



MODERNIZATION WITH PRESENT TENDENCY IN RURAL MARKETING- A CONCEPTUAL ANALYSIS

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Abstract

According to research, rural market is one of the growing concepts in Present scenario. It is stimulating buying pattern of village people.. A majority share of the world's population lives in rural regions of the world. Modernization in marketing is about initiating remarkable changes in product design, product arrangement, product pricing, or product advertisement. Forethought and execution of marketing functions in rural regions are known as rural marketing. The achievement of marketers in the rural region depends on how well they understand the requirements and perspectives of rural consumers. Since this segment constitutes a significant share of the world population, it offers an affluence of opportunities in comparison to urban regions. The paper will focus on the rural market situation in India, tendency, possibly, and initial Modernizations made in the rural market, in Indian circumstances, Modernizations in rural markets should be based on 4 namely: awareness, acceptability, affordability, and most importantly availability. Our thoughts should always be that when creating a new product, it should be less expensive and balance the demand-supply in the market.

Keywords: *Indian Rural Market, Modernization, Rural Marketing, Rural Consumers and Challenges.*

Introduction

According to research, Modernization in marketing is an exertion that implicates inventiveness that has a positive impression on a new product and service. Marketing is a procedure through which product and service information is transmitted to consumers. The Modernization marketing approach is all about executing market research into customer exigencies, behaviors, and tendencies, developing changes within product-enriching products unconventionally, etc, for example, barn goods is a farm supply store in a rural environment. The local area includes many family cattle farms, due to the community's remote location, delivery times from men who live in the area, farm for a living and need convenient access to farming equipment and feed for their animals.

The business closely follows the farmers' cyclical needs. This way, barn goods can buy extra inventory before demand grows. They understand that it is important for their business to be a reliable source of essential items.

Rural Marketing

Rural marketing is a process of developing, pricing, promoting, and distributing rural-specific goods and services leading to the desired exchange with rural customers to satisfy their needs and wants, and also to achieve organizational objectives.



Rural marketing is similar to timely 'marketing' rural marketing differs only in terms of buyers. Here, the target market consists of customers living in rural areas. Thus, rural marketing is an application of marketing fundamentals (concepts, principles, processes, theories, etc.) to rural markets.

Characteristics of the Indian Rural Market

1. **Huge and spread out:** it offers several opportunities to marketers and producers in comparison to urban regions. It constitutes the maximum number of consumers since it covers the greater part of the world's population.
2. **Traditional expectations:** people are traditional in their thinking level and also are superstitious in their beliefs. Due to the rising literacy level in rural Zono, this tendency is changing amongst rural youngsters.
3. **Source of income:** agriculture is the major source of income for people living in a rural zone, their income is affected and purchasing power gets decreased because of crop failure.
4. **Issues:** illiteracy, backward and orthodox are the most persistent features amongst rural people. Due to this, it gets hard to persuade them to purchase the products.

Need of Marketing in Rural India

- i. **A huge population in India:** India 2021 is estimated at 1,398,679,859 corers people at mild-year according to United Nations data. India's population is equivalent to 17.70% of the total world population, 65% of Indians live in rural areas and 35% live in urban areas. These statistics indicate the need for rural marketing.
- ii. **Employment generation:** rural marketing can generate more attractive employment opportunities for rural and urban people. The growth of rural marketing guides extended business operations, professional activities, and services that can produce plenty of employment opportunities.
- iii. **Enhanced rural infrastructures:** rural marketing and basic infrastructures go hand. The growth of rural marketing leads to improved transportation, insurance, banking, communication, entertainment, and other facilities. Due to the availability of basic infrastructural facilities, business units can easily reach the target rural customers.
- iv. **Improved living standard:** due to the marketing system, rural customers can easily approach needed standard goods and services at equitable prices. In the same way, rural marketing upgrades rural infrastructure, additionally, rural marketing can also improve their income. These all aspects can directly improve living standards.
- v. **Growth of agro-based industries:** rural marketing leads to setting up agro-based processing industries. Fruits, vegetables, cereals, pulses, etc., are used as raw materials. Such industries can improve farmers' profit margins and employment opportunities.

Tendency in Rural Marketing

The industries must maintain their concentration on the quality of products with proper information to get a change in the opinion of rural customers. Some of the current trends in rural marketing are as follows;

- 1) **Large population:** the Indian rural market with its large size and demand offers a great opportunity to marketers. Our nation is classified as around 748 districts and approx, 664,369



villages, Indian rural market is vast in size because the rural population accounts for almost 65.07% of the Indian population as the recent census 2021, 898 million live in rural India, 38% of rural population includes youth, number of households around 33 corers. The rural market is currently worth approximately expected to cross the US\$ 20 billion mark by 2018 and reach US\$ 100 billion by 2025.

