

The New Eye-Candy: Rural Marketing

Simran Sikka

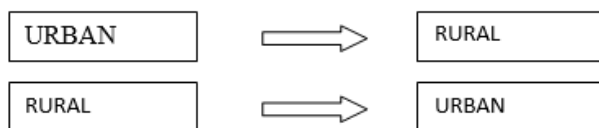
M.Com, Department of commerce, MDU, Rohtak (Haryana).

Abstract - According to the data from 2011 census ,there are about 6,49,481 villages in India. The population of rural India is 68.84% so due to huge population every company is eyeing on rural market. "GO RURAL" is the new mantra for success .Many companies have put their efforts in launching their product in rural market because of saturation of urban market. Rural market is the new eye-candy for companies.

Keywords - Rural marketing, Urban marketing.

I. INTRODUCTION

Rural marketing means, the process of marketing taken place in rural area . As marketing means sum total of all the activities that take place to transfer the goods from producer to consumer . so the rural marketing means the efforts are put by marketer to persuade the rural people to buy the product. Here efforts are made to create effective demand in rural market. According to data from 2011census there are about 6,49,481 villages in rural India. Around 68.84% of total population lives in rural India. so there are vast opportunities lying there for sellers in rural marketing. Rural marketing is a two way process:



- ❖ Urban to Rural: when transfer of goods take place from urban market to rural market. It means when production is done in urban market but consumption is made in rural market. For example: The goods like FMCG(Fast moving consumer goods), Fertilizers, Automobiles etc.
- ❖ Rural to Urban: when transfer of goods take place from rural market to urban market. It means when production is done in rural market but consumption is made in urban market. For example: The goods like fruits, vegetables, milk ,flowers etc.

Objectives of the study

- To know about rural market.
- How rural market differs from urban market.
- Why should we go rural ?
- Success stories of some companies.

- To know about the roadblocks in rural marketing.
- Steps taken by government to promote rural marketing.

Research Methodology

The research paper is descriptive in nature. All the data for study are collected from Secondary sources which includes Web pages, journals and Text book.

Literature Review

Mahfoozur Rahman (2000), in his study concluded that in order to develop rural market the challenges of Generation Y should be studied. The company should formulate its strategies for the marketing of agriculture produce and the farmers should get reasonable returns.

Kaltotra (2013), in his study concluded that rural customers are showing keen interest in branded products. There is a wide scope available there. The rural market has to be developed in order to tap opportunities.

Gomathi (2013), in his study concluded that customers should be used as major marketing sources. Rural marketing process should create brand awareness among customers and improve the sale of companies' products.

Why should we go rural

As it has been already stated that now a days "GO RURAL" is the new success mantra for the companies . There are various reasons for penetrating into rural market. Some reasons are as follows:

- Huge population growth: According to World Bank collection of Development indicators, the total rural population is around 70%. So by catering the needs of these massive growth the Businessmen can earn good returns.
- Increase in income: The people living in rural India have shown good progress in terms of increment in income. Due to increase in income the purchasing power has been increased which can be used in creating effective demand by marketers.
- Immense competition in urban market: There are variety of products that have been introduced in urban market by different sellers. There are substitutes available for almost everything. Moreover launching a new product in urban market is risky due to brand loyalty of customers . So one should opt rural market instead of urban market.

- Better Infrastructure: The transportation , power, communication, Banking services have been improved in rural India. These better infrastructure facilities will help in smooth flow of goods and services to villages without any hindrances.
- Saturated urban market: The urban market has almost got saturated. There is no more scope for growth in urban market. So as to earn more profits rural market is a good option.
- Support from Banks and Financial institutions: The Banks and Financial institutions provide short term credit to the farmers, agriculturist etc. which helps in increasing their purchasing power. As a result marketers can offer wide variety of products to them.

Urban v/s Rural Marketing

- Demographic: In rural market people are usually homogeneous in nature as they share same culture and social values whereas people in urban market are heterogeneous in nature. They show high degree of diversity among them.
- Literacy: People of rural area are generally illiterate whereas people of urban market are highly educated.
- Market philosophy: In rural market people are hesitated to adopt new product so relationship philosophy is being followed whereas people in urban market are more concerned with their satisfaction so marketing philosophy is followed.
- Type of promotion: In rural market people have generally no access to shopping malls so connection should be made with local retailers to promote the product whereas in urban market aggressive promotion is needed so marketer should think out of the box.
- Nature of competition: In rural marketing competition is being faced from unorganized sector as people are more loyal to their local products whereas in urban market the marketers generally face competition from organized sector.
- Type of product: In rural market the product should be simple and easy to use and should be of less price whereas in urban market the product should be competitive and technology advanced.
- Population: Around 70% population lives in rural India and 30% lives in cities.

The rural segment is growing at healthy pace of 8-10% and most of the rural market are usually untapped. so there is a wider scope for success.

Making fortune through rural marketing

- Hindustan Unilever: The case of HUL can be studied in rural marketing. "Khushiyo ki dholi" is a rural marketing

initiative launched by HUL in three states Uttar Pradesh ,Maharashtra ,Andhra Pradesh. The aim was to change the attitude of rural people by creating awareness about good personal hygiene and thus creating greater preference for the company's product. They use traditional symbols in connection with technology to make them accept their product.

