

## **Enhancing Consumer Learning Using techniques of Modern Education in Rural India: a Conceptual Framework**

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**Abstract:** Indian rural market, with more than seventy percent population residing in rural areas, presents immense opportunity for marketers. Rural markets have become the main avenue with potential for consumption of variety of products and services. For many products, rural market provides a promise owing to lag in adaptation. It makes market entry easy. As per a study that forecasts an emergent powerful rural market, the Indian middle-class will increase substantially in villages. But the foremost challenge in this regard, is lack of awareness on the part of rural consumer. The present paper focuses on identifying major challenges in consumer awareness of rural India with special reference to educational pattern and offers useful implications in this regard. The consumer in India shows wide variation in size and potential of various consumer market segments. Marketers are trying to determine the underlying need and motive of consumer as well as various factors which influence the formation of such needs. The study identified major challenges in consumer learning as (a) low media exposure, scattered rural market, poor infrastructure etc. for educated consumer (b) high drop-out rates, lack of infrastructure, transportation facilities, misutilization of government funds etc. for uneducated consumer. Hence, the solution lies in 3Is (Integrated, Innovative & Inclusive) framework facilitating effective and meaningful consumer learning.

**Keywords:** Consumer Learning, Information and communication Technologies (ICT), Public-Private Partnership (PPP), Indian Rural education, 3Is (Integrated, Innovative & Inclusive) Framework.

### **1. Introduction**

#### **1.1 Indian Consumer Market**

The Indian consumer market has never had it better. Higher disposable incomes, the development of modern urban lifestyles and an increase in consumer awareness has affected buyer behaviour — in cities, towns and even rural areas. According to a report by McKinsey & Co. (2007), India is set to grow into the fifth largest consumer market in the world by 2025. Buying power has also expanded to new consumer segments — be it the youth or the urban and rural woman. The vast rural remote areas of India are beckoning and the sheer numbers make it impossible to ignore. In this regard, customer awareness and brand loyalty are the major challenges. These challenges can be overcome by consumer learning. It is the process by which individuals acquire the purchase and consumption knowledge and experience that they apply to future related behavior (Schiffman and Kanuk, 2007). Therefore, marketers must teach consumers where to buy, how to use, how to maintain and how to dispose products.

#### **1.2 Education Scenario in Rural India**

Indian Population in rural areas comprises of 83.3 crore which accounts for 68.84% of the total Indian population of 121.0 crore (Census 2011). Education is the doorway to the wider world and an exposition on

rural infrastructure is incomplete without an assessment of the extent to which we have been able to open this door for the children of rural India.

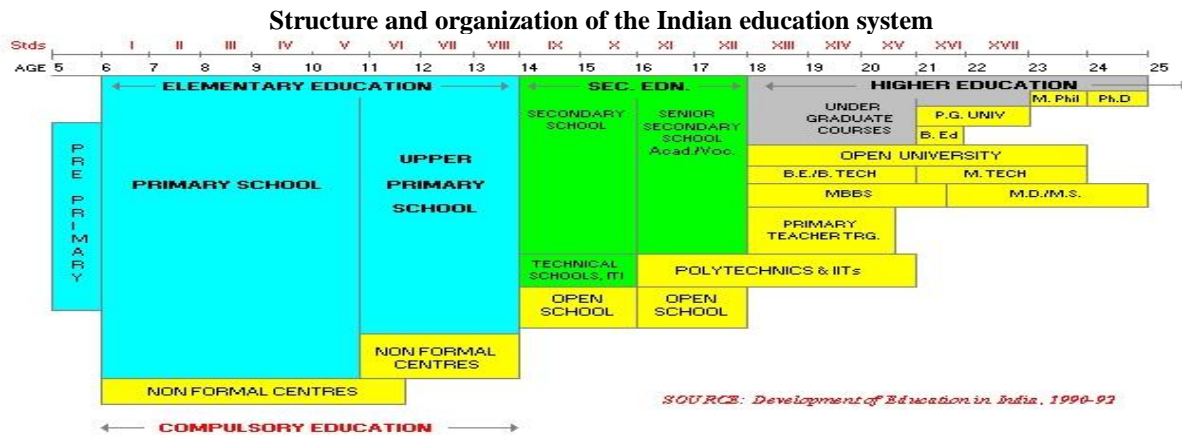


Figure 1 Showing Structure and organization of Indian Education System (Development of Education in India, 1990 – 92)