- 2) **Green Revolution:** the vision of Dr Swami Nathan, the father of the Green Revolution to achieve self-sufficiency in food grain production in 1995, gave a breakthrough in food grain production through the use of scientific methods in agriculture. At present, India's food grain production is estimated to rise 3,74 per cent to a new record of 308,65 million tones in the crop year 2020-21. The substantial attention accorded to agriculture during the successive five-year plans has helped in improving agricultural productivity. Adoption of new agronomic practices, selected mechanization, multiple cropping, the inclusion of cash crops, and the development of allied activities like dairy, fisheries, and other commercial activities have helped in increasing the disposable income of rural consumers, by observing this scenario, India's one of the biggest giants Hindustan lever Ltd, has entered into the rural marker for more penetration through the operation "Bharat".
- 3) **Smart mobiles act in rural India:** according to a report released last year by analysis firm Kantar, Smartphone penetration in rural India was only 28% in 2019. As per the telecom regulator, India's rural penetration in February 2021 was over 59% of the rural mobile phone users a bulk around 300 million still uses feature or basic phones with no internet connectivity. A KPMG analysis showed that 43,000 villages, accounting for 6.7% of total villages in India, were not connected by telecom towers in the same year.
- 4) **IT perception in rural India:** this increase will be driven by higher adoption in rural India, which has clocked a 13% growth to 299 million internet users over the past year, or 31% of India's rural population, the report said. Small towns currently account for almost two out of every five active internet users in the country.
- 5) **Media:** in the current situation, the role of media is very important to upgrade rural society. It can stimulate the rural people towards progress. The mass media have been used at once for transmission of development communications to the people of this society as in others.
- 6) **Schemes for rural development launched by the government of India**
 - a) Pradhan Mantra Gram Sadak Yojana.
 - b) Deen Dayal Upadhyaya Grameen Kaushalya Yojana.
 - c) Swarnjayanti Gram Swarozgar Yojana (SGSY) National Rural Livelihood Mission.
 - d) Prime Minister Rural Development Fellows Scheme.
 - e) National Rural Employment Guarantee Act (NREGA).
- 7) **Increased literacy level and employability opportunities' of rural youth:** Rural people realized their children's seduction is the priority. Significant progress on literacy levels -90 % of the villages have a primary school within a 1 km walk. Private school enrolment in rural India has enhanced by 5.5% points over the past six years, the adult literacy rate for females in rural areas is 50.6% vis-a-vis 76.9% in urban areas whereas for males in rural areas is 74.1%



vis-a-vis 88.3% in urban areas. This increases the employment of rural youth, therefore; the youth of the village are motivated to work in nearby urban areas.

- 8) **Credit facilities through banks and Microfinance:** with cooperative banks taking the lead in the rural areas, every village has access to short-, medium-, and long-term loans from these institutions. These credit facilities extended by public sector banks through Kinas Credit cards help the farmers purchase seeds, fertilizers, and goods on an installment basis.
- 9) **Aware of a brand:** the rural market in India is not a separate unit in itself and it is highly affected by the sociological and behavioral factors operating in the country. Spending on FMCG products, especially in rural areas is showing an increasing trend.

Challenges

All Indian corporations are currently trying to reach the villages. For it is the foundation upon which they serve their purpose. The growth rate is declining it is difficult to reach the rural population but very few corporations like Hindustan unlevel are on the top list triumphant through their rural marketing projects like 'Shakti' operation Bharat, Amul with their aggressive marketing strategy, and ITC with their e-choupal. Many others like Coca-Cola, Colgate, Britannia, BSNL, LIC, Hero Honda, LG electronics, etc., successfully strive to expand the market of villages.

The Major Challenges are as Follows:

- a) Low purchasing power
- b) Deprived people and deprived markets
- c) Bad communication facilities
- d) Transport
- e) Multi-languages
- f) Dispersed markets
- g) Low per-capital income
- h) Lack of information technology
- i) Prevalence of fraudulent brands and seasonal demand.

All of the above factors have been categorized into the 4 A's of rural marketing which is also known as the rural marketing mix which is as follows:

- ❖ **Awareness:** mass media can reach only 59% of the rural people. Creating awareness means utilizing targeted, unconventional media including ambient media. For generating awareness, events like fairs and festivals, haats, etc., are used as occasions for brand communication. Cinema vans, shop-fronts, walls, and wells are other media vehicles that have been utilized to increase brand and pack visibility. Innovative media used by personal wash like Lux and Lifebuoy and fabric wash items like Rin and Wheel. The idea was to advertise not only at the point of purchase but also at the time of consumption. Hindustan Lever relies heavily on its company-organized media. These are promotional events organized by the stockiest. Godrej consumer products, which are trying to push its soap brands into the interior areas, use radio to teach the local people in their language. Creating brand awareness through appropriate media is very important for companies to gain acceptability among rural folks.
- ❖ **Affordability:** since rural consumers have low disposable incomes, products must be such that can be afforded by rural consumers. The problem of affordability has been addressed by a few



