

Paradigm shift In Rural Marketing in Digital Era.

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Abstract:

'India lives in villages'. The Indian rural market with its vast size and demand base offers great opportunities to marketers. In the recent years, rural market has acquired significance and attracted the attention of marketers as 68.84% population of India reside in 6,38,000 villages and overall growth of economy has resulted into substantial increase in the purchasing power of the rural communities. Government campaign "Digital India" can connect maximum number of rural Indians to all over the world through Internet. Impact of digital India in the future of E-Commerce in Rural India; represent the various opportunities for vendors, consumers, E-Commerce Industries and factors influencing trust in rural Indians. ICT is becoming the facilitator of socio-economic development in rural India with its obvious facilities by way of health, education, financial services and employment avenues, etc. It can help the bridge gaps by providing 'e' and 'm' services. ICT offering meant for rural sector can be classified into three categories: Those solutions which aim are aimed at empowerment, those which would do enablement, those for market expansion.

Keywords: Rural market, E-Commerce, Digital India, socio-economic development, empowerment

Introduction

A country whose middle class population is as big as the entire population of USA is a market which no FMCG player can afford to overlook. In addition, as the fruits of economic growth become available to the masses and more people start to move up the economic strata, the Indian market only keeps on expanding. More importantly with a population where the median age is only 27, consumerism is on the rise in India with growing aspiration levels. This has been further aided by government's efforts to expand financial inclusion and creation of social security nets. With rural India accounting for more than 700 million consumers and accounting for 50 percent of the total FMCG market, there exists huge opportunity at the so called 'bottom of the pyramid'. The market in India is fragmented with roughly half the market being dominated by unbranded, unpackaged, home-made products, operating mostly in the rural markets. The potential of the non-urban market is something which all FMCG players are very keen to tap. FMCG players are busy analyzing emerging consumer trends and identifying new consumer segments and accordingly drawing up plans and strategies to capture market share. On top of that, with growing penetration of telecom and internet, e-commerce is emerging as a viable alternative for traditional retail and kirana outlets. Thus, the choice of distribution channels in order to reach out to a larger market now forms an integral part of the planning process for FMCG players too.

What does the Rural term imply? There is a no single answer. Collins and cobuild Dictionary (2001) Describe the word as "Places far away from towns and cities. However census of India(2001) defines rural as 'that what is not urban'. Delivering a better standard of living and quality of life will be the new role of rural marketing. Rural markets have undergone rapid transformation during the last ten years today, the rural consumer is exposed to a variety of products and services and specific brands. The companies entering rural markets have a major role to play by carrying developmental message to less informed rural

population. Late C. K. Pralhad, the Management Guru, in his famous book on “The Fortune at the Bottom of the Pyramid”, has rightly said, “The real source of market promise is not the wealthy few in the developing world or even the emerging middle income consumers. It is the billions of aspiring poor who are joining the market economy for the first time.” The attractiveness of rural India has further increased due to the recent efforts of Indian government have launched several schemes such as Mahatma Gandhi National Rural Employment Guarantee Scheme.(MGNREGA),Jan Dhan Yojana, Direct Benefit Transfer(DBT)etc. that have changed the dynamic of rural India.

Defining Rural Market

Census of India	Definition of Rural Market
	Place which satisfy following criteria: 1.Minimum Population \geq 5000 2.Population Density \geq 400/sq.km 3. 75 per cent of the male working population is engaged in agriculture
Reserve bank of India	location with population up to 10,000 will be considered as rural

A Simple Definition from Marketers’ View would be “any market that exists in an area with less than 10,000 populations, low density of population and without significant infrastructure facilities is a rural market”.

What is Digitalization in India?

Digital India is a campaign launched by the Government of India to ensure that Government services are made available to citizens electronically by improved online infrastructure and by increasing Internet connectivity or by making the country digitally empowered in the field of technology.

