

A Study of Latest Trends in Indian Rural Markets Scenario

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ABSTARCT

Rural market includes all business activities which are involved in the flow of goods and services from producers to rural consumers. The definition of rural as given by the Census of India is not being Urban. There can be several approaches to understand the rural markets. Rural market covers all marketing activities which include forecasting the demand, product planning, distribution and facilitating the entire marketing process, with the aim of satisfying the rural consumers. Rural markets offer growth opportunities as the urban markets are increasingly becoming competitive and in many products even getting saturated. Now, income level and standard of living are increasing rapidly in rural areas. The demand for brands is also increasing. This study focuses on the latest trends, strategies and challenges in Indian rural marketing scenario.

Keywords: *Rural; Market; Trends; Indian; Scenario.*

1.0 Introduction

Usually, rural areas are located at the outskirts of the towns and cities and are far away from the same. They have very less density of population. Most of the rural areas are surrounded by the agricultural fields, barren lands and forests. For all practical purposes such as administration, demographic and geographic segmentation etc., the rural areas defined differently in various countries.

The rural economies are different from the urban economies due to the cultivation of various crops, horticulture, cattle rearing, agri-based industries, and so on. The main agro-based industries in India are textile industry, sugar industry, tea industry, coffee industry and vegetable oils industries, leather goods industry etc. Infrastructural facilities like roadways, railways, electricity, television, telecommunication and internet networks etc. are not adequate in the rural areas.

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The rural economies are vulnerable to floods, draughts, forest fires, pandemics, and so on. People migrate to urban areas for want of good education and training facilities, employment opportunities, health facilities etc. Despite various schemes and efforts of the central and state governments, all the above factors make the rural areas not to grow much or grow at a very slower rate.

In some countries as well as in some of our states, the governments are enabling socio-economic development at a faster pace by providing good and wide roads, extension of railway lines, drinking water facilities, continuous electricity supply, telecommunication, television and internet networks, banking, credit and insurance facilities, and so on. The government of India has also planned some smart cities in rural areas. The governments are also encouraging setting up of good engineering, medical and pharmacy colleges, industries, NGOs and so on for the all-round development of rural areas.

1.1 Objectives of the study and research methodology

This study has certain objectives like the following ones:

- To study the prevalent scenario of Indian rural economies
- To study the latest trends in Indian rural markets scenario
- To focus upon the policies and strategies in effective rural marketing

2.0 Review of Literature

The literature available on the latest trends in Indian rural markets scenario can be reviewed as follows. Kalotra (2013) identified that there is a high potential in rural India but exists major differences between the existing and the desirable levels of rural marketing. Market has a lot of potential buyers. However, tapping their needs and wants and promoting to them is a herculean task.

Kumar & Dangi (2013) observed that rural India offers sustainable sales and profit for growth. Since rural population is two thirds of India of the Indian population and incomes are on rise, rural India offers good scope for growth in sales revenues and profits. Rani and Shrivastav (2014) learned that focusing on the Indian rural market is a good option as its market is increasing day by day. A lot of corporates and marketers prefer to locate and expand in total India because its market is expanding year on year. Sivanesan (2014) studied that farming mostly depends on the climatic conditions and, hence, the need or purchasing capability isn't regular. The purchasing power in rural India is influenced by the patterns of harvesting the crops. Hence, there is a need for mapping the marketing with the patterns of harvesting the crops.

3.0 Research Methodology

Research design adopted for this study is descriptive research. So as to attain the objectives of this study, the type of data relied upon is secondary data. The sources of data include various websites, online newspapers, online journals etc.

4.0 Analysis and Discussion

4.1 Indian rural marketing

Rural marketing and urban marketing are different and they are interdependent. Agricultural and forest produce are supplied by the rural areas to the urban areas whereas the consumer, durable and other goods and services are supplied by the urban areas to the rural areas.

4.1.1 Marketing

Marketing refers to identifying the potential customers' needs, wants and desires, planning, executing, designing, procuring, producing, promoting and delivering the goods and services to satisfy their needs and wants and fulfil their desires and getting the feedback so as to improve the quality and range of the products and services.

4.1.2 Rural marketing

Wheat, rice, cotton, sugar and so on and produced in rural areas. The same are also consumed in rural areas. The surplus produce is sold outside the rural areas for the benefit of people in urban and other rural areas. Rural marketing has to focus on economic goods, promotion and distribution through conventional and non-conventional means and so on.

4.1.3 Potential drivers of the rural marketing system

The main reasons why the corporates focus on rural markets and develop effective marketing strategies are to tap the potential of rural markets which can be described as follows:

4.1.3.1 Higher purchasing power

Rural people are more in number and are growing at a faster rate compared to the urban people and hence they have higher purchasing power.

