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# A Study on Problems in Rural Marketing

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## ABSTRACT:

*The paper describes the problems of rural marketing in India. The rural market in Indian economy can be classified under two broad categories. These are the market for consumer goods that comprise of both durable and non-durable goods and the market for agricultural inputs. In recent years, rural markets have acquired importance, as the overall growth of the economy has resulted into considerable increase in the purchasing power of the rural people and preferences of rural people are also getting changed. So, every marketing player is keen to invest in rural markets. Though there is huge potential and substantial growth opportunities in the rural markets, yet there are some challenges too, which caused hurdles in tapping rural markets. This study is a step forward in exploring various strategies to be adopted in the rural market along with the current scenario of rural marketing, highlighting key challenges related to rural marketing.*

**KEYWORDS:** Rural Marketing, Challenges in Rural Marketing, Rural Marketing Strategies.

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## MARKETING TO RURAL INDIA:

Over the past few years rural India has witnessed an increase in the buying power of consumers, accompanied by their desire to upgrade their standard of living. Host of projects, such as NREGA, ITC's echaupal, HLL's project Shakti, retail hubs like Kisan Sansar (Tata), Haryali Kisan Bazar (DMC), both from the government and the private companies, have changed the rules of the

marketing game in rural India. The paper discusses the profile of the rural Indian customer and analyses the characteristics of the diverse and scattered rural market. Despite the irregular buying capacity of rural markets, the taboos and traditions it is steeped in, the rural market in India is a highly lucrative one. The paper goes on to explore how some companies have been able to have an impact in the rural segment through effective marketing strategies. The paper studies the changing paradigm of the Indian rural markets and suggests some ways in overcoming the roadblocks in rural selling. A new rural marketing mix is suggested with special emphasis on the marketing communication mix,

## EFFECTS OF ELECTRONIC MEDIA ADVERTISING ON RURAL BANKING:

Advertising which uses electronic energy to transmit information to the end user is called electronic media advertising. It appears as TV, radio, internet. The objective of this study is to establish the contribution of electronic media advertising to rural banking in Ghana. Hitherto, studies have covered advertising rural banks; the outcome of this study will help reveal contributions of electronic media ads to rural banking. Questionnaires were administered to 350 rural bank customers in Ho Municipality. Statistical Package for Social Sciences (SPSS) was used to analyze the data. It was found that radio advertising is the main tool adopted by Unity Rural Bank and this has influenced many customers to the bank. Thus, it's important that the bank air radio ads often to improve

patronage. The study shows that traders constitute an important market of rural banks; traders should be major target and create ads to attract them.

### **IMPACT OF INNOVATIONS IN RURAL MARKETING:**

Rural marketing is customisation of the products as per the requirement of rural consumers to create, deliver, and communicate value to customers. The standard of living, rate of consumption for the rural consumer is entirely different from the urban consumer. Various consumer goods companies have customised their prices and pack sizes for penetrating the rural market. For instance CavinKare's Chic shampoo sachet @ Re 1 has brought revolution in rural marketing. To develop a product to suit the rural scenario, companies came up with special rural products, like battery free radio by Phillips, Sampoorna TV by LG, chottahaathi, Tata Ace by Tata and so on.

### **EMERGING ISSUES IN MARKETING:**

Several areas in marketing theory and practice are identified that are in need of additional research, including topics related to marketing and the Internet, marketing and the environment, marketing to the historically underserved segments, consumption and delivery of health-care services, and global issues such as intermarket segmentation and theory development on how culture influences consumer behavior.

