



Rural Marketing N India

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Rural marketing in India

Mahatma Gandhi said "India lives in villages and villages constitute the very heart of India" about 70% Indian population lives in rural areas inhabited in more than five lac. Villages extending from Kashmir to kanyakumari and chapatti to guhati. Village is an important and unique social, economic, and political unit of whole India it contributes significantly in development of the nation specially in food –grains, vegetable etc. Huge and bulk markets for agricultural/ forest produce. But, it is fact that living condition of the rural people and their status of the country could not improve due to the following features of the Indian rural market

- Large and scattered market
- Major income from agriculture
- Drives socio-economic backwardness
- Traditional outlook
- Poor infrastructure facilities
- Low standard of living

There are three kinds of rural markets are found:

- Local market- they are also called "assembling markets" because the main function of such a market is to assemble products from various individual sources. They are mostly located within the area of production and hence are sometimes referred to as village markets or primary markets. The produce from individual farmers is collected and made into economical lots. In primary market grading and packing are undertaken. A large number of intermediaries are found in these markets.
- Regional or district markets- these markets often constitute intermediate step of concentration between local assembly point and central terminal markets. These are essentially wholesale market and located in populated centers. Large quantities are handling in these markets. These markets perform three functions: (i) concentrations equalization and dispersion (ii) these markets are economically important and act as equalizers of demand (iii) supply to maintain stability in prices. It is in these markets that price making, final grading, and packaging activities are undertake
- Terminal markets: These markets represent the final stage in the concentration of the supply of the commodity. Very often they are places from where dispersion to industrial users or to ultimate consumers take place. Various marketing functions such as grading, financing warehousing, etc. are undertaken at full length in these markets.

THE PROBLEMS OF RURAL MARKETING:

- Multiple tiers, higher costs and administrative problems: in the first place, the distribution chain in the rural context requires a large number of tires, compared with the urban context. The long distances to be covered from the product points and the scattered locations of the consuming households cause this situation. at the minimum, the distribution chain in the rural context needs the village level distribution chain in the rural context needs the village level shopkeeper, the mundi level distribution and the wholesaler/ stockiest in the town. And on top of them, it involves the manufactures' own warehouses/ branch office operations at selected centre in the marketing territory. Such multiple tiers and scattered outfits push up costs and make channel management a major problem area.

- Inadequate bank facilities: distribution in rural is also handicapped due to lake of adequate banking and credit facilities. Rural outlets need banking support for three important purposes.
 - (a) To facilitate remittances to get fast replenishment of stocks.
 - (b) To receive supply 'through bank' (retiring documents with the bank).
 - (c) To facilities are inadequate in all these aspects. it is estimated that there is only one bank branch for every fifty villages.
- Inadequate credit facilities from banks: Inadequate of institutional/bank credit is another constraint. The rural outlets are unable to extend credit to their customers. And the vicious circle of lake of credit facilities leading to inadequate stoking and loss of business, finally resulting in poor viability of outlets, gets perpetuated.
- Poor viability of the retail outlets: moreover, sales outlets in the rural market at the retail level suffer from poor viability. a familiar paradox in rural distribution is that the manufacture incurs additional expenses on distribution and still the retail outlets find that the business is unremunerative to them. The scattered nature of the market and the multiplicity of tiers in the chain use up the additional funds the manufacturer is prepare to part with. And no additional remuneration accuse to any of the groups. Moreover the business volume is not adequate enough to sustain the profitability of all the groups and the retail tire is the worst sufferer.
- Non availability of dealers: in addition, there are the problems of non availability of dealers. Many firms find that availability of suitable dealers is limited. Even if the firm is willing to start from scratch and tryout rank newcomers, the choice of candidates is really limited.
- Scope for manufacturer's own outlets limited; grater dependence on dealer inescapable: the scope for manufacturers' direct outlets such as showrooms or depots is quite limited in the rural market unlike in the urban context. It become expensive as well as unmanageable. Dependence of the firm on intermediaries is very much enhanced in the rural context as direct outlets are often ruled out. But controlling such a vast network of intermediaries is a difficult task. Control is mostly indirect. And because of these factors the firm has to be more careful while selecting the channel members in the rural context.

