

Rural Marketing of India: Strategies and Measures

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Abstract

The Indian rural market has gained significance in the recent times as the overall economic growth of the country has led to an improvement in the living standards of the rural people. India is an agricultural country most of people are engaged on agricultural activities. Rural India represents the heart of India. According to Mahatma Gandhi real India is in villages. In recent years rural markets have acquired significance as the overall growth of the economy has resulted into substantial increase in purchasing power of the rural communities. The rural areas are consuming a large quantity of industrial and urban manufactured products. In this context, a special marketing strategy namely rural marketing has emerged. Therefore understanding of rural markets has become an important aspect of marketing in the Indian market environment today. It can be said that the future is very promising for those who can understand the dynamics of rural markets.

The concept of rural market is entirely different from that of urban marketing due to vast physical size of the Indian rural market. A good marketing strategy begins with making sure the enterprise is right for you and is feasible. It is often said that markets are made and not found. This is especially true for the rural market like India. Rural market is a market for a truly creative marketer. Rural markets as part of any economy have untapped potential. The concept of rural marketing in India is still in evolving shape. The success of a brand in the Indian rural market is as unpredictable as rain.

For developing rural markets the Government has required to take lead in the establishment of modern infrastructure facilities. There is a need to make improvements in core areas like transport communication, roads, and credit institutions, crop insurance for better utilization of land and water at appropriate level. In this paper an attempt is made to focus on strategies required to develop rural marketing of India. This paper also provides a set of measures for development of rural marketing of

1) Introduction:

Marketing may aptly be described as the process of defining, anticipating and knowing customer needs, and organizing all the resources of the company to satisfy them. The rural market in India brings in bigger revenues in the country, as the rural regions comprise of the maximum consumers in the country. The rural market of India started showing its potential in the 1960s. The 70s and 80s witnessed its steady development. And, there are clear indications that the 21st century is going to see its full blossoming. The rural market in the Indian economy generates almost more than half of the country's income. Rural marketing is a tedious area where it is necessary to understand the changing profile of the rural consumer and its consumption pattern. It also requires conceptual skills in designing product price distribution and promotional strategies for different classes of product targeted at rural consumers. The concept of rural marketing is entirely different from that of urban marketing due to the vast physical size of the rural market. A large marketing network will also adversely affect cost of the product. The existing market is thus a mix of rural markets and retail outlets in villages. Rural market is a market for a truly creative marketer. "Civilization always begins with the development of villages therefore it needs high concentration."- Mahatma Gandhi.

Marketing is an exchange function it was started much earlier when civilization started but not recognized as marketing. All economy goods are marketed in terms of goods and services (Barter System). Now money is being practiced as a good exchanging medium. Marketing can be defined as the commercial functions involved in transferring goods from producer to consumer. Marketing should begin as the first ideas for an enterprise start to bubble. Some say marketing is everything a business does, that it is the most important aspect of any business and the only action that results in revenue. Rural marketing in the Indian economy can be classified under two broad categories. These are:

- i) The market for consumer goods that comprises of both durable and non-durable goods.
- ii) The market for agricultural inputs that include fertilizers, pesticides, seeds and so on.

Rural consumers are mostly farmers whose income receipts are dependent on the vagaries of nature. Rural markets are small, non-contiguous settlement units of villages with relatively low infrastructure facilities, low density of population, and the lifestyle of the rural people is also different.

2) Objectives of the study:-

- i) To know and understand rural consumer behavior.
- ii) To consider strategies required for improving marketing within rural areas.
- iii) To suggest measures for development of rural marketing.

3) Methodology adopted:-

The entire study is based on secondary sources of data. The secondary data has been collected in order to fulfill constructed objectives of the study. Here, secondary data consists of books, journals and websites.

