

EFFECTIVE STRATEGIES FOR MARKETING IN RURAL AREAS IN INDIA**Dr. B.Madhusudhan Reddy****Professor & HOD, Dept. of Management Studies****Guru Nanak Institute of Technology, Hyderabad, Telangana State, India****Abstract**

Rural marketing determines the carrying out of business activities bringing in the flow of goods from urban sectors to the rural regions of the country as well as the marketing of various products manufactured by the non-agricultural workers from rural to urban areas. Number of strategies like product, price, promotion, distribution, marketing and sales strategies can help various organizations to capture large market share of rural India. However, it is not that easy to operate in rural market because of several problems such as underdeveloped people and underdeveloped markets, Inadequate Media coverage for rural communication, Multi language and Dialects, Traditional Values, Lack of proper physical communication facilities. But every problem has its solution. So, the problems of rural marketing can be solved by improving infrastructure, transportation, communication, warehousing and packing facilities.

Keywords: Rural Market, Rural Marketing, Need for Rural Marketing, Strategies.

Introduction

In recent years, rural markets have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. On account of green revolution; the rural areas are consuming a large quantity of industrial and urban manufactured products. In this context, a special marketing strategy, namely, rural marketing has emerged. Rural marketing in Indian economy can be classified under two broad categories. These are:

- The market for consumer goods that comprise of both durable and non-durable goods
- The market for agricultural inputs that include fertilizers, pesticides, seeds, and so on

The concept of rural marketing in India is often been found to form ambiguity in the minds of people who think rural marketing is all about agricultural marketing. However, rural marketing determines the carrying out of business activities bringing in the flow of goods from urban sectors to the rural regions of the country as well as the marketing of various products manufactured by the non-agricultural workers from rural to urban areas. To be precise, Rural Marketing in Indian Economy covers two broad sectors, namely:

- Selling of agricultural items in the urban areas
- Selling of manufactured products in the rural regions

In a diverse market like India, Out of the total of 1210.2 million populations in India, the size of rural populations is 833.1 million which constituted 68.84% of total populations as census survey of 2011, the urban-rural divide is quite significant. During 2001-2011 the rural population increased by 90.4 million, and the number of villages increased by 2,279 in between 2001-2011. The majority of world's rural population lives in rural India. According to the 2011 census, 68.84 per cent of the population are scattered in 6, 41, 00 villages in India.

Literature Review

There are many studies carried out in India in connection with rural marketing, which have revealed a major setback of temperamental attitude of underrating a potential source like rural marketing. These studies have thrown light on the rural marketing pros and cons, and its dimensions in various manners. There are many studies carried out in India in connection with rural marketing, which have Narayan Krishnamurthy (2000)(2009) researched out that by using the regional language, it becomes much easier to increase the penetration in rural areas. Rakesh Singh and Kapil Bhagat (2004-05) explained that the corporate and rural India have entered into collaborative partnership through vertical coordination. Vivek Parikh (2001) pointed out that most of the rural marketers underestimate the verbal power magic of words to enter into the rural market, and again (2008) he added some another dimensions necessary for marketers. Pradeep Kashayap and Siddhartha (2006) elaborated that various aspects of rural marketing like the rural customers, rural marketing research, rural products, pricing, distribution strategies, and the role of media and government initiation contributed in uplifting the rural demand and market. Tarun Narayan (2005), Hansa Yonga (2004, N. Janardhan Rao (2004, and Y. Krishan Mohan Reddy (2006); focussed on challenges faced by the marketers and opportunities available to them. These studies on related problems are useful or indicate the type of difficulties and possible analytical shortcomings and suggest new line of approach to present and study the problem in new context.

Objective of the study

The study was undertaken with the objectives:

- 1) To understand the rural markets.
- 2) To study the need for rural marketing.
- 3) To determine effective rural marketing strategies.

Research methodology

The present study is mostly based on the data collected from the secondary sources. Various reputed national and international journals, reputed books on marketing and rural marketing, conference proceedings, magazines, M.phil, Ph.D., theses, Internet and daily news papers, etc., have been used for the purpose of conducting the research work.

