

## Rural Marketing in India: Issues, Challenges, and Opportunities

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### **Abstract**

*Rural Marketing is growing up at a very fast rate and this is a very important area to focus on the firms to do their business in villages. Rural marketing has a positive influence on all these participants through form vast marketing opportunities in India. It is that the Indian rural market is a high potential market through the world. The market scenario in the rural areas today is changing very precipitously. Rural consumers demand branded products mainly because of increase in disposable income and literacy level. Rural consumers have more strength of will, currently this segment of buyers usages the enormous substitute of products, both durable and non-durable and ready to pay the right price for right products. Rural markets have become a part of the Indian market and as well as for global market. The rural markets are growing at above two times faster rate than urban markets. The Indian rural market is infinite in size with it is on top consumer base, it extends the boundless opportunities for the marketer along with a lot of challenges. Marketers have realized that rural India has great potential and with growing focus of the policymakers on*

*injecting money to pump the rural economy have all influenced by an increased interest of businesses towards rural India. The increase of rural income, growing the population, improving infrastructure and favorable government policies put forward enormous potential for rural markets which one can't afford to ignore. Thus, rural consumer is compelling large companies to flock to rural markets. The present paper contains the challenges that the companies have to face and opportunities that companies acquire in rural marketing.*

*Key Words: Rural, Market, Marketing, Consumer, India, Area, Purchasing Power, People, and Economy etc.*

### **I. INTRODUCTION**

The two diverse terms Rural and Marketing come together to form the term called ‘Rural Marketing’. Marketing is the process used to define what products or services may interest to customers, and the strategy to use in sales, communications and business development. This one makes the strategy that inspires sales techniques, business communication, and business developments. It is a joint process in which companies build sound customer

relationships and form value for their customers and for themselves. It is a work which manages all the happenings participating in assessing, stimulating and converting the purchasing power to current demand for a specific product and service. An appreciative and knowledge of the motives inspiring consumer behavior helps a firm in seeking healthier and more operative ways to satisfy its customers. It benefits to select suitable sales and advertising strategies and to plan marketing program in a more helpful. In general, marketing is a chain of strategic activities that involved in moving the goods as of production place to the place of consumption. It comprises all the activities involved to create demand, time, place and from utilities. Hereafter, it is inevitable activity adopted by special business organizations all over the world.

The concept of rural marketing in India is over and over again been found to form uncertainty in the minds of people who think rural marketing is all about agricultural marketing. In spite of this, rural marketing regulates the transmitting out of business activities bringing in the flow of goods from urban sectors to the rural regions of the country as well as the marketing of several products manufactured by the non-agricultural

workforce from rural to urban areas. The later represents marketing of produce of rural areas to the urban consumers or industrial consumers while rural marketing involves bringing manufactured or processed response or services to rural consumers. To be clear-cut, Rural Marketing in Indian market coverings two broad sections, i.e. selling of agricultural items in the urban areas and selling of manufactured products in the rural localities.

## **II. DEFINITION OF MARKETING**

Marketing may well define as per the method of defining, anticipating and knowing customer needs, and organize all the resources of the company to satisfy them. In fact, the satisfaction of customers' needs and wants provides the rationale for the firm's existence. It generates the strategy that underlies sales techniques, business communication, and business developments. Knowledge of consumer behavior, therefore, is vital for a firm to achieve its marketing goals. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves. An understanding and knowledge of the aims underlying consumer behaviour help a firm

try to find better and more efficient ways to satisfy its customers. It is a role which accomplishes all the activities participating in assessing, exciting and win over the purchasing power to effective demand for a specific product and service. It facilitates to select correct sales and advertising policies and to plan marketing in a more economical.

Marketing is not only an extension of the production procedure but its only purpose as Adam Smith emphasised when, in his text *The Wealth of Nations* (1776), he said that: “Consumption is the sole end purpose of all production: and the interest of the producer ought to be attended to only so far as it may be necessary for promoting that of the consumer.”

According to Kotler (1999, p. 8). Marketing is a social process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others.

According to Drucker (1958, p. 252), marketing cannot create purchasing power. But by converting the latent demand into effective demand and by channelizing all the purchasing power in the desired direction it sets a high level of economic direction it sets a higher level of economic activity.

