

Rural Marketing Challenges in India: An Overview

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In the recent years, rural markets have gained importance and have attracted the marketers' attention due to the substantial increase in purchasing power of rural people. Rural markets are offering opportunities as huge undiscovered or untapped market, increase in superfluous income, and increment in education level and also huge penetration scope. To utilize these opportunities, a unique promoting methodology "Rural Marketing" has developed. Rural marketing is a procedure of creating, estimating, promoting and disseminating rural specific products and services guiding to preferred exchange with rural customers to fulfill their necessities and needs, furthermore to accomplish organizational goals. The rural segment is developing at a sound pace of 8%-10%/annum and is anticipated to include US\$ 100 billion in utilization demand by 2017. In spite of the fact about the huge potential and generous growth opportunities in rural marketing, yet there are a few challenges which have created constraints in tapping rural markets. The size of Indian rural areas is becoming greater than many organizations initially thought. More organizations are extending their base in India's rural markets than never before and all for good reason. First and foremost, the business environment is enhancing, on account of better base and the developing number of consumers and getting the goods and services which are supporting their aspirations.

This study is a forward stage for exploring different studies which should be adopted in rural markets and this paper also tries to understand the present scenario of rural markets and their importance, Opportunities, Potentiality and Challenges or the problems which are being faced by rural marketers.

Keyword: Marketing, Rural marketing, Challenges, Rural consumers, surplus income, Scenario, Potentiality.

Introduction

Rural Marketing: An Overview

Since 1980s in Indian consumer market, marketers were attracted towards accumulated rural market with the understanding that approx. 70% of the villages or population is untapped or unaddressed. In recent time due to green revolution, MNREGA Project, increase in the prices of agri-produce, surplus money comes to the rural consumers resulting attraction of marketers for tapping rural markets. Indian rural markets are bringing various opportunities to the marketers due to its enormous size and diverse demand.

The development of rural markets as exceptionally undiscovered potential underlines the need to explore them. The marketers in the course of recent decades, with creative tactics, have endeavored to comprehend and tap the rural markets. Some of their accomplishments paid off and numerous business sectors or markets still a challenge. Rural Marketing is a progressing idea, and as a part of any economy, has untapped or

undiscovered potential; recently marketers have understood the opportunity. Improvement in Infrastructure and transportation has brought the better opportunities for those business sectors and marketers who are willing to target rural markets. These days rural consumers are enthused about branded merchandise, so the business sector size for products & services appears to have flourished.

Nowadays, rural consumers are following the urban living. They have shown their interest of moving to a condition of continuous urbanization in terms of habits, exposures and lifestyle. The idea of rural marketing in Indian economy has constantly assumed a powerful part in the lives of individuals. In India, excluding few metropolitan areas, every districts and industrial area are associated with rural markets. The rural business sector in India creates greater incomes in the nation as the rural regions contain the most extreme customers in this nation. The rural business sector in Indian economy creates more than half of the nation's income.

The idea of rural marketing in India is frequently been found to structure uncertainty in the psyche of individuals who think rural marketing is all about marketing related to agriculture. Though, rural marketing make your mind to do the business exercises which brings the merchandise from urban segments to the rural districts of the

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nation along with the marketing of different products produced by the non-agriculture laborers from rural to urban areas. The rural business sector in India is not a different entity in itself and it is exceedingly affected by the sociological and behavioral aspects working in the nation. The rural population in India is precisely 74.3 percent of the aggregate population. Logically, rural marketing is not altogether distinctive to urban marketing. Marketing staff needs to perform the same responsibilities, yet distinctively in rural marketing. It can be said that marketing is not distinctive, but markets viz. buyers & users are different.

In rural marketing, marketers or organizations have to satisfy the rural divisions. Rural marketing is same as simple marketing excluding buyers. In rural markets, people living in rural areas are targeted by the marketers. Rural marketing is basically applying the fundamentals viz. principles, concepts, theories and processes of the marketing in rural markets.

For most of the corporate, rural marketing has become the most modern mantra and many companies like Britannia, Hindustan Lever, Palmolive etc. and even MNCs like LG, Coca Cola, Pepsi, Philips etc. are focusing on rural markets to tap the large Indian market.

