



EXPLORING ISSUES AND CHALLENGES IN RURAL MARKETING: AN EMPIRICAL ANALYSIS OF INDUSTRIES OPERATING IN MYSORE REGION

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ABSTRACT :

Rural marketing plays a critical role in bridging the gap between producers and consumers in less urbanized regions. It encompasses the promotion of input goods and services to rural areas as well as the distribution of output products from rural producers to wider markets. Despite its growing relevance, rural marketing in India continues to face numerous challenges, including poor infrastructure, limited promotional reach, low consumer awareness, and socio-economic disparities. These factors significantly influence the effectiveness of the marketing mix product, price, place, and promotion in rural contexts. This study presents an empirical investigation into the issues and challenges encountered by Nestlé India Ltd. in executing its rural marketing strategies, with a specific focus on Nanjangud Taluk, a rural area in Karnataka. The research aims to understand how infrastructural, cultural, and behavioral factors impact Nestlé's ability to reach and serve rural consumers. It also examines how government development initiatives and changing rural consumer preferences influence marketing outcome. Lastly the findings of the current study will contribute to the broader understanding of rural marketing dynamics and guide companies in designing more adaptive and localized strategies to succeed in India's diverse rural markets.



KEYWORDS : Rural Market, Customer Satisfaction, Nestle India Ltd etc.

INTRODUCTION

Rural marketing is promotion of a company's products in the rural markets by using strategies which differ from that of urban market. The rural market more price sensitive but it has preference quantity. Rural areas are large and isolated areas of an open country, with low population density a country side refers to rural areas that are open. Rural marketing differs only in terms of buyers here target market consists of customers living in rural areas. Thus rural marketing is application of marketing fundamentals such as concepts, principles, theories etc to rural marketers. Rural marketing is a process of developing, pricing, promoting and distributing rural specific goods and services leading to desired exchange with rural customers to satisfy their needs and wants, Rural marketing can be defined as a function which manages all those activities in asserting, stimulating and converting the purchasing power of rural people into an effective demand for specific products and services and there by achieving the goals of the organization.

It is generally believed that markets are created, not found. This is especially true in case of the rural market of India. It is a market for the truly creative marketer. The rural market of India is fascinating and challenging at the same time. It offers large scope on account of its sheer size and it is growing steadily. Even a small growth can push up the sales of a product substantially, in view of the huge base despite the fact that there are enormous amount of problems. It is an attractive market from this angle also that the urban market is highly competitive; the rural market is relatively quiet. In fact, for certain products, it is a totally virgin market. Economic reforms in India have brought about major changes in the whole market environment. With these changes, rural marketing will become an important playground for our marketers. Successful rural marketing calls for a review of the rural marketing environment, developing proper understanding of the nature and profile of rural consumers, designing the right products to appeal to them, and adopting suitable media as well as appropriate strategies for communication and distribution.

The nature of rural emerging markets makes building a successful marketing channel challenging. The population is widely dispersed, transportation infrastructure is poor or non-existent, household incomes are low and sporadic, and traditional methods of creating brand trust and awareness will not work. On consumer behavior has been nominal, not much systematized information is available about the rural market.

REVIEW OF LITERATURE

Rajput (2014) focused a study on “Problems and Prospects for Marketing of Rural Products: An Empirical Study of Tribal Regions (India)” The present study is confined to tribal region of Rajasthan is the largest state in India in terms of geographic area. They are also ignorant about modern marketing issues like quality, delivery schedule, packaging, after-sales-service, etc. This paper focused on the pricing concepts is not aligned with consumer want and goods are produced without a proper market survey or ascertaining in rural market.

Vadivelu and Kiran (2015) emphasized a study on “Problems and prospects of agricultural marketing in India: an overview”. This paper contains there are several challenges involved in marketing of agricultural produce. There is limited access to the market information, literacy level among the farmers is low, multiple channels of distribution that eats away the pockets of both farmers and consumers.

Kumar (2017) emphasized a study on “Rural Marketing in India: Challenges and Opportunities” Concerns. The study shows the present scenario of rural market in India and the major opportunities and challenges faced by marketer in rural areas. The study concluded that rural India offers huge opportunities which companies can tap for their growth and development in the rural markets over all study focused issues related to the target market and to reach all goods and services reach to the remote places in rural areas.

