

Printed from

THE ECONOMIC TIMES

Research finds change in rural consumer patterns

1 Aug 2010, 0123 hrs IST,Amit Sharma,ET Bureau

Topics: [rural consumer patterns](#) [national council of applied economic research](#)

[india](#) [cmcr](#)

NEW DELHI: Indian consumers' earning, saving and consumption patterns are rapidly changing. So much so that a recent report by the Centre for Macro Consumer Research (CMCR) of the National Council of Applied Economic Research (NCAER) predicts that by 2015, incomes of more than 42% rural households will shift from agriculture to non-farm sources like construction, retail, trading et al.

"The rural landscape is undergoing a steady but dramatic change. While there is a shift in income sources and consumption patterns by consumers in rural India, equitable growth of all regions of the country remains a challenge," observed Rajesh Shukla, senior fellow, NCAER.

The report that set out to map changing earning, saving and consumption pattern throughout the country also projects a widening income gap through the saving potential of consumers at the different segments in the economy.

The study further suggests that the top 44% households in the country currently have 93% of the country's surplus income, even as the bottom 60% of households have 40% of total household expenditure, indicating the consumption power at the bottom of the pyramid. "The bottom of the pyramid consumer is hard to ignore for any marketer.

He is the one driving consumption through sheer number. This is one factor that remains of critical importance in the Indian market," explains Shukla.

Another point that the report brings forth is the size of the under-educated work force that rural India has. It says that hardly 14% of rural households have a graduate and above as a chief bread winner accounting for over 28%of the total household income.

And predictably, the report goes on to link level of educational attainment directly in proportion to the growth in a household's income.

Reinforcing the perception of Indians as a people who save for the rainy day, the report points out that as many as 81% rural households save a part of their income for the future, even as more than 50% of households are confident about the stability of the future.

Attempting to map consumer behaviour accurately is a constant challenge for market researchers, their way of assisting marketers and the government in decision-making. The sheer size and spread of the Indian populace makes mapping them a tall order.

IIM Management Programs - for 3+ yrs Working Professionals. Join 1 Yr
Part Time Executive Prog : www.niitimperiam.com

Ads by Google

Recommend

Be the first of your friends to recommend this.

0 tweet

Powered by Indiatimes

[About Us](#) | [Advertise with Us](#) | [Terms of Use](#) | [Privacy Policy](#) | [Feedback](#) | [Sitemap](#) | [Code of Ethics](#)

Copyright © 2010 Bennett Coleman & Co. Ltd. All rights reserved. For reprint rights: [Times Syndication Service](#)

This site is best viewed with Internet Explorer 6.0 or higher; Firefox 2.0 or higher at a minimum screen resolution of 1024x768