

Rural Marketing in India: Issues, Challenges, and Opportunities

Sakir Jamal

School of Business, Galgotias University

ABSTRACT

Rural marketing is expanding quickly, and businesses that operate in villages must put a lot of effort into this area. All of these people are benefited by rural marketing thanks to the numerous marketing alternatives available in India. It appears claimed there is a large global market opportunity in the rural Indian market. Rural market conditions are currently undergoing a very rapid change. Due to rising disposable income and literacy rates, rural consumers are increasingly demanding branded goods. Consumers in rural areas tend to be more determined and use a wider range of items, both durable and non-durable, and are willing to pay a fair price for the correct goods. The Indian market, as well as the international market, now includes rural markets. More than twice as quickly as urban markets, rural markets are expanding. Given the vastness of the Indian rural market and its large consumer base, it offers marketers limitless options as well as several difficulties. Marketers have realised that rural India has a lot of potential, and with politicians focusing more on infusing funds to boost the rural economy, corporations are becoming more interested in rural India. One cannot afford to overlook the immense potential for rural markets presented by the growth in rural income, population, infrastructure, and supportive government policies. Thus, rural consumers are pressuring big businesses to swarm to rural marketplaces. The problems that businesses must overcome in rural marketing as well as the possibilities that businesses may take advantage of are discussed in the current article.

Introduction to Rural Marketing:

Throughout the last ten years, rural marketing in India has increased significantly, and large multinational firms seek to get into this market because 70% of the Indian population resides in these regions; there is a shift from urban markets to rural markets. There are various factors behind this trend, but a few include the urban markets being saturated and the rapid surge in rural customers who are spending more money than their urban counterparts. The Planning Commission, the Reserve Bank of India, and the Census of India all have various definitions of what is considered rural in India. Rural marketing after the green revolution saw paradigm shifts from the early 1960s through the mid-1990s. Rural and urban markets coexist in India's market system, which is dichotomous. Yet, many disagree with this idea since they believe that since consumers are present everywhere, their wants, goals, and attitudes will likewise be universal. It is nevertheless a truth, though, that some particular characteristics necessitate the development of various marketing tactics for rural and urban markets. In this framework, it is also possible to examine the current urban market conditions. First off, it is now challenging to continue accessing the urban markets at a high profit margin since they are virtually completely saturated. Second, as competition intensifies in urban areas, many businesses are being forced to spend a lot of money on advertising. At the designing phase close to this rural marketing event, some or little

attention must be paid. But, since selling is a component of the Indian economy as a whole, it may really be a volatile issue. As a result, there are two primary parts: production and selling. A group selling strategy could be used while marketing in rural areas. The data includes sales of products that are sold in urban markets by rural markets as well as those that are promoted for Indian markets. It is also being sold inclusively in the Indian market. This study makes an effort while concentrating on issues and concerns linked to the rural distribution techniques because there may be more than one way of distribution in rural India.

OBJECTIVES:

- 1.To assess the current rural marketing environment.
- 2.To determine marketing prospects in remote areas.
- 3.To discuss concerns and challenges with rural marketing.
- 4.To evaluate the primary call areas when marketing.
- 5.To examine concerns about marketing in rural India

Literature Review:

Rural India offers stable revenue and profit for expansion. The green and white revolutions have made it feasible for rural markets to expand, which has greatly increased rural areas' income. Most of the study shed some insight on the marketing executives and difficulties, as well as the many parts, in a variety of ways. The largest economic research institute in India, NCAER, has conducted a study that has confirmed that when rural earnings rise, they are more readily competing with metropolitan incomes. The challenges and opportunities that rural marketing presents for both businesses and communities are the main topics of discussion. Understanding these ideas is crucial before entering the rural market. Lists of the most appropriate elements, such as distribution schemes, Together with services offered for four-wheelers, the Indian rural market reports sales of more than \$1 billion in durable items. Around \$27 billion has been spent in all. It is not astonishing that multinational corporations have also embraced the strategy of focusing on the rural Indian market.