### **III. DEFINITION OF RURAL MARKETING**

Rural Marketing is defined as a number of marketing actions in which one main member is from a rural area. This indicates that rural marketing contains marketing of inputs (products or services) to the rural as well as marketing of outputs from the rural markets to other topographical areas. Rural Marketing generally engages getting the rural customer, identification of their needs and wants, the supply of goods and services to meet their desires, carrying out after sales service that leads to customer satisfaction and repeats purchase/sales. Rural marketing stands for the developing various activity of attracting and serving rural markets to fulfill the needs and wants of persons, households, and livelihoods of rural people. The word, ‘rural’ define in a market like India is unclear. There are lots of methods that are utilized by different persons but having the similar purpose. Even in the rural marketing space, there is not one sound definition. Several brands define, ‘rural’ according to their product and service offerings.

According to Thomsen “The study of Rural Marketing comprises of all the operations, and the agencies conducting them, involved in the movement of farm produced food, raw materials and their derivatives, such as

textiles, from the farms to the final consumers, and the effects of such operations on producers, middlemen and consumers.”

According to National Commission on Agriculture “Rural marketing is a process which starts with a decision to produce a saleable farm commodity and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic considerations, and includes pre and post-harvest operations , assembling, grading, storage, transportation and distribution.”

Government organisations from IRDA (Insurance Regulatory and Development Authority) & NCAER (National Council for Applied Economic Research) define ‘Rural’ as “a village with a population of less than 5,000 with 75% of the male population engaged in agriculture etc.” Rural Marketing in rural India is an area of darkness to Indian corporate but amorphous in detail. And so far, the rural market characterizes the largest potential market in the country. Around 70% of Indian people living in rural areas of the country, trapping these markets is becoming one of the most profitable options for all sectors. In the wake of economic crisis, while the urban markets continue reduced due to cash crisis, rural economy has keep on largely

unaffected. A good harvest has further added to their respite. Thus, marketers are focused on small towns and villages with devoted labour force.

#### **IV. RURAL MARKETING IN INDIA**

A few years back, the rural market in India was an unfamiliar area and many companies were not showing their interested to take part in the rural markets of India, as the demand blueprint was unstable, limited, the poor purchasing power of people, etc. Infrastructure, transportation, and communication were the main blocks for the growth of rural markets and perception of urban products in rural markets. However, these entities of the past have been changed. At the present, everyone is looking at rural markets as the next growth driver in the Indian marketplace. As a result of the Green Revolution in agriculture and White Revolution in the diary and further developing events executed through the Five-Year Plans, the productivity, prosperity and disposable incomes of the rural population have been improved. In this way, the standard of living and lifestyles of Indian rural people have also changed for healthier living. These circumstances have created demand for a

variety of fast-moving consumer products, consumer durables, and services etc.

Once upon a time, rural marketing was considered only as the marketing of agricultural foodstuffs. Because of special interest was taken by the Government of India, many regulated markets have been started in our country to simplify proper marketing of farm produce. Implementation of scientific and commercial farming promoted the use of inputs like high yielding varieties of seeds, chemical fertilizers, pesticides, cattle, and poultry feeds, and also tractors, tillers, other farm equipment etc. As of all these, the scope of rural marketing started broadening. The penetration of television also provided an impulse to support accessibility to marketers into rural India, for promoting consumer products.

As a result of green revolution and the white revolution in India the rural areas are using numerous industrial and urban manufactured products. In these circumstances, an exceptional marketing strategy, namely rural marketing has occurred. But frequently, rural marketing is confused with agricultural marketing. The latter represents marketing of products of the rural areas to the urban consumers or industrial consumers, where rural marketing has distributing manufactured or

processed inputs or services to rural manufacturers or consumers.

The rural market of India begun showing its potential in the 1960s. Agricultural produces food grains and industrial inputs like cotton, oil seeds, sugarcane etc. occupied the central place of debate throughout this period. The supply-chain activities of firms supplying agricultural inputs and of handicrafts worker in rural areas received secondary attention. The indigenous marketing of products like strings, baskets of bamboo, window and door frames, and small agricultural instruments like ploughs by sellers like blacksmiths, carpenters, cobblers, and pot makers were emphasized in overall. An absolutely unorganized market existed in that period, where all Banias and Mahajan (local business people) dominated this market.

