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RURAL MARKETING AND FEATURES

Kum. Shweta Pawankumar Sharma,

Research Student

Devi Ahilya Vishwavidyalaya, Indore (M.P)

ABSTRACT: Rural market represents the heart of India. Rural market is a fast developing market. The rural market of India started showing its potential in the 1960s. Rural markets have become integral part of global market. To explore and understand rural market is crucial for any marketers today. Indian rural market big size and maximum demand base is a good opportunities to marketers. The rural marketers must think rural for long-term success instead of short-term profit. In this view this study search meaning the features of rural markets.

Introduction: The rural market of India started showing its potential in the 1960s. The 70s and 80s witnessed its steady development. And, there are clear indications that the 21st century is going to see its full blossoming. In our country, where research on consumer behavior has been nominal, not much systematized information is available about the rural consumers. Only a few enlightened companies, known for their marketing orientation, viz., Hindustan Lever, Philips India, Asian Paints, Singer and Larsen and Toubro have made concrete efforts in this direction. In this study to understand the market, rural marketing, features of rural market from the marketing point of view.

Many assumptions prevail about rural marketing. For instance, one assumption is that the rural buyer is not very discriminating. Once he is persuaded to buy a particular product, he develops a strong affinity for it, and if satisfied, becomes brand loyal. As a result, Indian manufacturers are generally known to prefer selling fewer items at higher prices than selling more items at lower prices. A contrary view is that the rural buyer, being suspicious of the marketer's hard sell techniques, is quite discriminating, and is not easily persuaded. Yet another assumption is that the rural buyer is not particularly keen about quality and packaging. Some other assumptions can be quoted. But, all these need deep probing for arriving at valid and reliable conclusions. Consumer research, thus, is indispensable for entering the rural segment of the market.

Generally, marketing is a chain of planned activities that is involved in transferring the goods from production place to the place of consumption. It includes all the activities involved in creation of demand, time, place and form utilities. Hence, it is inevitable activity adopted by different business organizations throughout the world.

Latest rural market surveys, conducted by many marketing research firms, conclude that, "the real India lives in the villages". They also highlight that the major portion of Indian national economy is contributed by the rural sector and their population when compared with urban contribution. Based on the report of Census of India, 2011, in India, if we speak in real terms, from the total population, around 69% are living in rural areas and the remaining population around 31% alone living in urban areas. If we go for the absolute terms, from the total Indian population of 1,210.2 million, rural areas have population of 833.1 million and urban population have 377.1 million.

OBJECTIVES OF THE STUDY:

1. To know the Rural Market in India
2. To state the features of Rural Markets.

RESEARCH METHODOLOGY:

The Research design in this study is Descriptive research design. Data is collected through secondary sources like the book, websites, journals, reports published on websites.

DEFINITION OF MARKETING

The American Marketing Association defines marketing as "those activities which direct the flow of goods and services from production to consumption."

Kotler defines marketing as, "a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others."

MEANING OF RURAL

The word rural describes the standard of living or characteristics of farming or prevailing country life which is related to the country side as contrary to the city life.

As per the Census of India, 2011, rural is that which does not come under the definition of urban and, urban means:

1. All places with a municipality, corporation, cantonment board or notified town area committee, etc.
2. All other places which satisfies the following criteria:
 - (i) A minimum population of 5,000;
 - (ii) At least 75% of the male main working population engaged in non-agricultural pursuits;
 - (iii) A density of population of at least 400 persons per sq. km.

As per NABARD Act, Rural area means the area comprised in any village and includes the area comprised in any town, the population of which does not exceed 50,000 or such other figure as the RBI may specify from time to time.

MEANING AND DEFINITION OF RURAL MARKETING

All activities involved in evaluating, encouraging and renovating the purchasing power of rural consumers into an effective demand for specific products and services and moving these products and services to the people in rural areas to create satisfaction and a better standard of living and thereby achieving organizational goals is defined as Rural Marketing

The term „rural marketing“ used to be an umbrella term for the people who dealt with rural people in one way or other. This term got a separate meaning and importance after the economic revaluation in Indian after 1990.

