

## **Introduction to Rural Marketing:**

Rural marketing is a process of developing, pricing, promoting, and distributing rural specific goods and services leading to desired exchange with rural customers to satisfy their needs and wants, and also to achieve organizational objectives. The Rural Marketing refers to the activities undertaken by the marketers to encourage the people, living in rural areas to convert their purchasing power into an effective demand for the goods and services and making these available in the rural areas, with the intention to improve their standard of living and achieving the company's objective, as a whole.

Rural Marketing is defined as any marketing activity in which the one dominant participant is from a rural area. This implies that rural marketing consists of marketing of inputs (products or services) to the rural as well as marketing of outputs from the rural markets to other geographical areas. Marketing is the process used to determine what products or services may be of interest to customers, and the strategy to use in sales, communications and business development. It generates the strategy that underlies sales techniques, business communication, and business developments. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves. It is a function which manages all the activities involved in assessing, stimulating and converting the purchasing power to effective demand for a specific product and service. This moves them to the rural areas to create satisfaction and uplift the standard of living.

Rural areas of the country or countryside are areas that are not urbanized, though when large areas are described country towns and smaller cities will be included. They have a low population density, and typically much of the land is devoted to agriculture.

### ***Components of rural markets:***

For the market to exist, certain conditions must be satisfied. These conditions should be both necessary and sufficient. They may also be termed as the components of a market.

#### ***1. Existence of a good commodity for transactions.***

2. *Existence of buyers and sellers.*
3. *Business relationship or intercourse between buyers and sellers; and*
4. *Demarcation of area such as place, region, country or the whole world.*

**The Rural Marketing is a two-way process:**

**Urban to Rural:** FMCG Goods, Agricultural fertilizers, automobiles, etc. are offered by the urban market to the rural market.

**Rural to Urban:** The agricultural supplies viz. Fruits, vegetables, flowers, milk, etc. is offered from the rural market to the urban market.

The emergence of rural markets as highly untapped potential emphasizes the need to explore them. Marketers over the past few decades, with innovative approaches, have attempted to understand and tap rural markets. Some of their efforts paid off and many markets still an enigma. Rural marketing is an evolving concept, and as a part of any economy, has untapped potential; marketers have realized the opportunity recently. Improvement in infrastructure and reach, promise a bright future for those intending to go rural. Rural consumers are keen on branded goods nowadays, so the market size for products and services seems to have burgeoned.

**Concept of Rural Marketing:**

The concept of Rural Marketing in Indian Economy has always played an influential role in the lives of people. In India, leaving out a few metropolitan cities, all the districts and industrial townships are connected with rural markets. The rural market in India generates bigger revenues in the country as the rural regions comprise of the maximum consumers in this country. The rural market in Indian economy generates almost more than half of the country's income. Rural marketing in Indian economy can be classified under two broad categories.

*These are:*

- i) The market for consumer goods that comprise of both durable and non-durable goods.
- ii) The market for agricultural inputs that include fertilizers, pesticides, seeds, and so on

The concept of rural marketing in India is often been found to forms ambiguity in the mind 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.

*To be precise, rural marketing in India Economy covers two broad sections, namely:*

1. Selling of agricultural products in the urban areas.
2. Selling of manufactured products in the rural regions.

The rural market in India is not a separate entity in itself and it is highly influenced by the sociological and behavioral factors operating in the country. Conceptually, rural marketing is not significantly different to urban marketing. Marketing manager has to perform the same tasks, but differently in rural marketing. It can be said that marketing is not different, but markets (*buyers and users*). In rural marketing, a firm has to undergo marketing efforts to satisfy rural segments, which notably differ from urban segments in some aspects. At the same time, we must note that increasing literacy rate, improved sources of income, awareness due to improved and increased means of communication and transportation, high rate of mobility within and between countries due to liberalization and globalization, and many other such reasons, some customers are likely to be identical. Even, a few rural customers seem cosmopolitan. So, one can find customers of different behavior patterns within a village or a town. In the same way, most of products are commonly used in both urban and rural areas. In some aspects, both rural and urban customers behave in homogeneous pattern. Some Indian customers have become global and cosmopolitan.

## **Potentialities of Rural Marketing:**

The marketers are following the strategy to “Go Rural” because of the following attractions in the rural market:

1. **Large Population:** Still, the majority of the population in India resides in Villages and therefore, the marketers find more potential in the rural areas and direct their efforts to penetrate the rural market.
2. **Increased Income:** The income and the purchasing power of the rural people have increased. With the use of modern agricultural equipment and technology, the farmers can produce more and can get better returns for their agricultural produce. The increased income motivates a farmer to improve his livelihood by purchasing a good quality product and thus, the marketer gets an opportunity to enter into the rural market.



3. **Competition in Urban Market:** There is a lot of competition in the urban market, where people are well aware of the goods and services and have created a brand loyalty. Therefore, the marketers move to the rural market to escape the intense completion and generate revenues from the untapped areas.
4. **Improved Infrastructure facilities:** Today, many villages are well connected with the roads and transportation facilities that enables the marketer to access the rural market and

promote his goods and services. With the growth in telecom services, the rural people can be reached easily via mobile phones.

5. ***Saturated Urban Market:*** Also, the marketers may move to the rural markets, when the urban market has reached the saturation point, the i.e. market is well stuffed with the products, and the consumers are not likely to make a frequent purchase due to the varied options available in the market.
6. ***Support of Financial Institutions:*** Several Co-operative banks and public sector banks offer the loan facility to the rural people at low-interest rates. With the loan, the purchasing power of an individual increases, thus resulting in a better standard of living.
7. ***New Employment Opportunities:*** The Government is running several employment opportunity programmes, with the intention to engage people in other activities apart from the agriculture occupation.

Due to so much potential in the rural areas, the companies are focusing more on the needs and desires of people living in here and are taking every possible step to stimulate people to buy products and services and improve their livelihood.