During 1960-1990, the marketing of rural products received the significant concentration in the general marketing framework. The establishment of agencies like Khadi and Village Industries Commission, Girijan Cooperative Societies, APCO Fabrics, IFFCO, KRIBHCO, etc., and also the special attention government had paid to promote these products were accountable for this improvement. Manufacture of villages

settled on top intense consequently products like handloom textiles, handicrafts, safety matches, crackers, and soaps etc. shifted the urban market on a large scale from rural areas. After 1990, Indian economy opened up and permitted foreign companies to enter in the rural market of the country which accelerated the flow of consumables goods in the rural sector, as then Indian rural economy had increased its strength and maturity. Its contribution to GNP increased significantly. A new service sector had emerged showing the revolution of agricultural society into the industrial society. For the time being, due to the development programs of the central and state governments, service organizations and socially responsible business groups like Mafatlal, Tatas, Birlas, Goenkas, and others, the rural area witnessed exceptional socioeconomic progress.

The Indian rural markets generate extensive incomes in the country, as the rural regions contain the maximum consumers in this economy. The rural market in Indian economy generates approximately more than half of the country's income. Rural markets are also becoming attractive for a number of ends. Rural incomes are increasing due to the green revolution, rise in agro-produce prices, skilled India

programs, financial inclusion etc. and consumers are buying flexible goods and lifestyle products, including mobile phones, television sets, and two-wheelers etc. The rush to rural markets is not the latest happening and companies have been testing these markets. A survey by National Council for Applied Economic Research, India's leading economic research unit, just now proved that increase in rural income keeps pace with urban income. Marketing executives are fuelling out and discovering the strength of the large rural markets as they try to enlarge their markets.

Indian Rural economy emerging as the main contributor to the economic growth of India and it is projected that it will be around 45% of GDP by 2020. The rural economy has to provide a cushion to the Indian economy. Indian economy is capable towards sustain despite all the crisis occurred in other parts of the world is because of the backup of rural market. Rural consumers, who were on the getting end so far, are today bit by bit receiving into place to dictate the terms for the first time.

## **V. CHALLENGES OF RURAL MARKETING**

The rural market offers an enormous available potential; it should also be identified that it is not that easy to run in the rural market because of various problems.

At present, the extreme challenge for the rural marketer is to reach out to the most remote rural destinations and increase rural incomes. The manufacturers and service providers have been indeed facing a number of challenges in their effort to sell their goods and provide services. The challenges faced by the marketers can be put in following categories:

- 1. Barter System:** Barter system is practiced in the emergent nation like India, yet nowadays the barter system i.e., exchange of goods for goods be present in the country side. This is a main difficulty in the pathway of growth and development of rural marketing in India.
- 2. Transportation:** Transportation is an essential part in the process of movement of products from urban production centres to isolated villages. The transportation infrastructure is very poor in rural India. Due to this reason, most of the villages are not accessible to the marketing man. Nearly 80 percentages of villages in the country are not connected by well-constructed roads. Many parts of India have kuccha roads. Due to poor transportation facilities it is not possible for a marketer to access the rural market because Marketing activities require transportation facilities. During the monsoons, even these roads become unserviceable. Regarding rail

transport, though India has the second largest railway system in the world, many parts of rural India however, remain outside the rail network. Till date some rural areas of the nation are not linked by roads and rail transport.

- 3. Warehousing:** A storing function is essential because production and consumption series not often match. Agricultural commodities are produced seasonally but they are demanded throughout the year so there is need to store them. The storage function overcomes discrepancies in desired quantities and timing. In the rural areas, there are no facilities for public as well as private warehousing. The central warehousing corporation and state warehousing, which constitute the top tier in public warehousing in our country, have not extended their network of warehouses to the rural parts. It is not quite impossible to supply efficiently in the interior outlets in the lack of suitable storage facilities. Due to lack of adequate and scientific storage facilities in rural areas, stocks are being maintained in towns only. Thus, Marketers face problems of storage of their goods in the rural areas in a proper way.
- 4. Banking and Credit Problems:** The rural consumers are not financially sound that they can buy products of high value in cash

and also they hold cash only after harvesting of crops but need products during the whole year. So, they require credit facilities from the marketer and this credit is most risky. In rural markets, distribution is also handicapped due to lack of sufficient banking and credit services. The retailers are incapable to bring optimal stocks in the absence of adequate credit facilities. So, this poses a challenge for the rural marketer who wants to tap the rural market.

