

Changing Scenario and Challenges Faced by Indian Rural Markets

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ABSTRACT

About two-thirds of the world's population live in rural regions and make a living via agriculture or closely related industries. This is especially true in developing nations. Food, fiber, and other agricultural byproducts are refined and distributed to customers in urban centers. Marketing in rural areas is based on four pillars: a proven product, a fair price, a convenient location, and accurate information. The core tenet of marketing is that, given the correct product, price, location, timing, and communication channel, the perfect customer will be attracted. The major goal of the research is to examine how certain obstacles affect the confidence with which entrepreneurs and small company owners in rural regions see their own chances of success. The quantitative method was used in this study, and the primary goal was to spot problems in Marketing.

Keywords: Rural marketing, Agriculture, Consumer, Challenges, Population

I. INTRODUCTION

Rural marketing, in its broadest sense, encompasses the promotion of a wide range of agricultural and rural industrial goods and services. Private businesses, cooperatives, processors, regulated marketplaces, and government organizations are all viable options for trading the wide variety of goods accessible in rural regions. Successful rural marketing is essential to the growth of any rural economy, whether it be a social cluster or a single hamlet. In the planning period, rural marketing has received very less focus. Marketing is an integral aspect of the economy as a whole, and it is a constantly evolving field in and of itself. As a result, manufacturing and selling are like two sides of the same coin. A rural area's ability to sell its goods and services is crucial to the success of any rural development effort.

It's important to remember that marketing in rural areas is a conversation. The focus has broadened to include not just the promotion of goods leaving metropolitan centers for rural ones, but also those entering urban centers from the countryside. Also included is promotion in less-populated areas. Given the two-way nature of rural marketing, this essay seeks to illuminate some of the issues and problems unique to this field. Aspects of rural product marketing methods are discussed, with an emphasis on goods and services available in rural regions.

Villages are where "India's spirit" may be found, Quoted from M. K. Gandhi. The vast majority of Indians still call rural places home. Beautiful and appealing, rural life has always

captivated its metropolitan counterpart. Living in a rural area allows us to avoid exposure to harmful chemicals and instead enjoy the unadulterated serenity of nature. The locals have all they need to be content in their isolated community.

Most rural homes also have an open courtyard and a modest vegetable garden. Instead of having concrete construction walls surrounding their homes, they employ fences. They're incredibly involved in their community and care deeply about the world at large. Their main source of income is farming, so they spend their days working in the fields and their nights socializing in "Chaupals," complete with hukkas. That's just how they live their lives.

II. RURAL MARKETING IN INDIA

Accenture's third annual "Masters of Rural Markets" report, "From Touchpoints to Trustpoints - Winning over India's Aspiring Rural Consumers," reveals that a sizable percentage of rural Indians aspire to buy name-brand, high-quality items. As a result, firms in India are bullish on rural India's consumer market development, which they anticipate will outpace urban India's.

The survey highlights rural customers' increased proactivity in seeking information from a variety of sources in order to make more educated purchasing decisions. An important result of the expansion of media and telecommunications services is that rural customers in India now have access to more information, which is having an effect on their purchasing habits. In accordance with the overall trend, rural consumers are expanding their understanding of the value supplied by products and services to include more than simply the price alone.

After years of consistent expansion, the rural market is now larger than the urban one. Most Indians call their rural communities home. In India, the majority of the 800 million people who call rural areas home reside there. The advertiser's latest catchphrase is, "Go rural." Marketers from both India and beyond, including Colgate-Palmolive, Godrej, and Hindustan Lever, have set their sights on the country's rural consumers.

Village marketplaces, or haats, have existed in Indian communities since ancient times. Simply put, haats are marketplaces where locals go to purchase and sell goods. The use of bartering was common, and it is still used in some areas today. Haats often take place once a week and play a significant role in the local economy.

In India's rural interior, you may find around 650,000 individual villages. Around 850 million people, or around 70% of the total population, live in these towns, and they generate roughly 50% of the country's GDP (GDP). The way people in these rural regions spend their money is beginning to seem more and more like the way people spend their money in the city. A third of the customers for some of India's major consumer enterprises live in rural areas. Rural India presents a sizable and alluring investment opportunity for private enterprises due to the shifting consumption pattern there and the potential size of the market. Incredible progress has been made in rural regions in recent years thanks to five-year plans and other targeted initiatives. With the rise of the economy as a whole, rural areas now have much more money to spend.

III. RISK AND BARRIERS FACE BY THE RURAL MARKETING

The challenges of rural marketing include:

- **Deprived people and deprived markets**

There has been no discernible decline in the number of persons living in poverty. As a result, rural markets are characterized by a lack of development and a lack of resources due to the poverty of the residents. Most people in rural areas are firmly rooted in their cultural traditions, and they also confront obstacles to progress including unstable communication networks, a lack of modern conveniences like the internet and cell phones, and the influence of vested interests in local politics.

- **Lack of communication facilities**

The monsoons continue to make it impossible to reach the vast majority of the country's communities. There are a lot of rural areas that lack telephone service. The other means of communication are likewise severely lacking.

- **Transport**

Lack of a train network makes it difficult to get to many remote places. The monsoons wreaked havoc on several roadways because of their poor condition. Even now, bullock carts serve a necessary purpose. In the rural and urban areas of Rajasthan and Gujarat, people utilize camel carts.

- **Many languages and dialects**

Different states, regions, and even individual districts all have their own unique languages and dialects. It's challenging for marketers to come up with effective advertising plans for each of these regions since communications need to be conveyed in the local language. The lack of widespread access to modern forms of communication in rural areas makes it harder for salespeople to get in touch with potential customers.

