

A Study on Rural Marketing in India

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ABSTRACT

At time when city market is getting soaked in the experience of lots of competitors, resulting in decrease in company of the companies, corporate are creating impressive techniques to flourish their marketplaces by concentrating on rural customers. The Native Indian rural market with its wide dimension and requirement platform provides excellent possibilities to the promoters. The mind-set and lifestyle of rural customers is modifying and also the structure of requirement is. But it is not simple to tap the Native Indian rural market because it is not an expansion of city market. Both marketplaces are different on account of various socio-economic aspects. So the present study features the development of Native Indian rural market as analyzed by various marketing scientists. It also reveals various problems experienced by the promoters in marketing to rural locations and the initiatives created by them to have a larger discuss in rural market.

Key words: Difficulties, Development, Native Indian, Rural Market.

INTRODUCTION

Economic changes in Native Indian have introduced about several changes in the whole market environment, especially rural market. While the Native Indian economic program has gone through a major move in the last two decades by becoming less reliant on agriculture, still, more than 70% of the inhabitants is reliant on rural economic program. According to demographics 2001, there are 638691 places in the nation as against about 300 places and 5761 places. The Native Indian rural market with its wide dimension and requirement platform provides excellent possibilities to the promoters. At time when city market is getting soaked in the experience of lots of competitors, resulting in decrease in company of the companies, corporate are creating impressive techniques to flourish their marketplaces by concentrating on the bottom of chart. "Rural Native Indian is really a growing market. A variety of favorable aspects are falling into position now. It's going to catch everybody by surprise" said Pradeep Kashyap, who heads company known as MART. The rural inhabitants, whose earnings are increasing and who is willing to spend on products designed to improve lifestyle, has become the target market for many promoters. But they have to develop an understanding into the behavior styles of rural customers. They are investing initiatives and resources to tap into this chance. The items are being reengineered, cost and packed according to the needs of these marketplaces.

WHAT RURAL MEANS:

There is a lack of worldwide meaning of rural community /market in Native Indian. As per the demographics of 2001, the city community is determined as-

- All locations with a town, organization cantonment board or informed town position panel etc.
- All other places:
 - Minimum inhabitants of 5000.
 - At least 75% of the male working inhabitants involved in non agriculture activities.
 - A density of inhabitants of at least 400 persons per sq. km.

So from the above meaning of city community, it can be said that all non- Urban is rural.

WHY GO RURAL:

There are many reasons that have advised the promoters to get into the unknown area of rural Native Indian. Some are discussed below-

- **LARGE POPULATION:** The rural Native Indian inhabitants are huge and the amount of development is also great. According to a study performed by NCAER, rural Native Indian is house to 720 thousand customers across

627000 places which display the excellent potentiality rural Native Indian has to carry the much needed amounts and help the organizations to bank upon the quantity motivated development.

- **SOCIO- ECONOMIC CHANGES:** The unexpected range of rural Native Indian can be linked to the socio-economic changes capturing rural locations nowadays. These changes can be linked to a development of efficiency in agriculture. Following farming radical changes the generate per acre has improves considerably. This was mostly due to the application of technology and use of modern agriculture techniques. Increased efficiency indicates more earnings are the arms of village owners who now wanted to carry the same items as his/her city version did. According to NCAER study, there are as many 'middle earnings and above' houses in rural locations as there are in places. There are almost twice as many 'lower center income' houses in rural locations as in the places. The buying energy in rural Native Indian is on steady increase and it has led to the development of the rural market. "Several aspects have led to a development of rural buying energy. The improve purchase costs (the government. locations the lowest support price –MSP- for many village products) have provided to a development of rural requirement. Govt. Techniques like NREGS (National Non-urban career Guarantee Plan which assures 100 times of career to one member of every rural household) reduced rural under career and raised income. Also village owners helped from loan waivers," says Pankaj Gupta, Practice Head, Customer and Retail outlet, Tata Ideal Control Group. He further says, "Increase in buying energy is shown in rural development across a no. of groups e.g. in the FY 2009 (April- March), FMCG rural quantity development is approximated to be 5% to 12% greater than city development across a no. of groups."