companies through the introduction of small unit packs. Godrej recently introduced three sizes of control, Fair Glow, and Godrej in 50gm packs, Hindustan lever, among the first MNCs to realize the potential of India's rural market, has launched a variant of its largest-selling soap brand, lifebuoy at Rs.2 for 50gm. The move is mainly targeted at the rural market. Coca-Cola has addressed the affordability issue by introducing the returnable 200ml glass bottle priced at Rs.5. HUL initiated Operation Bharat to tap rural markets by bringing out low-priced sample packets of its toothpaste, fairness cream, shampoo, and other products.

- ❖ **Availability:** To market the products available to consumers, companies adopt a variety of means such as direct selling, using company delivery vans, syndicated distribution between non-competitive marketers, setting up temporary stalls in rural meals, or hat, etc., in rural areas with places far-flung and well connected with proper roads, delivering the product to rural consumers can be a challenge. Companies have realized this and are trying to be creative in this situation. BPCL initiated a specially designed Rural Marketing Vehicle which moved from village to village for filling cylinders on the spot. The company promotes and uses the SHGs network present in the villages to increase its sales in rural areas. The SHGs have presented a chance to become the company's local small-scale distributor in rural areas. These groups typically capsize 15 to 20 people. They buy a small stock of items like soap, detergents, or shampoos and sell directly to consumers in their homes. This innovative distribution model is a win-win for the company and the village SHGs.
- ❖ **Acceptability:** another challenge is to gain acceptability for the product or service. Therefore there is a need to offer products that suit the rural market. One company, which has reaped rich dividends by doing so, is LG Electronics. In 1998, it developed a customized TV for the rural market and christened it Sampoorna. Because of the lack of electricity and refrigerators in the rural areas, coca-cola provides low-cost ice-boxes- a tin box for new outlets and a for the rural market have performed well. HDFC standard LIFE topped private insurers by selling policies worth Rs.3.5 crore in total premier. The company tied up with nongovernment organizations and offered reasonably priced policies like group insurance covers. Mobile device companies are also tailoring their products to rural marketers. For instance, Nokia had earlier launched a basic handset with a torch and an alarm clock. In December 2008, the company launched Nokia Life tools, which is a range of agriculture, education, and entertainment services designed especially for consumers in small towns and rural areas of emerging markets. The product is meant to provide timely and relevant information customized to the user's location and personal preference directly on their mobile services.

Strategies

The previous approach regarding rural markets as appendages of the urban market is incorrect, because rural markets have their own life and, if successfully nurtured, may become a source of profit for marketers. Rural markets, on the other hand, may be utilized by realizing them rather than viewing them as handy extensions of the urban market.

- **Marketing strategies:** marketers must first understand the psychology of rural consumers and then respond accordingly. In comparison to urban marketing, rural marketing necessitates more extensive personal selling activities. Firms should avoid creating items for urban markets and then pushing them into rural communities. A brand must link itself with the same activities that rural people do to effectively access the rural market. This may be accomplished by leveraging different rural folk media to reach them in their language and huge numbers so that the brand



can be connected with the numerous rituals, celebrations, festivals, 'melas' and other events where they congregate.

- **Distribution strategies:** one method is to use a corporate delivery van, which may serve two purposes: it can transport items to clients in every nook and cranny of the market, and it also allows the company to create direct contact with them, facilitating sales promotion. Annual "melas" are highly popular and provide a very good distribution platform since people attend them to make multiple purchases. Every year, around 8,000 such melas are organized in rural India, according to the Indian market research bureau, marketers have another low-cost distribution avenue at their disposal, furthermore, each region comprised of multiple villages is normally supplied by one satellite town known as "Mandls" where residents choose to go to acquire their durable commodities, marketing managers may easily cover a substantial portion of the rural population if they employ these feeder towns.
- **Promotional strategy:** marketers must use extreme caution when selecting communication methods, only 16% of rural residents have access to a vernacular newspaper. As a result, the audio-visuals must be carefully organized to transmit the correct message to the rural populace. Traditional media formats, such as folk dances and puppet performances, with which rural customers are accustomed and at ease, can be employed for high-impact product advertising. Radio is also a popular source of information and entertainment and radio commercials may be a useful tool for marketers. Amul Britannia Lifebuoy Colgate Eveready BSNL is one of the major brands that dominate rural India.

Conclusion

The policymakers who ruled India would have been much stronger than the current rural market situation if they had taken several infrastructures for rural India. Rural markets, like any other sector of the economy, offer a lot of untapped potential. Looking at the problems and solutions that rural markets present to marketers, it is clear that those who can grasp the dynamics of rural markets and use them to their full potential will have a bright future.

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