



## CHALLENGES AND OPPORTUNITIES OF RURAL MARKETING IN INDIA

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### ABSTRACT:

Provincial advertising incorporate a cluster of procedures that encase creating, valuing, advancing, circulating country explicit item and administration which fulfills the shopper request and furthermore accomplishes hierarchical destinations obviously from the objective market. There are different difficulties that obstruct the advancement of rustic market. Advertisers face various issues like physical conveyance, coordinations, no appropriate and powerful deals compel and no compelling showcasing correspondence when they go into the matter of rustic markets. Store facilities are another serious issue in country regions, as there you will seldom get any sorted out office to take care of the capacity issue. Concerning issues of physical distribution of merchandise, the advertisers may have stockiest/clearing-cum-sending (C&F) specialists at vital area for encourage the physical assignment of products for its items in the country showcase. Indian provincial market has a tremendous interest base and size. Country advertising includes the way toward creating, advancing, circulating rustic region explicit items and administration trade among provincial and urban market which fulfills client request and furthermore accomplishes authoritative objectives. Watchwords:

**KEYWORDS:** Rural, Marketing, Market, Rural Marketing, Sales, Retailing.

### INTRODUCTION:

Promoting might be clarify as the way toward characterizing, foreseeing and knowing client needs, and dealing with every one of the assets of the sorting out to fulfill them. The accomplishment of client's needs and needs gives the presence to the association. The purchaser's practices make the demonstrations, procedures and social connections appeared by people, gatherings and associations with items and administrations.

In our nation, where investigate on shopper conduct has been constrained to names just, very little synchronized data is accessible about the provincial buyers. Just a couple of huge organizations known for their advertising introduction, for instance Hindustan Lever, Philips India, Asian Paints, Larsen and Toubro, TATA bunch have endeavored solid endeavors toward this path.

In present years, the rustic segment gives a one of a kind chance to grow their market since the urban portion is hinting at clear immersion. The nature and qualities of country showcase is very unique in relation to the urban market. Along these lines, it is important to comprehend the rustic territory attributes and condition and make a move appropriately.

### OBJECTIVES OF THE STUDY:

1. To study the theoretical concept of Rural Marketing
2. To find the Characteristics of Rural Market

3. To analyze the Challenges in Rural Market
4. To examine the benefits of Rural Marketing.

### RURAL MARKET:

India is a land of diversity and about 70% of the population lives in villages. To a large extent, villages contribute towards the economic development of the nation through the production of food grains, vegetables, fruits etc. Exports of these agricultural products generate capital and earnings from foreign exchange.

There are approximately 600,000 big and small villages in India according to rural market researchers. 25% of villages account for 65% of the total rural population. So we can calculate 65% of 700 million populations by from only 150,000 villages which becomes a huge potential of this market.

### MARKETING:

Rural marketing include a bunch of processes that enclose developing, pricing, promoting, distributing rural specific product and service which satisfies the consumer demand and also achieves organizational objectives as expected from the target market. It is basically a three-way marketing stage where the transactions can be –

- **Urban to Rural** – It is a process of selling the products and services by urban marketers in rural areas. These products mostly include pesticides, FMCG products, consumer durables, etc.
- **Rural to Urban** – It is a process where a rural producer sells his products in urban market. This may or may not be direct, but mostly there are middlemen, agencies, government co-operatives etc. who take initiatives in the successful running of the selling process happen successfully in an appropriate price.
- **Rural to Rural** – It is a process which includes selling or exchange of agricultural products, tools, cattle, carts and others to another village in its proximity.

### CHARACTERISTICS OF RURAL MARKET:

- The present in farming is first and furthermore the primary wellspring of salary.
- This salary is regular in nature and varies as it relies upon harvest creation.
- After all it is huge, the provincial market is geologically dispersed.
- It sees religious, social and financial differences.
- The advertise isn't tremendously created, in light of the fact that the general population here exercise sufficient acquiring power.
- These markets have their introduction in agribusiness, with poor way of life, low per capital pay and backwardness.
- It appearing and changed territorial inclinations with unmistakable expectations, propensity designs and social angles.
- Rural advertising process is a result of the general rustic improvement process commencement and the executives of social and financial change in the country division is the center of the provincial showcasing process.

### CHALLENGES IN RURAL MARKET:

There are various challenges that hinder the progress of rural market. Marketers face a number of problems like physical distribution, logistics, no proper and effective sales force and no effective marketing communication when they enter into the business of rural markets.

The following are the major problems faced in the rural markets –

- **Standard of Living**

A great part of the population in rural areas is situated below poverty line. Thus the rural market is also backward and the marketing strategies have to be different from the strategies used in urban marketing.

- **High illiteracy levels**

The high illiteracy levels in rural areas start to be a problem in communication with the market and the print media has limited applicability as compared to the other media of communication.

- **Less per Person Income**

In the rural market, agriculture is the main source of income and so the purchasing capacity depends upon the agricultural produce. Demand may or may not be stable.