Source: Structure and organization of Indian Education System accessed from <http://dise.in/Downloads/Use%20of%20Dise%20Data/Michael%20ward.pdf> on 10 February, 2012

### 1.2.1. Early Childhood Education—Pre-School (3-6 years)

The Integrated Child Development Services (ICDS) programme acquires a multi-sectoral approach to child well-being, incorporating health, education, and nutrition interventions and is implemented through a countrywide network of 620,000 Anganwadi centres (AWC) at the community level. It is estimated that Anganwadi Workers are spending 39 per cent of their time on pre-school education and in 2003 the Government of India reported that the total coverage of the programme for children in the 3–6 age group was nearly 170 million. The UNESCO Education for All Global Monitoring Report 2006 reports that the Gross Enrolment Ratio (GER) in pre-primary education in India is 34 per cent (33.8 per cent boys and 34.1 per cent girls).

### Net Attendance Percentage Comparison between Male and Female in Urban and Rural Population in Primary Education

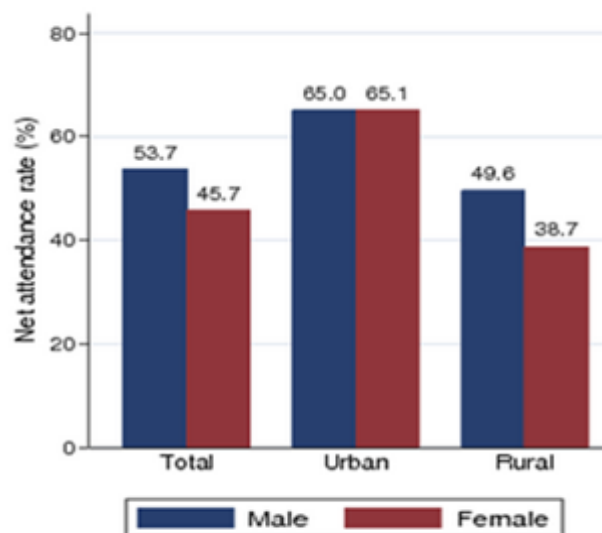


Figure 2 Showing Net Attendance Percentage Comparisons between Male and Female in Urban and Rural Population in Primary Education

Source: Multiple Indicator Cluster Survey (MICS) accessed from <http://huebler.blogspot.in/2005/10/primary-school-completion-in-india.html> on 12 February, 2012

The Data demonstrate the net attendance percentage comparison between male and female in urban and rural population in primary education. It reveals that in rural areas, the net attendance percentage is 49.6% in case of male and 38.7% in case of females which is very low in comparison to urban area in which male and female students have around 65% net attendance.

### 1.2.2. Elementary Education (6-14 years)

National University of Education Planning and Commission (NUEPA)'s report tells us that in 2004–05, there were 126 million students being taught by 3.1 million teachers in 0.9 million rural elementary schools for an average of 209 instructional days. District Information System for Education (DISE) also tells us that the percentage distribution of rural elementary schools by type of building is pucca (71 per cent); partially pucca (9 per cent), kuccha (2 per cent), tent (0.11 per cent) and multiple type 9 per cent.

### 1.2.3. Secondary and Higher Secondary Education (15–19 years)

According to All India Educational Surveys (AIES), the current Gross Enrolment Ratio (GER) for secondary education in rural areas is 48 per cent with girls having only 34 percent share in it. The number of secondary schools without buildings also grew by a factor of one-third, from 287 to 387 and over one-sixth of schools are without pucca buildings.

