THE CHALLENGES, PROBLEMS AND STRATEGIES OF RURAL MARKETING

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Abstract:
The paper describes the challenges, problems and strategies of rural marketing in India. The rural market in Indian economy can be classified under two broad categories. These are the market for consumer goods that comprise of both durable and non-durable goods and the market for agricultural inputs. In recent years, rural markets have acquired importance, as the overall growth of the economy has resulted into considerable increase in the purchasing power of the rural people and preferences of rural people are also getting changed.

So, every marketing player is keen to invest in rural markets. Though there is huge potential and substantial growth opportunities in the rural markets, yet there are some challenges too, which caused hurdles in tapping rural markets. This study is a step forward in exploring various strategies to be adopted in the rural market along with the current scenario of rural marketing, highlighting key challenges related to rural marketing.

Keyword:
Rural marketing, Marketing, Challenges in Rural Marketing.

Introduction:
Marketing today has completely transformed the nature and dynamics of business. One today needs to be adaptive to survive. Marketing of products has taken precedence over the process of production itself. This can be attributed to the fact that the new-age consumer equipped with the potent tool of information seeks more knowledge about the product, its features and its uses. Customer today indeed is the "King".

He can make or break the company. And when this information is presented in a creative and effective manner, it creates an everlasting impression on the consumer's mind and may even alter his perception of what he needs. Marketers are forever seeking fresh challenges and scouting for more and more clientele to be drawn into their sphere of influence.

The urban consumer has always been pampered with the most dazzling array of goods and services from every industry. But the urban market is fast shrinking due to saturation caused by the competition, and the growth rate over the past few years has consistently shown a declining trend.

In the hunt for fresh pastures, the vast and hitherto vastly unexplored terrains of rural India consistently beckon the moolah-seeking marketer.

Objective:
- To study the strategies of rural marketing.
- To discuss the issues and challenges of rural marketing
- To study the overcoming the challenges of rural marketing.
Methodology of the study:

The study is a descriptive method. The Secondary data were collected from different sources, such as, text books, magazines, articles and websites.

Strategies for Rural Marketing:

The past practices of treating rural markets as appendages of the urban market is not correct, since rural markets have their own independent existence, and if cultivated well could turn into a generator of profit for the marketers. But the rural markets can be exploited by realizing them, rather than treating them as convenient extensions of the urban market.

a) Marketing Strategy:

Marketers need to understand the psychology of the rural consumers and then act consequently. Rural marketing involves more exhaustive personal selling efforts compared to urban marketing. Firms should abstain from designing goods for the urban markets and subsequently pushing them in the rural areas.

To effectively tap the rural market, a brand must associate it with the same things the rural folks do. This can be done by utilizing the various rural folk media to reach them in their own language and in large numbers so that the brand can be associated with the myriad rituals, celebrations, festivals, "melas"; and other activities where they assemble.

b) Distribution Strategy:

One of the ways could be using company delivery van which can serve two purposes - it can take the products to the customers in every nook and corner of the market, and it also enables the firm to establish direct contact with them, and thereby facilitate sales promotion. Annual "melas" organized are quite popular and provide a very good platform for distribution because people visit them to make several purchases.

According to the Indian Market Research Bureau, around 8000 such melas are held in rural India every year. Rural markets have the practice of fixing specific days in a week as Market Days called "Haats' when exchange of goods and services are carried out. This is another potential low cost distribution channel available to the marketers. Also, every region consisting of several villages is generally served by one satellite town termed as "Mandis" where people prefer to go to buy their durable commodities. If marketing managers use these feeder towns, they will easily be able to cover a large section of the rural population.

c) Promotional Strategy:

Marketers must be very careful while choosing the mediums to be used for communication. Only 16% of the rural population has access to a vernacular newspaper. So, the audio visuals must be planned to convey a right message to the rural folk.

The rich, traditional media forms like folk dances, puppet shows, etc., with which the rural consumers are familiar and comfortable, can be used for high impact product campaigns. Radio is also very popular source of information and Entertainment. Adds on radio can also be a helpful tool for marketers.

