

Rural Marketing in India

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ABSTRACT

Rural markets offer a great scope for a concentrated marketing effort because of the recent increase in the rural incomes and the likelihood that such incomes will increase faster because of better production and higher prices for agricultural commodities. Rural Marketing is a developing concept, and as a part of any economy has untapped potential; marketers have realized the opportunity recently. Improvement in infrastructure and reach promise a bright future for those intending to go rural. Any macro-level strategy for these markets should focus on availability, accessibility and affordability. Focused attention needs to be paid to market research that goes on to reduce the uncertainty in dealing with these markets. More specifically, in relation to rural areas, demand is seen to be very highly price elastic. There is no doubt that divides do exist between urban India and rural India.

Keywords:

Rural markets, concentrated marketing, rural marketing, agricultural commodities, accessibility and affordability

INTRODUCTION

Rural is a habitation with a population density of less than 400 per sq. km, where at least 75% of the male working population is engaged in agriculture and where there exists municipality or board. Rural Marketing involves establishing, stimulating and converting the purchasing power into an effective demand for specific products & services in rural areas to

create satisfaction. In rural market, consumer as a segment has several distinctive characteristics. The values, aspiration and needs of the rural consumers are different. There are also variations in the buying behaviour, income levels and the macro and micro environment of consumers where they are located. The rural markets require a different marketing approach to cater to the needs of the rural consumers. The rural market can be broadly classified into three.

1. Consumer Market-

a) Constituents- Individuals and Households

b) Products- Consumable - food Products, Cosmetics, footwear

Durable - Watches, Motor Car, Furniture.

2. Industrial Market-

a) Constituents:- Agriculture and Allied activities, Poultry Farming, Fishing, Animal Husbandry, Cottage Industries, Schools, Cooperatives.

b) Products- Consumable- Seeds, Fertilizers, Animal Feeds, Medicine, Petrol
Durables- Tillers, Tractors, Pump Sets, Boats.

3. Service Market-

a) Constituents-Individuals, Households, Offices, Production.

b) Services- Repair, Transport, Banking, Credit, Insurance.

REVIEW OF LITERATURE

Literature on rural marketing is still in its nascent stage. A majority of the studies on rural markets have been carried out after 2000 both in India as well as abroad.

Patel and Prasad (2005) conducted a study on brand awareness of rural consumers and their behaviour towards various FMCG brands. The study revealed that local brands rule the market due to easy availability, awareness and influence of retailers on consumers. It was found that rural consumers understand the local dialect and prefer to be informed in local language.

Shrawet and Kundu (2007) examined the influence of packaging on buying decisions and found that rural people find to be more powerful in buying, as a indication of better product and are more influenced by the ease of storing a packaged item than their urban counterparts. Although, labelling is considered to be an important part of packaging, yet rural respondent gave less importance to it.

Parinar et al. (2007) in their study tried to identify urban and rural consumer buying behaviour in terms of their preference for technology, style, brand image, price and after sales service and found that the rural consumers profile is different from that of their counterparts in terms of education, income, occupation, reference group and media habits.

Patro and Varshney (2008) have studied the relationship of brand awareness on perceived quality and its impact on buyers of brands of bathing soap. The study found that there is positive effect of brand building measures through higher sales in the rural areas which leads to modification of consumer's behaviour, association between brand recall, brand liking, brand quality perception and brand usage was also found.

Erda(2008) tried to find out the various motivational factors that influence the buying behaviour of rural consumers. The study on

mobile phones as stimuli revealed that rural consumers are less conscious in matters of quality, functions and brand compared to their urban counterparts. The study further concluded that rural marketing cannot succeed if the marketing strategy and action plan are only extrapolation or minor modification of the urban marketing strategy and plans.

Mathews and Nagaraj (2010) tried to make VALs Analysis of youth based on gender and also to identify the behaviour of youth with reference to family, fashion, education, brand and shopping activities. The study revealed that man and woman tend to have different attitudinal and behavioural orientation based partly on genetic makeup and partly on socialization practice.

RESEARCH PROBLEM

In rural areas more than 75% of the population engaged in agriculture. They also required products and services for consuming similar to urban areas. Because it effects their values. Life style .attitude and standard of living. It's a big opportunity to all the product and service providing companies to cover-up all persons living under rural areas.

OBJECTIVES

The main objectives are as follows:-

- To study the Values, attitude and Lifestyles (VALs) of the rural consumers to make distinctive segments.
- To develop a consumer buying behaviour in order to identify the factors taken into consideration while purchasing the identified products by rural consumer.

RESEARCH MEHTODOLOGY

SAMPLE COLLECTION

To determine the number of respondents that will be asked to participate and give

information regarding the study convenience sampling will be used. Convenience sampling means to collect or interview individuals who actually experience the phenomenon. Convenience sampling will focus on individuals who covers under rural areas.

METHODOLOGY AND DATA COLLECTION

Primary and secondary sources of data would be used for the study. Surveys will the primary method of data collection. Internet survey would be the primary source of data. Internet surveys have been both hyped for their capabilities and criticized for the security issues it brings. Internet surveys would also require less time for the researchers and the respondents. Secondary source of data would involve the use of books and journals.

FEATURES OF RURAL MARKETING IN INDIAN ECONOMY

- ✓ Large and scattered market
- ✓ Changing the demand pattern
- ✓ Major incomes from agriculture
- ✓ Low standard of living

CHALLENGES IN RURAL MARKETING

- Low literacy
- Seasonal demand
- Transportation
- Distribution
- Communication problems
- Media for promotion

REASONS FOR IMPROVMENT OF BUSINESS IN RURAL AREA

- ❖ Socio-economic changes
- ❖ Literacy level
- ❖ Infrastructure facilities
- ❖ Increase in income
- ❖ High expectation

DO'S AND DONOT IN RURAL MARKET RESEARCH

1. Wear simple clothes
2. Familiar with local language or accompany a know person.
3. Spent time with villagers even though it is not needed to his research
4. Purpose and its benefits to villagers should be explained in order to get correct data's.
5. Issue sensitive to respondents should be carefully handled.
6. Male researchers should approach a woman through her husband or guardian of the woman
7. Avoid one to one interact as they gather as crowd.
8. Researcher always carry food, water and first aid kit to avoid health problems.

SUGGESTIONS FOR RURAL MARKETING IN INDIA

1. The government should encourage private shopkeepers and co-operative stores to come forward and establish their business in rural areas.
2. Some of the leading companies must have delivery vans in rural areas for resolving the distribution problems.
3. The companies must take care about the recruitment and selection of sales persons who are willing to work in rural areas.(local language and patience)
4. With reference to marketing communication in rural areas the companies should use the original media mix policy.
5. Rural people need awareness classes and demonstration for better understanding.

CONCLUSION

1. The rural marketing in India is quite fascinating and challenging
2. Large scope for the marketer, improvement in infrastructures and

reach promise a bright future for those intending to go rural

3. Rural market is not exploited completely and is yet to be explored.

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