



Marketing strategies of rural markets in India

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Abstract

In this paper the researcher intends to present about the rural market behaviour and rural market structure and rural consumers behaviour towards buying motives. The fast-moving consumer goods scenario in India and in A.P. in particular reference to Guntur District. The market strategies have a greater influence on the brand and quality of products that are available in rural markets.

Keywords: digital marketing, rural markets, customer expectations

Introduction

Marketing is a business area that's built on passion. It's about passion for the consumer. Passion for knowing what consumers think on a daily basis. And passion for developing the simplest solutions to match. The majority of emerging market nations continues to have largely rural, agrarian – based economies. In India alone, of the one billion residents counted in 2011 census, roughly 720 million people in rural areas. Delivering products and services into this market presents both challenges and opportunities for the companies. Most marketers understand that India is on the cusp of momentous change. The economy is vibrant, incomes are raising, the habits, preferences and attitudes are changing quickly. But nowhere is it more evident than in rural India. There is, thus an emerging need to build proficiency in rural marketing. Over the years there has been change immensely noted in relation to income and standard of living of rural and urban consumers.

Review of Literature

Shin and Eksioglu (2014) tried to investigate whether a firm's adoption to RFID Technology helped to attain better financial performance ratios in retail supply chains in the United States. The study indicates that using RFID by Retailers has helped them to lower days-in-inventory and per employee cost. At the same time with RFID retailers experience positive gross margin and improved inventory management.

Manoj Pant and Shoba Bagai (2015) tried to model a scenario where organized and unorganized sectors can compete and where the organized sector is only restricted by statutory rules of setting up business. The model indicates that co-existence of the two sectors is a knife-edge problem and generally unlikely. It is seen that while low growth rates of demand would eliminate the organized sector, high growth rates and product competition will eliminate the unorganized sector. The study suggests that the political need to ensure coexistence for some time would require some market segmentation via regulatory restrictions like zoning.

Patil, Pramod. (2016) ^[7] in his article he studied FMCG product touches every aspects of human life. These products are frequently consumed by all sections of the society and a considerable portion of their income is spent on these goods. Apart from this, the sector is one of the important contributors of the Indian economy. This sector has shown an extraordinary growth over past few years, in fact it has registered growth during recession period also. The future for FMCG sector is very promising due to its inherent capacity and favorable changes in the environment. This paper discusses on overview of the sector, its critical analysis and future prospectus

Sivaji Ganesh. K, Prof. G. V. Chalam (2017) in their article It is suggested to the unorganized retailers to adopt changes as per the needs of the customers in terms of range of products with necessary quality and in suitable quantities to maintain its market share. They are also needed to maintain cleanliness in the store to attract customers. Unorganized retailers should ensure ready availability of demanded items and drop product lines less demanded to prune costs while improving store display. This will enable them to increase the customer base. Building on existing trust and good will also help them to retain the customers.

Sivaji Ganesh. K, Prof. G. V. Chalam (2017) in their paper it is suggested that the organized retail stores must arrange for additional billing counters during weekends & festival seasons to ease the crowd and make them feel comfortable. Organized retailers should correct their HR planning in order to post sufficient number of staff to attend the customers. It is advised to the traditional retail (Kirana) store keepers to take measures to keep the stocks in a protective mode and to maintain hygiene & cleanliness in the stores to retain the customers as customers attach more importance to hygiene conditions in the store.

Objectives of the Study

1. To examine the existing Digital Rural Marketing strategies followed by FMCG companies to know the impact on the buying behaviour of rural consumers in Guntur and Krishna districts.
2. To identify the factors that influence Digital rural

marketing strategies of FMCG companies in Guntur and Krishna districts.

3. To elicit the views of consumers on Digital Rural Marketing strategies being followed by FMCG companies in Guntur and Krishna district.
4. To offer findings, suggestions and conclusions of the study.

