



E-COMMERCE AND RURAL MARKETING INNOVATIONS IMPACT ON RURAL MARKET OF INDIA

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ABSTRACT

The marketing strategies designed for urban markets cannot be directly scaled down and applied in rural markets. A thorough understanding of the social, cultural and economic factors specific to rural markets will go a long way in formulating strategies that are tailor made for rural consumers. An estimated 68.84% of the total Indian population living in villages (Census 2011) makes rural India the next big thing for businesses. The sheer size of rural India gives it a significant share in the total Indian market, which from the marketer's perspective, translates into a huge customer base. Just like everything else in India, rural India too is changing. Education, access to technologies, and progressively increasing purchasing power is the new face of rural India.

KEYWORDS :

INTRODUCTION:

Electronic marketing refers to the flawless application of information technology from the point of origin to the ultimate destination of the products along with the entire value chain; the business processes are carried out electronically and intended to accomplish the business goals effectively and efficiently. According to National Council of Applied Economic Research (NCAER), with about 74% of its population living in its villages, India has perhaps the largest potential rural market in the world. It has as many as 47000 haats (congregation markets), compared to 35000 super markets in the United States. In addition to this, of the total FMCG's demand in India, nearly 53% comes from the rural market. For consumer durables, the figure is 59%

E-business describes the use of electronic means and platforms to conduct a company's business. E-commerce means that the company or site offers to transact or facilitate the selling of products and services online. E-marketing describes company efforts to inform buyers, communicate, promote and sell its products and services over the internet. In an ever more complex retail environment, customer engagement is essential but challenging. Retailers must shift from a linear marketing approach of one way communication to a value exchange model of mutual dialogue and benefit sharing between provider and consumer. Exchanges are more nonlinear, free flowing, and both one-to-many or one-to-one.

Rural marketing encompasses all the functions which manage entire activities involved in accessing, stimulating and converting the purchase power into an effective demand for specific products and services, and moving them to the people in rural areas to create satisfaction and a standard of living, thereby achieving the goal of the organization (Krishnamachayulu & Ramakrishnan).

Research Objectives:

1. The objective of the paper is to study the impact of rural marketing innovations and e-commerce on marketing strategy and consumption pattern of fast moving consumer goods in the rural markets of India.
2. The objective of the paper is to understand rural consumers and their consumption behavior.

Literature Review:

An estimated 68.84% of the total Indian population living in villages (Census 2011) makes rural India the next big thing for businesses. The sheer size of rural India gives it a significant share in the total Indian market, which from the marketer's perspective, translates into a huge customer base. Just like everything else in India, rural India too is changing. Education, access to technologies, and progressively increasing purchasing power is the new face of rural India.

The analysis reveals that in spite of the recent growth and a promising future, at present, the rural markets are weighed down by inadequate infrastructure, lack of proper linkages for roads and railways, and limited electrification and telecom connectivity. Fragmented demand pattern further adds to these challenges. (Mohd. Azhar Suharwardi & Iqbal Ahmad Hakim, 2014)

E-tailing helps retailers to build loyal customers and is aimed at selling in areas where they do not have a physical presence. E-Commerce and E-tailing, from a business perspective, offers an opportunity to cater to consumers across geographies, with no operational timings, unlimited shelf space- and all this with miniscule quantity of infrastructure. Most growth drivers are in India's favor-demographics, economy, changing life style and exposure to new ideas. India is moving towards broadband, and is experiencing strong growth in Web-based sales. (D. Muthamizh Vendan Murugavel, 2010)

Research Methodology:

- Data type: Secondary data.
- Scope of Study: Indian rural market
- Research Type: Descriptive

E-Commerce and Rural Marketing Innovations Impact on Rural Market in India

Internet has revolutionized the way business is conducted nowadays. Electronic networks allow people to surpass the barriers of distance and time in order to take advantage of global markets and worldwide business opportunities. Electronic commerce, commonly known as E-commerce has become a necessary component of business strategy, planning and economic development in the emerging global economy.

Rural Marketing Innovations

1. The concept of a rural product may have to be unique since it has been observed that the rural consumer's outlook is very different from that of the urban counterpart, and what works for the urban consumers may not work for the rural consumers.
2. Almost all FMCG goods manufacturers have come out with smaller packets. The low per capita income, non-availability of regular pay and cash forces the rural consumers to buy products in small quantities.
3. Shakti is HLL's rural initiative. It seeks to empower underprivileged women of villages with population of 2000 or less by providing income generating opportunities, health and hygiene education through the Shakti-Vani program, and creating access to relevant information through the i-Shakti community portal. Shakti is a pioneering effort from the private sector in creating livelihoods for rural women.

4. Choupal is the Hindi word for the village square (normally under a tree), where elders meet to discuss matters of importance. 'E' stands for a computer with an internet connection and is the farmer's window to the world outside his village. ITC installs a computer with VSAT internet connection in selected villages. A local educated farmer called sanchalak or conductor operates the computer on behalf of ITC. At the e-choupal, farmers are offered services like daily weather forecasts and price of various crops in the local market free of cost. They can download information about farming methods specific to each crop and region through an arrangement with agriculture universities. They can buy seeds, fertilizers, pesticides and even bicycles, tractors and insurance policies. Over 35 companies currently sell their products through the network. Villagers can also sell the produce to a central hub location called as 'Choupal sagar'.

CONCLUSION

E-Commerce and E-tailing, from a business perspective, offers an opportunity to cater to consumers across geographies, with no operational timings, unlimited shelf space- and all this with miniscule quantity of infrastructure. One needs to be a good psychologist in addition to marketing veteran to be successful in rural India. It is important for marketers to understand how a customer behaves, interprets & analyzes a product, communication, pricing & purchase action. Thorough understanding of rural markets, patience and perseverance & a systematic approach are necessary to penetrate the rural markets effectively.

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