Present Scenario of Rural Market in India:

The rural markets are diverse in nature. There are people from different religious backgrounds, culture and languages. Demand of lifestyle products has been increased as the literacy rate has also increased. Now marketers can reach the rural markets and promote their goods and services easily.

Today the business sector in rural areas is changing quickly. Due to increase in surplus income and level of literacy, rural consumers are demanding branded products. Nowadays the families of rural areas do not like to scratch their expenditures on voyages, constructions, weddings and utilizations. Rural consumers have more aspirations, today this section of purchasers spends expansive assortment of items, both long-lasting and non-durables and willing to pay right cost for right items. Pradeep Kashyap, CEO, MART, says "The rural has enough cash in hand and is definitely

not bound by EMIs or credits, with the dominant part of our population situated in level III, level IV urban areas and towns. It is correct time to enter into rural market."

The major income in rural areas comes from agriculture. Approx 60% of rural income comes from agriculture so the demand of the goods and services are high during harvesting period or season. Now the Rural people's savings has increased due to the existence of commercial and co-operative banks.

Today, the rural economy is experiencing a positive change stipulate to increase and stabilize the rural income resulting in growth in consumption at quicker pace in comparison to urban areas. The significance of country economy can be determined from the way that almost 70% of India's populace, 56% of its wage, 64% of its consumption and 33% of its reserve funds originate from rural India.

Rural India has faced a rapid change in the last 10 years. In rural areas, the growth of FMCG, Mobiles and automobiles sectors mainly come from rural markets and have been doubled as compared with urban markets. Approx. 46% Sales of soft drinks and 59% approx. Cigarettes sales comes from rural markets or areas.

The literacy level in rural areas has also increased. Now there is more graduation passed people in rural areas than in urban areas which has brought cultural and social changes in purchasing behavior of rural customers. Rural customers are more aware about national & international brand.

Rural Employment initiatives by Government like MNREGA schemes and projects by private companies have provided opportunities for rural people to fulfill their daily needs. Project Shakti by Hindustan Unilever Limited has created opportunity for income generating abilities for needy rural woman by providing small scale enterprises. Many recent trends in rural marketing are:

- Integrated Marketing
- e-Chaupal initiative by ITC
- Rural Agri Export
- Online Rural market (INTERNET, NICNET)
- Kisan Mandi/ Apna Mandi

Review of Literature:

As per the third yearly release of Accenture Exploration, "Experts of Rural Markets: From Touch-focuses to Trust points - Winning over India's Desiring Rural Consumers," Consumers of rural areas are especially trying or endeavoring to buy branded, excellent items. Thus, organizations in India are idealistic about development of the nation's rural markets, which is relied upon to be quicker than urban customer markets. The report highlights the better systems administration among rural consumers and their propensity to proactively look for data by means of large number sources to be better educated while making purchase choices. Vitality, the more extensive reach of media and telecom administrations has given data to India's rural consumers and is impacting their purchase decisions. In accordance with general pattern, rural consumers are advancing towards a more extensive idea of attraction provided by items and services which includes divisions of price mixed with utility, feel and highlights, and not simply low costs.

Tata Motors, India's greatest automobile organization by profits, plans to aggressively spread its network with major concentration on rural markets. The organization is expecting to dramatically multiply its network to 1,500 throughout the following three years, making it the greatest such extension by a traveler vehicle producer in the nation so far.

E-commerce players like Snapdeal, Infibeam, Flipkart & Paytm have signed Memoranda of Understanding with the government to get in touch with rural areas by connecting with the government's common service centres (CSCs) which are being setup in villages as part of the 'Digital India' initiative.

Statistical surveying firm Nielsen expects India's rural FMCG business sector to achieve a size of US\$ 100 billion by 2025. Another report by McKinsey Worldwide Organization gauges the yearly real income per family unit in rural India to go up to 3.6% 2025, from 2.8% in the previous 20 years.

Dilip Bobb (2010) in INDIA TODAY- February '10 main story on "RURAL RESURGENCE" joins the actualities about changing face of rural markets. He identifies different boulevards of wage in rural setup other than

agribusiness, viz. cultivation, poultry, fisheries and different activities which are less dependent on rains. The author has referred to different intriguing genuine cases of rural people who have prospered throughout the years taking after the new wellsprings of achieving income.

