

From the Desk of the Editor

Welcome to the new issue of AMR.

In this editorial, I would like to refer a special unique mix of reporting, analysis, interviews and video on life and business in rural India presented by The Wall Street Journal and India Knowledge@Wharton. This is highly relevant for businesses considering 83.3 crore people, about 69 percent of the country's total population of 121 crore, continue to live in rural India (as per 2011 Census) and out of this population 35% of the rural population own a color television set, 5% own refrigerators and 1% own a washing machine. Since Rural India emerged as "The Next Destination" not only for local companies but for MNCs looking for sales opportunities and business development, companies are trying to crack this market using different strategies. Unilever was the first company who decoded this market in the 1980s with sachets of shampoo and soap. They not only catered to the price sensitive rural customers but were easily transported and sold in the village general store. On the other hand, Cadbury and Coca Cola were also successful in attracting rural customers through TV ads specially designed for them. Then came mobile phones what had once been considered luxury product, now can easily be seen in the hand of villagers in Rural India. The phone companies are still adding more than ten million subscribers every month. Even though they may spend less than \$5 a month on their phones, hundreds of millions of new rural subscribers add up to real money.

Despite the huge growth potential Rural India presents, many MNCs looked and often pursued these opportunities in various form of CSR. It was mainly because catering to the needs of rural customers was tough because of poor infrastructure. Finding a profitable product to the

price sensitive customers, with high cost of delivery is still considered difficult. Therefore, these markets were primarily considered good for social products rather than profit or sales. Now because markets for many products in urban India or developed economies have reached to the point of saturation, marketers have to look investments in rural India beyond fulfilling CSR. They have to ensure and show it to their respective head offices that rural strategies are not just about CRS but there is a good business sense to it also.

Considering the long term benefits, many MNCs have engaged themselves in building social and economic infrastructure such as roads that help them deliver their goods, educational institutions and hospitals for villagers whose workforces they rely upon. All these initiatives are filling the gaps left by the government and helping for rural development. In the present issue there are two articles which talk about issues pertaining to rural development. In his article, "Rural health infrastructure in India: Its impact on growth and development" author analyzes the rural health infrastructure in detail and in another article, "Challenges before sustainable rural development a case study from central India" authors presents a case study for sustainable agriculture project from a village Gurawal located in Madhya Pradesh. These both articles provide valuable insights in rural development.

Insights of the Wall Street Journal and India Knowledge@Wharton can be reached at <http://online.wsj.com/public/page/rural-india.html>.

Enjoy your reading.

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