

Rural Marketing - In Indian Economy

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Abstract

Relationship-building with rural residents is achieved through "Rural Marketing," which is not dissimilar from traditional marketing. Marketing in rural areas is an essential aspect of the process of rural revitalization.

The business elite in our country now preach the gospel of rural marketing. Many businesses in India, including Hindustan Lever, Colgate-Palmolive, Britannia, and the global conglomerates PepsiCo, Coca-Cola, LG Electronics, and Philips, have their sights set on the country's rural consumers. Improvements in rural areas have a significant impact on national progress.

The term "rural marketing" refers to the practise of distributing and selling goods and services from urban centres to rural areas, as well as the practise of selling goods and services made by rural residents to metropolitan consumers. Increased taxation from rural sales is elevating the importance of this sector to India's central government.

I. INTRODUCTION

The vast potential of the rural market has not yet been realised. The purchasing power of consumers in rural areas rises rapidly in response to even a little increase in income. The term "rural marketing" refers to the practise of distributing and selling goods and services from urban centres to rural areas, as well as the practise of selling goods and services made by rural residents to metropolitan consumers. Rural marketing in India is growing in importance as it generates more tax money for the country.

Features of Indian Rural Markets

Indian rural consumers number in the millions, yet the country's 6,50,000 villages are spread out over a wide area, making the rural market huge but dispersed.

Agriculture is a major source of revenue in rural areas, accounting for over 60% of total income.

Thirdly, the consumer in the rural region has a low level of living due to factors such as illiteracy, low per capita income, social backwardness, low savings, etc.

Fourth, the rural consumer has a more traditional mindset; they place a high importance on established norms and practices. The people there are resistant to change.

Consumers in rural areas have varying degrees of social and economic disadvantages. Various regions of the country have different customs about this.

Roads, storage spaces, a reliable communication network, and adequate banking and other financial services are severely lacking in rural locations. As a result, the high costs associated with physical distribution are largely attributable to poor infrastructure.

Problems in the Rural Marketing

While rural markets capture the attention of many marketers, participating in that market and gaining a sizable share is not a simple task for a number of reasons.

The lack of access to education is a major contributor to rural areas' high rates of illiteracy and communication difficulties. Low levels of literacy, cultural obstacles, the tradition-bound mentality of rural people, and general economic backwardness all contribute to communication difficulties in rural marketing. Postal service, telegraph, telephones, fax machines, email, and other modern forms of communication are insufficient in the countryside. It is because of these factors that marketing efforts are hampered in rural areas, as consumers there are less likely to be aware of new products or innovative uses for current ones.

Banking and credit facilities are poor in the rural area, which exacerbates problems in rural marketing. Remittances, acquiring credit support, facilitating credit transaction, restocking inventory, etc. all necessitate banking help. There is a lack of commercial activity in rural areas because of the lack of access to banking services.

TV has a wide reach and has influenced and entertained many people. Radio is a cost-effective way to reach a wide audience in rural locations. The market, however, needs to engage in unique sales promotion activities in rural areas, such as attending cultural gatherings or fairs, because the reach of official media is low in rural households.

It is commonly observed that salespeople are unable to motivate customers in the required manner, which is a problem for rural marketing because it relies on having good salespeople who are patient listeners, willing to give much of their time to the customer, and able to guide the customer in the choice of product. Salesmanship isn't the only issue plaguing the rural market; poor channel management is to blame for the inflated prices of goods thanks to the numerous middlemen involved in distribution.

Inadequate market segmentation, which involves dividing a large, diverse market into smaller, more manageable niches. This is just as crucial in the rural market as it is in the urban one, but most companies fail to account for it. Instead, they treat the rural market as if it were urban, supplying the same product at the same price with the same promotion combinations. As a result, rural marketing suffers from insufficient segmentation since it cannot adequately meet the needs of its target demographic.

The lack of adequate all-weather road facilities has a negative impact on rural markets, which are responsible for transporting commodities from the production site to the final consumer. There is often no rail service to outlying places. During the monsoon, Kachcha routes become impassable, cutting off access to inland communities. Therefore, the growth of rural marketing is stunted by the lack of adequate transportation.

Rural residents are more resistant to change and continue to rely on long-established norms and habits. Even the most affluent and well-educated farmers don't wear jeans or name-brand shoes.

