



PROBLEMS AND CHALLENGES OF RURAL MARKETING IN INDIA

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ABSTRACT Approximately two-thirds of people, especially in developing countries, live in rural areas and rely on agriculture and related activities for their livelihoods. In urban areas, agricultural output, i.e. food, fibre, and other raw materials, is processed and made available to consumers. Rural marketing is a collection of the established commodity, a reasonable price, an acceptable location and a correct knowledge. The marketing theory is that the right product will reach the right consumer at the right price, at the right place, at the right time, via the right medium. According to the National Commission on Agriculture, "Rural marketing is a process which starts with a decision to produce a saleable farm commodity and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic considerations, and includes pre- and post-harvest operations, assembling, grading, storage, transportation and distribution."

KEYWORDS : rural infrastructure, marketing, challenges

A. INTRODUCTION

"The soul of India lives in its villages", - M. K. Gandhi. The majority of the population in India resides in rural areas. The lifestyle of villages is beautiful and attractive and fascinates urban population. The life in a village is free from pollution and also provides us peaceful atmosphere and pure air to inhale. The villagers are happy in their small world till they get basic facilities to fulfill their livelihood. Most houses in villages have a small vegetable garden and an open courtyard. Their houses do not have concrete compound walls instead their houses are surrounded by fences. They live a very social life, concerned about their neighbors, society, etc. During day time they are involved in agriculture, which is their prime occupation, and in the evening they get together in "Chaupals", with their hukkass. This is their simple lifestyle.

Rural areas are generally located on the outskirts of a city or town. Rural areas typically are small settlements with low population density. Agricultural areas are also referred as rural.

In India, rural area is termed as a village or countryside. Their livelihood source is agriculture, fishing, pottery, cottage industries, and small scale industries. According to Planning Commission, if the population is less than 15000 then it is considered rural in nature.

The Indian consumer market consists of two separate parts, one urban and the other rural.

The vastness of the rural market is both a threat and an opportunity for marketers. The desire to raise living standards is felt in rural areas as intensely as in urban areas. Rural wages are increasing and the poverty rate is decreasing.

Nonetheless, the development of marketing channels and distribution outlets and communication facilities can also be about the transformation of rural areas.

In most cases, rural consumers are illiterate, low-income consumers, more price-sensitive, more social interaction within their community, psychologically emotional, driven by opinion leaders, with lower aspirational rates and imitational characteristics. This matrix of facts presents a greater challenge for rural consumers.

B. IMPORTANCE OF RURAL MARKET

The rural market is growing faster than urban, rural marketing results in overall balanced economic and social development. Rural marketing is beneficial to business units, people living in rural areas, people living in urban areas and the entire nation. Let's see how rural marketing growth and development contribute to overall prosperity and well-being.

a) Rural marketing must contribute to rural infrastructure and to growth. People can also live comfortably in villages due to the availability of all goods and services in cities, even at a relatively low price. People can earn their livelihood in rural areas as a result of marketing activities. The pressure on urban populations can be reduced.

b) Marketing inherently serves as a catalyst for economic growth. There are more lucrative business opportunities in rural areas than in urban areas. The rural sector has a greater potential for sustainable consumer products and services. The rural population depends largely on agriculture and can contribute almost 50% of the total national income. Agriculture also enjoys a significant part of the export business. Rural marketing boosts the agricultural sector and the improved agricultural sector will boost the country's economy as a whole.

c) Currently, almost 70% of the total Indian population feeds on agricultural activities in rural areas. Rural marketing can create more attractive employment opportunities for rural and urban people. Growth in rural marketing leads to increased business operations, technical activities and facilities that can generate a lot of employment opportunities.

d) Due to the rural marketing network, rural consumers may easily access the quality goods and services they need at fair prices. Rural marketing strengthens rural services in the same way. In addition, rural marketing can also increase their profits. Such factors can directly boost the standard of living.

e) Rural marketing leads to the establishment of agro-processing industries. Fruits, vegetables, cereals, pulses, etc. are used as raw materials. Such industries can improve the profit margin and employment opportunities of farmers.

f) There are unlimited opportunities for businesses in rural areas. Untapped and underutilized resources can be used at an optimum level and can further accelerate overall economic growth.

g) Growth in rural marketing improves the overall marketing system. Farmers and local producers have multiple options for marketing their products. Big domestic corporate houses and multinational companies prefer to buy agricultural products directly from villages on their own or through agents and small enterprises. Rural producers can easily sell their products at satisfactory prices. Increased higher income levels could increase their purchasing power, which could further boost industrial demand.

h) Rural marketing and basic infrastructure go hand in hand. Growth in rural marketing contributes to better travel, insurance, banking, communications, entertainment and other services. Due to the availability of basic infrastructure services, business units can easily reach the target rural buyers.

i) Marketing results for better storage, warehouses and contact facilities. Agricultural products can be routinely put on the market throughout the year. A huge gap between demand and supply can be avoided and, as a result, the prices of most goods remain more or less constant.

j) Marketing will optimize the entire lifestyle and program. Improved quality goods at a reasonable price, better income levels, availability of

services, etc. have a direct positive impact on quality of life. Quality of life increases and the degree of crime decreases.

k) The gap between rural and urban growth can gradually be narrowed. Rural development enhances rural life and reduces stress on urban life.

