



Going Rural – A Glimpse of Rural Marketing Mix

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ABSTRACT

Present market industry is pampered with the word “Rural” which is huge market with a triple of its size compared to other country markets. Rural market can be termed as a Dazzling bird with a vast untapped market of resources and opportunities. Where more than half of the national come in generated from rural market this leads the manufacturers to plunge in to these untapped market. Most of the population in India resides in rural spreading with 65000 villages, speaking various linguistic languages.

Lot of transformation is observed in the rural people where they are not interested to follow the old habits of using neem sticks for swaging the teeth, they are induced to use paste for cleaning the teeth, these changes are witnessing because of change in income level and literacy rate. People are choosy and conscious in figuring out the life style to mark up for better life to live. Brand consciousness is also budding in the minds of the consumer to lead luxury life, which makes the rural market as demanding market for manufacturers.

Rural Market –At a Glance

With a population Less than five thousand, more than 70% of population engaged in agriculture as the main source of income, 2/3 of a country consumer live in rural area, half of the national income is generated from rural population.

Snippet of Rural Marketing

A process of developing strategies for distributing specific goods and services in rural and to exchange

between urban and rural markets to satisfy consumer demand and intern to achieve organizational goals and objective.

Habitation of Rural Consumer

Literacy Level

Rural India is Phasing out with an literacy rate of 23% every year ,where sixty lakh people is getting added to literate population of rural India.

Income Level

From past two decades the rural consumer income level is raising at an average compared to urban. But when compared to urbans rural people are lagging behind in some aspects which depicts like income, purchasing power, low standard of living, Purchase decision traits etc.in future the gap will be filled up with great potency.

Reference Group

People residing in the rural are influenced by Sarpanch, Teacher, interveter, Student, at the time of purchase .These group has a power to alter the mindset with a word of trust.

Occupation

Main task objective in rural area is farming, crafting, and other jobs which include Plumbing, primary health worker and social servant.

Media Habits

A rural customer is fond of music and folklore. Now television, radio, newspapers, magazine, video films are a part of the traditional media other variables. Culture, linguistic, religion, caste and social customs are important variables for profiting a rural consumer.

Bull Eye of Rural Market

Rural Elite segment (Youth) who purchase the products often and try to upgrade frequently, and fond to use the branded products this makes the manufacturers to compete and try's to build more customer base without any advertisement-with an average of 700 million people, Fmcg sales 55% ,Durable 60% of total sales ,Telecom 68% of total subscriber. Rural India accounted for almost half of the India retail market Hariyali Kisan Bazaar (DCM), Choupal Sagars (ITC), NayaYug,.

Rural India provides, a business opportunity worth US\$ 500 million. According to a survey it will grow to US \$2.5 billion by 2017-18, Out of 69% households having awareness about like insurance and consumer acts in rural .Indian pharmaceuticals market treats rural India as one of the fastest growing market – almost 45% of the growth is from rural area, two million BSNL mobile connections, 75% in small towns/villages and farmers are using mobile phones to call and browse internet to find out climate and pesticide usage and crop price, After digitalization 42 million rural households are availing banking services through Apps (mobile banking) where banks are also took the initiation to train them how to use the app in turn increase the lead of digitalization .

Rural Marketing Mix

Product

With regards of product manufacturers tries to deliver the to end customer in urban as augmented product, But in case of rural hinterland product is delivered as Expected product where his expectation are met, due to the low level of income and literacy level.

For example we are all aware in past and in present shampoos are delivered in sachets and in bottles, sachets are prepared for the rural and daily wage labour who has an habit of daily purchase in low unit, According to the survey of HUL around 65% shampoo sale in market is in sachets.

But in case of Durable products rural population or consumer prefer to purchase the products which are long lasting with good durability and quality for low cost and expecting more benefit.

Price

Income portion of the rural population is paid in daily wages. Daily wages earner tend to Have little stock of money and therefore tend to make purchases only to meet their daily needs. The implication is that pack sizes and price are critical to sales in rural market.

Promotion

Promotion is a main tool which persuade and motivate the consumer to purchase the product .But persuades must be in their own language by considering their culture and beliefs. Most of rural population own television so companies need to be more innovative in educating the consumers. Mindset of the rural customers is total different from urban they should not feel as differentiated.

Physical Distribution

Many pose a belief that distribution is more difficult in rural areas because of less development in infra structure (roads) but a good budget allocations by many governments as an part of rural development has decreased this problem (In 2019 budget also govt decided to incur more money for rural development) so many products can be now available in rural outlets.

A. Haats and melas

Indian Market Research Bureau, around nine thousand melas are held in rural India every year and annual sales at melas amount to Rs. 4,500 crores. Besides these melas, rural markets have the practice of fixing a specific day in a week as Market Days (*varapu Santa*) where exchange of goods and services carried out. Also every region consisting of several villages is generally served by one satellite town where people prefer to go to buy their durable commodities.