Yalamalli (2018) undertaken a study on “Prospects of Rural Marketing in India”. In this paper focused marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing. Innovative marketing of products is about leveraging the marketing mix, namely, the four P's which are Product Design and Packaging, Price, Place and Promotion. etc

Jagdale (2022) described that rural marketing have a broader sense it in not a compact form because when rural marketing comes to mind it attaches to only agricultural produce. This paper examines the aims at investing the market dynamics related to two wheeler marketing in Karad Taluka. Despite the improved the socio-economic conditions of the rural people of this region the sales of two wheelers were not matching with improved conditions in rural market.

Manpreet Kaur (2024) explained that 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. This paper is an attempt to find out the various initiatives taken by HUL to reach the rural consumer. Many organizations have forced into rural areas and this has proved fruitful and beneficial for them and provides abundant opportunities for organizations to enter and operate profitable in Indian rural market.

OBJECTIVES OF THE STUDY:

- ❖ To assess the demographic profile of employees working in Nestle India Ltd
- ❖ To examine the major problems and prospects of rural marketing;
- ❖ To offer suggestions in the light of the study.

Hypotheses of the Study:

1. H0: There is no significant differences between demographic profile of employees
H1: There is a significant differences between demographic profiles of employees
2. H0: There is no significant differences between major problems and prospects of rural marketing
H2: There is a significant differences between major problems and prospects of rural marketing

RESEARCH METHODOLOGY

The present study has been collected from both primary and secondary sources. The primary data was collected by the employees and distributors of Nestle India Ltd., through direct interview and questionnaire. A questionnaire was constructed for collecting primary data from the employees and distributors of Nestle India Ltd., located in Nanjangud Taluk. A sample of 50 respondents including both male and female was considered or chosen at random. The method of sampling used is systematic random sampling. The secondary data was collected from related research publications in books, journals and periodicals, dailies and reports available on the chosen topic and through websites to develop theoretical background of rural marketing. The analysis of data is done using quantitative method for tabulations and applied descriptive statistics, chi-square, One Sample T-Test etc.

RESULTS AND OUTCOME:

1. Demographic factors of the Employees:

The demographic factors of employees in Nestle India Ltd. The overall respondents were numbering, 50 employees out of that 40 respondents are belongs to male and 10 respondents are female. The age pattern, majority of the respondents 22 employees belongs to age group of between 25-35 years. The educational background of the respondents 18 and 17 employees were post graduates and professional qualified respectively. The designation of employees, 25 and 11 respondents were belongs to department heads and marketing managers respectively. The working experience of the employees 28 and 12 respondents were belongs to less than 10 years and between 10-20 years respectively.

Table No.1 Demographic Profile of the Employees

Personal Factors	Classification	Frequency
Gender	Male	40
	Female	10
	Chi-square= 3.145, P=0.000 (H0 Significant)	
Age Pattern	Up to 25 years	17
	Between 25-35Years	22
	Above 35Years	11
	Chi-square= 7.412, P=0.477 (H0 Significant)	
Educational Background	Graduation	15
	Post Graduation	18
	Professional Qualified	17
	Chi-square= 3.412, P=0.000 (H0 In Significant)	
Designation	Marketing Mangers	14
	Department heads	25
	Food Distributers	11
	Chi-square= 3.542, P=0.773 (H0 Significant)	
Work Experience	Less than 10 years	12
	Between 10-20 years	28
	Above 20 years	10
	Chi-square= 2.745, P=0.083 (H0 Significant)	

Source: Field Survey. (Significant level 0.05).

To calculate, chi-square test for data of gender profile and educational background, the P value is 0.000 and 0.000 which is less than 0.05, null hypothesis is rejected and alternative hypothesis is accepted. Further the data of age pattern, designation and work experience of the respondents the P value is 0.477, 0.773 and 0.073, which is more than 0.05, null hypothesis is accepted and alternative hypothesis is rejected.

2. Problems and Prospects of Rural Marketing:

Table No.2 represents the problem and prospects of rural marketing for Nestle India Ltd., all the respondents i.e., 50 strongly agreed with problem facing inadequate financial and credit sales facilities and 60 percent of the respondents strongly agreed there no proper transport and communication problem in rural areas and Majority of the respondents representing 70.0 per cent agreed that Challenges faced by Distribution Network Logistics and 46 percent of the respondents strongly agreed with current scenario challenge faced by distribution network design in rural areas. The highest mean was recorded 4.90 and 4.81, this values shows that respondent agreed that problems of availability of appropriate media is not available in the rural areas and there is lack of channels of distribution, these are the major problems faced in rural marketing.

