

Rural Marketing and Assorted Perspectives

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Abstract

The rural population has shown a trend of moving to a state of gradual urbanization in terms of exposure, habits, lifestyles, and lastly, consumption patterns of goods and services. So, there are dangers on concentrating more on the rural customers. Reducing the product features in order to lower prices is a dangerous game to play. Rural buyers like to follow the urban pattern of living. Astonishingly, as per the census report 2003-04, there are total 638365 villages in India in which nearly 70% of total population resides; out of them 35 % villages have more than 1000 population. Rural per capita consumption expenditure grew by 11.5 per cent while the urban expenditure

grew by 9.6 per cent. There is a tremendous potential for consumer durables like two-wheelers, small cars, television sets, refrigerators, air-conditioners and household appliances in rural India.

Keywords: Rural Marketing, Rural Aspects with Economy, Rural Marketing and Elevation in Economy

Introduction

The concept of Rural Marketing in India Economy has always played an influential role in the lives of people. In India, leaving out a few metropolitan cities, all the districts and industrial townships are connected with rural markets. The rural market in India generates bigger revenues in the country as the rural regions comprise of the maximum consumers in this country. The rural market in Indian economy generates almost more than half of the country's income. Rural marketing in Indian economy can be classified under two broad categories.

The concept of rural marketing in India is often been found to forms ambiguity in the mind 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.

Conceptually, rural marketing is not significantly different to urban marketing. Marketing manager has to perform the same tasks, but differently in rural marketing. It can be said that marketing is not different, but markets (buyers and users).

In rural marketing, a firm has to undergo marketing efforts to satisfy rural segments, which notably differ from urban segments in some aspects. At the same time, we must note that increasing literacy rate, improved sources of income, awareness due to improved and increased means of communication and transportation, high rate of mobility within and between countries due to liberalization and globalization, and many other such reasons, some customers are likely to be identical.

Even, a few rural customers seem cosmopolitan! So, one can find customers of different behaviour patterns within a village or a town. In the same way, most of products are commonly used in both urban and rural areas. In some aspects, both rural and urban customers behave in homogeneous pattern. Some Indian customers have become global and cosmopolitan!

Indian market for the consumer products is made up of two distinct parts, one is urban and other is rural market. It has been a matter of great enquiry both for the marketing academics and practitioners whether there is a need for developing separate strategy for rural markets.

By and large, Indian market scenario shows that marketers have rarely come out with separate marketing strategy for rural markets overtly, however, marketers did develop separate marketing mix for rural markets covertly. Whenever it is rural marketing for

their brands, marketer tended to price their products low, keeping the products quality at an average level, cutting costs on the extra frills added to the product.

The essence of the present thesis lies in opening up a debate as to the need for a separate marketing strategy in the context of unique features of the rural market compared to urban market. In what follows, we present a frame or an outline of marketing strategy for rural marketing.

The vastness of the rural market poses both a challenge and an opportunity to the marketers. The desire to improve the living standards is felt as keenly in the rural areas as in the urban areas. Rural incomes are rising and the poverty ratio is falling.

The marketing strategy to tap this vast market potential must take into account the special characteristics of the rural areas, attitudes and socio- psychological characteristics of the rural population.

In fact, improving the marketing channels and distribution outlets and communication facilities can themselves bring about a transformation of the rural areas.

The design and development of a marketing strategy essentially has to flow from a thorough understanding of the consumer, in this context it is the rural consumer. Therefore at the first instance, the rural consumer has to be understood and next the differences between the rural and urban consumer.

The rural consumer in majority of the cases is illiterate, a low income consumer, more price sensitive, more of social interaction within his group, psychologically emotional, guided by opinion leaders, having lower aspirational levels, and having imitational characteristics. This fact matrix leads a greater challenge to deal with the rural consumer.

The marketers are following the strategy to “Go Rural” because of the following attractions in the rural market:

Large Population: Still, the majority of the population in India resides in Villages and therefore, the marketers find more potential in the rural areas and direct their efforts to penetrate the rural market.

Increased Income: The income and the purchasing power of the rural people have increased. With the use of modern agricultural equipment and technology, the farmers can produce more and can get better returns for their agricultural produce. The increased income motivates a farmer to improve his livelihood by purchasing a good quality product and thus, the marketer gets an opportunity to enter into the rural market.

Competition in Urban Market: There is a lot of competition in the Urban market, where people are well aware of the goods and services and have created a brand loyalty. Therefore, the marketers move to the rural market to escape the intense competition and generate revenues from the untapped areas.

Improved Infrastructure facilities: Today, many villages are well connected with the roads and transportation facilities that enables the marketer to access the rural market and promote his goods and services. With the growth in telecom services, the rural people can be reached easily via mobile phones.

Saturated Urban Market: Also, the marketers may move to the rural markets, when the urban market has reached the saturation point, the i.e. market is well stuffed with the products, and the consumers are not likely to make a frequent purchase due to the varied options available in the market.

Support of Financial Institutions: Several Co-operative banks and public sector banks offer the loan facility to the rural people at low-interest rates. With the loan, the purchasing power of an individual increases, thus resulting in a better standard of living.

New Employment Opportunities: The Government is running several employment opportunity programmes, with the intention to engage people in other activities apart from the agriculture occupation. The Integrated Rural Development Programme (IRDP), Jawahar Rozgar Yojana (JRY), Training Rural Youth for self-Employment are the certain programmes, designed to increase the livelihood of rural people.

Due to so much potential in the rural areas, the companies are focussing more on the needs and desires of people living in here and are taking every possible step to stimulate people to buy products and services and improve their livelihood.

Conclusion

Thomsen defined Rural marketing as, "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." According to G.N. Murthy – "Rural marketing is the study of all the activity, agency and policy involved in the procurement of farm inputs by the farmers and the movement of rural products from farmers to consumers". Winning the rural market has been the toughest job for both the brands. Though they are largely popular in urban

market, the brand image will not get them loyal customers in rural market. Both Coke and Pepsi have made huge efforts to penetrate deep into the rural markets by substantially increasing their retailer and distribution network and with innovative marketing strategies.

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