### 1.2.4. Higher Education (19 and above)

There is no higher education infrastructure in rural areas. Learners generally travel to urban areas to access this provision. However, at least 10 universities are offering students in rural areas the opportunity to study for degrees (under graduate and post graduate) through open learning.

In the light of the above discussion, the challenge of consumer awareness can be met effectively only after taking into account the educational framework of rural India.

## 1.3 Need and Objective

Rural markets have become the main avenue with potential for consumption of variety of products and services. AC Nielsen report indicates that the FMCG segment in the country alone incurs a loss of about Rs 1,800 crore due to counterfeit products which happened due to lack of education system in rural areas which in turn give birth to low awareness. High prices, duplicate articles, underweight and under – measurements, rough behavior, undue conditions, artificial scarcity are some of the ways by which consumers are exploited by manufacturers and traders. Limited information, limited supplies and low literacy are factors causing exploitation of consumers.

The specific objectives are

- To study the major challenges in consumer learning with special focus on education scenario in rural India
- To propose new initiatives for enhancement of consumer learning in this regard.

## 2. Discussion

### 2.1 Major Challenges in Consumer Learning

The Indian rural education faces massive challenges resulting to degradation in the consumer learning of rural population. In this paper, the problem was diagnosed with reference to 2 group's viz. uneducated and educated rural consumers. Educated rural consumers are suffering on low media exposure, scattered rural market and poor infrastructure whereas on the other hand uneducated rural consumer are suffering severely because of the flaws in the rural education system like **poor design of set of courses** and **ineffective delivery and teaching methods** which results into **high drop-out rates** (Ward, 2007). The **teachers remain absent** and **schools are situated in far-off areas** where **inspection is less**. **Lack of interest** among rural children as working in the fields where hours are long and pay is low. The **uneducated adults** are also hesitant to send their own children to school (Singh et al, 2011). This creates a vicious circle where whole sections of the society remain uneducated. A large number of **teachers decline to teach** in rural areas and those that do are

usually **under qualified**. The children in rural areas have to walk miles to reach their schools due to **lack of transportation services**. **Scarcity of books** and learning materials seem to be a widespread problem and the use of high-tech devices such as **computers are very rare**. Most of the rural schools **operate without toilets, drinking water facility and electricity** (Zaidi, 2006). The **misutilization of government funds** is major hindrance to the educational system. The **school infrastructure** in rural areas is very pathetic where some times children are even made to sit on the floor due to non-availability of **furniture** (Cheney et al, 2005). Apart from the course curriculum, rural schools are **not able to involve children in other activities** like sports, co-curricular activities and competitions. Such events and activities tend to help in the overall development of the children. This lack of education has resulted in growth of low consumer learning, high unemployment, poverty and substantial increase in the growth of population.

Even government initiatives undertaken till date in this regard are failing to serve the purpose. **Various scams** involving mid-day meal scheme have been noticed since it was started. The police apprehended eight truckloads (2,760 sacks) of rice meant for primary school children being carried from Food Corporation of India (FCI) godowns. The resident of Pembong village accused a group of teachers who were embezzling mid-day meals (The Telegraph, 2006). The fake students' scam expected to be worth Rs 1,000 crore where all numbers mentioned in the Sarva Shiksha Abhiyan are fraud because there are some children who hired for a short time as eventually they don't go to schools. (Maharashtra Sarva Shiksha Abhiyan Scam, 2011)

## 2.2 Hawkin's Perspective on Consumer Learning.

Famous Hawkins Model (in the field of consumer behaviour) acknowledges the contribution of consumer learning in self concept as well as in crucial purchase decision making concept. Marketers are concerned in how successfully they have convinced the consumers to prefer their brands and differentiate their products from competitive offerings. They are bothered with how individuals learn because they want to teach them, in their roles as consumers, about products, product attributes, and potential consumer benefits; about where to buy their products, how to use them, how to sustain them and even how to dispose off. Marketing strategies are based on communicating with the consumer. Marketers want their communications to be noted, believed, remembered, and recalled. For these reasons, they are interested in every aspect of the learning process.