B. Rural –Reach -marketing Van for Reach of end customer (rural)

To increase more customers Base and to access the products by end customer companies has to do more on ground contact and need to attract the targeted customers. Consumer in rural markets rely on the “touch and feel” experience. One of the ways could be

using the company Delivery vans which can serve both the purpose and it take the products to the customers in every nook and corner of the market and it also enables the firms to establish direct contact with them

Innovation

Manufacturers are coming up with new marketing strategies to attract the customers and to defend the cut throat competition from the competitors, some of the initiations are

Hul-.Shakti:

Hul-Shakti is a very innovative program of Unilever, for distribution of FMCG goods (Door2Door) to rural population. Unilever trains educated (criteria with an ssc-inter) rural women in order to improve their selling skills and turns them as Unilever's saleswoman.

Samsung-Baharat

The initiative to expand its service to rural India aimed for expanding the domestic rural consumer base of Samsung in India by assuring premium after-sales service which stab the positivity in the mind and helps to promote the brand.

ITC E-Chaupal:

Is the backbone of these rural malls. It provides the farmers necessary information about weather & prices. It will provide them another platform to sell their produce and purchase necessary form and household goods under the same roof. E-chaupal combines a web portal in the local language and PCs with internet access placed in the villages to create a two-way channel between ITC and villagers.

Pay Phone Service

Tata Cellular (docomo) Ltd has launched a unique shared Access points for (Voice & Data) for Rural India. Tata docomo and Reliance will also offer internet access to provide broader range of data services.

CHALLENGES IN RURAL ENVIRONMENT

In spite of the of the development and the avenues in the rural market there are certain areas which needs emphasis which include

- If a business unit is to be located in rural areas it is necessary for it to understand the cultural and other societal factors – thus requiring the unit to know the language of the local area and understand the literacy rate. All these make communication procedure difficult leading to delay in the process.
- Being an agrarian economy the nation is predominantly dependent on the agriculture as its business. Providing the fertile lands for starting of an industrial unit not poses problem to the people but also indirectly affects the nation's income (this is because income of rural India grosses up during those periods when agricultural production is more.
- There is another problem which needs to be looked into. That is tailoring the products or services because the products not only needs to be customized so that it is affordable and simple but also require new products to be introduced if necessary i.e. for its survival.
- The rural areas are as such characterized by poor transport facilities and the infrastructure development its access limited to only outer areas.
- Again the beliefs, attitudes and perceptions of the consumers buying behavior play a bigger role in the success of any business and such the study of behavior is very difficult to evolve marketing mix.
- As said earlier they are slow adopters and are cautious buyers and hence they have a slow buying decisions.
- Overall the unit which wishes to start up its sale in these areas requires a Rural Marketing Manager who needs certain specific qualifications and specialized talent in this area because it is a process of acquiring knowledge about products, product benefits, methods of usage and maintenance and also disposal of products considering low literacy, low awareness, the marketers have to educate the consumers through rural specific promotion media and methods – which requires much patience and expertise.
- The marketing organization should foresee and adopt strategies according to changes required in the market. An adaptive organization can stand competition or have a modest growth.
- There is also a difficulty in identifying the distribution partners due to factors such as insufficiency of funds.
- Rapid increase in Grey Market size is causing a big threat for marketers to tap the rural market.

STRATEGIES TO CAPTURE THE MARKET OF RURAL-INDIA

Markets which are unable to face the stiff competition posed by MNC's can reinstate their profits in the rural markets. If Indian industries concentrate on rural markets their sales will increase. If rural markets are brought into the limelight of development, they will pave way to economic reformation. Success of India lies in the success of every Indian; hence no rural segment should be left untapped. The biggest Challenge for any MNC's are meeting the four aspects in rural marketing: Availability, Affordability, Acceptability and Awareness. The aforementioned challenges faced can be tackled by various strategies as followed.

Mastering Rural Customer Reach

When it comes to reaching India's rural customers, the biggest obstacles are inadequate distribution networks, partners with limited capabilities, long payment cycles and weak marketing channels. Rural Masters apply the following practices to overcome these hurdles:

- Take a robust approach to reach "the last mile"
- Focus on market expansion
- Create sustainable channel relationships

Mastering Rural Customer Acquisition

Rural consumers have diverse, specialized needs and preferences. To acquire these customers, businesses must understand the cultural, economic and demographic dimensions that define them. Organizations often make the mistake of treating rural consumers as a homogeneous market and offer them the same value proposition they offer to urban markets. These value propositions usually focus on a product's functional benefits and pay little attention to how the product meets the unique needs and wants of specific rural customer segments. Given the strong social fabric in rural areas and the pivotal role that fabric plays in influencing purchase decisions, companies must integrate into it. Only then can they successfully promote their products and establish credibility. Rural Masters take specific steps to achieve these aims:

- Create trust and relevance through an ecosystem of stakeholders

- Define a unique value proposition for rural customers
- Engage the right set of influencers

Customer Retention

Although companies are focusing heavily on rural consumer reach and acquisition, bolstering customer retention efforts has gained importance as competitors deepen their market penetration. To retain customers, companies have to adopt -

- Devise low-cost models for after-sales support
- Anchor customer relationships in trust
- Create trust and relevance through an ecosystem of
- Invest in community development.

CONCLUSION

Thus looking at the challenges and the various opportunities which rural markets offer to the Marketers it can be said that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage. Rural marketing is the marketing of new millennium. Marketer has to understand the rural customer before they can make road into the rural marketing.

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