

CHALLENGES AND OPPORTUNITIES OF RURAL MARKETING: A SOCIOLOGICAL PERSPECTIVE

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DOI No. – 08.2020-25662434

Abstract

Marketing is the process of identifying the needs and wants of the consumers, then prepare that particular product or service in order to satisfy them, keeping in consideration the benefits of the organization. This concept applies to every type of marketing, whereas when we talk of rural marketing the emphasis is to be given on the rural areas. Rural marketing is now a two-way marketing process. There is inflow of products into rural markets for production or consumption and there is also outflow of products to urban areas. Today's rural children and youth will grow up in an environment where they have 'information access' to education opportunities, exam results, career counselling, job opportunities, government schemes and services, health and legal advice and services, worldwide news and information, land records, mandi prices, weather forecasts, bank loans, livelihood options. If television could change the language of brand communication in rural India, affordable Web connectivity through various types of communication hubs will surely impact the currency of information exchange. As the electronic ethos and IT culture moves into rural India, the possibilities of change are becoming visible. Rural areas exhibit several distinctive characteristics that are different from the urban areas. Literacy levels, family structure, occupational patterns, spatial distribution of household settlements, social customs and norms, and several other features, are unique to rural India. This paper discusses the present scenario of rural marketing, its importance and highlights certain problems related to rural marketing. Further, it highlights the improvements that make the rural marketing system most effective.

Keywords: rural marketing; government schemes; information access; social customs; livelihood options.

INTRODUCTION

Rural marketing is a type of marketing in which activities are planned according to the needs and requirements of the people living in the rural areas. Marketing is the process of identifying the needs and wants of the consumers, then prepare that particular product or service in order to satisfy them, keeping in consideration the benefits of the organization. This concept applies to every type of marketing, whereas when we talk of rural marketing the emphasis is to be given on the rural areas. The focus remains on the people who are living in the remote areas, and the marketing activities should be planned accordingly. Seeing this, now-a-days many companies are turning towards the rural market to expand their scope, and to overcome competition or to restart or give new shape to competition. A lot of focus is required to be given on the rural markets because rural markets are the "tomorrow's markets".

Indian Rural economy emerging as biggest contributor to economic growth of India it is estimated that it will be around 45% of GDP by 2020. The rural economy has provided a cushion to the Indian economy. Indian economy is able to sustain in spite of all the crisis happened in other parts of the world is because of the backup of rural market. Rural consumers, who were

on the receiving end so far, are now slowly getting into position to dictate the terms for the first time. The Indian rural market with its vast size and demand offers great opportunity to marketers. Our national is classified in around 450 districts & approx. 6, 30,000 villages. Indian rural market is huge in size because rural population accounts for almost 70% of Indian population as the recent Census 2011, 833 million live in rural India, 33% of rural population includes youth, number of households increased from 25 to 33 crore. The rural market is currently worth approximately USD\$ 10 billion in consumer spending in the FMCG market annually. Food categories are currently driving the bulk of the additional USD\$ 90 billion into the marketplace by 2025.

The processing of these is not widespread in rural areas. Modern technology is too accessible to enterprises there. It is beyond the financial capacity of an average entrepreneur. The low cost and labour based technologies have been the common mode of village industry. As a result, the rural products do not enjoy competitiveness in a wider market. Most of the products are consumed locally.

Majorly marketing in rural India is basically selling of rural commodities, company's products and many other types. The selling process for various forms of products offered in areas of rural India are private, corporations, controlled areas of markets and Private state companies. There is no possible way where one group of social people or the whole economy of a village can be modified not having serviceable as well as obsolete effect to rural marketing (Srivastava & Kumar, 2011).

According to Craig & Douglas (2011), "However, the actual potential of rural economy exceeds the official estimates, since there is substantial bartering and a sizeable informal economy, which does not appear in official statistics. Consequently, the low figures for per capita income underestimate the actual standard of living as well as the ability to purchase non-food items".

OBJECTIVES

In order to improve the existing situation of the rural marketing engaged in a particular economic activity within a given geographical area, it is of much importance to study the current status in terms of challenges and opportunities in rural marketing in the newly emerging scenario. Moreover, it is also essential to work out the skills with concern for quality work. The present study has been undertaken in the context of the following objectives;

- To study the concept of rural marketing in India
- To study the challenges and opportunities in rural marketing
- To examine the various factors affecting rural marketing

MATERIALS AND METHODS

The present study was based on secondary data. With a view to identify the rural marketing, the researcher has made an in-depth review of the previous studies undertaken related to the topic of the present study. The secondary data were collected from the published as well as unpublished reports, handbooks, action plans and pamphlets from the office of the Director of Industries and Commerce, various books, journals, magazines, websites, etc. The collected data were analyzed properly by using simple percentage and average wherever appropriate.

