

IS THE GROWTH STORY OF RURAL INDIA REAL? OR IS IT WAITING FOR ITS SHARE OF REFORMS?

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ABSTRACT

The government had made several promises to the nation. Schemes like 'Start-up India' where banks would promote start-ups of women entrepreneurs and help them financially. The target of providing electricity to 18,500 villages which have no electricity and provide the poorest citizens with bank accounts under Pradhan Mantri Jan Dhan Yojana. However understanding where this money will be spent provides an insight into the government's thinking and priorities. India is readying for an even more impressive era of economic growth. The question here is whether the growth story of rural India is real? Or is it waiting for its share of reforms? This paper deals is bringing out an illustration on how a rural village is transforming and propelling growth.

Key words: Rural Entrepreneurs, Infrastructure, Technology, Mobile Internet, Healthcare, Aesthetics, Education, LUP and Word-of-mouth.

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1. INTRODUCTION

Pallavada, a rural village which is close to Chennai has a population size of 500 residents. The village has good access to all basic amenities like water tanks and motor pumps, robust electricity supply, government transportation and share auto facility to nearby towns like Madharpakam and Gummidipundi. This village has a primary school with a student teacher ratio of 1:30. Most of the companies have not accomplished the last mile connectivity and the preference of the residents is also to go the nearby town for shopping. Agriculture is the main source of income, with the crops being sold to companies in Red hills, Chennai. The government has done a good job in taking care of the roads & ration subscription. There is awareness about mobile phones and the penetration is 100%, with a subsequent rise in the internet penetration

as well. This village is a model village and the various aspects of a rural living are analyzed in this paper.

2. MOBILE PHONE PENETRATION

Pallavada is a village with almost 80% use mobile phone and Aircel is the major service provider. This is due to the better network service; though it was interesting to note that most of the hoardings were of Airtel. Few have two phones per household however those were the affluent families. The awareness of the various mobile brands available in the market was also very good.

3. MOBILE HANDSETS

The villagers predominantly use Nokia mobile device as the name was known and few use LAVA mobile device however they thought it to be a Nokia device. Micromax was another well-known model.

4. PENETRATION OF M-COMMERCE

Though there is mobile penetration, smart phone penetration was about 60% and mostly with the younger and middle aged people. Awareness of using mobile phones with internet has to pick up.

5. AGRICULTURE

Agriculture is the main bread earner for 90% of the families and the rest earn a living by working in Sri City (A planned Integrated Business City (township) located 55 km north of Chennai on NH 5 along the border of two large Southern states in India - Andhra Pradesh (AP) and Tamil Nadu (TN)). Utilization of internet to facilitate agriculture is nil as there is no awareness about such possibility. An initiative like e-Choupal would help in facilitating this.

6. RETAIL BUSINESS

I visited two shops during this field study. It was clear that villagers preferred to travel to Madharpakkam to buy the groceries, household items etc. The two shops counterfeit products of various popular brands like Marie Gold, Krack Jack, Good day etc. and all were bought from Madharpakkam. Only loose items like chips, etc. were sold to them at the village.

7. PURCHASE PREFERENCE

The list below, gives a brief idea about the purchase preferences of the village folk in Pallavada

7.1. Detergents

- Ariel
- Surf excel
- Rin Soap

7.2. Soaps

- Lifebuoy
- Hamaam

7.3. Aerated Drinks

- Pepsi.
- Miranda.
- Bovonto
- Coca-Cola

7.4. Talcum Powders

- Pond's
- Gokul

7.5. Beauty Creams

- Fair & Lovely

7.6. Hair oil

- Parachute Jasmine

8. MOBILE RECHARGE

Ten rupee top-ups are fast moving and the retail shop has all mobile networks recharge coupons, however the most preferred one was 10 rupees, with very rare occurrence of full talk time.

9. SKU PREFERENCE

The most preferred SKU size was LUP's (Low unit Packs) & sachets. If required they use two sachets but they were reluctant to buy bottles as they felt that it was expensive. Local tea and coffee brands were used in tea shops. Gold-flake and Kings were some of the cigarettes smoked. There were some local make as well.

10. HOUSEHOLD PREFERENCE

Most of the women prefer to buy a week's utility. They buy small SKU's and they visit retail shops only for emergency situations. There are share auto and bus facilities available, with 85% of the households having a two wheeler, to visit Madharapakkam weekly. All the households use the ration card facility including the affluent in the village which covers the basic necessities of a family.

11. YOUNG MEN & WOMEN AND THEIR LIFESTYLES & ASPIRATIONS

The young men and women in village are aware of brands. And they mostly buy branded garments and that too readymade garments. They mostly shop their garments from both Gummidipundi and Chennai as well. They use smart phones like MOTO-G, Samsung, Micromax, Nokia etc. They also place orders in E-commerce websites like Flipkart, Snapdeal etc. Though they don't have access of receiving the products in their village. They give their friends or relatives address in Gummidipundi or in Chennai and collect it from them. Most graduates are Engineers. However there are three doctors who are working in Metros and one is doing a consultancy business in Chennai. Five members from the village are working abroad. They have a fan club for celebrities like Rajinikanth and Vijay. They are aware of watch brands like Casio, Titan and Fast Track and many youngsters in the village wore Fast Track watches.