Singh, Jagaman (2008) while rural markets show an incredible chance to organizations, they likewise force significant challenges. Despite the fact that Green Revolution and rising salaries created interest for products in rural markets, organizations proceeded with their emphasis just on urban markets for the evident reasons, high cost of dispersion in rural areas.

Balram Dogra (2008) has given detailed information about Rural Marketing Mix. The author has covered market environment and investigation, correlation of rural and urban markets, rural market segmentation, channel administration and retailing. It includes various case studies of FMCG, financial, IT, agriculture & consumer durables sectors. These structure blue print for activity for future marketers.

Kaur, Pavleen. & Singh, R. (2005) in their study on Conflict Management in Urban and Rural Families, specified that distinctive family members in a rural family utilize diverse FMCG brands.

Research Methodology

Data have been collected with the help of various secondary sources such as articles, journals, magazines, books, website etc. The main objective of this paper is to bring out the understanding of the present scenario of rural markets and their importance, Opportunities, Potentiality and Challenges or the problems which are being faced by rural marketers.

Significance of Study

This study is mainly focused on the present scenario of rural market in India major opportunities and major challenges of rural marketing. Rural marketing plays an important role in Indian economy. In India the size of rural business sector is very vast. About 75% of Indians are living in towns and towns. The rural zone in India is boundlessly appropriated and covers around 70% of the aggregate zone. India has around 6,38,000 towns and 5,100 towns thus has a critical potential development for every one of the areas.

Potential / Opportunities In Rural Marketing

The gigantic capability of the rural business sector can be acknowledged if the marketers comprehend this business sector. The colossal undiscovered needs of the country mass, the developing rural economy and the expanding media entrance and brand mindfulness make this business sector to a great degree alluring to marketers. A glance at the assessed yearly size of the country business sector would make us comprehend the genuine capability of this undiscovered business sector. The development insights for FMCG and Shopper Durables area propose colossal potential for the Indian rural markets.

More than 90% villages have been connected to electricity. In the last 10 years, the density of rural telephones has reached up to approx. 300%. To ensure economic self reliance, rural masses empowerment has been increased. The rural business segment has been getting to be a tiny bit at a time over the span of late years and is right now much more prominent than the urban business division. The saving to wage rate in rural region is 30% higher than urban reach. At present 53% of all FMCGs and 59% of clients durables are being sold in common locale. Major Opportunities of Rural marketing are as under:

Improvement in Literacy Rate: In rural areas, literacy rate is increasing. The demands for merchandise in the urban market frequently take after a cyclic though in the rural business sector it is consistent. So organizations can shield themselves from the unsafe impacts of recession by entering in the rural market.

Untapped market potential: It offers an incredible chance for various marked merchandise and additionally benefits for vast number of clients. It is evaluated by HLL that out of 5 lakh towns in India , just lakh has been tapped so far , which goes ahead to demonstrate the business sector possibilities of the rural market .

Penetration of IT sector: Today's rural kids and youth will experience childhood in a domain where they have information access to training opportunities, openings for work, government plans, overall news and mandi costs. Rustic ranges

offer an incredible potential for development in web use with the quantity of asserted web clients in these spaces to be come to at more than 75 million. The number of guaranteed web clients has seen an exacerbated yearly development rate of 80%. As the electronic ethos and IT society moves into rural India, the likelihood of progress are becoming visible.

Infrastructural Improvement: In just 50 years, 40% towns have been associated by streets, in next 10 years another 30% would be associated. Country phone thickness has gone up by 300% in the most recent 10 years. Government of India had arranged its most goal-oriented national project in Jan.2013 to encourage power through decentralized renewable vitality sources. The government plans to give LED lights to around 400 million homes that don't have a power association by 2017. Quick advancement of rural framework is additionally real fascination for marketers.

Increase in Income: Diverse projects embraced have enhanced the financial circumstances of the rural territories. The expansion in salary is seen in both absolute values and in addition in the increment in normal number of days of occupation in a year.