Three primary forces driving Digitization:

- **Consumer pull:** Consumers and particularly Generation C (the generation of young people who, by 2020, will have always lived in a primarily digital world) are already fully adapted to the digital environment. They naturally expect to always be connected, are willing to share personal data, and trust referrals from their closest friends more than from well-known brands.
 - **Technology push:** The increasing affordability of broadband is expanding the reach of technology to billions of consumers. In parallel, low-cost smart devices are being deployed in every industry. Cloud computing and the vast information-processing machinery it requires, is developing rapidly.
 - **Economic benefits:** The economic benefits to be captured through digitization are quantifiable. A surge of capital has poured into the new digitization technologies and companies, and the public markets reward early movers with unprecedented valuations
1. Customers must complete a brutally honest self-assessment to understand their digitization readiness. The primary motivation for becoming digitized is to meet customers’ steadily increasing high expectations. This requires more than simply automating existing processes. It requires reinventing the entire business process.
 2. Security is a top driver of IT Spend and will become increasingly important in proportion to the amount of digitations. According to Forrester, over 60 percent of enterprises were expected to experience a security breach in 2015 and security spending to increase, as much as double in some sectors. Security vulnerabilities can cost a business millions of dollars in liability so security for every business must be prioritized.

3. It's not a matter of whether a business becomes digitized; it's a matter of when. In order to survive long-term, all businesses will need to adapt and transform. And although the digitization pay-off may occur immediately for some industries, for others, the wait is much longer. The healthcare industry is one such sector.

E-COMMERCE

E-Commerce or electronic commerce, deals with the purchasing and selling of Products and services over an electronic platform, mainly the internet. E-Commerce has various categories such as Business to Business (B2B), Business to Consumer (B2C), Consumer to Business (C2B) and Consumer to Consumer (C2C) (Source: E-commerce in India accelerating growth). E-commerce is an ability to allow business to communicate and to perform transaction anytime and anyplace. The power of e-commerce allows geophysical barriers to vanish, making all consumers and businesses on earth potential customers and suppliers. eBay and Amazon E-Commerce companies are good example of e-commerce businesses are able to post their items and sell them around the Globe or world. The E-Commerce sector growth was based on rapid technology adoption like increasing use of devices like smartphones and access to the internet via broadband, 3G, etc. which led to an increased online Consumer base which helps to this growth.

E-COMMERCE INDUSTRIES DYNAMIC ALTERATIONS AND RURAL AREA OF INDIA

The rural areas are consuming a large number of industrial and urban manufactured products. Ecommerce industries would be reviewed and made alterations of their techniques or models. Industries have always been fascinated by rural India, but due to lack of internet access rural market not establishing properly. In last few years some big companies like ITC, Tata etc. shown their presence in rural areas to get advantage of big opportunity in E-Commerce. Rural India also grabs the benefits of this medium by providing Internet Facilities. The article "snapdeals logs on rural India" in TOI (2014)] says E-Commerce companies already plans to tap into rural or slum areas in India like Dharavi in Mumbai and villages in Rajasthan and Haryana. Snap deal plans to set up approximate 5000 e-commerce kiosks across 70,000 rural areas in India. These kiosks will include PCs and tablets for people to go online and shop. From a technology point of view, the adoption of the e-Commerce platform across enterprises and consumers will be a big game changer. e-Commerce is changing the way people shop in our country and it is proving to be a compelling channel in any company's go-to-market strategy. On the consumer side, the large scale adoption of technology by students or next-gen consumers is going to be another big game changer. As technology adoption by government and entrepreneurs increases, it will further accelerate the growth of the IT sector.

- **Rural Connectivity**

The government has been putting efforts to connect the village panchayats and getting various services delivered with the help of rural connectivity. In this whole gamut, dependence on IT infrastructure will be crucial as it will give the communities a more reliable and quicker way to access outside products, services, information and social linkages. For companies or external providers of products and services, it will improve access to rural communities.

- **Empowering the youth and rural India**

The Prime Minister also assured help to the youngsters in their startups. "Why can't we make quality electronic goods that are globally competitive? I assure all help to youngsters in startups. I think in the times to come we will get even more active in this," he said. "Design in India is very important. Just like Make in India is important. The talent of our youth must be utilized. And we must focus on designing in India," the Prime Minister added. Union telecom minister Ravi Shankar Prasad added, "The story of Digital India is not about numbers of laptop and phones, it is an idea where we conceive of not only IT-enabled services but IT-enabled society." The government announced that BSNL already has 55 Next Generation Network in place to replace 30-year-old exchanges; their number will grow to 683 by year end. BSNL also has 53 active Wi-Fi hotspots, and aims to have 2500 Wi-Fi hotspots by the end of 2015. National Scholarship Portal will offer all details and performing all key procedures from a single platform, while the government is also launching an app that will make it possible for citizens to take appointments

