

Problems in Rural Marketing



Management

KEYWORDS :

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INTRODUCTION

In the recent years rural market have acquired significance and attract the attention of marketers as 68.84% population of India reside in 6, 38,000 villages and overall growth of economy has resulted into substantial increase in the purchasing power of the rural communities (Pawan Kumar and Neha Dangi).Very little attention has been paid in the planning era towards the development of rural marketing. In fact marketing is a dynamic state of affairs and is part and parcel of the whole economy. Thus production and marketing are the two facets of a coin. Rural marketing constitutes the nerve centre of rural development activities (Dr. T.V. Malick and J. Jothi Krishnan).Since the 1980s the mass rural market was used to attract the marketers in Indian consumer market. The fact that 70% of country's population was unaddressed, which was the major attraction for marketers (Pawan Kumar and Neha Dangi).

The companies are looking for new opportunities and avenues, as they are witnessing a decline in their growth rates in urban markets due to market saturation and they do have a huge, untouched and untapped rural Indian market (MD Rafiuddin; Dr. Badiuddin ahmed).The rural markets are estimated to be growing fastly compared to the urban markets. On account of the green revolution in India, the rural areas are consuming a large quantity of industrial and urban manufactured products. In this context, a special marketing strategy, namely, rural marketing has taken shape. Sometimes, rural marketing is confused with agricultural marketing – the later denotes marketing of produce of the rural areas to the urban consumers or industrial consumers, whereas rural marketing involves delivering manufactured or processed inputs or services to rural producers or consumers (babu et al.,)

The Indian rural market has gained significance in the recent times as the overall economic growth of the country has led to an improvement in the living standards of the rural people. The boon of the Green Revolution combined with government initiatives such as subsidies, loan waivers, and minimum support prices (MSP) and employment schemes (MGREGS) have caused an increase in purchasing power. Rural India is insulated against global economic downturns, which adds to its attractiveness. For companies looking to tap this market, the 4P's of the Marketing mix have given way to the 4 A's of Rural Market Mix: Affordability, Awareness, Availability and Acceptability.

POTENTIAL OF RURAL MARKETS

- Increasing incomes of the rural people
- In India, majority of the total population resides in rural sectors.
- Rising awareness due to exposure to urban markets as children studying in urban areas, relatives in urban areas and other such factors.
- Increased literacy levels of rural people
- Increasing the spending pattern of the rural consumers.
- Government support

PROBLEMS IN RURAL MARKETING

The main problem of the rural marketing is low earnings of the rural people. The per capita income of rural people is low as compared to the urban people. It greatly affects the purchasing power of people. Transport problem also highly influencing the rural market. Retailers and consumers both are affecting due to improper transport facilities. The road facilities are not up to the mark. More over rural people is spread over a large area. And it is almost impossible to ensure the availability of a brand all over the country. Manufacturers and retailers prefer such occasions, as they allow greater visibility and capture the attention of the target audience for larger spans of time. Advertising in such a highly heterogeneous market is also very expensive. Due to lack of education, they are unaware of many brands even though products are advertised through print media. Print medium becomes ineffective and to an extent irrelevant, due to lack of education. Facilities such as phone, telegram and fax are less developed in villages adding to the communication problems faced by the marketers and also Rural markets typically signify complex logistical challenges that directly translate into high distribution costs. Bad roads, inadequate warehousing and lack of good distributors pose as major problems to the marketers (Smriti Chand).

CONCLUSION

This lack of awareness can be a result of a company's insufficient promotional efforts. It is the lack of information about products that can add convenience to the life of a rural consumer (Man-sharamani et al). Broad cast media and direct marketing activities help rural consumers learn about various brands and to know the product availability in the market. Companies and distributors have to play a major role to make them avail the product in remote areas by using effective marketing strategy.

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