

Rural Marketing In India

Asst. Prof. Mr. Raza Khan Waheed Khan¹, Asst. Prof. Mr. Baig Mirza Zaheed Mirza Bashir²

^{1,2} N. K.S.P. Trust, Institute of Management, Badnapur, Jalna Maharashtra (India)

Abstract - A argue continued for a long time amongst the Indian marketing's, both practitioners and academician, on the justification for the reality of the distinct discipline of rural marketing. The question is steel waiting that the products / services, marketing tools and strategies that are successful in urban areas could be transplanted with little or no more modification in rural areas or there is a clear division between urban and rural India, that suggest a diverse approach, skills, tools and strategies to be successful in rural markets.

The differentiation of two markets is not mere income, but a host of other infrastructural and socio- cultural factors. Thus, the rural market cannot be tapped successfully with and urban marketing mindset and would definitely require it's through understanding. In other words, the approach toward rural markets needs to be distinct from the one adopted for the urban markets.

There is a large rural economy like India's rural marketing has emerged as an important and distinct internal sub-division within the marketing discipline. This sub-division clearly highlights' the differences between rural marketing and mainstream marketing.

Keywords: Transaction Vs Development Marketing

Introduction:-

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 demean and also achieves organizational objectives.

Rural marketing requires the understanding of the complexities. Indian agricultural industry has been growing at a tremendous pace in the last few decades. The rural areas are consuming a large number of Industrial and urban manufactured products. The rural agricultural production and consumption process plays an predominant role in developing the Indian economy. This has designed a new way for understanding a new process called rural marketing.

Rural marketing scientists also term it as developmental marketing, as the process of rural marketing involves an urban to rural activity, which in turn is characterized by various

peculiarities in terms of nature of market, products and processes. Rural marketing differs from agricultural and consumer products marketing in terms of the nature of transactions, which includes participants, products, modalities, norms and outcomes. The participants in case of rural marketing would also be different they include input manufactures, dealers, formers, opinion makers, government agencies and traders.

Transaction Vs Development Marketing

S.No	Aspect	Transactional	Development
1	Concept	Consumer orientation Marketing concept	Society orientation, Societal concept
2	Role	Stimulation and conversational marketing	Catalytic and transformation agency
3	Focus	Product-market fit	Social change
4	Nature of activity	Product innovations and communication	Social innovations and communications
5	Participants	Commercial	Socio-cultural, economics Government, Voluntary agencies, corporate enterprises, benefactors
6	Offer	Corporate enterprises, Sellers	Development projects/schemes/programs
7	Target group	Products and services	Beneficiaries and buyers
8	Target group	Buyers	Development
9	Communication	Functional	Market development Corporate Image
10	Goal	Profits customer satisfaction	Medium-Long
11	Time- Frame	Short-medium	Service-motive Ideological or public policy
12	Motivation	Profit motives and business policy	

Problem in Rural Marketing:-

- Underdeveloped people and underdeveloped market:-**

Since independence a number of initiatives have been taken to improve the quality of life in rural areas. In 1947 the rank of India in terms of poverty, unemployment and level of development was 86 in the world but in 1991 it reached the level of 123. The situation has further worsened and the (1996) report on Human Development Index shows that India ranks 136th in 156 countries of the world, way below Vietnam and even Myanmar.

- Lack of proper physical communication facilities:-**

In Indian only 50 percent of the road length is provided with a proper surface. About 36 percent of the villages are without all- weather road. Hence the road grid makes distribution cost higher, delays, congestion, fuel wastage and higher vehicle operating costs; marketers face a lot of problems in distribution of products.

- **Low per capita incomes:-**

According to a survey by MIMAP, of the total estimated gross income generated in the household sector, the share of rural income accounted for 55.6 percent with 74.6 percent of county's population. The rural share of income seems to have gone down during the last two decades resulting in wider disparities in income distribution between rural and urban India. See thus rural population presents a highly heterogeneous scene.

Evolving a new marketing mix for selling to Rural Indians:-

Product:-

The rural market is not homogeneous set of customers with presences frozen in time. When development products in any category marketers must identify the typical rural specific needs. Urban products cannot be dumped onto rural markets without modifications. Tailor made products are better received by rural audience as the consumers feel empowered and tend to identify with the offering.

For instance, shampoos or soaps with distinctive, strong rose or jasmine perfumes are very popular with rural women in India. The urban women do not identify as strongly with these perfumes. Sachetization is also a distinctly rural- driven phenomenon. As demand in several categories is being created, Intensity of use in quite low. On average, rural folk would use a shampoo only once a week, Habits take time to change and making unit sachet packs affordable is the key to inducing trial and purchase.

Pricing:-

Every marketer must realize that the rural consumer is not a miser. He is not simply looking for the cheapest product in every category. He understands and demands value for money every purchase that he makes. Pricing therefore is a direct function factors including cost-benefit advantage and opportunity cost. Pricing offered to consumers should be for value offering that are affordable. Pricing offered to consumers should be for value offering that are affordable. Price sensitivity is extremely high and comparison with competitive prices is common. Consumers seem to create narrow psychological price brands in their minds for product groups and price elasticity beyond the extreme price points is very high. The perceived utility or value of the product or service is the ultimate decision making factor.

It is certain however, that buying cheap is not the primary objective. Rather, it is Buying Smart. A study revealed that the average rural consumer takes approximately 2 years to decide on buying a watch; he will not do so unless he is totally convinced that he is getting value for money. Impulse buys and purchases for conspicuous consumption are also extremely few and far between considering the Value for Money factor that reigns supreme in most rural purchase decisions.

Promotions and Advertising:-

There are a lot of barriers that militate against homogenous media and message delivery. These barriers stem from the fact that rural markets vary immensely in terms of tastes, habits and preference s leading to different expectations of every segment of the population

However, one fact is certain across all areas. The rural consumer likes to touch and feel a product before making choice. Demonstrations are undoubtedly the most effective promotional tool that shapes purchase decisions of the rural population. Demonstrations establish the credentials of any new technology used in developing the product.

In today's information era, it is very important for companies to wise-up on emerging technologies. It has in fact become a medium to attract larger audience for a product demonstration. Technology must be used to prepare a database of customers and their requirements. The use of video using mobile vans and even large screen video walls at events should be arranged.

Place:-

Place is the major reason behind the evolution of rural marketing as a distinct discipline. a village as a place for promotion , distribution and consumption is different from a town or city, thus the general marketing theories can't be applied directly in rural markets . reaching the right place is the toughest part in today's rural marketing , as most of the products reach up to the nearest town ship of any village, but due to higher distribution costs thus , these products fails to reach the village as distribution channel fails to put in the require efforts. Most of the times, the rural retailers themselves go to the urban areas to procure these goods. Rural markets imply complex logistical challengers that show up as high distribution costs.

Conclusion:-

Thus looking at the challenges and the opportunities which rural markets offer to the marketers it can be said that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage. A



radical change in attitudes of marketers towards the vibrant and burgeoning rural markets is called for, so they can successfully impress on the 230 million rural consumers spread over approximately six hundred thousand villages in rural India.

References:-

1. U C Mathur (2008) “Rural Marketing” Excel books publication.
2. K.S. Habeeb-ur-Rahman (2008) “Rural Marketing in India” Himalaya publication house.
3. www.thehindubusinessline.com/nic/073/index.hmt
4. www.coolavenues.com/know/mktg/
5. www.icmrindia.org/casestudies/catalogue/marketing/mktg081.hmt