Impact of Globalization: The effect of globalization will be felt in rural India as much as in urban. In any case, it will be moderate. It will have its effect on target bunches like ranchers, youth and ladies. Ranchers, today 'stay in contact' with the most recent data and amplify both closures. Creature sustain makers no more take a gander at Andhra Pradesh or Karnataka. They keep their mobile phones always associated with worldwide markets. Doubtlessly, value developments and items' accessibility in the global commercial center appear to drive their neighborhood business methodologies. On youth its effect is on learning and data keeping in mind on ladies despite everything it relies on upon the financial perspective. The advertisers who comprehend the country purchaser and tweak their system are certain to procure advantages in the coming years. Indeed, the administration in any item or administration is connected to authority in the rustic India with the exception of little way of life based items, which rely on upon urban India for the most part.

Changes in Consumer Behavior: Expanded proficiency and greater awareness in rural markets make new demands and segregating purchasers. This is watched more in the more youthful era. In towns today, this section of purchasers devours a huge assortment of items, both durables and non-durables. There is a visible increment in the utilization and utilization of an assortment of items, which is effectively watched.

Market Accessibility: Despite the fact that the road system has not created to the most ideal degree but rather a flame measure of improvement has been made in numerous districts, making these locales open from the urban area and making in less demanding for supplying items to these areas.

New Employment opportunities: Government plans like IRDP (Incorporated Country Advancement Program), JRY (Jawahar Rozgar Yojana) and TRYSEM (Preparing Rustic Youth for Independent work) have made new livelihood opportunities in Provincial India. Co-agent banks and Open segment banks are stretching out credits to country individuals, along these lines making openings for work for them. Therefore not very many country individuals are currently running to urban focuses.

Kisan Credit Card Facility: The government started credit cards for farmers through public sector banks. Canara bank and Andhra bank were the pioneers in the dispatch of the Kisan Credit Card. The farmer had a decision to take short or medium term advances through these these cards to purchase seeds, composts, and so forth. This empowered him to create increasingly and subsequently expand his salary.

Challenges in Rural Marketing

Reaching rural consumers economically across 600,000 villages is the single biggest challenge in rural marketing. There are many challenges in the rural markets due to its distinctiveness like vast markets potential, illiteracy, distances, rail transportation, products and services distribution, languages, communication, road transportation, lack of infrastructure facilities, socio cultural factors, languages etc. Despite the growing number of consuming-class households and expanding disposable income, small & remote villages largely remain untapped as it is economically not viable to

reach these villages. Even through various channels, the HUL has reached only 1 lakh villages. One segment of rural markets totally differs from other segments. Every region, district and states are totally different from each other. Some main challenges of rural marketing are mentioned as under:

Communication: In rural markets, marketing communication experiences an assortment of limitations. The literacy rate among the rural customers is low. Aside from low levels of literacy, the convention bound nature of provincial individuals, their social boundaries and their general monetary backwardness add to the troubles of the correspondence chore.

Transportation: For movement of the products and services from urban production areas to the rural and remote areas, transportation plays an important role. The condition of transportation is very poor in some rural areas. Approx. 50% of the villages are not even connected to roads. Due to pitiable transportation facilities, marketers are not able to contact the rural markets. In some villages there are still kachcha roads. Amid the storms, even these streets get to be unserviceable. With respect to transport, however India has the second biggest railroad framework on the planet; numerous parts of provincial India nevertheless, stay outside the rail system.

Warehousing: Storage is important on the grounds that there is a period hole in the middle of production and utilization of commodities. Agrarian wares are created seasonally yet they are demanded throughout the year so there is requirement to store them. Yet, in rural zones, there is absence of public and also private warehousing. Marketers face issues of capacity of their products.

Seasonal demand: In rural market seasonal demand is the main constraint. The situation of agriculture plays an important role in creating demands in rural markets as agriculture is the main source of income for them. The purchasing power of rural customers differs as agriculture is mainly dependent on monsoons.

Branding: The brand is the surest method for passing on quality to rural customers. Step by step, however national brands are getting prominent; local brands are likewise assuming a critical part in rural areas. This might be because of absence of

education, lack of awareness and low buying force of rural customers. It has been watched that there is more noteworthy disappointment among the rural shoppers with respect to offering of low quality copy brands, especially cleansers, creams, garments, and so forth whose costs are frequently 50% of those of national brands, yet sold at costs on par or somewhat not exactly the costs of national brands. Local brands are getting to be prominent in country markets regardless of their lower quality.