Methodology

Primary data

Primary data is the information collected or generated by the researchers for the purpose of the project immediately at hand. Questionnaires are used to collect this primary data. Questionnaires are the most frequently used methods of data collection.

Secondary data

Secondary data refers to the information that has been collected by someone, other than those involved in the research project at hand for the purpose. Secondary data has been gathered from various sources.

Source of the data

The significant and distinctive stage of research in social science is collection of necessary information to provide hypothesis. The sources of information are generally classified as primary and secondary data.

Rural Markets

Rural marketing in early years, rural markets have acquired importance, as the overall growth of the economy has resulted into extensive raise in the purchasing power of the rural people. On the basis of green revolution, the rural people have started consuming a large quantity of industrial and urban products. In this circumstance, a unique marketing strategy has emerged which is known as rural marketing. The notion of rural marketing in Indian economy has played a prevailing role in the lives of the people. Globalization, liberalization and privatization have altered the Indian economy into an exciting, quickly mounting consumer market. As a result markets are teeming with dissimilar kinds of goods & services, extensively effecting and altering the purchasing pattern of the consumers. The rural markets, which were previously mistreated by most of the big international market players, are now seen as a land of great trade chance. As the non-refundable income of the masses is increasing, much number of corporate houses is inflowing into the rural markets with their fresh goods and products. Due to this cause, the marketing for rural customers is becoming more difficult. The rural market in India brings in huge revenues in the country, as the rural regions include almost all the consumers in this country. India's enormous rural market offers a massive potential for a marketer facing stiff struggle in the urban markets. The rural market environment is unique from the backdrop of the urban market. Rural consumers have customs and behaviours that the marketers may find complicated to challenge with. The rural markets in India have developed size, range & sophistication in modern times.

Characteristics of Rural Marketing

Some of the important features or characteristics of rural markets

Large and scattered market

The rural market is incredibly massive in size and largely scattered. As these markets square measure of numerous natures, the folks living in that rural square measure as are from numerous cultural, linguistic and non-secular background. No 2 markets square measure alike and it are distributed across Republic of India. Here in Republic of India, the agricultural market consists of over sixty-three large integer shoppers from half-dozen, 20,000 villages unfold throughout the country. The media reach in rural social unit is low. Statistics indicates that the reach of medium is ten, followed by TV thirty first, Radio thirty second and Cinema one year. So the merchandiser should take into account rural specific promotion media and ways to achieve the villagers.

Rural Marketing Strategies

The rural market in Asian country is undergoing a silent revolution on the rear of increased getting power of rural shoppers, the ever-changing consumption patterns and increasing overall price of consumption of products and services. The sheer size of the agricultural market that has witnessed tremendous growth within the recent years as massive sections of rural population remodelled into discerning shoppers has caught the imagination and incited business interest of the highest conglomerates within the country. Competition doesn't exist thereto abundant extent within the rural areas because it is within the urban market. Brands seldom contend amongst one another within the hinterlands. Whereas the agricultural markets definitely supply an enormous attraction to the marketers, it might be completely naïve to assume that any firm will have quick access to those markets and may leave with a large share of it. A dramatic and extensive modification is discovered among the Indian villagers. This alteration is with relevancy the behaviour and shopping for habits of the agricultural individuals. Villagers World Health Organization wont to crack open peanut candies, eat the nut and throw away the shell square measure currently exacting chocolate candies which will soften in their mouths, not in their hands. Charcoal, margosa twigs and twigs of Babool tree to cleansed teeth square measure replaced by dentifrice. Today, the immoderate bright shine of Colgate or another international whole of dentifrice holds additional attractiveness than the standard ways of improvement teeth. Needless to say that consumerism and globalization is invading parts of India where time seems to have ceased for centuries. 113 While taking the buying decision, urban individual involves family, husband, wife, and children whereas in rural areas it is the men who make the purchase decision primarily because of lack of mobility amongst rural women and their awareness level about the market. Rural consumer is also influenced by strong social interaction and community decision making is quite common.