- **Low Transport Facilities**

Transport and supply chain management are the big challenges in rural markets. As far as by road transport is involved, about 50% of Indian villages are connected by roads to the nearest big cities. The rest of the rural markets do not have proper road linkage to other cities which causes problems in physical distribution. Many villages are located in hilly remote areas which is difficult to connect with them through roads.

- **Less Store facilities**

Store facilities are another major problem in rural areas, as there you will rarely get any organized agency to look after the storage issue. The services given by central warehousing corporation and state warehousing corporations are short only to urban and suburban areas.

- **Limited Marketing Channels**

The marketing chain is not organized and also requires a large number of mediators, which in return increases the cost. Due to lack of appropriate infrastructure, manufacturers are giving back steps to open outlets in these areas. That is why they need to be dependent on dealers, who are rarely available for rural areas which increases the challenges for marketers.

- **Many Languages and Multicultural**

Factors like different behavior and language of every respective area increase difficulties to handle the customers. The sales force is required to match the various requirements of the specific areas according to their culture.

- **Shortage of Communication System**

Immediate communication facilities like computer, internet and telecommunication systems etc. are the need of rural market which is a huge problem due to lack of availability. The literacy level in the rural areas is quite low and consumer's behavior is kind of classical, which is a cause of problem for effective communication.

- **Duplicate Variety**

Price is an important factor for rural consumers which regulates purchasing decision in rural areas. A lot of duplicate brands or products that look similar to the original one are available, providing low cost options to the rural consumers. Most of the time, the rural consumers may not be aware of the difference due to illiteracy.

- **Periodic Demand**

Demand may be periodic in rural market due to dependency on seasonal production of agricultural products and the income due to those products. Harvest period might see an increase in disposable income and hence more purchasing power.

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**OPPORTUNITIES IN RURAL MARKET:**

To solve the problems of rural market and rural marketing in India, the following points need to be considered by marketers –

- **Physical Allocation of Goods**

Regarding the problems of physical allocation of goods, the marketers may have stockiest/ clearing-cum-forwarding (C&F) agents at strategic location for facilitate the physical allocation of goods for its products in the rural market. The main advantage of this scheme is that the costs of physical allocation of goods can be shared between the companies and stockiest.

- **Transportation**

The various modes of transportation based on possible of tracks should also be profitable to the companies. The present day, bullock-cart plays a very vital role in physical distribution where the roads are not available. Most of the MNCs use delivery vans in rural areas. These delivery vans take the products to the retail shops in every place of the rural market and enable the companies to set up direct sales contact with majority of the rural consumers.

- **Retail Trading Outlets**

The rural markets exist of a number of retail trading outlets along with low price stores under the public distribution system. The government should take initiatives to encourage private shopkeepers and cooperative stores to come forward and establish their business in rural areas.

Fertilizer companies should open their outlets for proper distribution of fertilizer to the farmers. In addition, the companies dealing in consumer goods can also apply this model and appoint a number of retailers in rural market and attach them to the stockiest who distributes the goods to the retailers as per the potential demand of the market. This approach will help the companies penetrate into the interior areas of the rural markets.

- **Sales Force Management**

To solve the problems of sales force management, the company takes due care in the recruitment and selection of sales people because the traits they require are different from that of the urban sales persons. These sales people must be fluent in the local/regional language and also have patience to deal with rural consumers.

Controlling and operating of such a large and scattered sales force, supervising them in sales calls, guiding and attending to their official and personal problems, and motivating them for getting better results should be an exciting and challenging task for the sales manager. Thus, the people operating in rural areas should have an inherent zeal to serve the rural peoples and to connect with them.

- **Retailing Communication**

For retailing communication in rural areas, the companies should use organized forms of media like TV, Radio, cinema and advertising. In present times, television is acquiring popularity in rural areas but due to lack of supply of electricity, radio is performing well.

The rural people need expression, short-feature films and direct advertisement films that associate knowledge and perform as better rural marketing communication. Companies can also organize village fairs, drama shows, and group meetings to convince the rural consumers about the products and services.

- **Demand Base and Size**

Indian rural market has a vast demand base and size. Rural marketing involves the process of developing, promoting, distributing rural area specific products and service exchange between rural

and urban market which satisfies customer demand and also achieves organizational goals. As a part of development program economic development is concern, government is making continuous efforts towards rural development.

### CONCLUSION:

The literacy level in the rural areas is quite low and consumer's behavior is kind of traditional, which is a cause of problem for effective communication. More of duplicate brands or products that look similar to the original one are available, providing low cost options to the rural consumers. The satisfaction of customer's needs and wants provides the existence for the organization. The low literacy levels in rural areas. Transportation and supply chain management are the biggest challenges in rural markets. Due to less of appropriate infrastructure, manufacturers are giving back steps to open outlets in these areas.

As a few of development program economic development is concern, government is making continuous efforts towards rural development. These sales people must be fluent in the local/regional language and also have patience to deal with rural consumers. The companies dealing in consumer goods can also apply this model and appoint a number of retailers in rural market and attach them to the stockiest who distributes the goods to the retailers as per the potential demand of the market.

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