**5. Seasonal Demand:** Seasonal demand is a core problem of rural market of India. Agriculture situation performs a significant role in the demand of commodities in the rural market because it is the main source of earnings in the rural market. As agriculture take place to be the core livelihood in rural India, Demand for goods in rural markets changes upon agricultural situation. Agriculture to a large extent depends upon monsoon. Hence, the purchasing aptitude is not permanent or regular as parallel to the urban market. In spite of this, several rural areas are not connected by rail transport. Kuccha roads become trouble for sales person for product supply in monsoon. Harvest season could see an increase in disposable income and hence more purchasing power.

**6. Packaging:** It is the first important step of product processing. If the packaging cost is high, it will increase the total cost of products. As far as packaging is concerned, as a general rule, smaller packages are more popular in the rural areas. At present, each necessary products are not available in villages in smaller packaging. The lower income group consumers are not proficient in the purchase of large and medium-sized packaged goods. The small polypack of products more popular than in containers of the same product due to its lowest cost. It is also found in most of the rural area that the labelling on the package or packets is not in the local language. This is a major constraint to rural consumers understanding the product characteristics.

**7. Distribution Problem:** Indian rural areas are getting connected to urban areas with all weather conditions Roads, but the reality is different. The roads are not made of good material and after some time, pits develop on the roads in which water stagnates during raining season, so making it tough to supply goods to rural areas during this season. One of the greatest challenges for rural marketing remains in reaching out to the remotest ends and having a number of vendors at the retailing end. The existence of lots of tiers in the distribution system rises the cost of distribution. The number of



outlets in a village primarily depends on the level of the economic prosperity, purchasing power of the village, residents of the village and the consciousness of consumer goods. These factors make high quality distribution unrealistic in the rural area of our country.

**8. Many Languages and Dialects:** India is a country of various languages and this leads to the problem in communication. The number of languages and dialects vary widely from state to state, region to region and probably from district to district. The messages have to be delivered in the local languages and dialects. Language becomes a barrier to effective communication in the market efforts. So, understanding these languages and communicating with the rural consumers in that language is a big problem for the marketer. This type of distribution of population call for takes strategies to decide the extent of coverage of the rural market.

**9. Inadequate Media Coverage:** Media have a large number of problem in rural areas. In the late 50's and 60's radio was considered to be an approaching medium for promoting of any products in rural areas as it reaches to large people at a relatively low cost. But now Television has made a great impact and large audience has been exposed to this medium. Television is a

good source to communicate the message to rural people. But due to non-availability of electricity as well as television sets, majority of rural population cannot get the advantages of various media. On the other hand, reach of formal media is low in rural households; thus, the market has to start specific sales promotion activities in rural areas like contributing in meals of fairs.

**10. Market Organization & Staff:** The size of the market organization and staff is very important, to manage market system effective control. However, the existing organizational setup, particularly at district and block level, needs to be strengthened in order to make the services on various aspects available to the farmers timely and also easily accessible to them. However rural marketing offers a challenging career so salesperson should require particular qualifications and specific ability for rural marketing.

**11. Village Structure in India:** Structure of the village itself begins many problems in India. Maximum villages of the country are small and scattered. It is estimated that 60 per cent of the villages are in the population group of below 1,000. The scattered environment of the villages increases distribution costs, and their insignificant size disturbs economic feasibility of set up distribution points.

**12. Cultural Factors:** Culture is a practice of combined values, principles and opinions that effect the behaviour of consumers. There are diverse groups based on religion, caste, profession, income, age, education and politics and every group applies inspiration on the behaviour of people in villages. There is a faith among rural people that knowhow is more important than proper education and they regard salespersons who can offer practical clarifications of their problems. Thus, it is necessary that sales persons, particularly for those who have been brought up in cities are given a thorough training consisting of both theory and practical characteristics of village life.