and pay fees for government hospitals using their smart phones. Similarly, Indian citizens can now connect their phone number with their Aadhaar authentication number for streamlined data verification. Additionally, the government is launching apps for Swachh Bharat Mission, PayGov and MyGov, and setting up National Centre for Flexible Electronics and National Institute for IoT (Internet of Things). RIL chairman Mukesh Ambani, said that with Digital India, the government has moved faster than the industry. He added that Reliance Jio Infocomm will invest Rs 2,50,000 crore as part of Digital India programme. The company will also roll out a best-in-class internet network.

- **The M&E industry is transforming lives**

The Indian Media and Entertainment (M&E) Industry, one of the most vibrant and exciting industries in the world, has had a tremendous impact on the lives and the Indian economy. As the M&E industry widens its reach, it plays a critical role in creating awareness on issues affecting, channeling the energy of and building aspirations among India's millions. The global M&E market has witnessed signs of steady growth over the past 3-5 years. Increasing digitization across sub-sectors of M&E industry, rate increases in TV, channel packaging by MSOs, innovative strategies to monetize digital content, rapid growth of new media powered by increasing Smartphone penetration are likely to be the key levers of growth for the Indian M&E industry. A well thought out, consistent and long term outlook on regulation is also the key to create an M&E industry that is world class in scale and plays its part in transforming India. The phased progress in digitization has been the stepping stone for the industry's growth and success, thereby bringing about a paradigm shift in key indicators, particularly within the domains of TV and film sectors. The Ministry of Information and Broadcasting (MIB) introduced several initiatives with a view to harness the power of technology and create a framework to drive growth in the existing broadcasting landscape in India.

- **India goes more mobile**

The total internet user base in India grew to approximately INR 214 million with almost INR 130 million going online using mobile devices. Digital media advertising grew 38 percent-faster than any other advertising category. Mobile, social and video emerged as star categories in advertising owing to the proliferation of smartphones, 3G, 4G and off-deck mobile apps. Increasing competition and upgradation and sharing of network infrastructure by telecom operators are just two of the factors expected to propel growth in data. As providers introduce numerous package options for mobile data at further reduced rates, use of data is likely to increase, and is expected to be the driver of revenue and profit for telecom companies – in contrast to the voice service driven growth of previous years. This is leading to a rapid increase in internet based consumption of music, radio, TV programming, video gaming, video-on-demand services and even full-length films. As a result, numerous players have started to create specialized content for the small screen as well as to facilitate the viewing of existing content on mobile screens. Social media has become one of the most effective and influential mediums today. Digital ad spends to grow by 31% by 2021. Growing internet penetration and data consumption is likely to help increase digital advertisement spends in India at a compounded rate of 30.8 per cent between 2016 and 2021, according to a recent report. Further, mobile advertisement spends and social media aided digital video advertisement spends are expected to grow at 50.9 per cent and 40 per cent annually between 2016 and 2021 respectively, said the Digital First Journey report by KPMG. Enablers such as government's 'Digital India' initiative, growing usage of affordable smartphones, rising internet penetration in rural India and rapid growth of digital payments has further strengthened the digital infrastructure.

DIGITAL FUTURE

Report of Serving India's Digital Consumer (2013) CII - AT Kearney White Paper on Serving India's Digital Consumer states some happenings in a digital India estimated by 2020

1. 600 Million Mobile Internet Users
2. 200 Million Broadband Connected Devices
3. 300 Million of users of instant messaging Services
4. 900 Million monthly app downloads
5. 80 Million annual m-commerce purchases
6. 40%-50% Smartphone Penetration

CONCLUSION

The Digital India programme are looking promising and will revolute the E-Commerce sector through the internet and broadband to remote corners of India. It's not only increase trade, efficient warehousing and will also explore a huge market for product buying and selling. Most of the products consume and sold by rural citizens in local market that means the products may not get an effective price due to lack of demand for the products in the limited local market. Limited demand implies a low turnover resulting low income for the E-Commerce industries, as these consumers are not conscious of the quality The entire scenario of India is changing through E-Commerce industries that should be brought to the international platform by achieving the Digital India Project, but this all depends on the success implementation of this Project otherwise it doomed to fall.

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