RESULTS AND DISCUSSION

A. Opportunities of Rural Marketing

A majority of the total Indian population live in the villages. And this rural population comprises the core of Indian society and as well as it represent the real India. Government schemes like IRDP (Integrated Rural Development Programme), JRY (Jawahar Rozgar Yojana) and TRYSEM (Training Rural Youth for Self Employment) have created new employment opportunities in rural area. Co-operative banks and Public sector banks are extending loans to rural people, thereby creating job opportunities for them. As a result very few rural people are now flocking to urban centres. The agricultural development programs of the government have helped to increase income in the agricultural sector. These in turn have created greater purchasing power in rural markets. The Indian Government launched a number of schemes like IRDP (Integrated Rural Development Programme) and REP (Rural Electrification Programme) in the 1970"s, which gave a boost to the agrarian economy. This resulted in changes in people's habits and social life. REP gave impetus to the development of consumer durable industry.

B. Challenges

Most of problems arise to make progress in rural marketing such as number of people living below the poverty line is more in rural markets. Because of Low literacy level, problems of communication especially faced by the print media. Main source of income is agriculture which is not stable, or regularised so the demand is low. Major problem faced in rural markets is that most of the marketers use tractors or bullock carts in rural areas to distribute their products. Due to dependency on agricultural income, harvest season might see an increase in disposable incomes in the rural areas. There is very less awareness as well as knowledge of customers buying behaviour in the Indian markets makes issues in preparing methods and selling strategies.

An analysis of Indian rural markets reveals that its greatest strength lies in its largely untapped rural consumer base. A market with such promising potential cannot be ignored by businesses. The progressively rising income and consumption levels further add to the attraction of this market. Improving connectivity with urban area, increasing media penetration and rising literacy levels have resulted in greater product awareness, making marketing in rural India easier and more effective. The presence of fewer players in rural markets means that businesses that take the lead in establishing rural operations would face little competition in the early years. This makes it prudent to enter these markets at the earliest. Also the ever increasing focus of government on developing rural India through access to better education, better roads, greater employment opportunities, easy credit availability and so forth further enhances the future potential of the Indian Rural Market.

C. Factors Affecting Rural Marketing

India is a land of agriculture and basically it resides in the villages. This population makes its both ends by cultivating, selling the agricultural product, working on agriculture, which is called agricultural labours, some are involved in the processing of agricultural products and allied activities." Some are rendering the services to the villagers by providing them seeds, fertilizers, pesticides and some are doing the job work on agriculture factors are responsible for the growth of rural marketing in India. The rural population is moving to the urban areas for the purpose of acquiring education seeking employment, business purposes and selling the

agricultural and rural products in the urban areas this has necessitated a faster growth of agricultural marketing. The modern means of transport and communication are the most important tool of developing the size of rural marketing. The increasing transportation and communication facilities have widened the market for farm products. In the absence of these facilities, the movement of produce from one area to another was limited, and the consumption of a product was restricted only to the areas of production or, at the most, to nearby areas. Marketing Committee system and cooperative marketing are the two parallel institutions framed for the purpose of rural marketing. The marketing system is working under the direct control of the respective state governments having its three tier system The apex institution is state marketing board, at district level central marketing committee and at block level. The primary marketing committees are functioning in the areas. This is the main reason that rural marketing is gaining more and more attention in the Indian market scene.

SUGGESTIONS AND CONCLUSION

The concept of rural marketing in India is often been found to form ambiguity in the minds of people who think rural marketing is all about agricultural marketing. However, rural marketing determines the carrying out of business activities bringing in the flow of goods from urban sectors to the rural regions of the country as well as the marketing of various products manufactured by the non-agricultural workers from rural to urban areas.

The various new problems are emerging in Indian rural marketing to take over the rural economy. One of them is opening up of the rural sector to real estate development corporations, insurance companies, banking and transport, tele-communication, and power to give a surge to investment in rural industry. It was strongly believed that the rural consumption pattern is traditional. It led to the conclusion that the rural economy is static.

The rural society has a very high status in this regard. The distribution of land was made by the states which belonged to the state. The British rule was the worst blow to the rural society in the last three centuries. The worst blow was to cottage and small scale industries, cultivation of indigo, tea and jute, development of timber trade and denudation of forests. The terms of trade were not favourable to Indian farmers. In these circumstances farmers were forced to live in deprivation and poverty.

In conclusion it can be said that the Indian rural market has grown in recent years in size, and sophistication. The advertising, promotion should be able to meet regional variation. The suitable local promotional activities and distribute approach should be applied to distribution. Furthermore, the improvement in rural transport and warehousing and storage facilities should be concentrated considerably as to take maximum advantage of rural sector by applying latest techniques of marketing. The government needs to play a positive role in the development of rural markets in association with the local NGO's. Improving infrastructure capacities, initiating community development programs, offering better employment opportunities, simplifying credit availability and so forth would make such markets ever more attractive. The future of businesses operating in India lies in rural markets and those that fails to accept and adapt to this fast approaching reality run the risk of being rendered irrelevant.

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