Rural Market and Rural Marketing

Different experts and organizations have divergent views on what constitutes the term, 'rural'. Collins Cobuild Dictionary (2001) describes the word 'rural' as 'place far away from towns and cities'. A rural market broadly comprises of consumer markets, institutional markets and services (Dogra & Ghuman, 2008). According to Velayudhan (2002), rural marketing includes all those activities of assessing, stimulating and converting the rural purchasing power into an effective demand for specific products and with the aim of raising the standard of living. It is a two way marketing process of flow of goods and services from rural to urban areas and vice-versa (George & Mueller, 1955). Rural marketing is any marketing activity in which one dominant participant is from rural area (Kotler, et al., 2009).

Characteristics of Rural Marketing in Indian Economy

- With the initiation of various rural development programmes there have been an upsurge of employment opportunities for the rural poor. One of the biggest cause behind the steady growth of rural market is that it is not exploited and also yet to be explored.
- The rural market in India is vast and scattered and offers a plethora of opportunities in comparison to the urban sector. It covers the maximum population and regions and thereby, the maximum number of consumers.
- The social status of the rural regions is precarious as the income level and literacy is extremely low along with the range of traditional values and superstitious beliefs that have always been a major impediment in the rural progression of this sector.
- The steps taken by the Government of India to initiate proper irrigation, infrastructural development, prevention of flood, grants for fertilizers, and various schemes to cut down the poverty line have improved the conditions of the rural masses.

Need Of Rural Marketing

- There are many reasons that have urged the Indian companies to enter the rural India. Some of them are discussed below:
- The rural Indian population is large and its growth rate is also high which shows that the Indian rural market has great potential which needs to be captured.
- The purchasing power in rural India is on steady rise and it has resulted in the growth of the rural market.
- The rural audience has matured enough to understand the communication developed for the urban markets Television has been a major effective communication system for rural people and, as a result, companies can identify themselves with their advertisements. Socio-economic changes (lifestyle, habits and tastes, economic status)
- Infrastructure facilities such as roads, electricity and media in rural India has improved and it now becomes comparatively easy to transport goods to rural parts of the country.
- Literacy level among the rural mass is increasing day by day. Rural consumer can understand the message given by the producers in the advertisements.
- Expectations of the people living in rural India have increased manifolds. So. Manufacturers can capture large market share by meeting the expectations of rural people.

Rural Marketing Scenario

Table 1. Number of rural villages/units

Census 2001	6,38,588
Census 2011	6,40,867

Source: Census of India 2011/2001 (Total Population: In Millions, Urban/Rural Population: In Millions)

Table 2. Population in India

year	Total Population (In Millions)	Urban	Rural	Rural(%)
1991	836	215	627	74.3
2001	1027	285	742	72.2
2011	1210	377	833	68.84

Source: Census of India 2011/2001 (Total Population: In Millions, Urban/Rural Population: In Millions)

Table 3. Estimates of Income

Details	Rural	Urban	All India
No. of earner	1.34	1.43	1.40
Income	51,922	95,827	65,041
Per capita Income	10,227	19,935	13,018
Poverty Ratio	21.7	18.7	20.8

Source: Census of India 2011/2001 (Total Population: In Millions, Urban/Rural Population: In Millions)

Effective Strategies For Rural Marketing

Strategies that may be helpful in improving marketing in rural areas are listed below

- A. Product Strategies
- B. Pricing Strategies
- C. Distribution Strategies
- D. Promotion Strategies
- E. Marketing Strategies
- F. Sales Strategies

A. Product Strategies:

1. **Small unit and Low price packing:** By making the product available in small and low price packing, a company can attract villagers to at least try its product because larger pack sizes may be out of reach for rural consumers because of their price and usage habits. For example: Shampoos, Biscuits.

2. **New Product Design:** A company can opt for new product designs or modified designs that are specially meant for rural areas keeping their lifestyles in view.

3. **Sturdy Products:** Sturdiness of a product either in terms of weight or appearance is an important fact for rural consumers. The product meant for rural areas should be sturdy enough to stand rough handling and storage. People in rural areas like bright flashy colours such as red, blue, green etc., and feel that products with such colours are sturdy but they are more concerned with the utility of the item also.