4.1.3.2 Scattered and large rural population

The population in rural areas is scattered, i.e., the density of population is less. Hence, the marketers need to focus on mobile distribution channels like mobile ATMs, mobile vegetable supplies etc.

4.1.3.3 Infrastructural development

The infrastructure such as roadways, railways, airways, seaways, power grid, telecommunication and cable TV networks, health and educational facilities are inadequate in rural areas. This implies that the rural marketing is a herculean task.

4.1.3.4 Growth in rural market

Rural market is growing steadily because of various factors like income and money transfer schemes of the central and state governments, good employment opportunities,

development of good health and educational facilities, remittances by people in urban areas and in foreign countries and so on. This is an attractive factor for marketers.

4.1.3.5 More income from the agriculture

Due to various initiatives of the central and the state governments, the farmers are earning more revenue from the agriculture which in turn leads to their good purchasing and saving power.

4.1.3.6 Traditional look and feel

Rural people give good weightage to old customs and traditions. This encourages the marketers to offer good products and services matching with the traditions and customs of the rural people.

4.1.3.7 Varying demand patterns

The demand patterns of rural people for fast moving consumer goods and consumer durable are varying and hence marketers need to focus upon these patterns so as to establish and grow in rural areas phenomenally.

4.1.3.8 Socio-economic background

The socio-economic background of the rural people is very much diversified. Marketers need to focus an eye upon these backgrounds for their survival and growth.

4.1.4 Significance of development of rural infrastructure

How rural infrastructure is significant in improving the rural economy and lives of the rural people can be explained as follows.

4.1.4.1 Roadways

Roadways provide connectivity and mobility to rural people. They also provide a great means so as to reach the rural people. Hence, the respective governments have to plan and execute to develop good roadways.

4.1.4.2 Water supply system

Water is the backbone of civilizations. Safe drinking water and water for agricultural and other purposes has to be supplied. If there a good water supply system, it leads to good growth of rural population, good growth in cultivation of various crops, savings in terms of buying and supplying water, good health, and so on.

4.1.4.3 Supply of sufficient electricity

Supply of sufficient electricity is the boon for civilization, modernization, urbanization etc. If rural areas get adequate electricity supply, it leads all round development of not only rural people but also rural economies.

4.1.4.4 Housing infrastructure

The house is the main parameter for civilization, modernization and urbanization. If there is no adequate housing infrastructure, no economic activity is possible.

4.1.4.5 Telecommunication, cable TV and broadband networks

Now-a-days, telecommunication, cable TV and broadband networks have become essential for communication, entertainment, updates, news coverage, work from home, online classes, webinars, online shopping etc. Hence, the respective governments and private operators need to establish good telecommunication, cable TV and broadband networks.

4.1.4.6 Sports facilities

Indore and outdoor stadia, football, volley ball, cricket and other grounds etc. need to be developed for physical and mental fitness, entertainment, getting rewards and awards etc. in rural areas.

4.1.4.7 Mini Commercial and shopping complexes and malls

Mini Commercial and shopping complexes and malls need to be developed in rural areas so that the unorganised and organised marketers can reach the rural people effectively and efficiently. One of the factors for the growth of rural trade and rural economies is commercial complexes.

4.1.4.8 Educational facilities

Education and especially higher education is very much essential for the development of rural areas and rural people. For want of education, the rural people migrate to urban areas like Indians migrate to USA, UK, Germany etc. for want of education. Hence, educational institutions have to be established with public and private participation.

4.1.4.9 Health care facilities

Rural people need good and affordable facilities like clinics, hospitals, multi-speciality hospitals, diagnostic centres etc. Even though primary health care centres exist in rural areas, they are not considered as substitutes to the super speciality hospitals by the rural people.

4.1.4.10 Public and private toilet facilities

Another very important of the rural people is private and public toilet facilities. The local bodies have to take care of the development of public toilet facilities. Whereas the central and state governments should support the rural people in the construction of private and individuals toilet facilities. These facilities ensure that the rural areas are developed on par with the urban areas.

4.1.4.11 Open air theatres and function halls

Another much needed infrastructure to be developed in the rural areas is development of open air theatres and function halls so as perform functions, ceremonies, recreational activities etc. These facilities help the rural people to preserve and promote their customs and traditions.

4.1.4.12 Establishment of citizen service centres

Citizen service centres are very much needed in rural areas to obtain birth and death certificates, trade licenses etc. Even these centres were established in some rural areas, the number has to be increased for the convenience and comfort of rural people.

On the whole, it can be concluded that the development of rural economies mainly depend upon development of roadways, supply of safe drinking water, supply of adequate electricity, development of good housing facilities and so on.

