

RURAL MARKETING REVOLUTION IN INDIA –THE INFORMATION TECHNOLOGY WAY

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ABSTRACT

The global revolution in information and telecommunication technologies has created an opportunity to assist rural population in making informed decisions. Information Technology (IT) is a strategic tool in the successful deployment of new technologies and the international competitiveness of agricultural producers. The main purpose of this paper is determination the role of information technology in improvement of rural marketing in India. Various IT tools and techniques have been explored to acquire market These tools include: Word Wide Web, Mobile Phones and Word Space Satellite Radio. The combination of theses technologies affords a unique opportunity to overcome the challenges in the remote areas.

Keywords: *Information technology, rural marketing, government initiatives.*

Objective:

- 1.To understand the concept of rural marketing and the problems of rural farmers.*
- 2. To study the role of information technology in rural marketing.*
- 3. To examine the government initiatives in I.T. in rural marketing.*

1.INTRODUCTION

India has faced a complex set of challenges due to political and economic marginalization, inappropriate government policies, inadequate access to domestic and cross border markets, frequent and recurring droughts and other climate and environmental shocks. All these factors have led to a chronic food insecurity and high vulnerability in the areas inhabited by these communities, thereby threatening the livelihoods of millions of people. Communication and access to information and knowledge are vital for the economic development, alleviation of hunger and the overall improvement of the rural India. Agricultural related information and improved market communication is a crucial requirement for sustainable agricultural development. Modern communication technologies when applied to rural areas can help improve communication, increase participation, disseminate information and help share knowledge and skills. However it has been observed that the majority of rural population in India still has difficulty in accessing crucial information in order to make timely decisions.

2. Review of Literature

Shirish M Deshpande, P S Dakhole(2011) Information Literacy: Government Policies and Initiatives in India has discusses the ICT policies of the government in India and initiatives taken by the government to promote various components of the information literacy such as computer literacy and IT literacy. It also discusses various e-Governance projects of the government which are playing a leading role to make the citizen an information literate.

Pradeep Kashyap (2008) Is 'inclusive marketing' the answer? Has focused on the fact that rapid spread of information technology will also ensure greater inclusion of the poor in the market as they can now have access to market information hither to the exclusive reserve of the rich and powerful. For example the poor can now access prices of commodities in different mandis (agri-markets) through the new, transparent electronic exchanges or receive this information through sms on mobiles.

Manish Pandey, (2009)on his success with the rural producers. His organisation had partnered Grameen Phone Company to create ICT hubs where producers got better market information on product prices, availability of raw material, and names of local and international bulk buyers. The initiative was successful in transforming rural areas of Bangladesh where the pilot hubs had been conducted.

3. INFORMATION TECHNOLOGY

Up until about ten years ago, nearly all data processing could be summed up in a single word: computers. Today, this term has given way to the broader descriptor *information technology*, which has become generally accepted. It refers to a rapidly expanding range of services, methods, techniques, applications, equipment, and electronic technologies used for the collection, manipulation, processing, classification, storage, and retrieval of recordable information and knowledge. At this time, such technologies include, but are not limited to, computers, software, high-capacity storage, networks, telecommunications, databases, multimedia, training, the internet and its world wide web, geographic information systems (GIS), online services, video conferencing, electronic mail, and expert systems: in short, all technologies related to the acquisition, storage, recovery, transfer, manipulation, and delivery of data, sound, and graphics, including video (Zazueta and Vergot, 2003).

4.RURAI INDIA

"India lives in its villages" - Mahatma Gandhi

This famous observation made by the Father of the Nation many years ago, still holds true. Villagers comprise the core of Indian society and also represent the real India. And it is for these villagers that we

need to make sure we build a system that delivers basic infrastructure in information technology in an effective manner. In order to ensure that the fruits of India's progress are shared by all sections of the society, the government has identified several elements of social and economic infrastructure, critical to the quality of life in rural areas. It is important to know what constitutes the rural sector in India.

The "rural sector" means any place as per the latest census which meets the following criteria,

- A population of less than 5,000
- Density of population less than 400 per sq km and
- more than "25 per cent of the male working population" is engaged in agricultural pursuits.

However in India we have many fragmented villages having less than 200 people where their basic needs are largely ignored.