The rural market has been growing steadily over the past few years and is now even bigger than the urban market. About 70 per cent of India's population lives in villages. More than 800 million people live in villages of India. 'Go rural' is the marketer's new slogan. Indian marketers as well as multinationals, such as Colgate-Palmolive, Godrej and Hindustan Lever have focused on rural markets.

Thus, looking at the opportunities, which rural markets offer to the marketers, it can be said that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage.

Rural Marketing:

According to the National Commission on Agriculture – “Rural Marketing is a process which starts with a decision to produce a saleable farm commodity and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic considerations and includes pre and post-harvest operations, assembling, grading, storage, transportation and distribution.”

According to Thomsen—“The study of Rural Marketing comprises of all the operations and the agencies conducting them, involved in the movement of farm produced food, raw materials and their derivatives, such as textiles, from the farms to the final consumers, and the effects of such operations on producers, middlemen and consumers.”

Rural marketing is now a two-way marketing process. There is inflow of products into rural markets for production or consumption and there is also outflow of products to urban areas. The urban to rural flow consists of agricultural inputs, fast-moving consumer goods (FMCG) such as soaps, detergents, cosmetics, textiles, and so on. The rural to urban flow consists of agricultural produce such as rice, wheat, sugar, and cotton. There is also a movement of rural products within rural areas for consumption.

Features of Rural Marketing:

The main reason why the companies are focusing on rural market and developing effective strategies is to tap the market potential that can be identified as follows:

1. Large and scattered population: According to the 2001 census, 740 million Indians forming 70 per cent of India's population live in rural areas. The rate of increase in rural population is also greater than that of urban population. The rural population is scattered in over 6 lakhs villages. The rural population is highly scattered, but holds a big promise for the marketers.

2. Higher purchasing capacity: Purchasing power of the rural people is on rise. Marketers have realized the potential of rural markets, and thus are expanding their operations in rural India. In recent years, rural markets have acquired significance in countries like China and India, as the overall growth

of the economy has resulted into substantial increase in purchasing power of rural communities.

3. Market growth: The rural market is growing steadily over the years. Demand for traditional products such as bicycles, mopeds and agricultural inputs; branded products such as toothpaste, tea, soaps and other FMCGs; and consumer durables such as refrigerators, TV and washing machines have also grown over the years.

4. Development of infrastructure: There is development of infrastructure facilities such as construction of roads and transportation, communication network, rural electrification and public service projects in rural India, which has increased the scope of rural marketing.

5. Low standard of living: The standard of living of rural areas is low and rural consumers have diverse socio-economic backwardness. This is different in different parts of the country. A consumer in a village area has a low standard of living because of low literacy, low per capita income, social backwardness and low savings.

6. Traditional outlook: The rural consumer values old customs and traditions. They do not prefer changes. Gradually, the rural population is changing its demand pattern, and there is demand for branded products in villages.

7. Marketing mix: The urban products cannot be dumped on rural population; separate sets of products are designed for rural consumers to suit the rural demands. The marketing mix elements are to be adjusted according to the requirements of the rural consumers.

8. Changing demand pattern: Demand pattern of rural customer is fast changing due to increase in income and credit facilities offered by the banks like 'Kisan credit card'. In terms of India's GDP, 54%, equal to that of Switzerland, is contributed by rural India. In India's monthly expenditure, about 55% comes from rural India.

9. Big size of rural market: Indian rural market is huge in size because rural population accounts for almost 70% of Indian population as the recent Census 2011, 833 million live in rural India, 33% of rural population includes youth, number of households increased from 25 to 33 crore.

Non-food spending is equal to that of urban India. Consumerism is certainly on a rise and the spending on lifestyle products is emerging. Consumer durables market is growing at 10% per annum in urban areas, but the growth rate in rural India is 25%. Of the 40% of the sale in auto industry comes from rural India.

CONCLUSION

The rural market is where the markets of the future are likely to be. Urban markets are becoming increasingly competitive for many products. In some cases they are even saturated. On the other hand, rural markets offer growth opportunities. Rural market is the market of the new millennium. Marketers will have to understand the rural customers before they can make inroads into the rural markets. The size of the rural market is fast expanding. The rural market is fascinating and challenging at the same time. It offers large scope on account of its sheer size. It is often said that markets are made, not found, this is especially true of the rural market of India. It is a market for the truly creative markets.

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