Area</b>	255	63.8	63.8
		Boudh	24	6	69.8
		Added new undeveloped remote areas in neighbour villages	71	17.8	87.5
		Exclusive South Odisha(Mao Targeted Area)	29	7.3	94.8
		Recent Identified Area	21	5.3	100
		<b>Total</b>	<b>400</b>	<b>100</b>	
2	<b>Gender</b>	Male	279	69.8	69.8
		Female	121	30.3	100
		<b>Total</b>	<b>400</b>	<b>100</b>	
3	<b>Age</b>	Below 25 yrs	35	8.8	8.8
		26 - 35 yrs	130	32.5	41.3
		36 - 45 yrs	114	28.5	69.8
		46 - 60 yrs	90	22.5	92.3
		Above 60 yrs	31	7.8	100
		<b>Total</b>	<b>400</b>	<b>100</b>	
4	<b>Occupation</b>	Dependent/ Homemaker	22	5.5	5.5
		Tribe farmer	191	47.8	53.3

		Hired labour	147	36.8	90
		Any Other	40	10	100
		<b>Total</b>	<b>400</b>	<b>100</b>	
5	<b>Monthly Income</b>	Below 3,000	29	7.3	7.3
		3,001 - 4,000	109	27.3	34.5
		4,001 - 5,000	148	37	71.5
		5,001 - 7,000	75	18.8	90.3
		Above 7,000	17	4.3	94.5
		Not Applicable	22	5.5	100
		<b>Total</b>	<b>400</b>	<b>100</b>	

**Graphical Representation:**

Interpretation: The geographical distribution shows that KBK areas are higher in concentration and the Recent identified area is lower in concentration.

Interpretation: the above table shows the demographic distribution of survey data.

**FACILITATOR**

Sl. No.	Variables	Frequency	Percent	Valid Percent	Cumulative Percent
1	SHG	125	31.3	31.3	31.3
2	NGOs	97	24.3	24.3	55.5
3	Training Centres	72	18	18	73.5
4	Visiting friends and Relatives	83	20.8	20.8	94.3
5	Other Purpose	23	5.8	5.8	100
	<b>Total</b>	<b>400</b>	<b>100</b>	<b>100</b>	

Interpretation: The available Data shows SHGs are the major facilitators to bring change life style and occupation generation in Rural sector and NGOs are second major facilitators in practice.

**Reliability of Item-Total Statistics (Facilities and Schemes Available in Odisha)**

Sl. No.	Variables	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
1	Housing	40.23	0.123	0.616
2	Road Transport facilities	40.24	0.133	0.516
3	Education	40.2	0.144	0.513
4	Marketing facilities	40.6	0.238	0.693
5	Agency services	40.87	0.214	0.699
6	Entrepreneurship information services	41.01	0.149	0.514
7	Occupation Creation	40.62	0.175	0.507
8	Banking & funding facilities	40.86	0.206	0.5
9	Basic Social Security like Job card etc.	40.88	0.155	0.512

10	Road conditions	40.71	39.308	0.233	0.796
11	Toilet facilities	40.96	39.414	0.221	0.798
12	Drinking water facilities	40.49	39.797	0.183	0.505
13	Cleanliness	40.61	39.911	0.218	0.799
14	Sewerage	40.86	39.537	0.168	0.509
15	Power supplies	40.78	39.98	0.157	0.511
16	Communication facilities	40.77	38.799	0.204	0.7

**Interpretation:**

The above table describes the average and standard deviation of different items of facilities in KBK areas. The factor “Education” is coming with the highest mean score (3.41). This result provides an initial indication that majority of the respondents’ focus on “Education” might be a force to meet challenges.

**Frequency Distribution of types of Income Generation Schemes**

Particulars	Frequency	Percent	Valid Percent	Cumulative Percent
Agricultural Farming	81	20.3	20.3	20.3
Poultry	118	29.5	29.5	49.8
Dairy farming	90	22.5	22.5	72.3
Tribal Occupation (forestry product collection)	31	7.8	7.8	80
Handicraft Centres	39	9.8	9.8	89.8
Horticulture	24	6	6	95.8
Others	17	4.3	4.3	100
<b>Total</b>	<b>400</b>	<b>100</b>	<b>100</b>	

The above analysis indicates that the items used in the questionnaire are internally homogenous and consistent and all the items are good items.

**Interpretation:**

The above table represents the different types of Income Generation Schemes. The table reveals that Agricultural Farming, Poultry, and Dairy Farming are having a maximum frequency. The same result is presented in the following Graph.

Data related to Odisha Rural Development & Marketing Society Programme for 2016-17 & 2017-18 upto 31st Oct. 2017.