Challenges in Indian Rural market:

Rural markets, as part of any economy, have untapped potential. There are several difficulties confronting the effort to fully explore rural markets. The concept of rural markets in India is still in evolving shape, and the sector poses a variety of challenges. Distribution costs and non- availability of retail outlets are major problems faced by the marketers. The success of a brand in the Indian rural market is as unpredictable as rain.

Many brands, which should have been successful, have failed miserably. This is because most firms try to extend marketing plans that they use in urban areas to the rural markets. The unique consumption patterns, tastes, and needs of the rural consumers should be analyzed at the product planning stage so that they match the needs of the rural people. Therefore, marketers need to understand the social dynamics and attitude variations within each village though nationally it follows a consistent pattern. The main problems in rural marketing are: -

* Understanding the Rural Consumer
* Poor Infrastructure
* Physical Distribution
* Channel Management
* Promotion and Marketing Communication

Issues and Challenges in Rural Marketing:

a) Issues:

India is ingenious with a good degree of ethnic, cultural and regional diversity. About 3/4th of the total population resides in the rural areas and majority of them are dependent upon agriculture for their subsistence. Agriculture contributes about 24.7% to the Gross Domestic Product (GDP) of the country. It also contributes about 13.1% to the total Indian exports. This sector provides employment to 58.4% of the country’s workforce and livelihood to more than 650 million people. Despite this fact, the condition of these people has not shown any significant improvement.

The development of the nation largely depends upon the development of the rural population. Rural market witnesses a high demand and it is the rural segment of market that contributes more profit than its urban counterpart. Rural marketing broadly involves reaching customers, understanding their wants, supply of goods and services, and ultimately satisfying consumers, leading to more sales.

The general impression is that only agricultural inputs like seeds, fertilizers, pesticides, cattle feed and agricultural machinery has a potential for growth in the rural market. However, there is a growing market for consumer goods now. It has been estimated the rural market is growing at the rate of five times its urban counterpart.

b) Challenges:

Despite the fact that rural markets are a huge attraction to marketers, it is not easy to enter the market and take a sizeable share of the market, in the short time due to the following reasons:-

1. **Low Literacy:** There are not enough opportunities for education in rural areas. The literacy level is as low (36%) when compared to all-India average of 52%.

2. **Communication Problems:** Facilities such as telephone, fax and telegram are rather poor in rural areas.

3. **Traditional Life:** Life in rural areas is still governed by customs and traditions and people do not easily adapt new practices. For example, even rich and educated class of farmers does not wear jeans or branded shoes.

4. **Media for Promotions:** Television has made a great impact and large audience has been exposed to this medium. Radio reaches large population in rural areas at a relatively low cost. However, reach of formal media is low in rural households. Therefore, the market has to undertake specific sales promotion activities in rural areas like participating in meals of fairs.

5. **Seasonal Demand:** Demand for goods in rural markets depends upon agricultural situation, as agriculture is the main source of income. Agriculture to a large extent depends upon monsoon and, therefore, the demand or buying capacity is not stable or regular.

6. **Transportation:** Many rural areas are not connected by rail transport. Kacha roads become unserviceable during the monsoon and interior villages get isolated.

7. **Distribution:** An effective distribution system requires village level shopkeeper, Mandal/Taluka-level wholesaler or preferred dealer, distributor or stockiest at district level and company-owned depot or consignment distribution at state level. The presence of too many tiers in the distribution system increases the cost of distribution.

8. **Career in Rural Market:** While rural marketing offers a challenging career, a rural sales person should require certain qualifications and specialized talent.
9. **Buying Decisions**: Rural consumers are cautious in buying and decisions are slow and delayed. They like to give a trial and only after satisfying personally, they buy the product.

10. **Cultural Factors**: Culture is a system of shared values, beliefs and perceptions that influence the behavior of consumers. There are different groups based on religion, caste, occupation, income, age, education and politics and each group exerts influence on the behavior of people in villages. There is a belief among rural people that experience is more important than formal education and they respect salespersons who can offer practical solutions to their problems. Therefore, it is desirable that sales persons, especially those who have been brought up in cities are given a through training consisting of both theory and practical aspects of village life. The training will help these salespersons to align themselves with the market retailers and settle down smoothly in their jobs.

