

Changing Scenario of Rural Marketing

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1.1 Abstract

- **Purpose** – The aim of the study is to identify the prospects in rural markets of India.
- **Design/methodology/approach** – The present research is a combination of primary and secondary data collected with an aim to explore the scope of rural markets in the country. A detailed questionnaire was designed to obtain primary information and descriptive analysis was then used as the most common form of research. A sample size of 107 respondents was taken for survey.
- **Findings** – The results revealed that the rural markets are a boon to the country, if proper planning and implementation is done whatever market is yet untapped can be explored and the country can make giant profits by concentrating on the selected sectors, i.e., FMCG. Also, the paper successfully confirms that rural markets in the country has vast potential to account super profits for the country.
- **Research limitations/implications** – Collection of data was through secondary sources, if the research was further extended to collecting data from dealers and sellers and their perspective on the subject, the results could have been prompter and apt.
- **Practical implications** – The study provides a look into the lucrative sector of the Indian economy, the rural sector. The country still has its roots in rural areas, therefore the practical applicability of the subject is immense and will prove to be beneficial for the readers who attempt to understand the wide impact of the rural market.
- **Originality/value** – This paper provides an analysis of India's climate, challenges and solutions for rural markets. Rural marketing has become the new mantra of most companies, even though MNCs are looking to capture the wide Indian market in rural markets. The rural market consists of 70% of the population, twice the entire US market, and in countries such as South Korea, and Canada, in another 20 years, will become greater than the overall consumer market. Using primary and secondary information obtained from different segments of the industry. Linguistic, geographic and ethnic diversity and economic inequalities are exhibited here. Several businesses are pursuing cost-effective channels such as HUL/ITC/Colgate/Godrej/Nokia/BPCL, growing buying power sparked a lot of interest.

Keywords: *Rural Marketing, Rural Market Potential.*

1.2 Introduction:

Rural Marketing relates to the practises carried out by advertisers in order to encourage citizens residing in rural areas to transform their purchase force into an efficient demand for products and services and to make them accessible in rural areas in order to improve their standard of life and meet the overall objective of the corporation. “Go Rural” is the main strategy in the present scenario that is being followed by a large number of marketeers in the country. Rural India is still a predominant feature of the country. 6, 38,365 villages are home to 742 million Indians, representing 138 million households (Census, 2001)

The modern marketing environment and economic scenario have taken the company under contemporary India roofs, which question the existing principles of segmentation, targeting and meeting consumers. Realistically, India has come a long way from being a nation where only 80% of its revenue is accounted for by the metropolitan community, which represents 20% of the customer base of the business. Companies are searching for new prospects and routes, and they have a huge, untouched and untapped rural Indian sector, as they witness a decline in their growth rates in urban markets due to market saturation. The driving force behind this is rural youngsters who are educated, have access to technology and are responsive to reform. Rural economies have also assumed value, as the general growth of the economy has contributed to a significant rise in the spending power of rural populations. A survey report by the “National Council for Applied Economic Research (NCAER)”, states that India's leading economic research body, reveals that “growth in rural incomes is keeping pace with growth in urban incomes. The rural middle class is increasing at 12 percent, similar to the urban middle class at 13 percent. Punjab, Kerala, Haryana, Rajasthan, Gujarat, Andhra Pradesh and Maharashtra are perceived to be highly productive nations.”

Companies are concentrating increasingly on the needs and wishes of people living here because of so much potential in rural areas, and are taking every step possible to stimulate people to purchase goods and services and boost their livelihoods.

1.3 Rural Marketing In Modern India

The McKinsey Study (2007) on “the growth in the Indian consumer market estimates that the Indian rural market will be greater in twenty years than the total consumer markets in countries such as South Korea or Canada today, and nearly four times the size of the Indian urban market today, estimating the size of the rural market at \$577 trillion”. The three forms of rural marketing that exist in the present scenario are:

- I. **URBAN TO RURAL:** “In this grouping, a large part of rural marketing falls. This involves transactions with urban marketers selling their goods and services in rural areas, such as pesticides, fertilisers, seeds, FMCG products, tractors, bicycles, durable consumer goods, etc.”

- II. RURAL TO URBAN: “In this group, transactions essentially fall within the framework of agricultural marketing, where a rural producer tries to sell its goods in an urban market, such as seeds, fruit and vegetables, milk and related products, forest products, spices, etc.”
- III. RURAL TO RURAL (R 2 R): “This includes activities such as agricultural implements, handicrafts and bullock carts, clothing products, etc., which take place between two villages in close proximity to each other.”

1.4 Review of Literature

(Agrawal, 2018) In their research work stated that “India's 70 per cent of the population resides in hinterlands and 56 per cent of the overall consumption comes from there. Rural Indians are no more inferior to the country's urban clan. Increase in incomes, rising non-farm employment opportunities, higher aspirations and the Government's focus on rural sustainability schemes are major factors that have been driving the rural markets' growth.”. Result so derived from the research work that Rural spending was significantly higher than urban consumption between 2009-10 and 2011-12.

(Kale & Chobe, 2016) In their research work mentioned that “Rural marketing in India is meant considering the needs and requirements of 80 percent population and fulfilling their needs timely, adequately and at the price affordable to them. It has resulted in ever increasing demand for white goods in rural areas. There is shortage of drinking water but you can find Pepsi soft drinks in tiny rural outlets. Dhoti–Kurta has been replaced by pant shirts. Cosmetics are in great demand in rural markets. Modernization of agriculture and rapidly growing rural industries are responsible for increased demand for capital goods. In the changing business scenario world over, rural marketing is the most preferable destination to the marketers.” Special efforts are made to boost industrialization in rural areas.