Odisha Rural Development & Marketing Society				
Year	Trained	Placed	Progress Report	
			Centre	Facilitator
2017-2018 report as on 31 Oct 2017	83745	46654	566	329
2016 - 2017	162586	84900	654	329

Poverty in KBK Region vis-a-vis Odisha Based on Survey Record.

State: Odisha	Below Poverty Line (%) Recent Data			
Area: Odisha	2013-14	2014-15	2015-16	2016-17
	67.7	67.5	67.03	67.01
K.B.K. Area	79.3	79.1	79.09	79.09

**Interpretation**

This table is very sensitive to interpret that K.B.K is coming up poverty line slowly which is an indication that the area is having the potentiality to acquire development plan. So it is only required to plan and implement with intrinsic effort. It is capable to face all challenges.

**Research Findings**

The demographic characteristics out of 400 respondents majority of the respondents belong to KBK i.e 255 (63.80 percent), then Added new undeveloped remote areas in neighbour villages 71 (17.80 percent) and very few are in south Odisha. Similarly in gender majority are male i.e. 279 (69.80 per cent) and rest are females 121 (30.30 percent). In Age, the majority of age group are between 26 to 35, 135 no.s (32.50) per cent than coming 36 to 45 yrs i.e. 114 (28.50) percent and less no. coming above 60 yrs (7.8%). Further, in occupation, the majority of the respondents are tribe farmer (47.80) per cent, then coming hired labour (36.80) per cent and fewer No.s are Dependent/ Homemaker. In monthly income category, the majority of the respondents are between 4,001 to 5,000 per month (37.0) per cent, then coming 3,001 to 4,000 income category (27.30) percent.

The above analysis indicates that the items used in the questionnaire that are internally homogenous and consistent and at the same time all the items are good items.

**Item Wise Descriptive Statistics**

Sl. No.	Variables	Mean	Std. Deviation	N
1	Housing facility	3.01	1.045	400
2	Road Transport facilities	3.36	1.223	400
3	Education	3.41	1.123	400
4	Marketing facilities	3.00	1.284	400
5	Agency Guide services	2.73	1.232	400
6	Entrepreneurship information services	2.60	1.348	400
7	Occupation creation	2.98	1.304	400
8	Banking & Funding facilities	2.74	1.305	400
9	Basic Social Security like Job card etc.	2.72	1.301	400
10	Road Conditions	2.89	1.114	400
11	Toilet Facilities	2.65	1.126	400
12	Drinking Water Facilities	3.11	1.154	400
13	Cleanliness	3.00	1.027	400
14	Sewerage	2.75	1.263	400
15	Power Supply Facilities	2.82	1.200	400
16	Communication Facilities	2.84	1.301	400



The above table describes the average and standard deviation of different items of facilities and amenities available for tourists in Odisha. It has been observed that out of the fifteen factors the total mean score of the 2nd factor i.e., "Education" was coming highest (3.41). This result gives an initial indication that majority of the respondents feel that the factor to be an important factor for facility and amenities available in Odisha and next highest was coming "Road transport facilities" i.e. (3.36). Similarly the standard deviation of the item (Banking and Funding facilities) is 1.305 which shows that there is an inconsistency of the respondents' views having high variation in comparison to other factors with respect to variation and the least standard deviation was coming in "Cleanliness (1.027) which shows that there is a consistency of the respondents having least variation in comparison to other factors.

As these market is observed as a high potential across the world and at the same time the absence of poor marketing policy is identified as a key for the success in the context of India where excessive intervention of private companies like H.U.L, CALVIN CARE, P &G, ITC & Patanjali is often resulted in success of rural marketing.

## **CONCLUSION**

Basically, the problem is directly related to the mind set of rural consumers and their attitude towards different products in research areas. It may be due to the way in which such product has been presented. Many marketers are facing this problem due to the old practice of which is in excess in urban market is to be dumped in the rural market. Just ignoring the specific requirements of rural consumers in KBK.

Due to the typical life style of rural people, it takes a year to change the habits and create an inclusion towards several issues in the areas of health and sanitation. HUL and Marico had made tremendous efforts in creating awareness for oral health and hygiene as well as income generation through motivating women sales force in Rural areas namely "Shakti". Now no other company has taken steps to do it. It may be treated as one time investment to generate immediate revenue by engaging local women entrepreneur.

After discussing the conceptual frame work of marketing and development in KBK areas it is of immense interesting to understand the impact on local community and the market environment towards restructuring the acceptance of Modern marketing availability and innovation. Though very few it is tested that local community also is showing interest to acquire income generation programme imparted by Govt. and other agencies.

Today Marketing is not only identified as an activity but it is a process to generate revenue, income, and occupation. It is capable to meet all social challenges and bring development in KBK areas. It is a source to eradicate poverty and to restructure social life style.

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