**Problems of Rural Marketing:**

The problems of rural marketing are continuing in spite of efforts to improve in a 9th five year plan. The position is improving but slowly the rural marketer has many challenges. But the vast and expanding markets call for good marketing strangers to create win situations to all parties in the chain of rural marketing. The problems of rural marketing are as follows:-

1. **Underdeveloped People**:
   
   Rural society is found by tradition, old customs, practices etc. The impact of modern science and technology have made very less impact of the old beliefs which are still continuing.

2. **Underdeveloped Market**:
   
   Rural markets are not developing because of inadequate banking and credit facilities. Rural market needs banks to enable remittance, to transact on credit basis and to obtain credit support from the bank. At present every 48th village in India only has bank.

3. **Poor or improper communication facilities**:
   
   Most villages even today largely depend on telegram and phones for their communication needs. Print media and visual media (Television cinema) etc. reaches only about 20% of rural Indians.

4. **Many languages**:
   
   India is a country of many languages. Language becomes a barrier in effective communication in the marketing efforts. The languages vary from state to state, place to place, and district to district. There are now 18 schedule national languages.

5. **Vastness and unevenly spread**:
   
   India is a vast and approximately 3214 km from North to South and 2933 km from East to West. Rural market consists of approximately 75 crores rural consumers spread across approximately 638,365 villages. Despite the urban migration, the rural areas continue to be the place of living for a vast majority Indians.

6. **Low per capital income**:
   
   Most farmers have small lands and many villages are brought prone, this result in low per capital income. Low per capita income results in low consumption pattern as compared to the urban population. The marketers face challenges in rural marketing to decide about quantities, frequency of distributions, package size etc. due to the low per capita income of the rural people.

7. **Poor infrastructure facilities**:
   
   Infrastructure facilities like roads, warehouses, power etc. are inadequate in rural areas. Infrastructural costs are very high and impact adversely in the rural market activities.

8. **Seasonal demand**:
   
   Rural economic is seasonal, Rural people have two seasonal demands namely, khariff and rabi. Villages have money mostly in these seasons. As village incomes are seasonal, demands are also.
Overcoming the Challenges of Rural Marketing In India:

1. The rural populace should be developed in all aspects strategies must be designed by the central government, respective state governments, local bodies and NGOs for the upliftment of the same.
2. Adequate infrastructural facilities like roads, bridges, ware houses, marketing yards, information centers etc., must be provided by in association with public and private partnership.
3. Communication networks like postal, telegraph, telecommunication, television, cinema, etc., need to be strengthened in the rural India. It can be done with the help of the technology and customized services designed to satisfied the communication requirements of rural masses.
4. Banking and financial system need to be redesigned and reinforced as per the requirements of the rural societies. Private banking system, co-operative credit societies and other financial institutions should extend their operations to the rural areas and should provide all possible services.
5. A program should be initiated to connect all rural areas with the highways, urban and semi urban centers throughout the country. A broad understanding must be developed on cultural patterns, climatic and geographical conditions pattern of living traditions, customs, values, and beliefs of the peoples with the help of research centers in that respective areas.

Conclusion:

Rural marketing is a developing concept, and as a part of any economy has untapped potential; marketers have realized the opportunity recently. Improvement in infrastructure and reach promise a bright future for those intending to go rural. Any macro-level strategy for these markets should focus on availability, accessibility and affordability. The Rural market is not homogeneous. The individual sections of this market are not too big, although the overall size is large. There are geographical, demographical, statistical and logistical differences. Positioning and realities regarding the potential of each of these market segments differ and lie at the very core of forming the strategy for the rural markets. Several companies trying to reach out to rural consumers are exploring alternative cost effective channels. Direct selling through company delivery vans, syndicated distribution between non-competitive marketers, setting up of temporary stalls in rural melas/hats are few successful examples. The Self- Help Groups are offered chance to become company’s local small scale distributor in the rural areas. The groups, typically of 15 to 20 people, buy a small stock of items such as soap, detergent or shampoo and then sell directly to consumers in their homes. In concluding remark, if the company wants to capture the rural market, they must first carry on the detailed and earnest analysis of the countryside goal market, aiming at the particular characteristics of the rural market, and utilizing different marketing strategy according to concrete situations.

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