The 37% rural growth of Coca-Cola now far outpaces the pure gold urban growth. Coke isn't the only MNC with a significant market share in rural India. When PepsiCo, the largest worldwide rival, was granted complete freedom to begin their market research in the 1980s, they expanded their business strategy since market entry required advancements in the food processing and agricultural industries.

It is a programme that creates opportunities for low-income women in rural areas to earn money, raises the standard of living in these communities by raising awareness of health and hygiene, and empowers rural areas in India by disseminating vital information through various platforms and collaborating with NGOs to achieve goals. There are more than 15,000 Project Shakti employees, many of whom are females, spread over more than 61,000 villages in twelve different Indian states. A limited environment places a lot of emphasis on marketing and employing behaviour that is dynamic and changes.

With the aid of a substitute seed that was transported from another geographic location, Mahindra's Krishi Vihar project is assisting farmers in Rajasthan to boost their groundnut production. It has also

announced a replacement variety of grapes that would be grown there. a geographical area. More than \$27 billion of Indian rural market share.

SIZE OF THE MARKET:

Since 2000, the Compound Annual Growth Rate (CAGR) of India's per capita GDP in rural areas has increased by 6.2%. The Fast Moving Consumer Goods (FMCG) industry in rural and semi-urban India is anticipated to surpass the US\$ 20 billion mark by 2018 and reach the US\$ 100 billion mark by 2025.

METHODS OF RESEARCH:

Exploratory and descriptive research is the type of study being conducted. The data is gathered via a questionnaire and secondary sources. Data is gathered from publications, books, business records, and websites.

NEED FOR RURAL MARKETING:

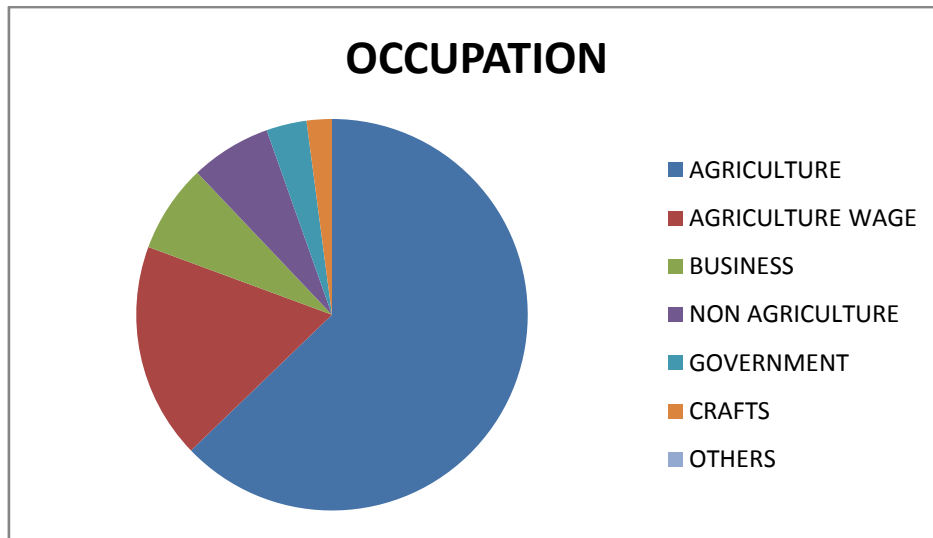
In a nation like India, the development of rural industry has become crucial for the following reasons:

1. Because the majority of rural enterprises are labour intensive, they greatly increase job prospects in the rural sector.
2. By creating more and more rural industry, rural industries can stop rural-to-urban migration.
3. By boosting rural people's per-capita income, rural industry and entrepreneurship help close the economic gap between rural and urban populations.
4. Rural entrepreneurship manages the concentration of industry in cities and supports balanced regional economic growth as a result.
5. Rural entrepreneurship makes it easier to build roads, street lighting, drinking water, and other infrastructure in rural areas. a sector because of their proximity to the primary market.
6. Rural business may help combat issues including poverty, slum expansion, urban pollution, and ignorance.
7. Rural entrepreneurship provides rural educated kids with a professional path.

