

# Rural Marketing: Bridging the Gap to Success

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## ABSTRACT

Rural marketing is essential in bridging the economic divide between rural and urban areas, fostering development and improving livelihoods. Rural marketing facilitates access to broader markets for rural producers, educates consumers, and promotes infrastructure development. Additionally, it creates local employment opportunities, encourages technology adoption, and supports product customization to meet rural needs. Collaborations with government and NGOs enhance the impact of these efforts. Overall, rural marketing emerges as a critical strategy for driving economic growth and achieving sustainable development in rural regions.

## INTRODUCTION

Rural marketing refers to the process of promoting and selling products and services in rural areas or regions characterized by a low population density compared to urban areas. It involves understanding the unique needs, preferences, and challenges of rural consumers and

developing marketing strategies tailored to this specific market. The planning of marketing initiatives in rural regions is based on the wants and needs of the local population. This is known as rural marketing. Marketing is the act of determining the requirements and desires of the target market and then

generating a product or service to meet those requirements while taking the organization's advantages into account. The people who live in remote areas continue to be the primary emphasis, thus marketing initiatives should be planned with them in consideration. The decision to produce a marketable farm commodity is the first step in the rural marketing process, which encompasses all functional and institutional aspects of the market structure or system based on technical and economic factors. Pre- and post-harvest operations, assembling, grading, distribution, transportation, and storage. The market places in rural areas and metropolitan areas are very divergent. In rural regions, agriculture is the main economic activity, and it influences every villager, either directly or indirectly. During the early stages of civilization, the primary forms of habitation were agriculture and pastoral living along riverbanks (Ahmed, 2013).

#### **Nature and characteristics of the rural market**

- ♦ The primary source of revenue is agriculture. Seasonality plays a role in the revenue. It varies as well because it is based on agricultural yield.
- ♦ It displays differences in language, religion, and culture in addition to economic inequalities.
- ♦ The marketplace is underdeveloped as the individuals who comprise it still don't have enough money to spend.
- ♦ Transactions involving agricultural goods and agribusiness items, such as dairy products, produced in rural regions take place at rural marketplaces but sold all over in both urban and rural marketplaces.
- ♦ Non-agricultural goods manufactured in villages and marketed mostly in

metropolitan areas are traded in rural markets. This type of transaction includes hand-spun fabric, hand- or block-printed fabric, handicrafts, paintings, and other regional or traditional crafts.

- ♦ Products and services generated and produced in rural areas are marketed and consumed mostly within the villages as a means of sustaining a self-sufficient rural economy. These include locally made and used goods like pottery cookware and pans, as well as locally created and consumed services like hair salons and transportation, carpentry and tailoring.
- ♦ The sale and consumption of products produced by organised industry in both the urban and rural sectors also take place at rural marketplaces.
- ♦ The overall rural development process has a rural marketing process as a consequence as well as a trigger. The foundation of the rural marketing process is the initiation and management of social and economic transformation in the rural sector. Through this process, it becomes both the recipient and the benefactor.

#### **Problems of rural marketing**

Despite the quick progress the rural sector has made, there are still a lot of issues in rural marketing that need to be resolved. A few typical issues are covered in the section below:

1. **Transportation:** Moving goods from metropolitan production hubs to outlying villages requires effective transportation. In rural India, the transit infrastructure is appallingly inadequate. This is the reason why the marketing guy cannot reach the majority of the communities. In numerous rural areas of India, there are just kachcha roads. Even these routes become

