

“Emerging Trends of Rural Marketing”

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Abstract

India is a country whose half of the population lives in rural area and its half of national income are also generated in rural market. Growth of Indian economy has resulted in the substantial increase in the purchasing power of the rural communities'. Rural marketing involves the process of developing, pricing, promoting, distributing rural specific product and a service leading to exchange between rural and urban market which satisfies consumer demand and also achieves organizational objectives. The rural markets are very attractive; it has both potential and the challenges. So far rural market is on the mercy of local, cheap and fake product apart from few large companies. Thus organization are now redefining their marketing mix strategies so as to capture the rural markets as the population size in rural area is much bigger than the combined population of the many foreign nations. This paper shall discuss the Indian rural market with its challenges that are faced and emerging trends of rural marketing in India.

KEY WORD: substantial, marketing mix, strategies

Introduction:

Rural India has grown over the year not only in terms of income, but also in terms of thinking and traditional perception. Rural marketing trends shows that rural markets growing manifold faster as compare to urban markets and 60% of the national demand accounts from rural area. As per the study of NCAER (National Council for Applied Economic Research), in rural India the number of middle and high income households is grow from 130 million to 172 million as compared to urban India by the end of 2012. For growing and sustaining in the markets organization need to adopt new market strategies for retaining existing customers and targeting new customers in order to increase the market share. Organizations need to sustain if effective network is available to adopt neo-marketing strategies to tap such markets available in rural and for flung areas where more than 65% population is residing with large untapped consumer potential. These recently developed trends also facilitate the organization to reach the target customers in minimum possible time. Marketers and Manufacturers are very much aware of the purchasing power, demands and huge size of untapped rural area. Now, companies design and formulate innovative tailored made marketing mix and strategies as per the tastes and preferences of the rural buyers. An organization selects new marketing trends on the basis of nature and usage of products. Such marketing is a process that involves carefully designing, implementing and controlling formulated strategies to facilitate the exchange of goods and services between organizations and

customers. It helps an organization in identifying needs and wants of the customers and delivering products that satisfy those needs and wants.

Rural Marketing in India:

The concept of rural market played an important role in Indian economy as most of the Indian population lives in rural areas. The rural population in India accounts for around 627 million, which is exactly 74.3 percent of the total population. Thus the rural market in India brings the almost half of the country's income as rural regions comprised of maximum consumer of country. In India, leaving out a few metropolitan cities, all the districts and industrial townships are connected with rural markets.

The concept of rural marketing in India is often seems found to form ambiguity in the minds of people who think rural marketing is all about agricultural marketing. However, rural marketing is much more than it as it determines the carrying out of business activities bringing in the flow of goods from urban sectors to the rural regions of the country as well as the marketing of various products manufactured by the non-agricultural workers from rural to urban areas. Thus rural marketing is not only of agricultural marketing is vast as it includes agricultural and non-agricultural product. According to Sarangapani A. and Mamatha T. (2008), study for the consumer behavior of the rural markets. Study suggests that consumer behavior is difficult to predict and understand. It also analyses the post-purchase behavior, consumer satisfaction of the rural consumer. As per the study of Ramanathan V. & S. Sudhamathi (2009), stated in their study that rural market is totally different market on the basis of structure, expectations, values, needs, tastes and preferences of the rural buyers. According to Maheshkumar (2010), shows in his study that in rural India huge growth of untapped potential for specially FMCG companies. Now-a-days Indian consumers are branding conscious and demand could be increased and also changed the tastes and preference as per the market trends. Makarand wath (2011) finds that rural markets have attractive and challenging because of various reasons like poor infrastructural facilities, electricity, transportation, literacy and education and others. But it has wider scope and rural market expands very fastly. Similarly Hagargi (2011), study shows that ample of opportunity available in rural India for all business enterprises. But along with the opportunities they faced various challenges in rural markets. But this problem solved by applying innovative marketing strategies and capture higher market share effectively and efficiently. All these studies depict the challenges and emerging trends of rural marketing in India. The Authors tries to summaries the emerging trends and challenges of rural marketing in India. This paper is based on secondary data and it is based on current facts and figures.