Analysis and Interpretation:

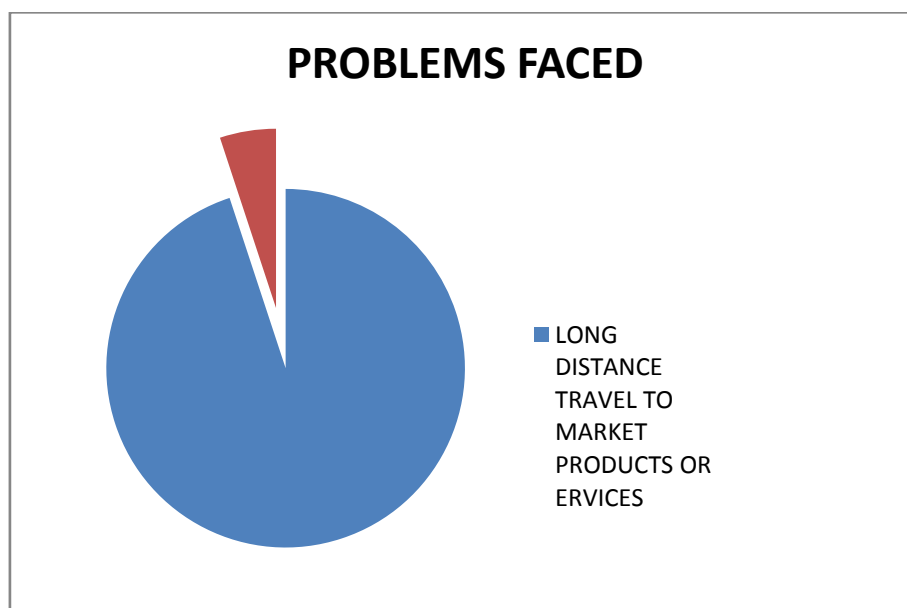
1.Occupational pattern of rural Population:

S NO.	SOURCES	RURAL POPULATION
1	AGRICULTURE	60.29
2	AGRICULTURE WAGE	17.11
3	BUSINESS	7.0
4	NON AGRICULTURAL WAGER	6.4
5	GOVERNMENT EMPLOYEES	3.2
6	CRAFTS	2.0
7	OTHERS	5.0
	TOTAL	100



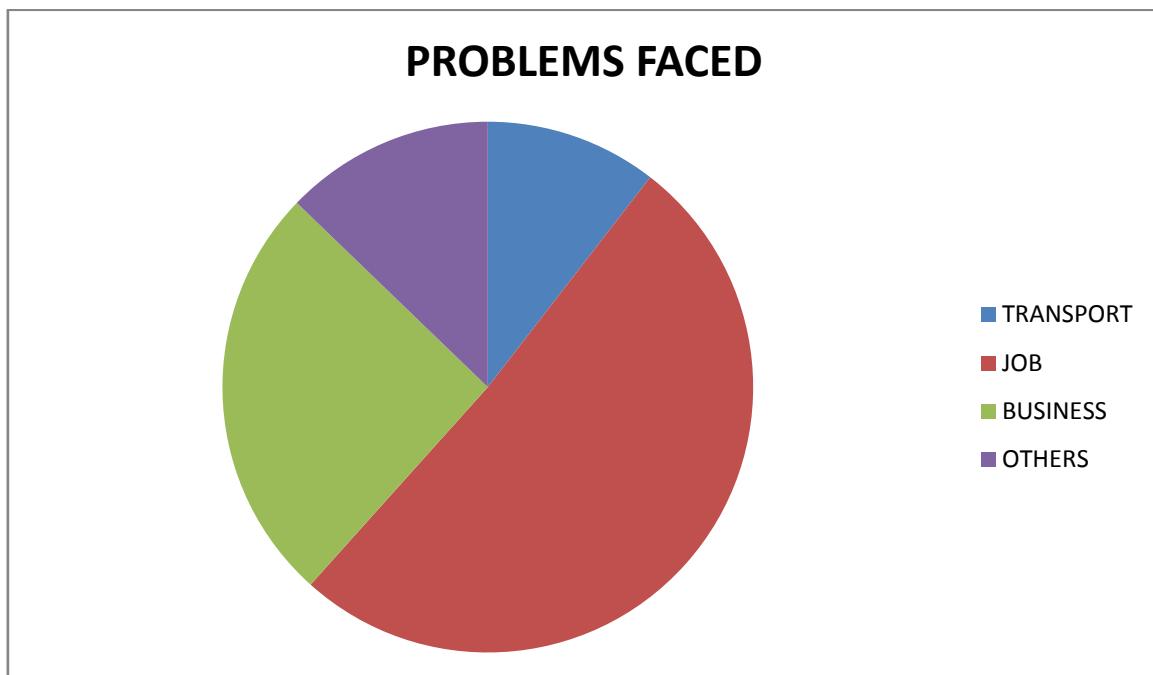
PROBLEMS ENCOUNTER BY RURAL MARKETERS:

