



Rural marketing scenario in India

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Abstract

Rural Marketing involves the process of developing, promoting, distributing rural area specific products and service exchange between rural and urban market which satisfies customer demand and also achieves organisational goals. Till recently, the focus of multinational companies and marketers in India was the urban consumer. But, not much effort was being made to reach the rural markets and tap the potentialities. However, this is now changing. The rural market is expected to have a share of 38 percent, thereby opening new vistas for Indian marketers.

Keywords: literacy level, market mix, rural market, rural marketing, rural population

Introduction

Increasingly more companies are turning to rural markets to expand the scope of their operations and also to pre-empt competition. Rural markets are tomorrow's markets and the marketers should know how to penetrate these markets. This is not just because approximately 69 per cent of India's population still lives in rural areas but because of the sweeping changes that are occurring here.

Before discussing rural marketing, it is necessary to have a broad idea of the size and growth of rural marketing in the recent years. The size of rural markets in India has grown rapidly and still growing. Prior to 1991-1992 the rural market was not as developed as we find it today. A number of factors have hastened the pace of growth of the rural market.

Rural Marketing Opportunities

The opportunities in rural markets in contrast to the urban markets are conditioned by the following factors:

1. **Special:** Low density of population, low mobility, low infrastructural level, low literacy level but market is contiguous
2. **Social:** Intimate understanding between individuals and hence individuals better known- social norms more dominant, caste influence strong. Marketing communications better passed through so called leaders initiating tendency more.
3. **Economic:** Seasonality of income receipts labourer's category receives income on daily or weekly basis. Frequency and quantity bought changes are wider.
4. **Marketing:** Low product exposure, retail outlets lower in number. Difficulty in changing beliefs.

Major Characteristics of Rural Markets

There are some major characteristics of rural markets that must be kept in mind by marketing researchers before embarking on any research study in rural India. These are described below:

- Income levels in rural areas largely depends on the vagaries of the monsoon. As a result, the demand for several products is not steady and subject to wide fluctuation.
- The cost of marketing in rural areas is quite high. Sometimes it becomes a major constraint in promoting sales in these areas.
- Traditional retailers provide a tough competition to the organized retailing. This is because they do not spend anything on advertising and brand building. Their strategy is "low price and high volumes".
- There are wide differences in the lifestyle and consumption pattern. Some areas are reasonably equipped where people are having a comfortable life and enjoy new products and services. They are akin to their urban counterparts. But a large proportion of rural population is devoid of basic amenities.
- There are several areas which are inaccessible. They are extremely primitive as they are almost completely cut off from any urban influence. It is extremely difficult to cover such areas while selling products and services.

Rural Consumers Literacy Level

The rural literacy rate has increased from 36 percent in 1981 to 59 percent in the 2001 census and around 73.5 percent in 2021. Children and the youth in the family are being educated and are the source of information on new products and brands in the family and the village. Rural buyers are as much conscious of products and brands as their urban counterparts. This awareness has been created through cable and satellite television, hence the rural consumers' aspirations are quite like their urban counterparts.

Occupations of Rural People

Typically, in a rural area one finds that the principle occupation is farming, trading, crafts and other odd jobs like pumping, electrical work and so on. One also finds primary health workers and teachers in rural areas. Since farming, animal husbandry and poultry farming are the principal occupations we find that even here we have different types of farmers. There are big and small farmers and farm workers too. Though each of them is associated with farming occupations, their consumption patterns differ mainly because of their income levels.

Developing Market Mix for Rural Markets

Market mix for rural markets may be developed in a suitable fashion by

1. Identifying and Selecting Target Markets

This is the toughest task for a marketer who has to deal with rural markets. What exactly are rural markets? It is a two-way process of exchange if we visualise on the input-output marketing typology.

In this context, the marketer should be analyzed rural-urban people's life style factors. The factors to be considered are-

- Occupation
- Environment
- Size of community
- Density of population
- Heterogeneity and homogeneity of the population
- Social differentiation and stratification
- Mobility and
- System of Interaction.

2. The Products Mix

As far as products mix we need product mix modifications to suit the variables of rural markets such as their per capita income habits and attitudes of rural people product utility values etc.

The following product strategies could be adopted in the rural marketing context:

3. The Price Mix

It should be remembered that re-designing of products should be strictly in consonance with maintaining a low cost for the products. 'Refill packs' is a good example.

4. The Distribution Mix

Rural marketing problem is essentially a distribution problem considering the vastness of the rural markets, about 5,75,000 villages spread over the length and breadth of the country. It has been stated by experienced marketing people that distribution cost to serve rural markets tend to be high due to a number of factors, viz, poor communication facilities, less off-take and highly scattered distribution outlets. The rural consumers are aware of substitutes they are compelled to accept the products available in retail outlets. This was observed in the case of a large variety of consumer items such as tea, coffee, detergents, etc.

It is worth mentioning that the cooperatives are the only medium through which the last man in the last village can be reached.

5. The Promotion Mix

An area which needs a separate strategy is the appropriate mix of various promotional elements directed towards rural consumers. The technological advancement in the field of television has made it a powerful medium to expose products to rural areas. Low literacy level did not warrant heavy advertisements in the print media. However, publicity through special shows, films with the help of mobile van etc. are still considered to be good methods of promotion.

Conclusion

Rural Marketing is a type of marketing in which activities are planned according to the needs and requirements of the people living in the rural areas. The rural market in India is growing steadily over the years. Rural marketing has ensured a smooth flow to create an overall balance in India's social and economic development with approximately 69 percent of the population still residing in rural areas, this is a thriving industry, not just today but for the future in terms of rural marketing. There have been several supply chain issues in rural markets. Major segment of rural markets is still untapped. Hence, efforts should be made to unleash the potentialities.

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