4. **Brand Name:** The brand name awareness in the rural areas has fairly increased. A brand name and is very essential for rural consumers to remember the product.

B. Pricing Strategies:

The pricing strategy for rural market will depend upon the scope for reducing the price of the product to suit the rural incomes and at the same time not compromising with the utility and sturdiness of the product.

1. **Low cost Products:** This strategy can be adopted by both, manufacturing and marketing men. Price can be kept low by small unit packing.

2. **Simple Packaging:** Sophisticated packing should be avoided and Simple packaging should be adopted to cut down the cost.

3. **Reusable packaging:** Packaging that is reusable and can be refilled attracts the attention of rural buyers. For examples: Zandu Chyawanprash is providing plastic Containers that can be reused by the consumers.

4. **Application of value engineering:** This is a technique which can be tried to evolve cheaper products by substituting the costly raw material with the cheaper one, without sacrificing the quality or functional efficiency of the product, for example in food industry, 'soya protein is being used instead of milk protein. Milk protein is expensive while soya protein is cheaper but the nutrition value is same.

C. Distribution Strategies:

Most of the manufacturers and marketers can arrange for distribution to villages using the strategies listed below:

1. **Using Own Delivery Vans:** One of the way of distribution to rural area can be using delivery vans which can serve two purposes-it can take product to consumer in every nook and corner of the market and it also enables the firm to establish direct contact with them and thereby facilitate sales promotion. However, only big companies can adopt this channel.

2. **Annual Melas:** Annual melas organized are quite popular and provide a very good platform for distribution because people visit them to make several purchases. According to Indian Market Research Bureau-around 8000 such melas are held in rural India every year. Also every region consisting of several villages is generally served by one satellite town termed as Mandis and Agri-markets where people prefer to go to buy their commodities. By making product available in these annual Melas, Mandis and Agri Markets, a firm can cover large section of rural population.

3. **Paintings:** A picture is worth thousand words. This way of conveying message is simple and clean. Rural people like the sight of bright colours. COKE, PEPSI and TATA traders advertise their products through paintings.

D. Promotion Strategies:

Mass media is a powerful medium of communication and other strategies that can be followed to promote the product in rural market include:

1. **Promoting Products with Indian Models and Actors:** Companies should picking up Indian models, actors for advertisements as this will help them to show themselves as an Indian company. Shahrukh Khan is chosen as a brand ambassador for MNC quartz clock maker "OMEGA" even though when they have models like Cindy Crawford.
2. **Associating them with India:** MNCs must associate themselves with India by talking about India, by explicitly saying that they are Indian. M-TV during IndependenceDay and Republic Day time make their logo with Indian tri-colour.
3. **Promoting Indian Sports Team:** Companies may promote Indian sports teams so that they can associate themselves with India. With this, they influence Indian mindset. ITC was promoting Indian cricket team for years; during world cup they launched a campaign "Jeeta hai jitega apna Hindustan India India India".
4. **Talking about a Normal Indian:** It is a normal tendency of an Indian to try to associate him/her with the product. If he/she can visualize himself/herself with the product, he /she become loyal to it. That is why companies like Daewoo based their advertisements on a normal Indian family.

Conclusion

The vital role rural marketing have to play in the economic development of a developing country, is beyond doubt at present. An intensive effort in order to provide the basic facilities to rural consumers is the need of the hour. Indian rural marketing system should be made much more competitive by infusing competition within the country and preventing the external system equation from interfering with the local markets in the larger interests of the nation.

References

1. Dr. Rajagopal, *Development of Agricultural Marketing in India*, Published by Print well , Jaipur.
2. <http://Indg.gov.in/rural-india/number-of-villages>
3. <http://www.indiaonline.com>
4. <http://www.populationcomission.nic.in>
5. Philip Kotlar , *Marketing Management*, 1992. 8th edition. [9] R.S.N. Pillai & Bhagavathi, *Marketing Management*, S.Chand & Co Publishers, 2010.
6. Ramakishen, Y. (2004). *Rural and Agriculture Marketing*. Mumbai: Jaico Publication.
7. T.P.Gopal Swamy -*Rural Marketing* published by Wheeler publishings (New
8. www.wikipedia.com