SR. NO	STATEMENT	NO OF RESPODENTS
1.	LONG DISTANCE TRAVEL TO MARKET PRODUCTS OR ERVICES	40%
2.	FAMILY SUPPORT	60%



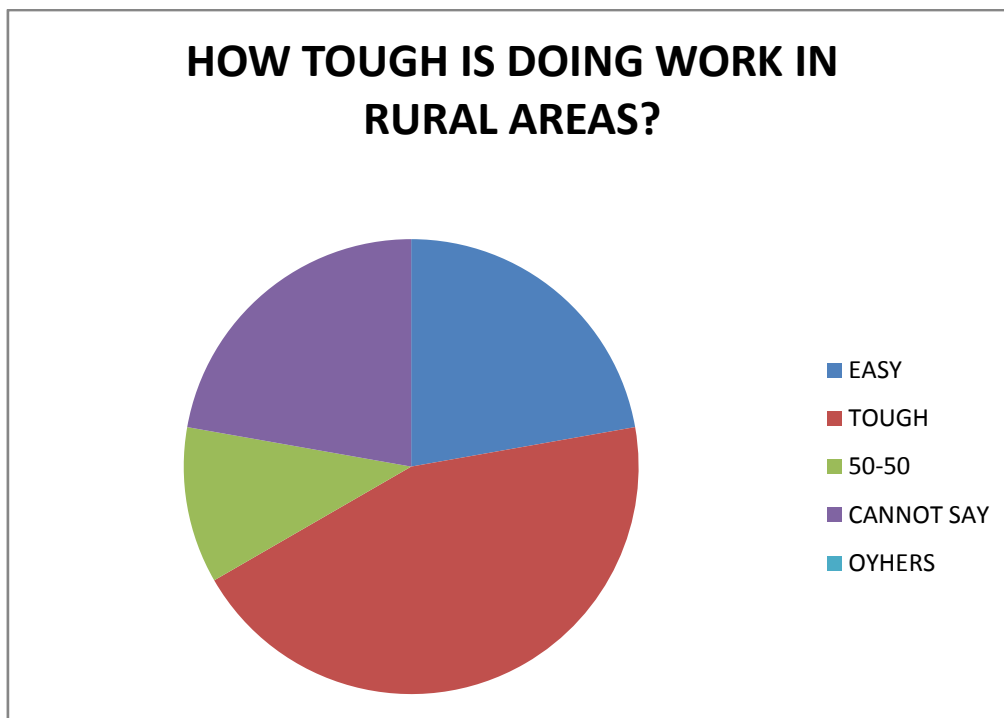
PROBLEMS FACED

STATEMENT	NO OF RESPONDENTS:
TRANSPORTATION	30
JOBS	40
BUSINESS	20
OTHERS	10



HOW TOUGH IS DOING WORK IN RURAL AREAS?

STATEMENT	NO OF RESPODENTS
EASY	20
TOUGH	40
50-50	10
CANNOT SAY	20
OTHERS	10



OPPORTUNITIES FOR VARIOUS INDUSTRIES IN INDIAN RURAL MARKET:

In recent years, the rural market in India has seen significant development. Government measures have given the rural market a boost. Many industries exist in India that have enormous potential in the rural market; some of these industries' scenarios have been addressed.

