

A REVIEW OF EXISTING AND PROSPECTIVE OPPORTUNITIES IN RURAL MARKET

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Abstract

India is a country of diversity and about 70% of the Indian population lives in villages. These villages contribute to the country's economic development through the production of grains, vegetables, fruits, etc. The export of these agricultural products generates capital and foreign exchange earnings. The Indian rural market has a large base of size and demand. Before we go into other aspects of rural marketing, you should know how rural is defined. Rural marketing has become the last mantra of most companies. Companies such as Hindustan Lever, Colgate Palmolive, Britannia, and even multinational companies such as Pepsi, Coca Cola L., Philips, and Cavin Kare are looking for rural markets to conquer the vast Indian market. In rural marketing, rural marketing generally involves reaching the rural customer, recognizing their needs and desires, providing goods and services that meet their needs. Customer service Customer service and repeat purchase / sale.

Keywords: Rural Traders, FMCG, Consumers, Economic Development

Introduction

Rural marketing involves the process of development, pricing, promotion, distribution of certain rural products and a service that allows for an exchange between rural and urban markets, responding to consumer demand and achieving organizational goals.¹ It is a two-way marketing process wherein the transactions can be:

1. Urban to Rural: involves the sale of goods and services by urban rural traders. These include: pesticides, consumer goods, durable goods, etc.
2. From rural to urban: A rural producer (active in agriculture) sells his products on the urban market. It cannot be direct. In general, there are intermediaries, agencies, government cooperatives, etc. that sell fruits, vegetables, cereals, legumes and others
3. Rural to rural: These include selling of agricultural tools, cattle, carts and others to another village in its proximity.

Review of Related Work

Yuvarani analysed that liberalization of the Indian economy had far reaching consequences, which led to the free entry of global brands in Indian markets. Earlier companies focused their marketing efforts towards the urban markets targeting the educated consumer. However with the saturation of markets in the urban sector, many companies focused their attention towards the fast growing rural sector. Since the buying behaviour of rural consumers has become the hot topic for discussion because rural India, in recent days, is enthusiastically consuming everything from shampoo to motor cycles and this —rural predilection is being considered as one of the significant topics for market analysis. The study focuses mainly on the rural consumer behaviour towards selected FMCG products, but with the prevailing trend it is necessary to focus on the essence and emergence of vibrant rural marketing efforts of FMCG companies. Thus, with more number of companies entering into the rural market, with a variety of products, it is must for companies to study the rural consumer behaviour over FMCG products. This study will highlight the rural consumer behaviour before purchase, at the time of purchase and post- purchase. The commodities chosen for the research are shampoo, bathing soap, toothpaste, biscuits and mosquito coil/liquid. The commodities selected for the research has been done on the basis of products available for respective industries: hair care; skin care; oral care; food and beverages; and mosquito repellants.

Deliya, studied the importance of packaging design as a vehicle for communication for packaged FMCG products. This research utilized a focus group methodology to understand consumer behaviour towards such products. The challenge for researchers is to integrate packaging into an effective purchasing decision model, by understanding Consumer's behaviour towards the packaging of FMCG products. When consumers search for the process information in-store, the product's package can contain relevant and useful information for the consumer. Product packaging forms the end of the 'promotion-chain' and is close in time to the actual purchase and may therefore play an important role in predicting consumer outcomes. Packages also deliver brand identification and label information like usage instructions, contents, and list of ingredients or raw materials, warnings for use and directives for care of product.

Opportunity and size of rural markets

With its size and demand, the Indian rural market offers a great opportunity that multinationals should not miss. With around 128 million households, the rural population is almost three times the size of the urban population. With growing prosperity fueled by good monsoons and increased agricultural production from 176 million tons to 200 million tons, rural India has a large consumer group: 41% of the middle class 58% of total disposable income. The importance of the rural market for certain consumer goods and sustainable traders is underlined by the fact that the rural market accounts for around 70% of toilet soap users and 38% of all purchased two-wheelers. The size of the market has always been great. The size of this rural market is more than 700 million. All of these people have needs, desires, desires and aspirations that everyone in urban

India has. The satisfaction of these needs was achieved until a few years ago by a brand-free product. Today, however, the brand's offering is in full swing for a variety of needs.

Features of Indian Rural Market

Large, Diverse and Scattered Market: Rural market in India is large, and scattered into a number of regions. There may be less number of shops available to market products.