Rural Marketing Mix

4 A's the rural market with its vast size and consumer base form an important part of the total Indian market. The urban markets for large firms have become saturated enough to capture. Adding to their woes, the market environment has become complex due to increased competition and it is forcing marketers to go rural. To minimize the urban and rural gap and reaching to the rural masses can be addressed by falling back on the Bottom of the Pyramid marketing

strategies as advocated by Prahlad (2004) and the 4 A's Availability, Affordability, Acceptability and Awareness (Anderson and Biliou, 2007, Kashyap and Raut, 2005). The dimensions in rural marketing mix are availability, affordability, acceptability and awareness as compared to the 4 P's of traditional marketing. Marketing mix indicates an appropriate combination of 4 P's from the marketer's point of view.

Rural people are more concerned with the utility of the products rather than their appearance. This is why the firms have designed sturdy and utility-based products for the rural consumers. For example Philips free power radio, Nokia's mobile phone with an in built torch, LG's Sampoorna television, Hero Honda motorcycles are still popular in rural areas due to the aforesaid reasons. It has been acknowledged by many that distribution systems are the most critical component and a barrier which needs to be overcome for success in marketing in rural areas.

One company that has reaped wealthy dividends by doing thus is LG physical science. In 1998, it developed a custom-made TV for the agricultural market and christened it Sampoorna. It absolutely was a runaway hit marketing 100,000 sets within the terribly 1st year. As a result of the dearth of electricity and refrigerators within the rural areas, Coca-Cola provides low-cost ice boxes - a tin box for new outlets and thermocol box for seasonal outlets. The insurance companies that have tailor-made products for the rural market have performed well. However, the agricultural client expressions dissent from his urban counterpart. Outing for the former is confined to local fairs and festivals and TV viewing is confined to the state-owned Doordarshan. Consumption of branded product is treated as a special treat or luxury. Awareness whole awareness is another challenge. As luck would have it, however, the agricultural client has constant likes because the urban client — movies and music - and for each the urban and rural client, the family is that the key unit of identity.

However, the agricultural client expressions dissent from his urban counterpart. Awareness is additionally connected to the problems of promotion in rural areas. The promotion of the services conjointly has to be tailored to the village environment; the language and means that of communication used ought to be within the native language. The simplest places to push the services might be the native haats and melas that is frequented by the villagers, the native festivals ought to even be enclosed within the promotional arrange, thus ought to be the agricultural cycles. Outing for the villagers is confined to local fairs and TV viewing was confined to the state-owned Doordarshan, in most of Indian rural regions. Consumption of branded product is treated as a special treat or indulgence. Hindustan Lever relies heavily on its own company-organized media. These are promotional events organized by stockiest. Godrej client product, that is attempting to push its soap brands into the inside areas, uses radio to succeed in the native individuals in their language. Coca-Cola uses a combination of TV, cinema and radio to succeed in fifty-four. 6 per cent of rural households. It's used banners, posters and tapped all the native sorts of diversion. LG physical science uses vans and 117 road shows to succeed in rural customers. The corporate uses native language advertising. Philips Asian nation uses wall writing and radio advertising to drive its growth in rural areas. The key dilemma for MNC's ready to tap the large and fast-growing rural market is whether they

can do so without hurting the company's profit.

Strategies for Rural Marketing

1. Product strategy

In India, rural market is relatively special, which has the different consumer community, located in the different physiographic region and the different consumer community, has the difference consumer demand. Therefore, when a company launches product for the rural market, they should pay great attention to meet the rural consumer's need, emphasizing difference research. The company needs to take meet farmer's expense demand as the guidance, then adjusts product structure, increasingly improves product quality, ameliorates product function and develops practicable, solid which are suitable for the rural market. At the same time, product packing and brand also should conform to farmer's consume psychology and the consumer custom. The most important aspect that the company must focus is on the enhancement of product's basic function and the reduction of unpractical accessorial function, which can not only reduce the product cost and price, but also can help the dissemination of company's brand effect.