4) Barriers to expanding in Rural market:-

Rural market has some barriers for the companies to enter in this area. There are two types of barriers to expand in rural market a) external barriers and b) internal barriers.

i) External barriers to expand in rural market:

- a) Inadequate infrastructure (e.g. roads, telecom, power etc.)
- b) Unavailability of skilled local talent
- c) Inadequate purchasing power of local consumer
- d) Limited local distribution channels
- e) Lack of granular information on rural market
- f) Inadequate sources of financing
- g) Cultural and language barrier
- h) Lack of adequate warehousing facility and logistic support
- i) Unfavorable government policies and regulatory barriers
- j) Resistance from local business community
- k) Unsatisfactory law and order

ii) Internal barriers to expand in rural market:

- a) Magnitude of upfront investment and long gestation period
- b) Unwillingness of existing staff to work in rural areas
- c) Product customization to suit local consumer (size, feature design etc.)
- d) Skepticism about size and viability of rural market
- e) Inflexible business model not suited to rural market needs
- f) Lack of internal process and system to efficiently manage rural sales and distribution
- g) Lack of commitment from top management
- h) Others

5) Rural Consumer Behaviour:-

Rural Marketing in the Indian economy covers two broad sections, namely:

- i) Selling of agricultural items in the urban areas.
- ii) Selling of manufactured products in the rural regions.

Domestic marketing that is focused only domestic consumers and on the home country environment. The most dominant difference between rural and urban markets on the basis of various socio-economic factors is the source of income, the frequency of receipts of income and consumption. A complex set of factors influence rural consumer's behavior, social norms, traditions caste and social customs have great influence on the consumer behavior in rural areas than urban areas. The seasonality of agricultural production influences the seasonality of rural consumer's demand. The landless labourers and daily-wage earners get their income in installments, their purchasing is restricted to small quantities of products at a time, mostly on a daily basis or once in two or three days. Word of mouth has more significance in purchase decisions of rural consumers. Rural consumers exhibit a greater involvement in the purchase process, leading to a more detailed information- search behavior. Family members, relatives and friends are consulted before making purchase decisions of higher value products. Increasing role of self help groups and other government institutions involved in development activities, professionals working for such agencies act as resource sources for rural consumers. Rural consumers tend to exhibit greater trust in products and services endorsed by the government and its agencies. Rural consumers also tend to be more loyal as brand switching has greater perceived risk. Rural consumers have different interpretation of colours, symbols and social activities. Rural consumers show a preference for bold primary colours, red colour connoted happiness and green colour prosperity. Ownership of a large house (Pucca house) telephone and other higher-value consumer durables and education of children in cities are considered as status symbols.

6) Strategies for improving marketing within rural areas of India:-

Considering the environment in which rural market operates and other related problems, it is possible to evolve effective strategies for rural marketing. The marketing task is difficult in because of the wide diversity of the Indian market. The Indian market has many characteristics. Apart from changes in the regulatory conditions, major demographic and socio economic changes are simultaneously taking place in the country.

Rural marketing strategy was based on 3 A's- Availability, Affordability and Acceptability. Marketers need to understand the psyche of the rural consumers and then act accordingly. Rural marketing involves more intensive personal selling efforts compared to urban marketing. Some of the typical characteristics which will help in rural market segmentation are land holding pattern, irrigation facilities, progressiveness of farmers, cropping pattern, mix of enterprise, education levels, proximity to cities or towns, sociological factors occupation categories. The small and marginal farmers, agricultural labourers and artisans forms the largest segment in rural market (about 2/3rd) where as rich farmers constitute about (1/3rd) of rural market. An appropriate segmentation of the highly heterogeneous rural market and identification of the needs and works on different segments will form the very basis for rural marketing strategies. For rural market, it will be ideal to think of strategies from the marketing mix point of view, main strategies are related to product, price, place and promotion.

Exhibit 1: Strategies for Rural Marketing:- On the basis of 4 P's of Marketing mix.

4 P's of marketing Mix	Possible Strategies
i) Product	<ul style="list-style-type: none"> * Small unit & low priced packing. * New product designs. * Sturdy products.