(Kalotra, 2013) The researcher stated that “Urban markets have saturated and need to look rural markets. This paper presents a review of rural markets environment, Problems and strategies in India. Rural marketing has become the latest mantra of most corporate even MNCs are eyeing rural markets to capture the large Indian market. The rural market consist 70 percent population, twice as entire market of USA and would become bigger than total consumer market in countries like South Korea, and Canada in another 20 years.”

1.5 OBJECTIVES

1. To consider and unlock the rural market's ability.
2. Assessment of the paradigm shift from metropolitan to rural economies.
3. To test the various parameters of the potential of the rural sector.

1.6 Research Methodology

The present research is a combination of primary and secondary data collected with an aim to explore the scope of rural markets in the country. A detailed questionnaire was designed to obtain primary information and descriptive analysis was then used as the most common form of research. A sample size of 107 respondents was taken for survey. Secondary information obtained from different business groups and other market participants.

1.6.1 Primary Data Analysis:

The following are the tables and explanation in accordance to the primary data investigations made through filling of questionnaire by the respondents:

Table 1: Respondents' Age

	Count	%
<20 years	12	11.21
21-30 years	18	16.82
31-40 years	31	28.97
41-50 years	27	25.23
50 years >	19	17.76
Total	107	

The table above explains the age profile of the 107 research respondents. The bulk of the participants was between 31 and 40 years of age and the minimum was less than 20 years of age.

Table 2: Respondents' Gender

	Count	%
Male	74	69.16
Female	33	30.84
Total	107	100

Gender-sensitive data finds that 69.16% of respondents are males and the rest are women. This means that rural economies are controlled by men.

Table 3: Respondents' Education

	Count	%
Upto 5 th	42	39.25
Upto 8 th	23	21.50
Upto 10 th	18	16.82
Upto 12 th	13	12.15
Graduate	9	8.41
Post-Graduate	2	1.87
Total	107	100

Table 3 above depict that clear education profile of respondent maximum number of respondents have cleared 5th class, which may be either due to less availability of schools or due to less income resources of family.

Table 4: Respondents' Monthly Income

	Count	%
Less than Rs. 5000	43	40.19
Rs. 5001 - Rs. 10000	34	31.78
Rs. 10001 - Rs. 15000	11	10.28
Above Rs. 15000	19	17.76
Total	107	100

The monthly salary of the respondent is seen to be less than Rs. 10000, a measure of the respondents' ability to make transactions.

Table 5: Preferred Mode of Communication

	Count	%
TV	43	40.19
Mobile	13	12.15
Radio	19	17.76
News paper	11	10.28
Poster	12	11.21
Word of mouth	9	8.41
Total	107	100

It is most desirable to advertise through television and use viral marketing as a mode of communication. Two key factors-Creating Knowledge and Causing Trials-rely on rural contact. With the rapid rise in television media penetration, rural consumers are becoming more aware of brands through commercials.

Table 6: Marketing Strategy

	Count	%
Urban	58	54.21
Rural	12	11.21
Both	37	34.58
Total	107	100

If rural citizens believe they respect them as their consumers, advertisers will make the best of them. The core accomplishment of effective rural marketing is to deeply anchor rural culture and rural experiences, rural perceptions and their beliefs. Absolute consideration must be given to local language, history, traditions and methods of communication.

Table 7: Effect of Languages

	Count	%
Regional	75	70.09
National	11	10.28
Both of them	13	12.15
None of them	8	7.48
Total	107	100

From the above, it is clear that regional languages are favoured in marketing. The success of rural marketing depends on efficient campaign translation, and regional language plays an important role in this.

Table 8: Purchase Influencers

	Count	%
Price/Discounts	27	25.23
Brand/Company Name	33	30.84
Celebrity endorsement	15	14.02
Language	13	12.15
Content	11	10.28
Tagline	8	7.48
Total	107	100

The trend represents the growing disposable income in rural areas. Prices and promotions are not the only parameters that guide their purchases. Rural consumers are gradually becoming conscious of products.

Table 9: Purchasing Decisions

	Count	%
Self	43	40.19
Parent	25	23.36
Spouse	25	23.36
Children	14	13.08
Total	107	100

The above table reveals that self-accompanied spouses make rural decisions. This cannot generate a specific approach, but the idea is to target the individual or the partner or the child according to the product styles and categories.

Table 10: Perception on New Product/Brand

	Count	%
No effect, stick to existing one	30	28.04
Experiment with the new one	11	10.28
Try out when dissatisfying with existing one	22	20.56
Try out on receiving positive feed back	44	41.12
Total	107	100

The study reveals that rural buyers usually don't engage with a new product until anything is caused. The most important catalyst is constructive reviews on the product from others.

1.7 Findings and Conclusion

1. The age-specific analysis explains the purchasing pattern in rural markets, where the bulk of the male population is dominant in the 21-50 years age range.
2. Advertising via electronic media is preferred over other communication methods.
3. If they can make rural people feel like they value them as their clients, marketers can profit the most.
4. Regional languages play a critical role in rural marketing activities.
5. As well as rates and discounts, rural clients are gradually becoming brand aware.

6. In the rural market, decision-making is made by the partner, who follows himself.
7. Rural customers usually do not try with a new product until someone pressures them to do so.
8. It can be inferred from the study that Rural India has significant potential, but major differences remain between the actual and desired levels of rural marketing.

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