2. Positioning

Product positioning plays a crucial role in marketing of rural products. Marketer has to position their products after understanding the unique characteristic of the rural market environment. Positioning involves three tasks- – Identifying the unique features of the company's offer with respect to the competitor's offers. - Selecting the differences that have greater competitive advantage. - Communicating such advantages effectively to the target audience. Companies can reposition their existing products in rural markets. For example, refrigerator manufacturing companies can launch a refrigerator of bigger size because most of the families in rural areas are joint, big families and they require big refrigerators having bigger storage 118 capacity. Secondly in India most of the villages are facing acute shortage of water; here companies can reposition their washing machine, which require less water than any ordinary washing machine.

3. Segmentation and Targeting

Right segmentation and targeting principles are key to achieve faster success in rural market. Most firms assume that rural markets are homogeneous. It is unwise on the part of these firms to assume that the rural market can be served with the same product, price and promotion combination. Segmentation can be done based on one or more variables like demographic, geographic, psychographic and behavioral aspects.

- a. **Geographic:** As the rural market is spread over a large area, companies can divide the market area into small sectors having some geographic similarity to consolidate their distribution network
- b. **Demographic:** The market can be divided on the basis of demographic variables like income, education, lifestyle, gender, marital status, family size, occupation and religion. Due to unequal distribution of income, the Indian market for detergents is structurally shown like a pyramid.
- c. **Psychographic:** Market is divided into different segments based on psychographic factors like social class, life style and personality. E.g. in some parts of

Gujarat, it is reported that farmers are going in for big, 50 hp (horse power) tractors, when there need was for much smaller, typically 25 hp to 30 hp ones. The reason, when asked was the compulsion to —keep up with the neighbours and to replicate their lifestyle.

- d. Behavioural:** The following factors play important role to segment the market; occasions, benefit sought, user status, usage rate, loyalty status, and place and product possession category.

4. Branding

The brand is the surest means of conveying quality to rural consumers. Day by day, though national brands are getting popular, local brands are also playing a significant role in rural areas. This may be due to illiteracy, ignorance and low purchasing power of rural consumers 119 with regard to selling of low-quality duplicate brands, particularly soaps, creams, clothes, etc. whose prices are often half of those of national brands, but sold at prices on par or slightly less than the prices of national brands. Therefore, national and international brands should focus more on satisfying the needs of the rural consumer by providing the same branded products, which these rural folks lure for.

Packaging

As far as packaging is concerned, as general rule, smaller packages are more popular in the rural areas. At present, all essential products are not available in villages in smaller packaging. The lower income group consumers are not able to purchase large and medium size packaged goods. It is also found that the labelling on the package is not in the local language. This is a major constraint to rural consumers understanding the product characteristics. Hence, companies should take into consideration proper packaging and the size of the packs before diffusing their products in rural areas. Many FMCG companies, selling products ranging from biscuits to shampoos, have introduced smaller pack sizes to increase category penetration. For example, the products like shampoos, soaps, hair-oil, toothpaste, spices, pickles, jams, ketchups, tea, coffee sachets, confectionery products, medicated products like Vicks, pain-relieving ointments, etc. are now being offered in sachets in rural markets. The rural market experts may also practice value engineering, lowering the input costs by using alternative materials for raw materials or as packaging alternatives. It is generally believed that markets are created, not found. This is especially true in case of the rural market, where the demand is created by promoting urban specific products to rural consumers.

Conclusion

Thus, Companies follow different strategies of marketing in Rural markets. They need to be careful in implementing the marketing strategies relating to Product, Price, branding etc. in order to attract the rural consumers. In the days of the Digital marketing the companies show attractive features to retain the customers in the rural markets.

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