Table 1: Rural Population Statistics

Population	Number of Villages	Percentage of total villages
Less than 200	114267	17.9
200-499	155123	24.3
500-999	159400	25
1000-1999	125758	19.7
2000-4999	69135	10.8
5000-9999	11618	1.8
10000 & above	3064	0.5
Total	636365	100

5.RURAL MARKETING

The rural agricultural production and consumption process plays a predominant role in developing countries. This has designed a new way for understanding a new process called Rural Marketing. The concept of rural marketing signifies marketing of rural products to the urban consumer or institutional markets. Rural marketing basically deals with delivering manufactured or processed inputs or services to rural producers, the demand for which is basically derived outcome. The participants in case of rural marketing would include input manufacturers, dealers, farmers, government agencies and traders.

6.PROBLEMS OF MARKETING AGRICULTURAL PRODUCTS

Accessible, transparent and remunerative markets are necessary to raise incomes and improve livelihoods of the rural poor. In India, agricultural markets rarely meet these needs. The various causes that led to poor marketing of agricultural products are:

1. *Poor access to markets.* The development of micro-, small- and medium- enterprises (MSMEs) to facilitate the access of the poor to markets and enhance competition in rural areas is constrained by a number of factors, which include lack of finance or the adequate availability of Business Development Services (BDS) to facilitate and guide the development of MSMEs.
2. *Inadequately structured farmers associations* that could interface with traders or could undertake marketing. These organizations remain handicapped by: (a) low quality of and inexperienced, management; (b) undercapitalized financial base; (c) limited access to capital; and (d) poorly paid staff. These constraints inhibit their ability to compete in the open market or adapt to changes in the marketing environment.
3. *Stringent quality demands that add to costs of small producers without additional remuneration.* These are demanded by private sector buyers and are often backed by increased state regulation of food safety, origin and trading standards.
4. *High transaction costs that affect the viability of the supply chains.* Restricted physical access, transport services and market infrastructure in many rural areas, coupled with low volume of production that is often scattered, adds to the already high collection and transport costs, especially in remote areas. The supply chains in these areas are long with many intermediaries, which, of necessity, limit the amount that can be paid to smallholders.
5. *Limited bargaining power* of the producers and the lack of marketing credit often forces small holders to sell produce just after harvest when the prices are low. This linked to asymmetric market and price information also hinders small holders from realizing remunerative prices for their produce (IFAD, 2007).
6. *No technical innovation in agricultural products* and processing; market research and promotion for new products is needed.
7. *Inadequate provision of finance* for marketing and processing.
8. *Not sufficient investments in market information* gathering and dissemination, including mass media, fax, telephone and real-time computer access systems.

7.ROLE OF INFORMATION TECHNOLOGY IN RURAL MARKETING IN INDIA

Information technology can improve situation of rural marketing in India in the following ways:

- 1- Providing information about suitable **time** of selling of agricultural products.
- 2- Providing information about suitable **place** of selling of agricultural products.
- 3- Helping farmers **how** to sell their products.
- 4- To get informed about suitable **price** of selling of agricultural products.
- 5- Facilitation in accessing to **new markets**.
- 6- Awareness of **current policies** in relation to market.
- 7- Facilitation in accessing to **credit and production sources**.
- 8- **Cheaper and faster commerce** of agricultural products.

8. BRINGING TECHNOLOGY TO RURAL MARKET-Government Initiatives

The goal of using I.T. with underprivileged group is not only about overcoming the shortcoming, but rather enforcing and passing the process of social inclusion to the next level, which is required for change of the environment and social system. I.T. has varied applications in it, through which the development of the rural area can be possible. Government had introduced a number of programs through which the people of rural India can come forward and use the I.T. enabled services and work more systematically. Some of the programs run by the Government are:

- ❖ **Drishtee:** Drishtee.com had its origins in Gyandoot, a government project in Dhar district of Madhya Pradesh, in central India. Gyandoot provided an intranet for 33 village information kiosks, offering a range of mainly e-governance-related services. The most prominent of these is land record certificates, which are needed by landowners for transactions such as sale or leasing of land. In Drishtee's case, a kiosk has, at least initially, just one computer. Local language software applications have been developed, for e-governance, market price information, buying and selling, making government forms available and allowing a variety of complaints to be relayed to the district level government, has typically been its services. Expanding the range of services has meant tying up with partners, such as Agriwatch, which provides a substantial quantity and range of agricultural information to farmers. Agriwatch is essentially developing into a large-scale Internet portal for farmers, and Drishtee's role can be seen as providing access to this rich information, through its kiosks. Its popularity with farmers suggests that it is valuable. Drishtee's other services are matching buyers and sellers, or providing horoscopes or matrimonial advertising. More than 3,000 kiosks had been established and the number is expected to grow to more than 10,000 by 2012, to benefit 4 million families. The model had won several national and international awards.
- ❖ **Aksh:** Aksh is essentially a fiber optic cable company, with its core competence in laying and maintaining cable. While urban areas in India have seen substantial penetration of cable TV, the rural market remains largely unserved. The bottleneck has been the lack of last mile infrastructure, since there is a significant percentage of rural households (especially in richer districts) that can afford cable TV. Aksh, along with other companies such as Reliance, has received licenses for laying a new fiber optic network in rural areas. Aksh's incentive was to control and brand the effort to score points for corporate social responsibility. The cable TV revenues, suggests that these kiosks may emphasize a range of entertainment services and utility services such as agriculture-related information or e-governance.
- ❖ **In-Logue:** While Aksh and Drishtee are mostly active in north India, n-Logue has its origin and chief presence in the south. This group has been responsible for a stream of hardware and software innovations