- impassable in the rainy season. Even though India holds the second-largest railway network in the world, many rural areas of the country are still not connected to the rail system (Kumar & Dangi, 2013).
- 2. Communication:** There are several barriers to effective marketing communication in rural areas. The rural customer base has a relatively low literacy rate. As a result, print media have a restricted audience in rural areas. In addition to their low literacy rates, rural populations' traditional ways, cultural hurdles, and general economic backwardness make communication more difficult. Rural customers are not exposed to new items as urban consumers are because of these issues.
  - 3. Availability of Appropriate Media:** It is estimated that just 30% of the rural population in India can be reached by all of the organized media in the nation combined. Yet, there are many fewer listeners in reality. TV is a widely used medium that is perfect for reaching out to the rural populace. However, not all of the nation's rural areas have access to it. Nonetheless, films are a useful communication tool in rural areas. However, rural communities have extremely few of these chances.
  - 4. Storage** – it is required since production and consumption cycles don't always coincide. This is known as warehousing. The need for many agricultural goods is constant, while their production is seasonal. Time and quantity differences are reconciled by the storage function. State warehousing and the Central Warehousing Corporation make up the make up our nation's elite category of public storage; have not expanded their network of warehouses to include rural areas. Stocks are only kept in towns due to the dearth of suitable, scientific storage facilities in rural regions.
  - 5. Rural Markets and Sales Management:** Compared to urban marketing, rural marketing requires more personal selling effort. Additionally, the rural salesperson needs to be able to assist rural clients in making product selections. In rural marketing, channel management is another challenging endeavour. Villages have longer distribution routes with more middlemen, which lead to higher consumer pricing. Dealers possessing the necessary attributes are frequently unavailable.
  - 6. Lack of Adequate Banking and Credit Facilities:** Retailers in rural markets are unable to carry optimal stocks in the absence of adequate credit facilities, which prevents them from being able to offer credit to customers. All of these issues contribute to a low level of marketing activity in these areas.
  - 7. Market segmentation:** Market segmentation in rural markets is the process of dividing the total market into a number of sub-markets. The heterogeneous market is broken up into several relatively homogeneous units. Market segmentation is crucial to both urban and rural marketing strategies. The majority of businesses believe that rural marketplaces are uniform. These businesses would be irrational to believe that the rural market can be satisfied with the same mix of goods, services, and marketing tactics (Malick & Krishnan, 2014).
  - 8. Branding:** To rural customers, a brand is the most reliable way to communicate quality. Local brands are becoming increasingly important in rural regions,

even while national companies are becoming more and more well-known. This can be the result of rural consumers' limited purchasing power, ignorance, and illiteracy. In rural marketplaces, local brands are growing in popularity despite their inferior quality.

- 9. Packing:** Smaller products are typically more well-liked in rural regions when it comes to packing. Certain necessities are now offered in villages in smaller packages. Customers in the lowest income bracket are unable to afford large and medium-sized packaged items. Additionally, it was discovered that the package's label is not written in the native tongue. This is a significant barrier to rural customers' comprehension of the features of the product.

### Factors Affecting the Rural Markets

- **Coordinated Initiatives at Rural Communities-** The government has been working hard to promote rural development in addition to planned economic growth. It has been allocating significant funds to industries including irrigation, animal husbandry, agriculture, and flood prevention, khadi, and rural businesses. They have increased rural residents' purchasing power, income, and employment opportunities.
- **The Revolution in Green -** The next significant influence has been the green revolution. In Indian agriculture, a technical advance occurred. India's rural areas benefited greatly from the green revolution. Currently, India's rural areas produce 170 million tonnes of food grains annually in addition to a significant amount of other agricultural goods.
- **The Revolution of Expectations-** The process concluded by the rural people's

expectation revolution. The "rising expectations" revolution of the rural populace had a greater impact on the rural marketing environment in India than the green revolution did. The common people's knowledge was increased, their hopes were stoked, and their will to work, earn, and consume was strengthened. The nation's on going political and social upheavals reinforced this phenomenon. The new agricultural plan has increased revenue, which has given the expanding ambitions of the rural population more purpose and substance.

