

Challenges & Strategy of Rural Marketing (A Case Study: India)

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Abstract - *The rural market has been growing steadily over the past few years and is now even bigger than the urban market. About 70 per cent of India's population lives in villages. Rural markets offer a great scope for a concentrated marketing effort because of the recent increase in the rural incomes and the likelihood that such income will increase faster because of better production and higher prices for agricultural commodities. 'Go rural' is the marketer's new slogan. Rural Marketing is a developing concept. Thus, looking at the opportunities, which rural markets offer to the marketers, it can be said that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage. There is no doubt that divides do exist between urban India and rural India. This paper discusses the rural marketing and its challenges for selling products & services.*

Keywords- *Rural Marketing, Rural Market, Problems, Rural customers etc.*

I. INTRODUCTION

We view rural market as a periodic concourse of people for the purpose of buying and selling, i.e. exchanging goods, services and even ideas. India has almost 5,76,000 villages, 80% of which has population less than 1000 and about 77% of whose population are dependent on land based activities. Rural areas are scattered and it is next impossible to ensure the availability of a brand all over the country. Advertising in such a highly heterogeneous market, which is widely spread is very expansive. The Indian Consumer market is a multi-tiered pyramid which requires multi pronged market strategies.

Definition Rural Marketing

1. National Commission on Agriculture defined Rural Marketing as —decisions to produce salable commodities involving all aspects of the market system or structure, both functional and institutional, based on technical and economic considerations and includes the pre and post harvest operations.

2. Several Rural NGOs defined rural marketing as Marketing products produced in rural area to urban areas. Or Marketing Products produced in rural areas in rural markets.

3. Several Corporates defined rural marketing as —function that manages all activities involved in assessing, stimulating and converting the purchase power of rural consumers into effective demand for specific products and services to create satisfaction and a better standard of living for achieving organisational goals.

Salient Features of Rural Marketing:

The main reason why the companies are focusing on rural market that can be identified as follows:

1. Large and scattered population:

The rate of increase in rural population is also greater than that of urban population. India has almost 5,76,000 villages, 80% of which has population less than 1000 and about 77% of whose population are dependent on land based activities.

2. Consumer behavior changes:

Increased literacy and greater awareness in rural market greater new demands and discriminating buyers. Purchasing power of the rural people is on rise. Marketers have realized the potential of rural markets, and thus are expanding their operations in rural India. There is a visible increase in the consumption and use of a variety of products, which is easily observed.

3. Development of infrastructure:

The attraction of a market depends not only on its potential but also on its infrastructure. The road network has facilitated a systemized product distribution system to villages. An increasing number of companies are supplying village markets directly. The communication network, rural electrification and public service projects are developing in rural market.

4. Market Growth:

The market has been growing 3-4% per annum adding more than one million new consumers every year. Consumer is brand loyal and understands symbols better. View it as you may, few people dispute that the rural market is massive.

5. Government policies:

The government's launched a number of schemes like IRDP, Operation Flood, Blue Revolution, Yellow Revolution, etc. This resulted in change in people's habits and social life.

6. Standard of living:

The standard of living in rural areas is low and rural consumers have diverse socio-economic backwardness. The agricultural development programs of the government have helped to increase income and living standard. These in turn have created greater purchasing power in rural markets.

7. Marketing mix:

Intensified competition in rural markets increases costs and reduces market share. The rural markets are therefore increasingly attractive in relation to urban markets. The urban products cannot be dumped on rural population separate sets of products are designed for rural consumers to suit the rural demands. The marketing mix elements are to be adjusted according to the requirements of the rural consumers.

II. REVIEW OF LITERATURE

J.P MAJMUDAR, BELUR O.BAXI (2013) is immense potentiality in the rural market for consumer durables as well as for non-durables. But the road ahead requires proper understanding of consumer's expectations and affordability of the consumers as major chunk is depending upon the agriculture even after six decades of independence.

Prof. (Dr.) G.L.Pedhiwal, Prof. Pankaj Arora, Prof. (Dr.) J.H.Vyas (2011) Urban market has become congested with too many competitors. Fallacy in Marketing is that you cannot reach to market unless you have access to conventional expensive means. Very tempting to position an offering as serving many needs, but it is hard to communicate so many benefits on a limited budget during a downturn. Indian Rural Market is extremely fragmented, having small number of players on the seller's side and large number of player on the buyer side. MNCs are more focusing toward capturing cream in rural market.

V V DEVI PRASAD KOTNI (2012) there was almost twice as many "lower income households" in rural areas as in urban areas. There were 2.3 million "highest income" households in urban areas as against 1.6 million in rural areas. NCAER projections indicated that the number of "middle income and above" households was expected to grow to 111 million in rural India by 2007, compared to 59 million in urban India.

Seema Shahaji Desai (2013) the world is changing like never before. This change is more attributed to the way business practices and strategies are changing across the globe. Business organizations are rapidly changing their domain and strategy to take benefit of this emerging global order. Rural marketing endeavors have to be seen and implemented as investment for better tomorrow. Thus successful company will be one which meets consumer's expectations through products offered at affordable cost and still is in position to earn a decent return on investment because of its strong, efficient and intelligent distribution channel.

Anil Kalotra (2013) the current marketing environment and economic scenario have brought the corporate under contemporary roofs of modern India, which is challenging the current standards of segmenting, targeting and reaching the customers. The companies are looking for new opportunities and avenues, as they are witnessing a decline in their growth rates in urban markets due to market saturation and they do have a huge, untouched and untapped rural Indian market.