that enable rural IT-based service delivery, through connectivity and applications. The kiosk-level hardware is relatively inexpensive, and adds only marginally to the overall cost of a kiosk. However, the construction of WLL towers and maintenance of the WLL hub is relatively costly, and this fixed cost requires a substantial density of kiosks within a particular radius of the tower. The n-Logue model is designed to achieve this density. The IIT Chennai group have given n-Logue access to a range of software innovations for delivery and implementation of various applications in the fields of education, health and agriculture. For example, web cams have been used for remote diagnostics for diseases of people, animals and plants. The Tamil Nadu government has been strongly supportive of n-Logue's operations in Madurai district, where numerous innovations have been piloted and showcased. MIT's Media Lab has also been involved in the initial stages, and ICICI Bank is piloting various financial services products in kiosks in Madurai. In Nellikuppam district, n-Logue has partnered with EID-Parry to improve sugar farmers' access to information, and reduce their transactions costs in dealing with Parry's large sugar factory in the district, through improved tracking and settlements of payments. N-Logue also appears to have developed a very capable organization, and has expanded beyond Tamil Nadu into other southern states, as well as the west and north of India.

- ❖ **e-choupals:** ITC stands out as a large Indian corporation serving global markets. Its kiosks are called e-choupals, and they have several differentiating features. The key distinguishing factor is that the e-choupals are totally designed to support ITC's agricultural products supply chain. This gives them a focus that is not present even in EID-Parry's kiosks in Nellikuppam. In addition, the e-choupals are totally owned and set up by ITC, with the operators not having any investment or risk of their own. All these features make the e-choupals different from the previous three initiatives. There are four kinds of e-choupals, tailored very specifically for four different products: shrimp, coffee, wheat and soybeans. Soybeans are pressed to extract oil, which is sold domestically, while the remainder is exported as animal feed. Thus they are a cash crop, without the regulated market conditions or subsistence consumption associated with a food grain such as wheat. Soy-choupals are used as registry points for procurement of soybeans. Actual procurement is done at factories and warehouse hubs, but the initial logging in is done through the e-choupal, which provides price information and therefore price certainty. In fact, the e-choupal price acts as a floor price for procurement – the factory or warehouse price can be higher. E-choupals also provide access to local market (*mandi*) prices and global market price information on soybeans and derivative products, to allow farmers to compare prices. They give access to operational information, developed by ITC experts, pertaining to cropping, seeds, fertilizer, and so on. E-choupals are set up by ITC, with solar power backup and VSAT connectivity.

- ❖ **TARAhAat:** It was developed by an NGO (non-government organization); with the vision to bring internet facility to the rural India. It is a franchisee based business model that attempts to generate revenues by focusing on the marketing services through the module (especial focus on the local applications). It was initiated in the region of Punjab with the introduction of different centers called as Kendra's which are connected to each other through the dial up internet connection facility. These Kendra's have power backup also; in case, the electricity supply is interrupted. The info kiosks provide online and offline services information on education, prevailing opportunities in the market and other useful information for the villagers. TARAKendra's are very popular in between the local population as it provides the information in the local language and the portal is designed in such a pattern that semi literate population can also understand it without any difficulty. Different services that TARAKendra's provide are: □TARABazar (for product information), □TARAdhaba (for providing connectivity), □TARAdak (connect to relatives at distance), □TARAGyan (educate rural youth on various issues), □TARAguru (helps in mentoring and consultancy). TARAvan (delivery of orders at remote areas) and many other services are also provided.