8. Delays in making purchases: Customers in rural areas are more hesitant to make purchases and take longer to make their final judgments. People are more likely to make a purchase after trying it out for themselves and deciding that they enjoy it.

In spite of the exciting opportunities available, a successful career in rural marketing calls for a unique set of skills and experience.

It's clear that people from different parts of the world have very different ways of looking at the world and doing things. Brand options offered to consumers in metropolitan areas are distinct from those available to consumers in rural areas. Only two or three brands may be available to a rural consumer, while dozens may be available in a city. The two perspectives are fundamentally different in how they approach problems. When opposed to their urban counterparts, rural consumers' minds tend to be more straightforward.

As agriculture is the primary source of income in rural areas, seasonality is an important factor in the demand for goods in such marketplaces. Due to the unpredictability of the monsoon, the demand for, and the ability to purchase, agricultural goods are low during the year.

There is always a lag period between production and consumption, but there aren't enough storage facilities to accommodate this. Goods have to be warehoused during this lag time. The development of rural markets is hampered by the need to store excess goods.

Cultural considerations: individuals in rural areas value practical experience over theoretical knowledge and are more likely to do business with salespeople who can provide workable solutions to their concerns. Salespeople, especially those who have been raised in the city, can benefit from a comprehensive training programme that covers both the theoretical and practical aspects of rural living. Training like this can help new salespeople adjust to their professions and the market more easily.

Challenges of Rural Marketing in India

1. **Availability:** Making sure people can really buy the goods or service is the first hurdle to overcome. Millions of Indians may reside in rural areas, yet it can be difficult to reach them all because India's 6,50,000(approximate) villages are spread out over 3 million sq. km. The already formidable difficulty of transporting goods to the outlying settlements on a consistent basis is exacerbated by the poor condition of the roads.

2. **Affordability:** The second obstacle is making sure the product or service is reasonably priced. Products must be reasonably priced for the rural consumer, as most people living there earn only a daily wage. Some businesses have responded to the price issue by releasing single-serve packages. Those living in rural areas are the primary focus of the migration.

3. **Acceptability:** Getting people to accept the product or service is the third obstacle. As a result, catering to the needs of those living in rural areas is essential.

4. **Awareness:** One of the difficulties of marketing in rural areas is raising public awareness. Events like fairs and festivals, mandis, haats, etc. are exploited as opportunities for brand communication, which requires the use of targeted, nontraditional media.

Solutions to the Problems of Rural Marketing in India

First, there are plans for improving the lives of rural citizens that have been developed by the federal government, individual states, municipalities, and non-governmental organisations (NGOs).

The public and commercial sectors should work together to upgrade necessary infrastructure like highways, bridges, and other transportation hubs.

Third, new technology and methods should be applied to improve the reliability of existing communication infrastructure in rural areas, including the postal service, telegraph, television, etc.

The country's rural areas should be linked to the nation's metropolitan and semi-urban areas via a nationwide highway programme.

Changes should be made to the banking and financial systems to better serve people living in rural areas, as stated in point number five. The banking system and other financial institutions need to expand into rural areas and offer full service to the people living there.

The rural population's per capita income can only rise if measures are taken to lessen their reliance on agriculture and more actively encourage the growth of industrial activities.⁶ To this end, training programmes should be implemented to disseminate information about vocational and non-agricultural sectors among the rural population.

Seven, customers should be introduced to local business clients and markets to lower the price of logistics, transportation, and products.

New items developed for rural areas should be made with their way of life in mind. The product's durability will be tested in rural settings, thus it must be able to withstand hard handling and storage conditions.

To solve the issue of poor output in rural areas, business owners there should be given the tools they need to learn how to use computers and other information technologies.

Increases in literacy have been shown to have positive effects on economic growth and social stability, so it's important to keep bolstering rural areas' access to healthcare, education, and other resources.



This shows the slow and steady growth of rural market. By 2025, the estimated rural FMCG (Fast-Moving Consumer Goods) market can be achieved 100% if we together put an effort for the development of our country.

II. Conclusion

The research finds that, in order to realise the goals of rural market development, attention must be paid to the enhancement of all issues pertaining to rural marketing and should be dealt with appropriate scientific solutions relating to the same. Properly planned and performed product awareness campaigns and advertising communication are essential for increasing the rate of awareness dissemination. Markets in rural areas can contribute to economic growth if given more attention. The success of India depends on the success of each individual Indian, hence it is crucial that the country's underserved rural population not be ignored.

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