- Bharti Airtel: while already Airtel's mobile services are available in around 3lacs rural areas. The company plans to increase its network to 6.14lacs villages.
- Asian paints:It has launched its Utsav range of paints by using it for painting the head of village Mukhiya's house. As rural people by products after the feedback from others. So this Utsav ad campaign gained their attention and built reliability.
- Hero Bikes: It follows the mission "Har gaon, Har aangan" that in every village in every courtyard there should be one HeroBike.They appointed 500 Sales representative to meet potential customers in rural area. The dealers used to meet Sarpanch, Headmaster and Aanganwadi workers. The company used to conduct skits, Dramas in order to create brand awareness.
- Zee media :Zee Media enterprises limited is the first private TV channel in 1995. They conducted campaign to improve the TRP in small towns in Maharashtra. They chose "Pandharpur Wari"to held the campaign . It was the the first time when outdoor LED TV was used to provide Darshan to people. special audio and video campaigns were conducted for the brand recall.

Roadblocks in Rural Marketing

- Traditional life: The people of villages are generally orthodox. They are culture bound. They are reluctant to change. They do not accept the new product easily.
- Language problem: There are around 649481villages in India and people of village generally speak their local language so it is very difficult to connect with them and persuade them to purchase.
- Scattered population: There are very small villages with very less population in India. It is very difficult to segment the market . Accessing them is quite difficult task to perform.
- Seasonal and Irregular Demand: The demand in rural market is not regular whenever Agriculture produce is good, their income is more otherwise less. so it is very difficult to deal with this type of uncertainty.
- Lack of transport facility: The transport service is not up to the mark so there are many obstacles in the transferring of goods from urban market to rural market. so due to expensive transportation . Many marketers gave up this idea.
- Difficult to design product: It is very hard to understand the psychology of rural people. so designing of product according to their needs is very difficult.

Steps taken by Government to promote Rural marketing

The Government of India focused on betterment of infrastructure in rural India as it is the major roadblock which hinders the movement of goods and services.

- The Government of India has approved the proposal to construct 10 million houses for the rural population, which will require an investment outlay of Rs 81,975 crore (US\$ 12.7 billion) for the period from 2016-17 to 2018-19.
- The Government of India aims to provide tap water regularly to every household by 2030 in line with United Nations Sustainable Development Goals, requiring a funding of Rs 23,000 crore (US\$ 3.57 billion) each year until the target is met.
- The Government has introduced various reforms in the Union Budget 2017-18 to uplift the rural markets. Some of the key highlights of the Budget are:
 - Rs 187,223 crore (US\$ 28.08 billion) has been allocated towards rural, agriculture and allied sectors.
 - The Allocation for Pradhan Mantri Aawas Yojana-Gramin has been increased from Rs 15,000 crore (US\$ 2.25 billion) to Rs 23,000 crore (US\$ 3.45 billion) in the year 2017-18 with a target to complete 10 million houses for the houseless by the year 2019.
 - The pace of roads construction under Pradhan Mantri Gram Sadak Yojana (PMGSY) has been accelerated to 133 kms per day as against an average of 73 kms per day during the years 2011-14.
 - The allocation to the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been Rs 48,000 crore (US\$ 7.2 billion) in the year 2017-18, which is the highest ever allocated amount.
- The Government of India is looking to install Wi-Fi hotspots at more than 1,000 gram panchayats across India, under its ambitious project called Digital Village, in order to provide internet connectivity for mass use, as well as to enable delivery of services like health and education in far-flung areas.
- In the Union Budget 2017-18, the Government of India mentioned that it is on course to achieve 100 per cent village electrification by May 1, 2018.
- The Government of India has sought Parliament's approval for an additional expenditure of Rs 59,978.29 crore (US\$ 8.9 billion), which will be used to support the government's rural jobs scheme, building rural infrastructure, urban development and farm insurance.

II. CONCLUSION

Indian rural market plays an important role as it offers various opportunities to companies. By catering the needs of rural people the two fold objectives can be achieved i.e Companies

can earn fair rate of return and helps in improving standard of living of rural people.

III. REFERENCES

- <https://www.quora.com/What-are-some-examples-of-rural-marketing>
- <https://www.ibef.or/industry/indian-rural-market.aspx>
- <https://www.hul.co.in/news/news-and-features/2010/hul-launches-multi-brand-rural-/>
- <https://m.economictimes.com/industry/telecom/bharti-airtel-launches-campaign-for-rural-market/articleshow/3334771.cms>
- <https://www.slideshare.net/mobile/vipinkumar5454/hero-honda-and-rural-market>
- <https://vrittivaani.wordpress.com/tag/asian-paints-rural-campaign/>
- <https://www.youarticlelibrary.com/marketing/rural-marketing/rural-marketing-12-problems-faced-in-rural-marketing/32331>
- Rural marketing in India: It's potential and growth by Preeti kaushal
 - Rural marketing and it's challenges by Dr. S. Renugadevi