**13. Traditional Life:** People belonging to different religions and cultures have different requirements and follow different attitudes towards services and products in the rural areas. They do not prefer changes and they are bound to follow the traditional values set by the society and religious bodies. Existence in rural areas is still ruled by customs and traditions and public do not simply accept new practices. For example, even rich and educated class of farmers does not use jeans or branded shoes etc. Thus, the culture, religion and even superstition strongly influence their purchasing decision.

**14. Standard of Living:** A large number of population remains below the poverty line is rural markets as compared to urban market. Therefore, the market is also underdeveloped and marketing strategies have to be distinctive from the strategies used in urban marketing in India.

**15. Low level of Literacy:** We know that the level of literacy rate is low in rural areas as that of urban areas Marketers face communication problem for promotional purpose due to the lack of literacy rate prevailing in rural areas. Print medium becomes ineffective and to an extent irrelevant in rural areas since its reach is poor. Subsequently, near to the ground level of literacy turn out to be challenge for marketers in rural areas.

**16. Lack of Knowledge of Information Technology:** Information Technology (IT) is not very typical in rural areas of India. Marketers trust on internal relationships that increase the flow of goods, services, information, and ideas. The strength of family and personal relationships in rural communities can be little helpful but they can also, form difficulties for efficient commercial relationships. Business pacts can get impartiality and inter-community rivalries may diminish the scope for regional support. Decision making procedure and lines of expert are mostly

blurry and across run by local politics in rural areas.

**17. Lack of Communication System:** Fast communications services like computer, internet and telecommunication systems etc. are the necessary for rural market, which is a widespread challenging due to absence of availability of such services in rural areas of the country. The literacy level in the rural areas is very low and consumer's behaviour is kind of traditional, which is a reason of problem for efficient communication. Services such as telephone, Fax and Telegram are rather poor in rural areas.

**18. Lack of Technical Knowhow:** Rural marketer practice a significant problem due to absence of technical knowledge. Nonexistence of training facilities and extra time services create a problem for the development of rural market.

**19. Underdeveloped People and Underdeveloped Markets:** The society of rural areas in India is underdeveloped. Modern technology has tried to develop the people and markets in rural areas. It has also made very less impact in improving the underdeveloped people and markets in rural India. The number of people below poverty line has not decreased in any significant manner. Henceforth, underdeveloped people as well as

successively underdeveloped market by and large distinguish the rural markets.

**20. Dispersed Markets:** Rural population is dispersed over a large land area of the country. The large population base and number of households shows a broadly spread out market and it is a challenge for the marketer to service this single market. And it is approximately difficult to confirm the availability of a brand all over the nation. Approximately half of the population lives in middle-sized villages which have a population ranging from 1000 to 5000 persons. Manufacturers and traders choose such occasions, as they permit better visibility and capture the mind of the target audience for larger extents of time. Advertising in such a highly diverse market is also very expensive to decide the extent of coverage of rural market.

## **VI. OPPORTUNITIES OF RURAL MARKETING**

As we know Indian economy comprising both urban sector and rural sector. And concept of rural marketing in Indian economy has always played an influential role in the lives of people. In India, leaving out a few metropolitan cities, all the districts and industrial townships are connected with rural markets. The rural market in India is not an independent

organization in them self and it is mainly stimulated by the sociological and behavioral factors functioning in the country. The Indian rural markets with its vast size and demand base offer great opportunities, a ray of hope for a marketer.

**1. Improvement in Infrastructure:** The government has specific focus on the inclusive growth of the country in the eleventh five-year plans. This contains rural and urban deprived in addition to the primary agricultural sector. In last couple of years several schemes have been launched related to rural housing, roads, communication, drinking water, rural electrification, etc. by the government. These have significantly got better the standard of living of rural population and have achieved to increase in their demand and consumption. Infrastructure is also developing at a faster rate in the country leading to the better connectivity by rail, by roads, by mobile and telephone, and access to mass media through television. Increased electrification of households (60%) has opened up the rural market for durable. Altogether these things have improved the buying potential and the demand base for and access to new goods and brands, as seen over the previous years. Across the subsequently period, it is predictable that the rural infrastructure will

increase significantly, with almost 100% road connectivity, electrified villages, literacy, television households, 80% Pucca households and 50% mobile entrance into the country. In the year 2010-2011 INR 480 billion in on Bharat Nirman Programs has been spent by the government leading to rapid infrastructure development. The government has the aim to build 10 million hectares of extra capacity, to provide all-weather connectivity to all habitats with over a 1,000 people, to supply electricity to 1,25,000 villages and to make six million houses in rural areas, and to link up telephonically all people. 40% of villages have been connected by roads in 50 years only, in the next 10 years a further 30% would be linked. In the last 10 years rural telephone density has gone up by 300%. The government targets to supply LED lights to around 400million homes that do not have an electricity connection by 2017. Fast development of rural infrastructure is also major fascination for marketers.