The Non-urban Electrification Program has gotten a new hope in the rural locations. Up to Goal 2001, 5.08 lakh places have been electrified. 69693 places have been electrified up to Jan 15, 2010 under Rajiv Gandhi Grameen Viduyutikaran Yojana. All these changes intended great desire and improving lifestyles in rural locations.

- **INCREASING COMPETITION IN RURAL MARKETS:** Urban marketplaces are increasingly becoming competitive as in many items, perhaps even getting soaked. The point that the rural market is still mostly low competition and virgin mobile market and the proven reality that the early newcomers can tap it without having to deal with intense competitors as in situation of city market creates the rural market more attractive to them.
- **EFFECTIVE COMMUNICATION SYSTEM:** An essential tool to achieve out the rural viewers is through efficient communication. "A rural consumer is product faithful and is aware of signs better. This also creates it simple to provide look as well." Says Mr. R.V. Rajan, CMD, Anugrah Madison Marketing Pvt. Ltd. The rural viewers have grown up enough to comprehend the communication designed for them. Exposure to electronic press like TV, Cable and Satellite has created the rural consumer more conscious, conscious and discerning.
- **IT PENETRATION:** In Native Indian more than 15 thousand villagers are such who are conscious of the Online, many of them are using it. The rural consumer usually spends money to availability advanced level of details. The variety of web users in rural Native Indian is approximated to have increased by 30 per cent to 5.4 thousand truly, according to a joint study performed by the Online & Cellular Organization of Native Indian (IAMAI) and researching the market company IMRB.

Non-urban market in Native Indian started showing their prospective since 1960 and this coincided with natural trend. But many producers were reluctant to start rural market for a long period, as they believed that rural people cannot be assured of uses and hence a need for manufactured item cannot be created in places. Besides, difficulties in having a 100 % free availability to these remote marketplaces, forced the producers to think that these marketplaces cannot be provided financially and viably. But natural trend has shown that village owners can process technical complications. Various schemes NREGA, Prime Reverend Grameen Sarak Yojana, Rashtriya Krishi Vikas Yojana, Rajiv Gandhi Gramin LPG Vitrak Yojana (a low price LPG submission scheme released by the Secretary of state for Oil and Natural Gas) etc have provided towards modifying the mind-set and lifestyle of rural consumer . Difference with regard to features and structure of town and socio-economic features limit treating the whole rural Native Indian as one. So the structure of requirement has been modifying significantly. More and more new items such as packed tea, cleaning powdered, bath cleansers, toothpaste, protection blade rotor blades, talcum powdered, locks oil etc have joined the intake container of the rural customers. Total rural intake was standing at Rs.9688 billion dollars in 2005 out of which Rs.281 billion dollars was only on home goods.

RURAL V/S URBAN CONSUMERS

The biggest mistake a market can create while coming into the rural Native Indian is to treat it as an expansion of city market. But there is a wide difference in lifestyles of the rural and city customers. Efforts were created to determine the unique variations between the city and rural marketplaces on the basis of various socio-economic aspects. The prominent economic peculiarities of rural Native Indian may be recognized with regards to the earnings (agriculture), the regularity of income of earnings (unstable because of dependency on rain), the seasonal features of earnings (normally two seasons in a year) and the customers (mostly farmers). Also knowledge amount is low; press habits are different in rural locations. These differentiations affect the intake design of rural customers.

OBJECTIVES OF THE STUDY:

- To determine the development of rural market in Native Indian.
- To discover out the various difficulties experienced by promoters in marketing to rural Native Indian and initiatives created by them to catch rural Native Indian.

DATA COLLECTION:

The details are basically gathered from additional sources such as various books, publications, magazines and websites.