1. Auto Industry: India has one of the world's major car industries. 7.1% of the nation's Gross Domestic Product is comprised of this industry (GDP). A burgeoning middle class and a young population have made the two-wheeler category, which holds an 80% market share, the market leader for automobiles in India.

Also supporting the sector's expansion was the corporations' rising interest in investigating rural markets. Rural areas provide tremendous business opportunities. Infrastructure improvements have improved rural-urban facility linkage. According to the facts, the market for two wheels is growing daily. Businesses must prioritise their marketing efforts in this market.

2. Durable consumer goods: The Indian consumer market is mostly divided into urban and rural areas, and it is luring marketers from all over the world. The sector has a sizable middle class, a sizable wealthy class, and a tiny economically disadvantaged section. By 2025, expenditure is expected to more than quadruple in this sector. India reached a ten-year high and took the top spot among the 63 countries questioned in the global consumer confidence index for the quarter ending in December 2016 with a score of 136 points. India is viewed by multinational organisations as one of the primary markets from which future growth is anticipated to originate. A favourable demographic composition and rising disposable incomes will be the main drivers of the consumer market's expansion in India.

1. Banking Sector: Access to the banking system has increased over time as a result of steadfast government initiatives to advance banking technology and encourage expansion in unbanked and non-metropolitan areas. At the same time, despite global upheavals, India's banking industry has been steady, maintaining public trust throughout time. Also rising are the deposits made via the Pradhan Mantri Jan

Dhan Yojana (PMJDY). 255.1 million accounts have been opened as of November 9, 2016, and 6,971.68 million dollars had been deposited. The Reserve Bank of India (RBI) claims that the Indian banking industry is well-capitalized and regulated. In addition to cooperative credit, the Indian banking system includes 93,913 rural cooperative banks, 1,574 urban cooperative banks, 46 foreign banks, 56 regional rural banks, and 27 public sector banks.

2. Education Sector: India plays a significant role in the global education sector. The nation has over 260 million students enrolled in its over 1.5 million schools, 751 universities, and 35,539 institutions. One of the biggest higher education systems in the world is found in India. Nonetheless, there is still a great deal of room for improvement in the educational system. With the recently announced Digi Dhan Abhiyan or digital financial literacy initiative, Mr. Ravi Shankar Prasad, Minister for Law and Justice and Information Technology, said that the Indian government will likely teach over 10 million individuals on e-payments in rural India. To make 60 million rural households digitally literate, the government has authorised the "Pradhan Mantri Gramin Digital Saksharta Abhiyan" (PMGDISHA).

3. Fast-moving consumer goods (FMCG) are the fourth-largest industry in India's economy, with household and personal care products accounting for half of all FMCG sales there. The primary growth factors for the industry have been more awareness, better access, and shifting lifestyles. The city With a market size of over US\$ 29.4 billion in 2016–17, segment (which accounts for a revenue share of about 40%) is the FMCG sector's largest source of total revenue in India.

Yet, compared to urban India, the FMCG market has risen more quickly in rural India during the past few years.

4. Healthcare industry: In terms of employment and income, healthcare is now one of India's major industries. Hospitals, medical equipment, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, and other related services make up the healthcare industry. Due to its expanding coverage, services, and rising spending by both public and private entities, the Indian healthcare system is expanding quickly. Public and commercial healthcare delivery systems are the two main divisions in India. With a focus on metropolises, tier I and tier II cities, the private sector supplies the bulk of secondary, tertiary, and quaternary care facilities. India's rural areas, where more than 70% of the population lives, are expected to become major sources of demand. Ayurveda, Yoga & Naturopathy, Unani, Siddha, and Homoeopathy (AYUSH) therapy is available to the public thanks to the country's 3,598 hospitals and 25,723 dispensaries, which ensures accessibility to alternative medicine and treatments. The establishment of AYUSH educational institutes in States and Union Territories has received grant-in-aid funding from the Government of India in 2017.

