

Rural Marketing – A Step towards Economic Restoration

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Abstract: This paper deals with the nuances of rural marketing and gives an opportunity to observe the prospective rural market, the participation of rural consumers and the overall impact of marketing strategies on rural India and the shift of multi national corporations concentration towards the Indian rural market. But often, rural marketing is confused with agricultural marketing. Rural marketing has a positive effect on all these participants through the creation of vast marketing opportunities. The Indian rural market is observed as a high potential market across the world.

Keywords: Consumer participation, Prospective rural market, rural impact, challenges & significant strategies.

I. INTRODUCTION

Most marketing companies think that rural consumers are not diverse. They look out for a homogeneous mass, which is simple to deal with and that which suits their point of view. It is often said that markets are made, not found. This is particularly true for rural market in India. In recent years, rural markets have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. But every rural area is different and the responsiveness of the rural consumers need has to be kept in mind. Multinational companies have targeted consumers in developed countries and in developing countries. Marketing to the poor has been seen as a burden with the problems like low purchasing power of consumers and difficulties in communication and physical distribution. However I have a different point of view. I believe that the real source of market is not the wealthy few in the developing countries or even the emerging middle income consumers. It is the billion aspiring poor who are joining the market economy for the first time. India the world's largest democracy is also the country with the world's largest number of poor people. Himachal Pradesh is the only state in India with nearly 90% of the population living in rural areas. Agriculture plays an important role in its economy.

II. PROSPECTIVE RURAL MARKET IN INDIA

A rural market can be defined as any market that exists in an area where the population is less than 10, 000 people. In simple words rural marketing is planning and implementation of marketing function for the rural areas. It is a two way marketing process which encompasses the discharge of business activities that direct the flow of goods and services from urban to rural areas and vice-versa. Mr. Adi Godrej, Chairman, Godrej group said that "The rural consumer is discerning and the rural market is vibrant. At the current rate of growth it will soon outstrip the urban market. The rural market is no longer sleeping but we are". The rural market in India is spread over a wide geographical area. Indian market is divided into urban and rural markets. However India is an agro-based economy and the growth of most of the other sectors of economy is driven by rural demand. Urban market is heading towards a saturation point, therefore bringing in an urgent need to focus on rural development. Furthermore, more than 70% of India's population lives in villages and constitutes a big market for industry because of increasing disposal incomes and awareness level. Real India resides in the villages. Companies are realizing that the key to increase true market leadership lies in tapping the rural potential. However, the rural sector in India suffers from different kinds of problems. Some areas are having enough money but their level of awareness and hence consumerism is very low. But there are many areas where economic empowerment, education, health etc., are major problems.

III. RURAL CONSUMER PARTICIPATION

Rural marketing engage in delivering product and services to the rural consumers to meet the vast unexploited rural market. In today's tricky market both locally & globally, all FMCG as well as other companies explore new potential consumers and markets. Roughly 4 out of 5 of India's poor live in rural areas which are open with an opportunity as well as a problem, as this market has been epitomized by unbalanced growth and infrastructural problems. Thus looking at the vast opportunities which rural markets offer to the marketers it seems that the future is highly promising for those who can comprehend the dynamics of rural markets and utilize them to their best. Per capita monthly consumption in rural India is growing steadily outpacing growth in spending by urban citizens. Total rural consumption has always been higher due to the larger population, but the gap has come down over most of the past decade on account of growing consumerism in developed parts of the country. One of the outcomes of higher level of income has been an increase in discretionary spends, a marked departure from the earlier trend of need-based consumption. So what could be responsible for the sharp rise in rural consumption? The MGNREGS has led to higher wages in rural areas, as we have to pay more to induce laborers to work on the farms.