Major Income of Rural consumers is from Agriculture: Rural Prosperity is tied with agriculture prosperity. In the event of a crop failure, the income of the rural masses is directly affected.

Standard of Living and rising disposable income of the rural customers: It is known that majority of the rural population lives below poverty line and has low literacy rate, low per capital income, societal backwardness, low savings, etc. But the new tax structure, good monsoon, government regulation on pricing has created disposable incomes. Today the rural customer spends money to get value and is aware of the happening around him.

The major challenges faced by marketer in rural market

Despite the fact that rural markets are a huge attraction to marketers, it is not easy to enter the market and take a sizeable share of the market, in the short time due to the following reasons:-

Media for Promotions: Television has made a great impact and large audience has been exposed to this medium. Radio reaches large population in rural areas at a relatively low cost. However, reach of formal media is low in rural households. Therefore, the market has to undertake specific sales promotion activities in rural areas like participating in meals of fairs.

Seasonal Demand: Demand for goods in rural markets depends upon agricultural situation, as agriculture is the main source of income. Agriculture to a large extent depends upon monsoon and, therefore, the demand or buying capacity is not stable or regular.

Distribution: An effective distribution system requires village level shopkeeper, Mandal/Taluka-level wholesaler or preferred dealer, distributor or stockiest at district level and company-owned depot or consignment distribution at state level. The presence of too many tiers in the distribution system increases the cost of distribution.

Career in Rural Market: While rural marketing offers a challenging career, a rural sales person should require certain qualifications and specialized talent.

Buying Decisions: Rural consumers are cautious in buying and decisions are slow and delayed. They like to give a trial and only after satisfying personally, they buy the product.

The 4Ps of Rural Marketing

Most companies see the rural market as a landfill for cheap products intended for an urban audience. However, this scenario is slowly changing and the needs of consumers in rural areas are given importance. Therefore, it is important to understand the 4P of rural marketing in relation to a rural consumer.

Product: A product is the focus of rural marketing. It is a unit that meets the needs of a rural consumer. The following must be considered while the marketer makes a decision about the product.

- The product for the rural markets has to be simple, easy to use and provide after sales service or maintenance
- The product has to be packed for low price and convenient usage.
- The pack has to be easily understood by the rural consumer. The information on the pack is preferred in local language communicating the functional benefit of the product.

Price: A rural customer is price conscious and buys value. This is mainly due to their lower income than to the urban level. Therefore, the trader must find ways to make the product affordable for the rural consumer.

Placement or Distribution: Product distribution is one of the biggest challenges of rural marketing. In rural areas, there are CWC (Central Warehousing Corporation) and State Warehousing Corporations (SWCS) to store and distribute products.

Promotion: Communication to rural consumer is through organized media. More number of rural consumer (~70%) listen to radio and many go to cinema. Rural communication can be through Conventional media or through a nonconventional media. The most common conventional media include: Print, Cinema, Television and Print. The Non-conventional media include: Theatre, Posters, Haats and Melas.

Opportunity in rural market

With a contribution of 50% to Indian GDP and a population of 70%, the importance of the rural market is not lost for those trying to sell their products / services. In addition, per capita GDP in rural areas increased by 6.7 percent, compared to 4.7 percent in urban areas. This means that incomes are rising in the countryside and people are buying more goods than ever before. Statistics show that spending on rural lifestyle products was \$ 69 billion between 2010 and 2018, well above \$ 55 billion in urban spending. The market for consumer goods in rural and semi-urban markets is estimated at over \$ 20 billion in 2018 and \$ 100 billion in 2025. The market for rural consumer goods has reached a CAGR of 13, 2% in 2010-18. The graph below only gives an overview of the potential of the rural market.

Conclusion

The vast Indian rural market offers enormous potential for a marketing specialist exposed to fierce competition in urban markets. The rural market environment is very different from the familiar environment of the urban market. Consumers in rural areas have habits and behaviors that may make it difficult for the salesman to compose. The rural market in India is a huge market. There are many opportunities for all companies. 70% of the total Indian population lives in rural areas. Rural markets are important to us. With a contribution of 50% to Indian GDP and a population of 70%, the importance of the rural market is significant. It is a market for a truly creative seller. Successfully convincing the 230 million consumers in some 600,000 villages in rural India requires a radical change in traders' attitudes towards dynamic and thriving rural markets.

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