5. Manufacturing: In India, one of the high-growth industries is now manufacturing.

To establish India as a manufacturing powerhouse and promote the Indian economy internationally, the government introduced the "Make in India" initiative. By the end of 2020, India is anticipated to overtake China as the world's fifth-largest manufacturer. For foreign industrial investments, India is a desirable location. Several companies, including those in the luxury, car, and mobile phone industries, have established or are attempting to develop production facilities in the nation.

Challenges in Rural Market:

Although the rural market has enormous untapped potential, it should be acknowledged that there are several associated difficulties that make it difficult to operate in the market. Distance, variety, and dispersion are the key reasons why the rural market is still underserved. As great an opportunity as rural India is, there are still a lot of obstacles to be overcome. Further obstacles include a dispersed population and commerce, a high number of intermediaries in value chains driving up prices, a lack of bank and credit options for merchants serving rural areas, a market that is heavily reliant on credit, and poor investment capacity among retailers.

1) Given the size of the population base and the number of houses, the market is likely to be dispersed, making it difficult for marketers to reach it. The number of villages is around five lakh, and their sizes vary.

Between 1000 and 5000 people reside in middle-sized villages, which are home to about half of the population.

A proper distribution and promotion strategy is required given this sort of population distribution in order to determine how much of the rural market should be covered.

2) In comparison to metropolitan areas, rural areas have a lower per capita income. Low income per capita results in limited purchasing power.

Apart from this, the income distribution is substantially skewed due to the skewed landholding pattern, which is a fundamental asset. So, the rural market situation is rather diverse. So, a few issues occur in this regard, including the off-take of any product by rural consumers, maintaining inventory levels, possibilities for distribution systems, and frequency of distribution. The marketers should give significant thought to this factor.

3) Rural areas lack adequate physical communication infrastructure. The majority of settlements in the nation lack all-weather roads. It is therefore highly physically demanding to go to these settlements. Hence, the marketers' efforts at distribution end up being both costly and unsuccessful.

4) The rural market is typically characterised by undeveloped markets and underdeveloped markets. The great majority of rural residents lack financial stability, are tied by tradition and fatalism, and are steeped in centuries-old rituals, taboos, and practises. Sadly, not all parts of the country have seen the effects of agricultural technology. Technological advances have not significantly affected the vast majority of the rural people.

5) In rural areas, there are wide disparities in literacy rates. Just one-fifth of people living in rural areas have matriculated degrees or higher, and around two-fifths of them are illiterate. The degree of literacy varies greatly between states as well.

These variances make it difficult for all types of rural audiences to understand the message simply and clearly. There are restrictions on an uniform strategy for communication for rural customers due to the mass media's restricted reach in rural regions and its regional and state variances. Different perspectives, customs, and values between states, and occasionally even within a state, are further barriers to the growth of communication.

6) Marketing professionals continue to face enormous difficulties in getting their goods to the 7.8 million retail outlets spread across 6,40,000 villages and supplying a network of village shops. Smaller villages with fewer outlets provide issues for suppliers, as do the high costs of distribution caused by the communities' separation from distributors and their low overall per outlet density. High quality distribution is not feasible because of these issues. Each commodity, whether a consumable, a durable, or an agricultural input, should be distributed in rural regions according to a predictable seasonal schedule. In rural locations, demand fluctuates seasonally. Rural locations get numerous distributions that are not consistent year-round.

Development of Strategies:

- 1) In this extremely unpredictable and varied environment, businesses operating in rural areas must recognise and evaluate both the possibilities and challenges that exist. The high number of geographically scattered villages makes it difficult for marketers to reach rural consumers, and this necessitates looking for creative ways to promote goods and services. Major implications for segmenting and focusing rural marketing efforts are provided by occupation and source of income. The channels to convey the pricing and products are determined by both vocation and income, in addition to delivering a suitable price and package size.
- 2) The product strategy and pricing strategies are intertwined. The product's design and packaging also provide room to keep the price low to accommodate rural consumers' lower purchasing power. The goal of the marketers is to make the product more accessible so that a wider demographic may buy it and so increase the market. This is one of the most popular approaches used by marketers to tap into the rural market.
- 3) When developing distribution methods for rural regions, it is important to consider the characteristics of the product, including whether it is consumable or non-consumable, its life cycle, and other distribution-related issues.
- 4) While the use of mass media may be justified for consumable items due to the size of the target market, personal selling efforts will be necessary for durable products due to the lower size of the target market. The promotional strategy or tactics adopted should be cost-effective. The limited availability of vernacular newspapers in rural areas and the high percentage of illiteracy among rural residents place restrictions on print media. For marketing goals, the marketers must plan the audiovisual content. In promotional plans, the conventional techniques of marketing should be employed.