FINDINGS OF THE STUDY:

- According to the Federation of Native Indian Compartments of Business and Industry (FICCI), the variety of rural houses using quick paced consumer products (FMCG) items has extended from 136 thousand in 2004 to 143 thousand in 2007. A suggestion to the proven reality that rural customers are shifting away from products to labeled items.
- According to a study, performed in Sep 2007, by the Confederation of Native Indian Industry (CII) on the Native Indian rural retail market, possibilities in rural retail were approximated to be over US\$ 34 billion dollars in 2007. This figure is expected to go up to US\$ 58 billion dollars by 2015
- According to a study by analysis company The Nielson Organization, the quick paced consumer products market (FMCG) in rural Native Indian is expected to touch US\$ 100 billion dollars by 2025 on the back of "unrelenting" requirement motivated by increasing earnings levels. According to the analysis, rural Native Indian now accounts for more than 50 percent of product sales in some of the biggest FMCG groups.

The study discovered that:

- Rural buying energy has extended quicker than city in the last six quarters
 - Faster development in rural is not restricted to penetration; nowadays the rural customer's regularity of intake is increasing quicker as well, indicating their entrenchment in these categories
 - Instant noodle product sales are increasing nearly twice as quick in rural Native Indian compared to city in both transmission and frequency
 - Seemingly 'urbane' brands in groups like mouthwash and fabric conditioner are increasing much quicker in rural Native Indian than urban.
- According to Hansa Research, a researching the market company that has released a 'Guide to Native Indian Market 2006', the transmission of customers durables in rural Native Indian has gotten up considerably between 2000-2005. In color TV, product sales are up by 200%, in motor periods, it is 77%.
 - According to Native Indian Retail outlet Review 2009- India's rural market provide a sea of a chance of the retail market. The urban-rural split in consumer investing stands at 9:11 with rural Native Indian bookkeeping for 55% of private retail intake. Indeed the market can be utilized with focused attention and technique.
 - In a study performed by MART (a rural marketing consultancy) and RMAI (Rural Promotion Organization of India) to analyze the "Impact Of Financial Recession On Non-urban Markets" the essential facts outlined are as under:-
 - FMCG development from city marketplaces was 22% while it was 57% from rural market. Also consumer is improving from loose to packed items even in rural market.
 - In telecommunications market, the rural usage grew from 70.83 thousand in Q1 FY '09 to 90.98 thousand in Q2 FY' 09, which indicates 71% of all new members, are from rural locations.
 - Approximately 26.9 thousand rural houses bought insurance coverage last season.
 - Maruti- Suzuki rural product sales have hopped from 3.5% of total in 2007-08 to 8.5% in 2008-09.
 - Bharti Airtel's rural transmission has improves from 6 % in 2007-08 to 12.6% until Feb 2009.
 - Hero Ford rural product sales have gone up from 38% in 2007-08 to 40% in 2008-09.

CHALLENGES FOR MARKETERS IN RURAL MARKETING AND EFFORTS MADE BY THEM:

The Native Indian rural market with its wide dimension and requirement platform provides a huge chance which is not totally without any difficulties. It is compulsory for the professional to comprehend the rural consumer and his behavior in particular before coming into rural market. In situation of rural marketplaces conventional four P's of promoting Product, Price Promotion and Place have been changed by a different structure for analysis. A no. of organizations have taken four A's – Acceptability, Budget Accessibility and Attention as difficulties for rural marketing and they are developing their marketing techniques accordingly.

ACCEPTABILITY: The first task before the organizations while coming into rural market is to gain acceptability of the product/Service. It is to be decided whether the item that is sold in the city market should be provided as it is, to the rural market, or it must be tailored or provided. Therefore there is need to provide the item that fit the rural market. Not only the earnings and socio- social facts, but the needs and hidden feelings of the rural individuals have to be well recognized before releasing the item. Products should be created accordingly. For example:

- LG Electronic devices presented a personalized TV for the rural market in 1998 and christened it Sampoorna. It was driveway hit promoting 1, 00,000 locations in the very first season.
- HCL designed a laptop or pc that can be charged by pedaling a 'special cycle with a dynamo' connected to a car battery power. With an outcome rate of 2:1, the PC can be used in more difficult energy cut situation.
- Nokia noticed the need for long-life battery power given the long energy cuts.
- Samsung presented backing 100 % free functions in its direct cool appliances to manage volts variations.
- Nestle has presented a new product known as maggi rasile chow especially for rural customers. And the rural marketing company Xpanse Japan has hired cooks into places of Bihar, MP, Rajasthan and Uttaranchal to advise the rural customers on how to cook this dinner.