4.2 Latest trends in Indian rural markets

The latest trends in rural marketing can be summarized as follows:

4.2.1 Development of rural e-commerce

Thanks to internet coverage by various internet service providers and data enablers such as Airtel, Jio etc., of late, e-commerce sites like Amazon, Flipkart etc. have developed their networks in rural areas. Now, the rural people are also able buy online various FMCGs and durables like their counterparts in urban areas. The recent sales in rural areas through e-commerce is above 40 million USD. This is one of the latest trends in rural marketing. Other e-commerce sites can also extend their networks in rural areas.

4.2.2 Demo tents

Many organized and unorganized sellers of durables like bikes, cars, real estate etc. are using demonstration tents in rural areas. With this they are able to get good sales. The prominent users include dealers of Royal Enfield, TVS etc. This is another latest trend in rural marketing. This trend has to be encashed by other sellers and marketers.

4.2.3 Mini stores

Many organized and unorganized sellers and marketers are opening mini stores in rural areas. The prominent ones include HUL Shakti, ITC e-Choupal & Caupal Sagar, Godrej Aadhaar, Warana Bazar, DSCL Hariyali Kisaan Bazaar etc. This is another latest trend in rural marketing. This trend has to be availed by other unorganized and organized national and international marketers.

4.2.4 Mini showrooms

Mini showrooms are also opened by sellers of durables like bikes, cars, etc. Maruti Suzuki started opening such mini showrooms at the space to accommodate one or two cars in

places like Narsapur, Medak district, Telangana. This is another trend in rural marketing. This trend has to be taken advantage by other national and international marketers dealing with rural consumer durables.

4.2.5 Trade shows

Many Trade shows are also being arranged in rural areas. Many sellers and marketers are opening stalls in such trade shows. These look like mini industrial exhibitions. Agricultural, forestry, fisheries and other food products are made available in these trade shows. The prominent shows include Grain industry expo, Farm Tech Asia, Indian International Dairy expo, India Grain Mech expo etc. The unorganized and organized sellers and marketers can take advantage of these trade shows.

4.2.6 Credit facilities

Credit facilities have also been increased in rural areas. Governments are also initiating many schemes like self-help groups so as to extend the credit facilities. Innumerable banking and non-banking financial companies have also been set in rural areas. This is another trend in rural economies. This trend has to be taken advantage by various marketers dealing with rural consumer durables, real estate etc.

4.3 Marketing strategies, policies and CSR initiatives to capture the growing rural markets

The marketers need to adopt the following strategies, policies and CSR initiatives to capture the growing rural markets.

4.3.1 Strategies and policies

4.3.1.1 Keeping the products and services at the affordable levels

Since the income levels of rural people are less against those of urban people, the marketers need to offer their products at affordable prices, keeping at the vicinity of the rural people.

4.3.1.2 Training and employing rural people

Rural people need to be trained and employed in production, procuring, human resource management, marketing etc. so as to increase their income levels and make them feel that the products are made by them, owned by them and belong to them.

4.3.1.3 Using agricultural, forest and other rural inputs

Rural inputs such as agricultural inputs, forest inputs and other inputs are very invaluable. Hence, those inputs have to be used by the marketers so as to make the rural people actively involved in the production, procurement, exports etc. and earn their livelihood.

4.3.2 CSR Initiatives

4.3.2.1 Spending a part of profits towards rural welfare

The marketers need to spend a part of their profits earned towards rural welfare such as providing good health, education, drinking water facilities etc. This will help them save the expenses in terms of obtaining those facilities and spend those savings on the goods and services of their choice.

4.3.2.2 Encouraging rural people to be innovative and creative

Rural people are unique and they have a lot of innovative and creative qualities like their urban counterparts. To encourage and support their innovations and creations, they have to be offered grants, aids, awards, rewards etc. These innovations and creations help the marketers a lot directly and indirectly towards sales, profits etc.

4.3.2.3 Protecting and promoting rural culture, traditions etc. by organizing various events

Rural culture, traditions, customs etc. bond the rural people like anything. The corporates need to organize the events so as to protect and promote the same. These events indirectly make the rural people loyal to the corporates and their products and services.

4.3.2.4 Developing rural areas on par with the urban areas

The central and state governments initiate various programs for developing the rural areas on par with the urban areas. The marketers at the corporates should take active role in the process of developing rural areas on par with the urban areas. This will help the corporates indirectly so as to win the hearts of the rural people and thereby increase their revenues and profits.

5.0 Conclusion

Based on the above presentation, it can be concluded that if the marketers take up right policies, strategies and initiatives, they can win the hearts of the rural people which in turn leads to good sales, revenue, profits and so on of their products and services for the benefit of marketers and society at large.

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