IV. OVERALL IMPACT OF RURAL MARKETING

The rural market cannot be tapped successfully with an urban marketing mindset. In India rural marketing has emerged as an important discipline. Rural market witnesses a high demand of consumption and that contributes more profit than its urban counterpart. Rural marketing largely involves reaching customers, understanding their needs, supply of goods and services, and most importantly satisfying consumers, leading to increased sales generation. There is a general notion is

that only agricultural inputs have a potential for growth in the rural market. On the other hand, there is a growing market for consumer goods. It has been estimated that the rural market is growing at the rate of five times as compared to its urban counterpart. In recent years rural markets have attained an impact in countries like India and China, as the overall growth of the economy has resulted into sizeable increase in the purchasing power of the rural communities. On account of the green revolution and the white revolution in India, the rural areas are consuming a large quantity of industrial and urban manufactured products. About one in every rural household across the country now owns a mobile phone. In fact, more than half of the India's stock of consumer durables such as electric fans, TV sets and two wheelers are now in rural areas. However the higher incomes in rich states do seem to skew the all India average figures. Punjab's per capita income is almost a third higher than the national average. Jalandhar typifies the trend. It used to be an agrarian town with old sports goods manufacturing units and several family run business, has been transformed by rapid industrialization and real estate development. In this framework a special strategy explicitly called rural marketing has evolved. Rural marketing engages delivering manufactured or processed goods or services to rural consumers. Also when we consider the scenario of India and China, there is an enormous market for the developed products. This significantly led to the transformation on the approach of the marketers to move to these parts of the world.

V. CHALLENGES FACED IN RURAL MARKETING

Despite the fact that rural markets are enormous attraction to marketers, it is not simple to enter the market and take an ample market share due to the following factors.

- Proper infrastructure is required for transportation and distribution. Many villages are not connected by rail transport. The poor road connectivity and the substandard roads is yet another disadvantage. Large number of intermediaries lead to higher cost, therefore an effective distribution system has to be put in place, like a state level distribution dealer to a stockiest at district level and to the village shopkeepers. The presence of too many levels in the distribution channel increases the cost of distribution.
- Inadequate banking and credit facilities.
- Low literacy rates in rural areas are the biggest cause of concern.
- Agriculture being the large source of income in the rural area, demand for goods depends upon agricultural condition because agriculture to a large extent depends upon monsoon hence, the demand or buying capacity is not stable or regular.
- People living in the rural areas are driven by customs and traditions and they adjust to new trends. For example, even rich and educated classes of farmers do not buy branded and stylish garments and accessories.
- Rural consumers take caution in buying new products and are slow decision makers. They would buy the product only after they have tried the product further being personally satisfied.
- The rural consumers comprise different groups based on caste, religion, age, education, occupation type, income, and politics and each group exercises the influence on the behavior of people.
- Rural market has a remarkable potential that is yet to be tapped. A sizeable increase in rural income will result in an increase in the buying power.

Markets which are unable to face the stiff competition posed by MNC's can reinstate their profits in the rural markets. If Indian industries concentrate on rural markets their sales will increase. If rural markets are brought into the limelight of development, they will pave way to economic reformation. Success of India lies in the success of every Indian; hence no rural segment should be left untapped. The aforementioned challenges faced can be tackled and observed by various strategies as followed.

- Introduce low priced variants of products with a unique selling proposition specially aimed at the rural consumers.
- Design products especially for the rural consumer and manage the demand of the products.
- Collective decision making is very prominent in rural areas; hence rural retailers must be educated on the products.
- A routine feedback from the rural consumers is essential to understand the product placement in the rural market.
- Proper communication through place and customer specific promotion, which requires time, money and a consistent long term vision.
- Extensive after sales services and business ethics.
- Build partnership with the village sarpanch for sustainability.

VI. CONCLUSION

The conception of rural marketing in India is still in the initial stage and has a multitude of challenges including the dynamics of rural markets and strategies to deliver and satisfy the rural consumers. Rural market like any other economy has unexploited potential. However there are several difficulties to tackle the efforts and to fully explore rural markets.

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