AFFORDABILITY: The second task is to ensure affordability of the product/ support. Budget is key in costs for rural market. With low non reusable earnings, items need to be cost-effective to the rural consumer, most of who are on everyday income. The costs technique should fit the huge and regularity of earnings invoice of rural individuals which is quite different from the city version. The organizations should concentrate on technical expertise to design specific items for the rural economic program that are cost-effective. The most amazing example in this perspective is the release of sachets, which has modified the rural market considerably as product packaging in little units and smaller cost features, improves the items affordability. Today many items such as Washing powdered, Grape oil, Hair oil, Hair shampoo, Java etc are available in sachets.

- The likes of HLL (now HUL) and Cavin Kare are enjoying huge profits by promoting the items in little features. "We have implemented unique product packaging for the rural market. The price starts at 50 paisa for a sachet of shampoo to Rs. 5/- for an equity cream (for a week's usage). But most items are designed for one off use," says representative of Cavin Kare.
- Bharti Airtel has released Rs 10/ renew voucher legitimate for 10 times for rural marketplaces against a renew voucher of Rs. 30/ legitimate for a month. "In conditions of costs acknowledging that normal rural pockets will have less money than a city pockets, we reduced our ticket dimension," Said Sanjay Kapoor, Deputy CEO, Bharti Airtel. It has also presented lifetime prepaid at Rs 99/ on Jan 12, 2009
- Aravind Eye good care program (Tamil Nadu) which was established in 1976 as an 11 bed eye medical center in an old Forehead city, Madurai. Today it is the biggest and most effective eye good care service in the work, which takes its sympathetic services to the front door of rural Native Indian. 2/3 of its patients are provided at no price and those who pay, pay a normal \$75.
- Titan joined the rural marketplaces not with its 'Titan' Kind of watches because it was placed as per premium item in city market, but with a different product 'Sonata' which was placed as cheaper item for rural public.

But it must be kept in mind that the rural customers have income issue not the budget issue because one 50 percent of market is recognized by seasonality in earnings, mostly coinciding with bounty. The organizations can release various schemes viz. special discounts, payments program or repayment after collect scheme at time when there is income crisis or lean season.

AWARENESS: Everything is waste, unless the person, for whom the product/service is produced, is unknown about the item. So another task before the professional is to create awareness about the product/service. The organizations should identify the press or mixtures of press which can be used to create the rural consumer conscious of the item. Most organizations use conventional press for developing awareness about their items in the rural marketplaces because its efficient achieve, powerful feedback and personalized communication program help the organizations in recognizing the

goals. Magic reveals, puppet reveals, skits can be used by the organizations to create the customer conscious of the item. Tie ups with other rural sites, town dharamshalas or post offices can be another way to connect with rural customers. Fortunately the rural consumer has same similarity as the city consumer, for example movies and music.

- Coca-Cola uses combination of TV, Theatre, and stereo and has achieved to more than 50% of rural houses. It has also used banner ads, paper prints and utilized all the regional forms of enjoyment. Since price in the key issue in rural locations, Coca-Cola marketing pressured its wonderful price of Rs. 5 per bottle in all press.
- LG electronics uses vehicles and street reveals to achieve rural customers. The organization uses regional terminology in advertising. They have also started to display their TVs, appliances and units in rural feed marketplaces where villagers come to provide their collect.
- Phillips Native Indian uses wall writing and stereo advertising to generate its development in rural locations.
- Samsung has combined out its 'Dream Home' street display which was to visit 48 little places in 100 times in an effort to improve product knowing its items.
- HUL communicators campaigned entrance to entrance for developing awareness about BRU immediate coffee with a concept through DVD player loaded with three movies aimed at different types of consumers.
- FM stereo is one of the more recent presses that can be used to achieve to rural consumer. Hindustan Oil spreader its concept of protection via its strategies "Suraksha Sanchetana Abhiyan" (Safety Attention Campaigns) with the help of BIG LIVE, a venture of Dependency Media Globe.