Joint families: People live in joint families in rural areas and females are totally dependent on their husbands and it becomes difficult to know about the interests of the female regarding various products.

Socio-cultural factors: For message designing, marketers are feeling problem due to different languages, diverse cultures because for diverse population, mass media in one language is not effective.

Some other factors which are challenging rural India are as under:

- Under developed market and people.
- Packaging (Small packaging's preference)
- Low per capita income
- Poor Infrastructural facilities
- Low literacy rate
- Low Purchasing power
- Expensive Communication
- Selective Attention Approach of Rural people
- Quality Indifference
- High distribution cost
- Problem of Spurious products
- Rural markets are scattered
- Offering quality products at low cost

Conclusion

Gone were the days when a country customer needed to go to a close-by town or city to purchase a marked item. The developing force of the provincial purchaser was driving huge organizations to run to rustic markets. In the meantime, they additionally hurled significant difficulties for advertisers. In rustic markets, traditions and convictions assume critical part in achievement or disappointment of

any item. Thusly every advertiser needs to focus on country showcases separated from the developed urban markets.

Therefore, taking a look at the difficulties and the opportunities, which rural markets offer to the marketers, it can be said that what's to come is extremely encouraging for the individuals who can comprehend the flow of rural markets and endeavor them further bolstering their best good fortune. A radical change in mentalities of marketers towards the energetic and prospering rural markets is called for, so they can effectively urge the 230 million provincial purchasers spread over around six hundred thousand towns in rural India.

Advertisers will need to comprehend the rustic clients before they can make advances into rural creators. Indian rural business sector is without a doubt complex however there are some basic truths that we have to acknowledge. The rural customers are extremely esteemed cognizant. They might have purchasing power; however they can have any kind of effect to the organization's development if concentrated.

In this way, it is adept to say that "The heart of India still lies in the towns....."

Recommendations

Marketers need to comprehend the psychology of the rural customers and after that act accordingly. Rural marketing includes more thorough individual offering endeavors contrasted with urban showcasing. Firms ought to avoid outlining merchandise for the urban markets and hence pushing them in the rural regions. To successfully tap the rural market, a brand must partner it with the same things the rural people do. This should be possible by using the different rural folk media to contact them in their own dialect and in extensive numbers so that the brand can be connected with the bunch ceremonies, festivities, celebrations, "melas", and different activities where they gather.

Marketers must be exceptionally vigilant while picking the mediums to be utilized for communication. Only 16% of the rural populace has admittance to a vernacular daily paper. Along these lines, the sound visuals must be planned to pass on a right message to the rural people. The rich, customary media frames like puppet shows, folk dances and so on, with which the rural purchasers

are usual and agreeable, can be utilized for high effect item campaigns. Radio is likewise exceptionally famous wellspring of data and Diversion, Includes radio can likewise be a useful apparatus for marketers.

Some other suggestions which should be followed in Indian Rural market are as under:

- The Government should develop infrastructural facilities like railways, roadways etc. in rural areas so that the marketers can reach the untapped rural regions.
- For successful rural marketing, rural consumers should be educated in all aspects like assembling product information, laws & regulations, products usage, rights of consumers and getting the right item at perfect spot at right cost in opportune time.
- The rural communication facilities like telecom frameworks, web offices, television frameworks and so forth must be enhanced so that there won't be any correspondence gap among players of the country market sections.
- Organizations ought to likewise satisfactorily focus on instructing the villagers to spare them from spurious products and services.
- Rural markets are lazybones in getting new items. This will help the organizations to stage their marketing endeavors. This will likewise offer inventories of items out dated in urban markets.
- The effective marketing is dominantly affected by proficient dissemination framework it implies items such extreme purchaser in the fastest time conceivable at least cost.
- In rural India, buyers are not brand-faithful, but rather their purchase pattern can be termed as brand stickiness. Along these lines, more brand mindfulness and vicinity in the business sectors will impact the buyers.

- Rural marketing is the operational hub of a country economy; rural markets are the channels for the developments of merchandise and services and in addition to advance social combination.

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