SOCIO-ECONOMIC CHANGES IN RURAL INDIA:

The sudden lure of rural India can be attributed to the socio-economic changes Sweeping rural areas today. These changes can be linked to an increase in productivity in framing. The agricultural revolutions, greed and white, the yield per acre land and animal has increased substantially. This was largely due to the application of technology and use of modern farming methods. Formation of cooperatives in western and southern India also helped the farmer increase farm productivity.

Increased productivity meant more income in the hands of the farmer who now wanted to buy the same product his/her urban counterpart did. The rural electrification programmed also brought a new hope in these areas, as did the irrigation

and rural development programmed.

The process of income generation and creating hops for better standard of living was also accelerated by companies and banks adopting villages for integrated rural development programmes. So, while fertilizer companies interest in adopting villages lay in increasing consumption of their products companies like Tata steel Tata motors, and ITC, made it a part of their social commitment. The integrated rural development programmed encompasses education, health, modern farming practices, land development and co-operative marketing of produce. Development of village industry and craft is another component of this programmed.

All these changes meant more income, higher aspirations, and changing lifestyles In rural India. Significantly, these changes cut across caste or religious barriers. The social change has also been fuelled by the reach of the television and radio in these areas. We know that today the radio programmers reach almost 95 percent of the Indian population and the reach of television programmers is as high as 85 percent. Television and satellite communication have created the maximum change in rural areas, something which was hitherto unheard of in these areas. So, today, zee tv, etv and other regional television channel programmes are received by community dish antennae and the rural consumers watch them on the community TV set or their personal television sets. They also watch doordarshan programmes and, perhaps, also know what is going on all over the world. To add to this change is the video and DVD culture, which has come to stay in the rural areas. Further, cybercafés, telecom and organized rural relating are impacting rural consumer lifestyle in much the same way as that of the urban consumer.

Another major technology that has influenced socio-economic change in rural India is the gohar gas project. This is a project, which recycles all the waste in the village including human or animal excreta into a fuel which piped to the house to be used as cooking gas, to light the village streets, and provide power to village industries. This project has changed the quality of life for people in an average village. For example the rural woman does not have to spend several hour finding fuel and then lighting a fire, to cook food for the family. Today, she has more time to help her husband and also to look after her children. She has more leisure.

The life style of a sizeable segment of rural consumer has already changed significantly in recent years, and that of a much larger segment is currently going through the process of change. As such the earlier practice of bracketing al rural consumer as people with a traditional-bound life style does not hold well in the new context. The change can be attributed to several factors such as:

- ☐ Growth in income and and change in income distribution
- ☐ Growth in education
- ☐ Enlarged media reach (particular television)
- ☐ Growing interaction with urban communities
- ☐ Marketer's efforts to reach out the rural market

All these socio-economic changes, largely fueled by technology, government policies, corporate strategies, and satellite communication, mean more demand for consumer goods. Higher awareness of brand names in these products, as also that of financial instruments and social products mean a better pull for these products in rural markets.

CONCLUSION:

Rural market s are today important for all consumer product companies. This is because most urban markets are getting saturated. The intensity in competition in these markets impact the profitability o firms. The rural markets have also gained prominence because of the socio- economic changes, which are sweeping rural India. These changes are being fuelled by the cable and satellite television as also by the internet and telecommunication. This has enhanced rural consumer 'awareness and aspirations. Also concerted attempts are being made by self help groups to generate income in the poor areas, access to product or service is more critical than just its ownership. Rural marketing three-four requires an innovative approach. It involves changing the value paradigm by altering the products price performance relationship. It also involves designing products that can deliver in sub optimal conditions and despite infrastructural constraint the marketer has three strategic options, namely extensions of urban strategy to rural market; adaptations of urban strategy to rural markets, and finally innovate for rural market success.

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