- ❖ **Rural e-seva:** It was initiated by Andhra Pradesh Government. It was initially implemented in West Godavari District to deliver e-governance facility. The centers are designed with the view to provide better governance facilities to the people of the Rural India. The popularity of e-seva can be estimated from the fact that in the year 2003, more than 400 million rupees was collected only for the electricity payment. With the success of the e-seva in electricity bills payment, Government is looking forward for introducing it in the areas of collection of telephone bills and local Governmental Bills. E-seva is gaining popularity with passing days as it helps the citizens to avail the benefit of getting the certificates at their doorsteps; which is both relaxing and reliable.

- ❖ **Bhoomi:** The Karnataka Government for maintaining the records related to the land introduced it. The Department of Revenue in Karnataka has computerized 20 million records of land ownership belonging to 6.7 million farmers of the state. With the introduction of the program, the farmers are free from giving the bribe and are protected from the harassment. Framers can easily get the Records of Rights, Tenancy and Crops (RTC) by depositing a minimal fee of Rs. 15. National Informatics Centers (NIC) through which the software online copies of the land records are available developed the software of Bhoomi. By giving an online request, farmers get an online enrollment number through which further processing can be done. In the software, the connectivity is through the LAN through which all the clients are connected to the hubs. With the increasing popularity of the project, Government of India has decided to introduce the project in other parts of the country also, namely: Kerala, West Bengal, Sikkim, Tripura, Punjab, Haryana, Madya Pradesh, Himachal Pradesh, Uttaranchal, Gujrat, Assam, Orrisa, Rajasthan

and Pondicherry. Karnataka has also developed ‘Grameen Data Processing Centers’ around the Silicon Valley of Bangalore.

- ❖ **E-Mitra:** This service is launched by the Rajasthan Government for the first time for its rural citizens, so that they can deploy the I.T. enabled benefits to its fullest. E- Mitra is State Government started projects, which soon become highly popular in the region. In year 2002, two projects came into existence namely; Lok Mitra and Jan Mitra. Where Jan Mitra is an integrated electronic platform through which the citizens of Rajasthan can avail the benefit if getting the desired information regarding any Governmental Department at kiosks which is very near to their doorstep. These Initiative program of Rajasthan government have not only helped the Government by reducing the burden of attending every call, it has reduced the waiting time for the service and has lead to provide comfort to the citizens also, as with the inception of this service they can easily get the information required at their doorstep. Lok Mitra is an urban electronic Governance Project which was launched in Jaipur city in year 2002, which helps the citizens of Jaipur (now other cities also) to pay their bills online (land, Water, Bus Tickets and BSNL) leading the citizen to save the waiting time.
- ❖ **Community Information Centers:** The program is designed especially for providing the internet access and I.T. Enabled services to the citizens through which the interface between the Government and the Citizens can be setup. These centers connect seven northeast states namely; Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. The center helps to gain the connectivity at the time of unsuitable environmental conditions. The centers are commonly termed as CIC which are generally situated at the school, college or any governmental office. People can come for the Internet access, and for accessing the internet, a nominal amount is charged from the people through which the daily expenses of the centers are maintained.

9. Suggestions: In our country services provided by the Government are inadequate both in terms of infrastructure, technology and in empowering people with information. To provide information to local rural people through satellite based communication technology according to their needs and demands, Information centre at village level can be established by involving local people in choosing the actual location of center, providing rent free space and electricity and recruiting volunteers. Each centre should contain data on agriculture, health-related information especially for the rural farmers, women and children. A directory of government schemes should be made available to rural families on local prices of agricultural input or produce, cultural/public events in the locality, local transport/traffic details including timing, grain prices, general and crop insurance schemes, hospitals and medical practitioners, as well as information about integrated pest management in various crops. These databases should be in local

languages. In addition, interactive CD-ROMs on various issues can be made available. Information demand is different in each village; hence great care should be taken to address the need for location specific information.

10. Conclusion

The increase in the services provided to the rural people will result in the overall betterment of the society on one side by enriching the people with updated market information and providing latest technological developmental news and organizations on other side by creating more market opportunities for them and adjustment of the market prices. IT can build up the role of each governance pillar in rural development and scarcity reduction. It can facilitate rapid, transparent, responsible, efficient and effective interaction between the stakeholders. This not only promotes better administration and better business environment, but also saves time and money in transactions costs of government operations. Rural marketing in India has still a long way to go, rural marketers have to understand the fact that rural marketing in India has a tremendous potential in our country. Rural marketers should understand this fact and try to tap the huge untapped potential in our country. These models will raise a new socio-economic category called the rural rich and hence narrowing gap between the urban and rural per capita incomes.

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