**2. Increasing Rural Consumption:** There has been significant increase in rural consumption over years. Due to more facile availability of credit, lowering of prices of consumer durable such as television, refrigerator & mobile phones, rise in rural income, rise in rural savings, development in literacy, urban link due to

immigrants driving sale of consumer durable, apparels, footwear, FMCG, automobile, etc., easy going availability of branded goods at more adjacent locality due to rural organized retail such as Haryali Bazaar, ITC Chaupal, Godrej Aadhar, etc., and availability of low priced products due to advancement in technology and imports from countries such as China. Similarly, there is a large demand for second hand goods particularly in automobiles. This 35% of total sales of the consumer packaged goods industry and has grown at a faster clip than the urban sales for the past two years contributes by the rural market. The budget of 2013 increased allocation for the MGNREGA to Rs. 34,699 crore from the current Rs. 34,000 crore. Urban consumption has been still for years now, given the high cost living, and elastic purchases highlighted. Nowadays, with increased drive on rural income, companies and analysts say that it will bring back acche din for them.

**3. Increase Population and Hence Increase in Demand:** Indian rural market is infinite and scattered and put forward an extra of chances in equivalent to the urban sector. It covers the highest population and areas and thus, the maximum number of consumers. More than eighty percent of

rural markets in India static do not have open to any type of organized marketing and distribution system. Increase in inhabitants improves the probable market for the marketers and attracts them to make more new products so as tap this increasing population and make more money. Thus, there is a sea of opportunities for retailers to serve the consumers in rural and semi urban India.

**4. Increase in Literacy Rate:** Awareness is must for the progress of a market and literacy is the key to that. Literacy rate is increasing in rural areas. There are more graduates in rural than in urban India. This brings social and cultural changes in buying behavior of the rural customers and more aware about national and international brand. This brings social and cultural changes in buying behavior of the rural customers and more aware about national and international brand. Increase in literacy level enhances the understanding level of the consumers and the literate person make more rational decisions as compared to intuitional decisions and thus, in this way rural market can be tapped more easily as literate consumers can be aware more easily as compared to illiterate ones. Due to increase in literacy rate they get jobs in nearby towns. They earn urban salaries but

continue to live in self-owned homes in the villages, they have high purchasing power and prefer to buy branded product.

**5. Reduction in Risk during Recession:**

‘Don’t put all the eggs in a basket’ is always recommended for the businessmen. It has been normally detected that the vendors who deal in both urban and rural markets are more protect to the market probabilities as compared to those who sell in only urban market as the effect of recession is stronger in urban market as compared to rural market. The demands for goods in the urban market frequently keep on a cyclical pattern whereas in the rural market then pattern is uniform. Thus, companies or firms can defense themselves from the destructive results of recession after entering in the rural market.

**6. Competition in Urban Areas:** The heat of competition in the urban market really helps as the perfect driver in front the growing interest of corporate in the rural market. Rural market acts as an advantage to those who cannot keep up with the urban competition. This market offers opportunities to the urban marketer. Due to the saturation in urban market, this offers many Companies or firms to focus on rural market for their profit maximization.

**7. Increase in IT Penetration:** Rural consumers are better networked. They are

better connected in digital sense as compared to earlier. Technological developments, particularly deeper penetration of mobile telephony and direct to home (DTH) television into India’s hinterlands, have also reshaped the lifestyle and consumption patterns among rural consumers. Nowadays rural families and youth will grow up in an atmosphere where they have ‘information access to education opportunities, job opportunities, government schemes, and world-wide news and mandi prices. Rural areas offer a great potential for growth in internet usage with the number of claimed internet users in these spaces to be reached at 45million by Dec. 2012, according to the recent IMRB survey, conducted jointly with internet and Mobile Association of India (IMAI). The total number of telecom subscribers (mobile plus landline) in rural India crossed 378 million in July 2014 and of the 205 million internet users in India in 2013, 68 million lived in rural areas. Even more impressive, one fourth of the 100 million people in India who access the internet using mobile devices live in rural areas. Increased IT penetration in rural market makes it more attractive as products can be promoted easily.