III. CHALLENGES FACED IN RURAL MARKETING

Despite the fact that rural markets are attraction to marketer's it is not easy to enter the market and take sizeable share of the market, in short time due to the following reasons.

1. Lack of communication facilities:

A large number of villages in the country have no access to telephones, fax and telegram. Other communication infrastructure is also highly un-developed. The development of appropriate communication system to rural market may cost up to six times as much as reaching an urban market through established media, need rural communication facilities.

2. Low per capita income:

The per capita income of rural people is low. Moreover demand in rural markets depends on the agriculture situation, which is depends on the monsoons. Therefore the demand or buying capacity is not regular or stable.

3. Transport:

In India so many rural areas are not connected by rail and road transport. Many roads have been poorly surfaced and damaged during monsoons. The use of bullock carts is even today's. Camel carts are used in Rajasthan and Gujarat in rural sectors.

4. Warehousing Problem:

The godowns are not available in rural areas properly and sufficient. If any areas godowns are available these are not properly maintained to keep goods in proper conditions. This is a major problem because of which the warehousing cost increases in rural India.

5. Traditional life:

Life in rural areas is still governed by traditions and people don't adopt new product. The number poor people below the poverty line have not decreased in any appreciable manner. A large number majority of rural people is tradition bound, and they also face problems such as poor infrastructure, lack of electrical power, communication system and political business associations that hinder development efforts.

6. Languages problem:

The languages vary from state to state, district to district and region to region. Since messages have to delivered in the local language, it is difficult for the marketers to design promotional strategic for each areas.

7. Distribution problem:

The rural distribution is not much developed for the reason lack of proper in infrastructure such as all weather roads, electrification, and lack of marketer's imagination and initiative. Effective distribution requires village level shopkeeper, urban level wholesaler/dealer, district level distributor, and company owned depot at state level. These many tiers increase the cost of distribution.

8. Low levels of literacy:

In rural areas are not enough opportunities for education. The literacy level is as 36% when compared to all India average

of 52%. The problem of communication in these areas because print medium becomes ineffective and to an extent irrelevant, since its reach is poor.

9. Seasonal demand:

Demand for goods in rural markets depends upon agriculture situation, as agriculture is the main source of income. Agriculture to a large extent depends upon monsoon and, there for the demand or buying capacity is not stable or regular. Demand also flexible according to the Indian festivals.

10. Different way of thinking:

Rural customers are taking slow decisions, they generally used a product a trial and only after complete satisfaction they buy it again. The choice of brands that an urban customer enjoys is not available to the rural customer, who usually has two to four choices. As such, the rural customers have a fairly simple thinking and their decisions are still governed by traditions and customs.

IV. STRATEGY FOR SUCCESS

The effective strategies for rural marketing considering the environment operates and its problems. The strategies are not universally applicable, as much depends upon the product characteristics, the choice of rural area, its economic condition and the targeted segment.

1) Marketer should provide an experience product for rural customers because rural costumers easily not adopt new product reason is lack of confident. Adoption is long process because they capture the highly influencer. Durable and multipurpose and free products may be speed up the adoption process.

2) Product modification in terms of size, color, packing, design and pattern is always expectable. Usage of the product should be clearly informed in the demonstration. Make the product more convenient which gives quick result to the customers.

3) Segment wise product preference is important so the marketer has to understand the customer's choice and taste of the particular segment. The segment should match the needs of age group and income of the target market.

4) The marketers should concentrate on product quality and not on price, image which come only next to quality. Most brands in each product type have monopoly indicating that

other brands can also make in the market by marketing strategies.

5) The marketers should be used as promotional strategy by thought of mass media, advertising, gifts and nukad-natak etc. Promotional activity is helpful to identify a new product and it's characteristic. Village opinion leaders can be used for promoting the products. Sales promotional programs should be properly with the local festivals which increase sales immediately.

6) Supplies should be made regular. Effective supply chain management can bring down the various costs associated with rural markets like as cost of transport, communication cost, distribution cost, sale cost etc. The marketers should device the distribution strategy so as to make product available all the time in rural market.

7) Literate customers is play important role in success of rural marketing. Rural consumers need to be educated in all aspects like usage of products, consumer rights, product information, laws and regulations, getting the right product at right place at right cost in right in right time.

8) Government has to develop infrastructure of the rural India, which reduce the cost of distribution. Government should reduce the tax for rural consumers. Government should provide a education, which in turn makes the population employable and ultimately its purchasing power will be enhances.

9) Government should provide regular employment to people is to be speed up which assures their income and ultimately raises the buying power.

10) Credit facility should be extended to the specified retailers, which increases their purchasing power. Make an attempt to convert conventional boring outlet to the informative without any extra efforts.

V. CONCLUSION

This study certainly provides some understanding of rural marketing environment, structure, problems and strategy which are of relevance not only to the chosen villages under the study, but also for the rural markets elsewhere in the country. In rural markets, customs and beliefs play important role in success or failure of any product. Therefore every marketer has to concentrate on rural markets apart from the matured urban markets. The role of government is very important in solving the problems of rural markets. The basic

elements are development of infrastructure, effective implementation of laws, enhancement of education, government policy, etc. which provides better environment. Marketers can benefit most if they can make the rural people feel that they value them as their customers. Rural customers are increasingly becoming brand conscious as well as price and discounts.

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