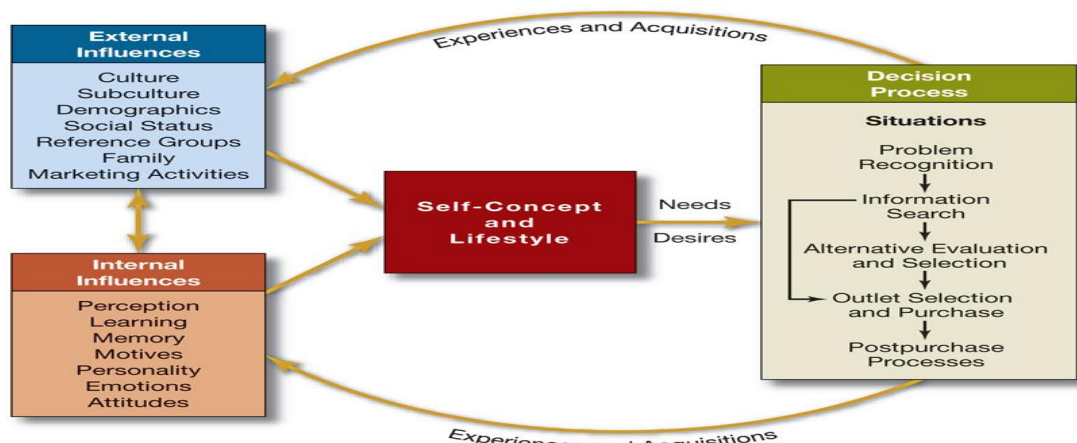


Figure 3 Showing the Hawkins Model (in the field of consumer behaviour)

Source: Hawkins, I., Best, R. J., & Coney, K. A. (1998). *Consumer Behavior: Building Marketing Strategy*. New York: Irwin/McGraw-Hill

## 3. Suggestions

For educated and uneducated rural consumers, consumer learning may be enhanced by the following ways:

- **Encouraging public private partnerships in education system.** Stronger corporate players need to join hands with government and district level authority to initiate new ventures aimed to streamline the education system in rural areas. Companies like Infosys have embarked on

the 'Library for Every Rural School' program to donate books (for computer education only) by partnering with schools in Karnataka, Andhra Pradesh, Orissa, and Kerala. It has set up 35,000 school libraries, the largest rural education program in India. Same way the Pearson Foundation joined the "Support My School" (SMS) initiative - a public-private partnership which aims to create a healthy environment for children to study in rural areas - with the inauguration of two libraries in Haryana's Sonapat district.

- **Stronger corporate presence in rural market.**

In order to get a stronger foothold in hinterland India, corporate has to pay constructive and dominant role. Number of companies has shown concern in this regard which are as follows:

Sr. No.	Company Name	Initiatives
1.	Asian paints	Introduced small packing's of paints (50 ml/250 ml) for rural consumer. The company developed a special brand of distemper "UTSAV" priced at Rs 250 per kg.
2.	Britannia Industries Limited(BIL)	Launched TIGER biscuits especially for economy class which was available in 250 gm, 100gm and 75gm packaging having Rs 10, Rs 4 and Rs 5 respectively.
3.	Marico	Launched a tamper proof coconut hair oil to overcome the problem of duplicate products. The new cap for 200 ml and 500 ml bottles of Parachute is promoted as "Shuddhata Seal" to educate consumer against duplicates.
4.	Hindustan Liver Limited (HLL)	Launched an internet based rural information service called "Shakti" in Andhra Pradesh to meet rural needs in education, vocational training, health areas etc.
5.	Cavin Kare	Company was responsible for the small sachet revolution in India. When it launched the 'Chik' brand of shampoo, they educated the people on how to use it through live 'Touch and Feel' demonstrations and also distributed free sachets at fairs.
6.	Coca Cola	Uses hub and spoke distribution system in rural areas and launched 200 ml bottles (chota coke) priced at Rs 5.