Emerging Trends of rural marketing in India:

For the last twenty years, after new economic policy in 1991, dramatic shifts in the economic, social, technological and business environment. Liberalisation, Privatisation, Globalisation (LPG) policy aims to increased flow of foreign exchange and free entry of large number of MNC's in India. It also impact on rapid growth of service industries effectively and efficiently. And business enterprises faces cut throat competition in domestic and global market as well. Due to increased competition in the market, companies engage in increased market share and earn profits. Mostly industries like

FMCG, Telecom sector, insurance, Automobile sector etc., must formulate innovative marketing strategies to enhance market share and earn profits. Companies shift their focus on rural areas because 70% of Indian population lives in rural areas but these areas only depend on the agricultural sector. There are various limitations in rural areas but often then mostly companies' shift their priority and offer varieties of products as per the tastes and preference of the rural buyer. Various factors influence the expectations of rural buyers and demand like increased literacy level, rapid growth in media and telecommunication industry, attractive credit schemes, government employed schemes such as MNREGA, SGSY etc. Now-a-days rural buyer has awareness about product availability, quality and price conscious, product availability and demand effectively.

The way ahead

Indian rural market has lots of unused potential along with various obstacles to the companies. More than 700 million people reside in rural areas and often then companies like HLL and ITC captured only 20% to 30% areas, however e-Chaupal and initiative project Shakti covered 10% to 15% and rests uncovered. A various marketing strategies should be formulated and implemented to tackle the obstacles in rural areas. These obstacles such as:-Lack of infrastructure, untapped potential in rural markets, lack of awareness of product among rural people, lack of proper education, communication barrier etc. **The 4 A's approach** The most of Indian population live in rural area so the consumption of goods also more in rural areas. The Indian rural market contributes 50% in the total sales of national durable and the nondurable goods. Now day's Indian rural markets grow faster than the urban markets. The 4 pillars of rural markets are affordability, availability, awareness and acceptability. These 4 A's are like the marketing mix for marketing. **Affordability** is the ability to pay for the product. The per capita income in the rural areas are less, so the product price should be according to the income level of the consumers in rural areas. As rural person prefers to purchase small quantity of product that are affordable to them. Thus organization should sell product according to the need and affordability of customer. **Availability** refers to reach of product to the market. The biggest problem in rural market is lack of transportation facilities as selling of product is not a big problem as the retail in rural areas maintained good relation with customers therefore sells at the new product easily. Thus organization should adopt proper distribution channel to reach the rural market with possible minimum cost. **Awareness** refers to the activities that provide information regarding the product to the customers. To reach the rural markets, TV and radio are the best mode of communication or transmit the information easily and faster. Thus the organization should create product awareness in the local languages to reach the maximum target customer group. **Acceptability** means the product should be acceptable to the customer and all the marketing mix should be properly designed to suit the rural customer's requirements.

India's population increases drastically, it is witnessed that in 1991 the Indian population was 84.4 crores and in 2001 it reached upto 121 crores as per census 2011 and it increases in urban areas as compared to rural areas but still rural population represents a larger segment. Out of 121 crores of population as per census 2011 rural population was 83.3 crores. But it is become strength because Indian literacy rate also increased. As per data the literacy rate is two times higher than in urban areas. According to the socio-

economic changes in rural people, there is a dramatic change in the rural market more attractive. As per the study of Mckinsey referred to India a golden bird and strength of this golden bird is rural buyers. Rural buyers increased their expectations for better products, good quality and sound services. The major weakness of the rural market is least developed infrastructure facilities. It is quite difficult to enter in the rural market with poor infrastructure facilities like transportation, electricity, supply chain management etc. Another weak point is low per capita income. In rural area purchasing power is quite low as compare to urban areas. That's the reason in comparison to urban area the rural poverty is much higher and it is very difficult to sell the goods in rural markets.

Conclusion:

It is remarkable fact noticed by the authors that in rural market lots of untapped potential available in rural areas. There is lot of resources available but the bottlenecks remove carefully. The companies entered in the rural markets must design innovative marketing strategy to attract rural buyers and capture market share at large. Successful business enterprise would be one utilize optimum available resources like time, money etc and also formulate innovative idea to capture the rural market effectively and efficiently. In simple words, rural market is untapped potential market of new millennium era and rural area have tremendous growth opportunities offered in rural market as well.

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