- **Dispersed markets**

In rural areas, people are spread out over a wide geographic region. Equally concerning is the fact that nationwide distribution of a single brand is next to impossible. Regularity and infrequency characterize the occurrence of district fairs. Manufacturers and merchants enjoy these events because they provide an opportunity for increased brand exposure and sustained customer engagement. It's also quite pricey to advertise in such a diverse market.

- **Low per capita Income**

Rural residents typically have a lower standard of living than their urban counterparts. In addition, the agricultural condition, which is dependent on the monsoons, affects the demand in rural marketplaces. As a result, demand is erratic and unpredictable. As a result, rural communities often have lower per-person incomes than their metropolitan counterparts.

- **Low levels of literacy**

Comparatively lower levels of literacy exist outside of major cities. When this happens, it creates even another barrier to communication in the country. To an increasing extent, print media is rendered inefficient and obsolete due to its limited readership.

- **Prevalence of spurious brands and seasonal demand**

Locally produced knockoffs of internationally recognized brands tend to be less expensive and, thus, more popular. Consumers also have a hard time distinguishing fake from authentic brands due to widespread illiteracy. Consumers in rural areas are more likely to try a product once, and then only if they are completely satisfied would they buy it again.

- **Different way of thinking**

The people's ways of living are very different from one another. Unlike their urban counterparts, people living in rural areas typically only have access to two or three different brands. Customers in rural areas tend to be more straightforward in their thinking, and many of their choices are still influenced by long-standing cultural norms. It's tough to get people to change their ways.

- **Warehousing problem**

In rural areas of India, you won't find any storage spaces (or "godowns") to store your goods. Unfortunately, the accessible godowns are not well-kept enough to guarantee the quality of stored items. Due to this fundamental issue, the price of storage space in rural India is higher than in urban areas.

- **Problems in sales force management**

The majority of sales teams avoid working in rural regions. Different states, regions, and even individual districts likely have their own unique languages and dialects. It is challenging for sales staff to engage with rural clients since communications must be provided in the local language. The sales team has a hard time adjusting to the slower pace of life and fewer amenities in rural locations.

- **Distribution problem**

A corporation needs a village shopkeeper, a toluca wholesaler/dealer, a district stockiest/distributor, and a state-level corporate-owned depot for efficient distribution. The distribution price goes up because of all the layers. High distribution costs are a direct result of the difficulty in reaching rural markets due to their remote locations. Terrible transportation options, insufficient storage space, and a dearth of reliable distributors are all serious issues for business owners.

IV. RESEARCH METHODOLOGY

This study is exploratory and descriptive in methodology. Primary sources include questionnaires, whereas secondary sources include books, publications, company records, and online resources.

V. ANALYSIS AND INTERPRETATION

- **Occupational pattern of rural Population**

Table 1: Showing occupational pattern of rural population

Sr.no	Sources	Rural Population (%)
1	Agriculture	60.0
2	Agriculture wage	17.0
3	Business and craft	7.0
4	Non-Agriculture Wager	6.0
5	Salaries	3.0
6	Current Transfer	2.0
7	Others	5.0
	Total	100

Sixty percent of rural residents work in agriculture, 17 percent in agriculture wages, 7 percent in business and craft, 6 percent in non-agricultural wagers, and 5 percent in some other occupation.

- **Problems encounter by the Rural Marketers**

Table 2: Showing Problems encounter by the Rural Marketers

Sr. No.	Statement	No of respondents		%
		Yes	No	
1	Long distance travel to market products or services	Yes	No	100%
		40%	60%	
4	Family support	Yes	No	100%
		60%	40%	
6	High start-up capital	Yes	No	100%
		70%	30%	
7	Faced difficulties to prepare credible business plans for bank loans	Yes	No	100%
		80%	20%	
8	Lack of basic infrastructure (roads, water, transportation and electricity) at your places	Yes	No	100%
		50%	50%	

About 40% of rural merchants have trouble getting to where the customers are; 60% have issues with family support; 70% have high start-up costs; 80% have trouble writing convincing business plans to secure bank loans; and 50% have issues with a lack of basic infrastructure (roads, water, transportation, and electricity) close to home.

VI. FUTURE OF RURAL MARKETING

Potential Trends in Agricultural Marketing in the Future Introduction India's economy is mostly centred on agriculture, and the expansion of most other industries is spurred by demand in rural areas. The urban market is starting to plateau, therefore it's time to shift our attention to rural areas. In addition, due to rising disposable incomes and levels of knowledge, India's rural population (which comprises more than 70% of the country's total population) represents a sizable opportunity for business.

There are 6.383.65 villages in India, but only 5,161 cities. This fact alone reveals the location of the authentic heart of India. Slowly but surely, businesses are beginning to grasp that securing a dominant position in the market requires a focus on rural areas. Recent years have seen a rise in the importance of rural marketplaces in nations like China and India as rising incomes and living standards in rural areas have increased their purchasing power.

VII. CONCLUSION

Marketers have just lately come to recognize the enormous untapped potential in rural marketing, despite the fact that it is a relatively new idea. Those who wish to settle in rural areas will have a bright future because to advances in connectivity and infrastructure. Rural

development is preferred above business growth, even if agriculture is still a major source of revenue in rural areas.

It's not surprising that rural entrepreneurship is gaining traction as a force of economic change necessary for the survival of many rural communities, given the increasing globalization of national economies and the intensifying competition that affects not only industry but any economic activity, including agriculture.

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