They also follow Football and Cricket. They are fond of eating Chinese cuisines. They also wore Bata shoes and slippers because of the durability, Splendor plus and passion plus are the most sort two wheeler brands. One owns a Duster a prominent SUV. Many youngsters are working as a technicians and supervisors in Sri City, a world class integrated business city which is very near to this village.

12. PURCHASE PREFERENCES OF CHILDREN BELOW 6 YEARS IN HOUSEHOLDS OF DIFFERENT INCOME GROUPS

Women prefer Godrej No: 1 soap for their kids, because of the fragrance and the economical price. It is also available in 5 rupee packs and is durable. Mothers give Boost and Horlicks thrice a week to their kids. Small three rupee sachet of Horlicks and Boost are available in the local kirana store. They buy that and they use it thrice a week. They avoid packed milk for their children; rather they rear cows. The funniest moment was when few kids told me that they take bath only thrice a week. They use toothpaste but not brush; they use their fingers to brush their teeth. Most of them use Colgate tooth paste. They use gokul, santhol and ponds talcum powder. And they also use stationery brands like natraj, camel etc.

13. PROMOTIONAL MEASURES INTRODUCED BY COMPANIES OF CONSUMER DURABLES AND FMCG'S THAT ENHANCE AFFORDABILITY OF RURAL CONSUMERS

Promotional activities are carried out often by companies like Vodafone & HUL. Vodafone provides T-shirts for the people who work in farms and HUL promote their products by providing vests. To promote their Rin brand, HUL paints the village houses in blue color. Television & word of mouth plays a major role in their purchase decisions.

14. DISTRIBUTION PRACTICES WHICH AFFECT THE AVAILABILITY OF PRODUCTS

14.1. Products

Distributors supply look alike biscuits, shampoos and detergents brands on two wheelers to tea shops, kirana store and the bakery. Rice and other cooking items are sold in the ration store. Here the store is replenished every week and runs as per the norms by the Tamil Nadu government:

- Rice- 20 Kgs per card,
- Sugar 4 kgs
- Wheat 1 kg
- Kerosene

The gaps are availability of medicines and apparel. There is a huge demand, but the distributors do not supply these items.

15. SERVICES

Mobile services available are restricted to three key players: Idea, Aircel and Vodafone. The postal department, lacks e-postal service due to the absence of internet. Health care facility is distant away, though the doctors come here for medical camps.

16. NEED FOR INTERNET SERVICES AMONG YOUTH

Youth here access internet through their smart-phones. The internet penetration overall has to improve; even the school do not use internet extensively. The internet usage is restricted to the social media, but some have made online purchases by giving the nearby town as a delivery location.

17. VILLAGER'S PREFERENCES FOR THEIR INVESTMENTS

There are not much avenues of investment that may suit the income levels of villagers. Even if there were any, the residents are not aware of it. They are not willing to explore the various options on investments as they save merely Rs. 1000/month and the average monthly income of a family is between Rs. 3000 to Rs. 5000. Most of them own lands but none are happy with the returns as traders from Red Hills (a nearby town) Chennai, pay them less price for the yields. Most of them aspire to buy air conditioners and four wheelers. They are in the trend of taking loans and repay the same loan by taking loans from another, however they somehow tend to pay their debts eventually.

18. TECHNOLOGY HAS IMPROVED THE AWARENESS LEVELS AND RAISED THE ASPIRATION OF CONSUMERS

Penetrations of mobile phones are good. 80% of people use mobile phones. People who depend on city income has smart phones. 90% of people aged below 35 are using smart phones. People are aware of e-commerce website, and they purchase products by giving the delivery address of their relatives/friends who are reside in the nearby towns. Despite having an increase in the mobile phone penetration, they are unable to compare the rates of their agriculture yield with the market. They are not aware of the e-Choupal system run by ITC. Students use search engines like Google. They are active on social media like Facebook, WhatsApp etc. Kids use mobile phone to play games. Villagers are aware of emerging products and services with the help of television advertisements

19. CONCLUSION

Promotional activities has be carried out by FMCG & Consumer Durables companies to promote their products. Internet usage should be developed in Pallavada. There should be at least one doctor and some standard healthcare facilities which cater to the village folks 24*7. Transport services must be improved. Proper awareness of the brand should be there, so that they can differentiate the fake products from the original ones. They should have at least one fire extinguisher in the Panchayat office. E-post facility should be introduced in Pallavada. The most interesting thing about the growth of a rural village is that the next 100 million Internet users will not be fluent in English and the fact of the matter is that the fastest growing websites on the internet today are in local languages.

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