### Current scenario of rural marketing

The current scenario of rural marketing in India is evolving rapidly due to various factors influencing consumer behaviour, economic development, and technological advancements. Here are some key aspects:

- 1. Growing Consumer Base:** The rural population in India represents a large and growing consumer base with unique needs and preferences. Increasing disposable income and improved infrastructure are driving consumption patterns.
- 2. Market Penetration:** Companies are increasingly focusing on penetrating rural markets due to saturation in urban markets. There's a rising awareness of untapped potential and opportunities in rural areas.
- 3. Changing Demographics:** Rural India is experiencing demographic shifts with a younger population that is more aspirational, tech-savvy, and aware of brands and products. This is influencing purchasing decisions.
- 4. Infrastructure Development:** Better road connectivity, electrification, and

improved logistics are enabling better distribution networks in rural areas, making it easier for companies to reach remote regions.

5. **Digital Revolution:** Increased mobile and internet penetration is transforming rural marketing strategies. E-commerce platforms are targeting rural consumers, offering a wide range of products and services.
6. **Localization of Products:** Companies are adapting their products and marketing strategies to suit local tastes, languages, and cultural preferences. Customization and localization play a crucial role in rural marketing success.
7. **Government Initiatives:** Various government schemes and programs aimed at rural development and poverty alleviation are indirectly impacting rural marketing by boosting purchasing power and improving livelihoods (Kumar, 2013).
8. **Challenges:** Despite the opportunities, challenges such as low literacy rates, poor infrastructure in some areas, seasonal income patterns, and diverse socio-economic conditions persist, affecting marketing strategies.
9. **Innovative Marketing Approaches:** Companies are adopting innovative marketing approaches such as using local influencers, leveraging community networks, and organizing rural events to engage with rural consumers effectively.

### **Government initiatives for rural marketing in India**

Several government initiatives in India focus on promoting rural marketing and rural development. These initiatives aim to boost

economic growth, improve infrastructure, enhance agricultural practices, and empower rural communities. Here are some key government schemes and programs related to rural marketing:

#### **1. Deen Dayal Antyodaya Yojana (DAY-NRLM):**

- The National Rural Livelihoods Mission (NRLM) aims to promote self-employment and provide sustainable livelihood opportunities to rural households.
- It includes programs like skill development, access to credit, market linkages, and entrepreneurship development to empower rural communities economically.

#### **2. Pradhan Mantri Krishi Sinchai Yojana (PMKSY):**

- This scheme focuses on improving irrigation infrastructure and water use efficiency in agriculture.
- By enhancing access to water resources, PMKSY aims to boost agricultural productivity and incomes, thereby supporting rural marketing of agricultural produce.

#### **3. Digital India Programme:**

- The Digital India initiative promotes digital literacy and aims to expand digital infrastructure and connectivity in rural areas.
- Improved access to internet services and digital platforms enables rural entrepreneurs to access markets, e-commerce platforms, and information.

#### **4. National Rural Employment Guarantee Act (NREGA):**

- NREGA guarantees 100 days of wage employment in a financial year to rural households.

- Increased income through NREGA helps in boosting rural purchasing power and consumption, thereby supporting rural marketing.

#### 5. Startup India, Standup India:

- This initiative aims to promote entrepreneurship, innovation, and job creation in rural areas.
- By encouraging rural start-ups and small businesses, the government supports diversification of rural economies and marketing of locally-produced goods.

#### 6. Rashtriya Krishi Vikas Yojana (RKVY):

- RKVY provides financial assistance to states for implementing agriculture-related projects.
- The focus is on improving infrastructure, market linkages, and value addition in agriculture, benefiting rural marketing initiatives.

These government initiatives play a crucial role in enhancing rural marketing by creating an enabling environment for economic activities, improving infrastructure, empowering rural communities, and promoting inclusive growth in India's rural areas.

### CONCLUSION

The distinct traits and dynamics of rural marketplaces is necessary for efficient rural marketing. Rural marketing in India is influenced by various factors including demographic changes, economic growth, and technological advancements. The rural

consumer base is expanding, characterized by a younger population with increasing disposable income and changing aspirations. Through customisation of products, distribution, marketing tactics, pricing, and relationship-building initiatives, firms may use the substantial prospects presented by rural consumers. Important elements include community involvement, product adaption, localised distribution channels, reasonable price methods, clear and culturally appropriate communication, and leveraging.

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