### **CHALLENGES FACED IN GHANA:**

Marketing firms around the world are struggling to turn about four billion people living in poverty into customers. For the past decade,

business visionaries have argued that these people, dubbed the "Base of the Pyramid", make up an enormous, untapped market. Some of the world's biggest, savviest corporations have aimed to address their basic needs-by selling them everything from clean water to electricity and from FMCG to consumer durables. "Improving the lives of billions of people at the bottom of the economic pyramid is a noble endeavor. It can also be a lucrative one." C.K. Prahlad. The paper studies the changing scenario of Ghanaian rural markets and implies some suggestions in improving the marketing strategy in rural selling and market promotion. An improved marketing mix is the call of hour, with strategies framed by deeply considering the dynamic rural buying behaviour. This is in context of Ghanaian rural market which stands tall due to its cultural diversity. This throws an open ground challenge to the marketers in a country with multicultural, multi-lingual varsity. This paper is an attempt to provide some mettle solutions to these challenges as it studies and follows some successful rural marketing strategies of modern times. This is particular in context of rural sales strategies rural promotion mix.

### **HELPING COMMUNITIES COPE WITH CHANGE AT THE RURAL-URBAN INTERFACE**

As resource persons or decision-making authorities, natural resource professionals are often called upon to resolve difficult conflicts between neighbours as communities and agriculture change. The tendencies of stakeholders and technical experts to frame rural-urban conflicts in single-issue terms and to attempt to solve them with simple "silver bullet" technical or policy fixes are unlikely to address these complex issues effectively.

## **SPECIFIC FEATURES OF RURAL TOURISM:**

Rural tourism is a very broad concept that includes not only vacation in the village, but all other activities in rural areas. It should be noted that pressures exist between the successful development of tourism and the attractiveness of rural regions. Rural tourism destination that wishes to take a good position on domestic and international tourism market should be guided in accordance with the basic principles of sustainable development while respecting the requirements of customers for maximum quality resources and services offered. This is why there should be an extremely careful and thoughtful approach to research and assess the management of rural tourism destination. A new concept of tourism destination management system adopted an approach according to which environmental, physical and social factors are linked to different networks and an institutional structure. Traditionally, the management of rural destinations should represent the interests of local communities. If all stakeholders are firing together when determining what you really want from tourism and how they want to sell, they will all be better off.

## **DEVELOPMENT OF SOCIAL MARKETING TO ADDRESS HEALTH ISSUES:**

Social marketing is increasingly being seen as a potentially effective means of pursuing health education practice generally and within various specific areas such as mental health and wellbeing and more broadly in tackling health inequalities. This paper aims to report and reflect on the authors' experiences of undertaking a health education initiative in a rural National Health Service (NHS) health board in Scotland that utilised social marketing

methodology and sought to develop wider capacity and ensure implementation in two topic areas: breast-feeding prevalence and being overweight and obesity among young people. Developing social marketing capacity is possible, though longer term sustainability is dependent on addressing a series of challenges, such as creating conducive long term planning mechanisms, gaining management support and securing on-going resources.

## **ISSUES FACED IN RURAL MARKETING:**

The Indian rural market with its vast size and demand base offers great opportunities to Indian and foreign marketers. Indian economy also directly indirectly depends on agricultural business and rural market. In recent years, rural markets in India have acquired great significance, as the overall growth of the Indian economy has led to an increase in the purchasing power of the Indian rural household. Also on account of green revolution and improved facilities for rural people, the rural areas are consuming a large part of the industrial and manufactured products. In this context, a special marketing strategy namely, rural marketing has emerged.

## **FACTORS AFFECTING THE SELECTION OF A PRODUCT:**

The rural India offers a tremendous market potential. Rural markets are the new markets, which are opening up for both durable and non-durable products. Companies that have expanded in these areas found that, they are able to ward off competition, generate a new demand and in turn, increase their sales or profits. Long-term perspective of marketing planning with modern approach is essential for their future growth. The Indian rural market is a goldmine, which needs to be explored. Rural consumer's

behaviour needs to be understood and products specially designed to suit the rural lifestyle. The academia and the industry have to come together and explore the opportunities that lie within the hinterland. Therefore, keeping in view of above scenario, present study is an attempt to find out affecting factors of product selection for consumer durables in rural areas of Uttarakhand.