CONCLUSION:

A crucial role is played by the Indian Rural Market since it offers businesses fantastic opportunity to expand their reach to roughly 70% of the population. In addition to improving the standard of living and quality of life for those who live in rural areas, rural markets help the rural economy. While it's true that the rural market has grown to be a favourite of all marketers, it's also crucial to understand that it comes with a number of risks and problems. As a result, businesses should evaluate the obstacles with the utmost care. To enter the rural market, one needs to have a deep awareness of it and take methodical action. The firms must take into account the intricate aspects that affect rural consumers' purchasing decisions while developing marketing strategy and action plans. The rural market is being created as a

result of greater government efforts to support the rural economy, rising purchasing power, shifting consumer patterns, more access to information and communication technologies, and improved infrastructure. In the upcoming years, marketers will adjust their tactics to better serve the rural customer. The rural landscape in India is developing slowly despite all the challenges presented by rural marketing. The biggest problem right now is creating a sustainable approach for influencing rural customers' minds over an extended length of time. According to the needs of the rural markets, conventional urban marketing strategies will need to be localised. For it to be able to affect the necessary behavioural change, it needs to connect with rural customers and relate to them on an acceptable level. To address new problems and challenges in key areas like transportation, communication, roads, credit institutions, and crop insurance for better land and water management, government support is required for the development of India's rural market. Without a question, rural markets are where the future is. Hence, it can be said that marketing to rural customers is both interesting and appealing to the rural markets. A good grasp of rural customers and their present and future aspirations, however, is a key component of efforts to access the rural market. The study came to the conclusion that there are a lot of prospects in rural India for businesses to expand and prosper. Nonetheless, businesses find it difficult to compete in rural areas. 833 million people call India home, compared to 377 million in metropolitan areas; as a result, there are many untapped business potential in rural India, but marketers are unable to take advantage of them due to a lack of infrastructure. People cannot distinguish between brands in rural areas because of the low literacy rate. The literacy rate in rural areas is rising now that the trend has changed. About 80 million to 111 million more middle- and upper-class households are anticipated in rural India. Infrastructure is expanding quickly, and these potential tempt businesses to pursue the rural market.

REFERENCES:

1. https://www.academia.edu/5370750/Rural_Marketing_in_India_Challenges_and_Opportunities
2. https://cibgp.com/article_17906_60a43afa08f3853fb632a791accdf90.pdf
3. Beneworth P. (2004). "In what sense „regional development? Entrepreneurship, under the development and strong tradition in the periphery" Entrepreneurship and Regional Development,; Vol. 16, pp. 439-458
4. . 4. Bhushan,P. (2018), Prospects & Challenges of Rural Entrepreneurship in India, International Journal of Research and Analytical Reviews, Volume 5, No 4, pp. 1089-1100
5. Chakraborty, D. and Barman R. (2014). A Study on Impact of Motivational Factors on the Growth of Rural Entrepreneurs of Assam. IOSR Journal of Business and Management. Vol. 16 No. 3, pp. 71-80.
5. https://cibgp.com/article_17906_60a43afa08f3853fb632a791accdf90.pdf
6. . Patel, B. and Chavda, K. (2013). Rural Entrepreneurship in India: Challenge and Problems, International Journal of Advance Research in Computer Science and Management Studies, Vol. 1 No. 2, pp. 28-37
7. https://www.researchgate.net/publication/335653467_'Challenges_Vs_Opportunities_for_Rural_Development_in_India_Some_Experiences_while_Working_with_NGOs_in_Gujarat
8. <https://www.ijariit.com/conference-proceedings/71%20MBA%20105.pdf>