Besides using the right press, the terminology used to create awareness is also essential "if you are trying individuals to do something or buy something, use their terminology." said Bob Ogilvy. Marketing performs an essential part in developing awareness about any product/service- be it in rural or city position, but organizations cannot rely only on conventional advertising techniques; instead they need to turn to more impressive techniques of advertising to achieve their prospective consumer platform. Ads in contact with the feelings or social principles of rural people can generate huge jump in product sales.

- Coca Soda Native Indian utilized the rural market in a big way where Aamir Khan served in the marketing which features a beautiful town background with the point. "Thanda matlab Coca Cola" and also title "Soni Kudi" focused the places.
- Karina Kapoor in 'Kurkure Desi Beats' also focused the rural people with Impact live "No Fun without Desipan"
- Asian Paints' Top Ultima marketing reveals "Chotte Nawab" with a audience of villagers looking at his courage and saying "Bangla toh abhi bhi chamak riya hai tau."

Thus any communication through their terminology, culture is easily acceptable because they can comprehend it well.

AVAILABILITY: Last but not the least guaranteeing availability to product/service is another task for the rural professional. As more than 70% Indians reside in rural locations. Finding them is not simple. However given the poor state of streets, it is an even greater task to regularly achieve the items to far flung places. According to McKinsey and Co. "Almost 50 percent of India's rural inhabitants do not have availability good streets and reasonable facilities."

Marketers must trade off the submission price with step-by-step market penetration

- Over the years, India's biggest MNC HLL has built a strong submission program which helps its product achieve the decorations of rural market. HLL combined out 'Project Shakti' a low price submission model, in 2000 to attack the rural marketplaces. The organization had to create a low-cost vehicle for marketplaces that has inhabitants of less than 2000. The organization hired women business owners (Shakti Ammas) from places as suppliers of HLL's assortment. This venture has already been extended to about 50,000 places in 12 declares of Native Indian. For HLL, it is "enlightened Self-Interest" developing possibilities to improve the rural family earnings, putting more money in the arms of rural individuals to purchase the everyday variety of everyday intake items from cleansers to toothpaste that HLL creates.
- Godrej Aadhar sites have taken the grocery store concept to rural locations. In Apr 2009, GCPL started the Project Dharti to improve the organization's concentrate on rural Native Indian. And by Feb 2010, the submission network had been extended to 6,000 little places and 22,000 places.
- Godrej Agrovet has more than 30 Aadhar sites in different declares of the nation where village owners cannot only shop for agricluture inputs but also can get their ground tested.
- ITC kiosks known as e-Choupals made up of a laptop or pc with internet service were set up in places. The village owners could availability these kiosks for details on costs, but had the choice to provide the produce either at regional market or directly to ITC at their hub locations. In 2004, ITC presented Choupal Sagar, a rural retail store

hub. First was set up in Madhya Pradesh, a 7000 sq.ft. Shopping center promoting consumer products as well as agriculture-products.

CONCLUSION

It is often said marketplaces are created, not discovered. And this is true in situation of rural market in Native Indian. Non-urban customers nowadays are investing on all those things like dinner, deodorants etc which were only otherwise used by their city alternatives. Their taste choices are modifying day by day. McKinsey and co. has expected that given the right investment in rural facilities the rural market may be worth \$500-600 billion dollars by 2020. So it is obvious that Native Indian rural market is gaining the promoters, but is not totally without any difficulties. And rural promoters must recognize this reality. They have to discover impressive solutions for obtaining a discuss of it. It is a market intended for the truly creative professional.

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