**8. Increasing in Disposable Income and Purchasing Power:** Rural purchasing

power has increased more rapidly than urban in the recent years. Income of rural Indian economy has been growing due to green revolution, increase in agri-produce prices, disposable income, Government initiatives and schemes and favorable demographics etc. Skilled India programs, financial inclusion, etc. and MNREGA have given the rural population to an opportunity towards meet their daily needs and purchasing discretionary goods and lifestyle products, including mobile phones, television sets and two-wheelers etc. Government decided to expand the agriculture loan at lower rate of interest and distribute a million of Kisan Credit Cards, has given a boost to the income level to the rural sector. Good monsoons and two-fold increase in the support price of food grains have supported to getting better agriculture prosperity which benefited millions of farmers. A major shift to cash crops will increase the income from agriculture. The constant increase in prosperity leads to increase in the demand of consumer and non-consumer goods in rural areas. An increasing labor force involvement in non-farming occupations has led to more income earning opportunities, and this tendency is had a tendency to grow in the future, which

further encourage the marketers to enter into the rural market.

#### **9. Developmental Programs/Schemes of**

**Government:** Indian government has planned to develop the infrastructure in rural areas which can have a multiplier outcome in increasing movements of goods, services and increase incomes potential of rural areas successively. Department of Rural development under the Ministry of Rural Development has introduced various plans which has been facilitating and encouraging the growth of rural India. The government's pressure on self-sufficiency resulted in several schemes like Operation Flood (White Revolution), Blue Revolution, Yellow Revolution, etc. resulted in the production of 15 million tons of milk per annum. Developmental programs of Indian government have generated incomes to rural people and helped them to change their life-styles and increase purchasing power. Some of these successful government programs and schemes are:

- Intensive Agricultural District Programme (IADP- Package Programme)
- Intensive Agricultural Area Programme (IAAP)

- High Yielding Varieties Programme (HYVP- Green Revolution)
- Drought Prone Areas Programme (DPAP)
- Small Farmers Development Agency (SFDA)
- Hill Area Development Programme
- Integrated Rural Development Programme (IRDP)
- Jawahar Rojgar Yojna (JRY).
- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
- Swarnjayanti Gram Swarozgar Yojna (SGSY)
- Pradhan Mantri Gram Sadak Yojna (PMGSY)
- Indira Awaas Yojana (IAY)
- National Social Assistance Programme (NSAP)

## VII. CONCLUSION

The beginning of rural marketing in India is static in the initial stage and has a huge number of challenges incorporating the dynamics of rural markets and strategies to deliver and satisfy the rural consumers. Rural market like any other economy has untouched possibility. There is no doubt that the rural India offers great opportunity for any company to tap. But, companies face many challenges in tackling the rural

markets. In rural marketing, the vast scale of courses to be followed need exceptional care and attention with regard to the product, its quality, brand, pricing, packaging, sales promotion (i.e. advertising), personal selling and channel of distribution etc. With the transforming economic situations in the country, and with healthier purchasing power, among the rural people, the anew emergent rural markets are compelled to produce ironic dividends. Since the emergent issues and challenges, the government's role will be equally important in conducting rural market surveys and collecting of important figures and their publication for the benefit of trade and business.

There is constant progress in infrastructure all these opportunities invite companies to focus rural market. With specific technology revolution in distribution and marketing of products in rural India, companies in rural market can earn more revenues, market share, etc. The Rural market is a greater future prospect for the marketers and there are several opportunities existing for them in rural markets. The Indian rural market has expanded significance in the recent times as the overall economic growth of the nation has led to progress in the standard of living of the rural people. Today, rural India is



attracting every corporate house in India and around the world and has been considered as the most lucrative market because companies across different sectors are wooing them to support their momentum of business growth. Rural markets are full of opportunities, which are in abundance and relatively untapped. Rural India is already a big source of income as well as in future it will be definitely a great source of revenue and a potential market for all the companies ready to explore new options.

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