Table No.2 Problems and Prospects of Rural Marketing

Problems and Prospects	Mean	S.D
Transportation and communication	2.05	1.117
Availability of appropriate media	4.90	1.465
Channels of Distribution	4.81	1.090
Warehouse and seasonal marketing	2.65	1.427
Finance and credit sales facilities	3.86	1.084
Price strategy	4.20	1.235
Consumer Awareness	4.55	1.425
Brand Trust	3.80	1.032
Distribution Network Design/logistics	4.22	1.222
Lack of Education	3.87	1.541
Target Market strategies	4.55	1.365
New product Development strategies	2.80	1.412
Changing Consumption Pattern in Rural Areas	3.56	1.742

Source: Field Survey

According to the one sample T-test , the problems of transportation and communication, channels of distribution, lack of Education, new product development strategies, Changing consumption pattern in rural areas, warehouse and seasonal marketing, price strategy and brand trust variables shows that P value (Sig 2-tailed) is 0.005, which is less than the Alpha value of 0.05, which states that the null hypothesis to be rejected and alternative hypothesis is accepted. In the category of availability of appropriate media, distribution Network Design/**logistics**, target Market strategies Finance and credit sales facilities and Consumer Awareness variables shows that P value (Sig 2-tailed) is 0.005, which is more than the Alpha value of 0.05, which states that the null hypothesis to be accepted and alternative hypothesis is rejected

Table No.2 (a) Results of One Sample T-Test

Problems and Prospects	T-Test	P-Value (Significant Value)
Transportation and communication	3.45	0.000 (H0=Rejected)
Availability of appropriate media	1.15	0.656 (H0=Accepted)
Channels of Distribution	3.50	0.000 (H0=Rejected)
Warehouse and seasonal marketing	2.70	0.000 (H0=Rejected)
Finance and credit sales facilities	1.21	0.570 (H0=Accepted)
Price strategy	3.33	0.000 (H0=Rejected)
Consumer Awareness	2.11	0.088 (H0=Accepted)
Brand Trust	3.22	0.000 (H0=Rejected)
Distribution Network Design/logistics	2.21	0.841 (H0=Accepted)
Lack of Education	3.24	0.000 (H0=Rejected)

Target Market strategies	3.11	0.514 (H0=Accepted)
New product Development strategies	2.22	0.001 (H0=Rejected)
Changing Consumption Pattern in Rural Areas	4.22	0.001 (H0=Rejected)

Sources: Significant Level @5%

RECOMMENDATIONS FOR THE STUDY:

- ❖ The distribution channels more effectively to reach in the deeper pockets of the rural market .thus availability of the products is very important as rural consumers are not loyal to one brand. Efforts should be made to increase the distribution network and make available the products to the rural market.
- ❖ Promotional strategies should be according to the age group factor of buying decision in rural market. As the factor of influence are different in different age groups. While planning for rural market company should plan considering the factor of buying decision like life style, buying capacity and buyers' preferences etc as they try different products as suggested by the peers, neighbors and others.
- ❖ While marketing to the rural consumer, it is important that the positioning of the goods have to connect with the rural consumers' social status appreciation. It gives them psychological satisfaction and motivates them to continue with the same brand.
- ❖ Marketing through multi-level marketing channels, kitty parties, social gathering and etc., where people within the same rural community can be encouraged as the influence to make a purchase through the opinions of friend and peer group is more in rural consumers.

CONCLUSION

Rural markets, as part of any economy, have untapped potential. There are several difficulties confronting the effort to fully explore rural markets. Rural consumers are fundamentally different from their urban counterparts. The lower levels of literacy and limited exposure to product and services and there are also differences in occupation options, with a direct impact on income levels and income flows, and a high level of inter-dependency affecting the dynamics of rural community behavior. So we can conclude that Rural markets has own set of challenges, problems and opportunities. Hence the companies need to unlearn and then relearn the marketing strategies and tactics that would enable harnessing the immense rural potential. The approach, strategies and marketing mix need to be formulated and examined from rural consumer's prospective to be successful in the rural market.

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