### **LIFE INSURANCE IN RURAL AREAS:**

Reforms in the life insurance sector have opened up the growth of private players but still their reach in rural market is comparatively nascent. This potential that exists in the rural market is a great opportunity for the existing players. The scenario in rural India is dominated by Life Insurance Corporation of India, a public sector organisation. Private players are hesitant to enter rural market. This research attempts to explore the reasons for low penetration of private players in the rural market. Perception of the existing insurance policy holders and insurance agents in Bangalore rural and Kolar rural is studied. The descriptive research reveals that the existing insurance products are not designed for the rural segment. The promotional activities are inadequate and insurance companies do not concentrate on micro insurance policies. These are the major hurdles for the existing insurance players in the rural market.

### **ISSUES IN RURAL ACCOMODATION:**

The paper aims to provide the results from a preliminary study, which examined differences in the level of inter-firm technology adoption between rural and urban accommodation establishments within a major tourism destination, Scotland. A survey was conducted, and the results set out here suggest that these

differences are only presented with two types of technology, i.e. systems requiring networking infrastructure and sector-specific applications. The discussion suggests that the neoclassical theory of growth and theory of development are contradictory but that they complementarily explain different levels of adoption between rural and urban setting. Not only theoretical, but also industry implications and suggestions for further research are presented. Previous studies examining these phenomena within other industries suggest that rural businesses tend to have weaker technology adoption than those located in urban settings. However, they fail to provide any conclusive theoretical explanation for these differences.

### **FACTORS INFLUENCING INTERNET BANKING IN RURAL AREAS:**

The majority of retail bank customers in South African rural are asdo not use Internet banking because of the lack of resources, such as computers with Internet access. The security of transactions conducted over the Internet is the main concern and significant element that customers consider before adopting Internet banking in South African rural areas as they perceive it as being easily exposed to fraud. As a result, this perception erodes retail bank customers' confidence to adopt Internet banking. The majority of retail bank customers in South African rural areas will be willing to adopt Internet banking if their lifestyle, values and specific need are met. Retail bank customers in South African rural areas will adopt Internet banking if the Internet banking processes are simplified and user-friendly.

### **USE OF TERRITORIAL MARKETING:**

The study presents selected areas of marketing activity of local authorities in the context of

development of rural tourism. The conducted research was based on an interview with representatives of local authorities of 30 territorial units in 2010 in the province of Podkarpackie (Poland). In the light of conducted analysis of literature on the subject as well as own studies, from the point of view of marketing support of integrated development of branded tourist product in rural areas, in the opinion of the author, there are six fundamental conditions of success subjectivity, ideas, positioning, partnership, bundle offer and promotion.

#### **CHALLENGES OF GREEN MARKETING:**

Marketing as a business function emerged as catalyst in the growth and development of industrial world, where markets became more and more competitive. Marketing emerged as a central function detecting all other functions towards achieving business goals with a high level of satisfaction to customers. This was popularly adopted by all and the marketing functions become increasingly important as a means by which companies could continue to grow their markets and their market shares. The comfortable assumption of economic growth was the most beneficial strategy for development, because the wealth generated could be invested to improve the quality of life of those inside and outside the industrialized economies. But, at the beginning of the twenty-first century, the social and environmental consequences of the unquestioning pursuit of economic growth have become increasingly important. Marketers played key roles insatisfying maximum needs of the people with optimum utilization of resources with best of their efforts and minimum cost.

#### **CONCLUSION:**

Indian rural market is undoubtedly complex but there are some simple truths that we need to accept. The rural consumers are very value-conscious. They may or may not have purchasing power, but they can make a difference to the company's growth if concentrated. Gone were the days when a rural consumer had to go to a nearby town or city to buy a branded product. The growing power of the rural consumer is an opportunity for the companies to flock to the rural markets. Gandhiji believed that India's future lay in her villages and rural markets will have a significant part in India's economy. With the technological innovations, infrastructure development and enrichment of human capital in rural areas, backed by policy support by the government recognizes agriculture as one of powerful growth engine.

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