C. Problems And Challenges Of Rural Marketing

Currently, three out of four consumers in the country are on the rural market and one-half of national income is produced there. A number of corporate divisions have tried to take control of the rural market in a variety of ways. There is no question that the rural market gives advertisers great opportunities and attractions. But it's not as straightforward as it seems to be on the surface. It is not that simple to enter and succeed in this market in a smooth manner. This market presents a variety of challenges and, therefore, the marketer must work hard to address these challenges in a tactful manner. Those problems must be considered seriously by a company planning to enter and/or expand the rural market.

Some of genuine problems associated with rural market include:

a) The number of people below the poverty line has not decreased in any appreciable way. Thus, poor people and, as a result, underdeveloped markets characterize rural markets. The vast majority of rural people are bound by tradition, and they also face problems such as inconsistent electrical power, scarce infrastructure and unreliable telephone systems, and political-business associations that hinder development efforts.

b) The rural population is scattered over a large area of land. And it is almost impossible to ensure the availability of a brand across the world. District fairs are of a periodic and occasional nature. Manufacturers and retailers welcome these incentives, allowing greater exposure and attracting the attention of the target audience over a longer period of time. Publicity in such a highly heterogeneous environment is also very costly.

c) Goods sold successfully in urban markets may not automatically be successful in rural markets due to the difference in the value of the goods. The mind-set of the rural segments seems quite astounding and different. The presence of considerable heterogeneity among rural people presents challenges for marketers to integrate their inconsistent perceptions into their goods.

d) There's a huge difference in people's lifestyles. The choice of brands enjoyed by urban customers is not available to rural customers, who usually have two to three choices. As such, rural customers have a fairly simple mind, and their choices are still driven by customs and traditions. It is difficult for them to adopt new practices.

e) Transportation is a nerve center for any kind of company. Most villages are not well linked to the main roads. Thousands of villages are disconnected for a longer time every year during the monsoon. The lack of proper transport hinders marketing activities. Agro-based products cannot be sent to marketing centers and industrial products cannot be delivered safely to the rural population on time. Even today, the use of bullock carts is inevitable. Camel carts are used in Rajasthan and Gujarat in both rural and urban areas.

f) There are a multitude of local variants for any branded product, which are cheaper and therefore more desirable. Also, because of illiteracy, the consumer can hardly make a spurious brand out of the original one. Rural consumers are cautious about buying and their decisions are slow, they generally test the product and only after complete satisfaction do they buy it again.

g) The level of literacy is lower than in urban areas. This again leads to a communication problem in these rural areas. Print medium becomes ineffective and, to a certain extent, irrelevant, as its reach is poor.

h) Lack of desire for a new life style is most critical issue for a marketer. They cannot be easily convinced to try, use and adopt certain products with better qualities and innovative features. Product modification does not create desirable and positive effects on rural folks. Customs, established beliefs, superstitions, etc., restrict their behaviour. Sadly, their opinion leaders do not have a scientific approach. Innovative and superior technologies are difficult to successfully introduce in rural areas.

i) Languages and dialects vary from state to state, from region to region, and possibly from district to district. Because messages must be transmitted in the local language, it is difficult for marketers to create advertising strategies for each of these areas. Facilities such as telephone, telegram and fax are less developed in villages, adding to the communication problems faced by marketers.

j) Executives in businesses cannot understand the psychology of customers in rural markets. The lack of awareness and understanding of consumer behavior in rural markets creates problems in the formulation of marketing strategies. Rural and urban consumers differ significantly in their lifestyles, tastes, uses, desires and other aspects. Thus, any attempt to satisfy rural clients with an urban mind (marketing executives born and brought up in urban climate) results in vain efforts.

k) Rural markets typically involve complex logistical challenges that directly translate into high distribution costs. Bad roads, inadequate warehousing and lack of good distributors are major problems for marketers.

l) Sales teams are usually reluctant to work in rural areas. Languages and dialects vary from state to state, from region to region, and possibly from district to district. Because communications must be delivered in the local language, it is difficult for the sales force to communicate with rural consumers. Sales forces find it difficult to adapt to the rural environment and the lack of facilities available in rural areas.

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