Table 1 Showing Initiatives Taken by Corporate in Rural Areas

- **Enhancing Entrepreneurial Role**

Entrepreneurial competency need to be discovered by identifying the potential entrepreneurs in rural and sub urban areas, thereby enhancing their entrepreneurial skills by establishing new educational ventures and contribute in the growth of rural India. In case of uneducated consumer, conducting conferences, seminars, demonstration and holding awareness campaign in villages after consulting with panchayat which can help in gathering people at one particular place can be of immense benefit. For educated consumer, skill based training must be provided, skill oriented workshops must be held, community development programs should be conducted to enhance entrepreneurial skills. For this, role of private player is very much important. Companies like Wipro, created a \$2 billion fund to improve education in rural and small-town India. IT giant HCL founder, Shiv Nadar has started VidyaGyaan, a unique experiment to provide public school-style residential education to children from rural communities. Google is supporting the Bharti Foundation's Satya Bharti School programme with a \$ 5 million fund.

- **Injecting Innovation in rural areas through Information and Communication Technologies(ICT)**

For educated consumer, purchasing power and affordability challenge must be removed. If we talk about rural profile, consuming class has less strata as compare to all other classes (destitute, climbers, aspirants and rich class). Therefore, innovations must be done by companies to remove the non affordability hindrance. In case of uneducated rural consumer, ICTs play an important role in poverty alleviation by enhancing activities of poor and increasing their productivity by way of new credit and financial services,



new opportunities to design, manufacture and market products through the Internet or intranet systems etc. These interventions can be successful only when accompanied with other supporting infrastructure. Increased and improved education through computers or about computers or both would contain the poverty in all fronts.

The Department of Science and Technology (DST) helped to establish the National Innovation Foundation (NIF) with the main goal of providing institutional support in exploring, sustaining and scaling up grassroots green innovations to meet the socio-economic and environmental needs of society and encouraging its incorporation in educational curriculum, developmental policies and programs.

- **Conducive legal environment**

Consumer Protection Act, 1986 was enacted to avoid consumers for getting exploited. It helps to make provisions for establishment of consumer councils and other authorities for settlement of consumer disputes and matter therewith connected. The government has been implementing an innovative multimedia campaign, "Jago Grahak Jago (Wake up Consumer)" to create consumer awareness in the country. Right now, it focuses on defective and overpriced products. The government needs to change it as services and not product-related problems and rigorous awareness campaigns should be conducted in order to make it unbeaten.

### **Conclusion**

The Consumer Market, especially Fast Moving Consumer Goods (FMCG), sector in rural and semi-urban India is estimated to cross \$20 billion by 2018 and \$100 billion by 2025, according to an AC Nielsen survey. Consumers are exploited by manufacturers by several ways like high prices, duplicate articles, underweight and under-measurements, rough behavior, undue conditions, artificial scarcity etc. so there is a need of qualitative improvements in consumer learning in rural areas by which individuals can acquire the purchase and consumption knowledge and experience that they can apply to future related behavior. The consumers have to be aware not only of the commercial aspects of sale and purchase of goods, but also of the health and security aspects. This called for strong legal measures to ensure that the manufacturers and sellers observe uniformity and transparency in prices, stocks and quality of their goods. Enactment of Consumer Protection Act, 1986 was one of the most important steps taken to protect the interests of consumers. From the above mentioned discussion, one may conclude that the solution related to challenges in consumer learning lies in effective implementation of 3Is framework and stronger corporate presence in rural market.

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