	* Brand name.
ii) Pricing	* Low cost / cheap products. * Avoid sophisticated packing. * Refill packs / reusable packaging. * Application of value engineering. * Reducing the price of the product to suit the rural incomes. * No compromising with the utility and sturdiness of the product.
iii) Place(Distribution)	* Through co-operative societies. * Through public distribution system. * Through multipurpose distribution centers. * Distribution up to feeder markets / mandi town shanties/ haats / jathras/ melas. * Through agricultural input dealers. * Company's delivery vans.
iv) Promotion	* Mass media (Television, Cinema, Print Media, radio and so on). * Other mass media includes hoardings / wall paintings / shanties / haats / melas. * Hand bills and booklets, posters, stickers, banners of the schemes, non-price competition and special campaigns. * Rural folk media.

In the strategy of keeping the priced product packed the objective is to keep the price low so that entire rural community can buy. Sturdiness of a product either in terms of weight or appearance is an important fact for rural consumers. Packing material used should preferably lend itself for reuse in rural areas. Application of value engineering is a technique which can be tried to evolve cheaper products by substituting the costly raw material with the cheaper one without sacrificing the quality or functional efficiency of the product. Mass media is a powerful medium of communication.

7) Measures for Development of Rural Marketing of India:-

- 1) Indian markets are diverse in nature. The product features should satisfy a basic minimum need across the markets.
- 2) In a vast country like India where the market is spread over a large geographical area, an efficient physical distribution system serves as a major contributory factor to success.
- 3) Suitable structure of support prices for various form commodities adjusted from time to time.
- 4) Regulated infrastructure of markets and warehouses, which ensure fair prices.
- 5) The government has to take the lead in establishment of modern infrastructure facilities.
- 6) For more information, related to agricultural and rural industries products, the government should circulate pamphlets either to Panchayat Raj office or to schools where it can be documented for the reference.
- 7) Rural roads must compliment and co-ordinate with railways, nearest waterways (Ports) and airports.
- 8) The power of 'General Insurance' must be given to co-operatives.
- 9) The development of communication systems appropriates to rural market.
- 10) Public weighing machines one in each rural market to ensure correct weight both for farm and non-farm arrivals.
- 11) For storage Facilities the government should not depend upon on private agencies to store Food grains (National commission on Agriculture Recommended).
- 12)The arrivals of perishable products such as vegetables, fruits, fishes, dairy products, Flowers etc; need speedy transport.

- 13) The state marketing board or federation or market committees and also the producers, traders and sellers have to be necessarily consulted as they have the principle interest towards its use.
- 14) Rural market needs more number of godowns and ancillary platforms for packaging and market office cum information cell, bank and post office.
- 15) Agricultural technology must reach all over the country irrespective of size of land holding.
- 16) Improve physical communication facility to nook and corner of the country.
- 17) Rural communication must be in regional language and dialects.
- 18) The existing market staff must be increased and adequate training must be given.
- 19) Extending of financial support for modernization of the agro-processing units is also needed.
- 20) Processing units should utilize full capacity.
- 21) Packaging technology must be improved.
- 22) There is need to find out market to agro processed products within and outside country.
- 23) The rural consumers are more concerned with the utility of the products. The brand name awareness in the rural areas is fairly high. A brand name and/or logo are very essential for rural consumers for it can be easily remembered.
- 24) After sale service is a crucial factor in rural India because people have a tendency to prolong product usage to the maximum extent possible. Marketer should consider this fact very carefully.

8) Conclusion:

The basic model of a market consists of a set of such relationships in five dimensions viz.; space, time, perception value and ownership. For developing rural markets of India there is a need to make improvements in core areas like transport, communication roads, credit institutions, crop insurance for better utilization of land and waters at appropriate level. In order to utilize the immense potential of rural markets in India, companies need to develop specific marketing strategies and action plans taking into account the complex set of factors that influence consumer's behaviour. It has always been difficult to judge the rural market. It can be said that the future is very promising for those who can understand the dynamics of rural markets. The rural people and markets will definitely develop rural income and reduce poverty and Indian economy will boost at an expected level.

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