

PROBLEMS & CHALLENGES OF RURAL MARKETING IN INDIA

Seema Aggarwal

Assistant professorf

Department of Commerce

R.K.S.D(PG) college, Kaithal

Email: seemagarg57111@gmail.com

Pooja Garg

Assistant Professor

Department of Commerce

R.K.S.D(PG) college, Kaithal

Email: pgarg2366@gmail.com

Abstract: The Objectives of this paper are to investigate rural market issues. The term rural markets refers to those subsets of an economy's overall market that are distinct from other types of markets like the stock market, commodity markets, or labour economics. While agriculture's share of GDP (Gross Domestic Product) is decreasing, India's so-called urban markets are crowded and oversaturated. Small and medium-sized businesses and the corporate sector were overlooking this potential market. Therefore, it is suggested to investigate the opportunities and challenges of the rural market, particularly the Indian rural market. Rural markets are undergoing rapid transformation right now. Branded goods are in high demand among rural consumers because of their increased literacy and disposable income. Cutting back on spending on weddings, pilgrimages, construction, and other consumer goods is frowned upon by rural families. Rural consumers have higher aspirations, consume a wide range of durable and nondurable goods, and are willing to pay the right price for the right goods.

Keywords: Rural Consumers, Rural Marketers, Demand, Opportunities, Challenges

1.0 Introduction:

The rural population's growth is largely responsible for the nation's development. One time, Mahatma Gandhi had said: Europe's approach is not India's. India is not Bombay and Calcutta. India has hundreds of villages where people live. Despite efforts to improve in the five-year plans, rural marketing issues persist. Slowly, the position is getting better. Thus, the rural marketer faces numerous obstacles. However, in order to create win-win situations for all parties involved in rural marketing, the vast and expanding markets necessitate good marketing strategies. While the rural market does have a significant untapped potential, there are a number of associated issues that make it difficult to operate there. Because of this, rural marketing takes a lot of time and requires a lot of money to develop the right strategies to solve the problem.

2.0 Challenges & Problems of Indian Rural Markets:

There is no question that rural market gives marketers great opportunities and attractions. However, it is not as simple as it appears on the surface. It is not easy to smoothly enter rural market and succeed there. A lot of efforts are required to effectively address numerous obstacles that this market presents. A business that intends to enter into the rural market must seriously consider these issues:

(a) Difficulty in understanding the rural consumer:

Rural Communities' mentality appears quite remarkable and distinct marketer face difficulties in incorporating rural consumers' contradictory perceptions into their product due to population's high level of diversity. Therefore, a thorough knowledge of the prevailing customs in that particular region is mandatory for the successful execution of the marketing strategies.

(b) Seasonal Demand:

Agriculture being the main source of income of rural people, highly influences their demand pattern of goods. This makes the rural demand more seasonal in nature. As agriculture, to a large extent depends upon monsoons and other climatic changes. Therefore, the demand is rather unstable or irregular. Apart from agriculture, Marriages, Festivals

also considerably affect the purchase pattern of rural consumer. As a result, rural demand increases substantially during harvest and festive seasons.

(c) Lack of transportation facilities:

Any business relies heavily on transportation. But, unfortunately, the majority of the rural markets remain paralyzed due to absence of this facility. This problem becomes more intense, because rural marketing mostly deals in perishable goods like, fruits, vegetables, fish, poultry, dairy products and other essentials, which need to be transported efficiently and quickly. Lack of proper roads also enhanced the problem of entering into the rural market.

(d) Lack of choices:

The way people live their life varies greatly. Rural consumers who typically have two to three options, do not access to the variety of brands that urban consumer have. As a result, the decision making of rural consumer is highly guided by their customs and traditions. They find it difficult to adopt new methods.

(e) Difficulty in storage facilities:

There is time gap between production and consumption of the agricultural commodities as they are produced seasonally, but are generally demanded throughout the year, so they need to be stored and here comes the role of warehouse which helps in creating time utility. But in rural areas, there is shortage of public and private warehouses. Businesses face difficulties in finding suitable godowns in most of the rural areas and their marketing efforts are hampered by the lack of appropriate storage facilities.

(f) Spurious brands:

For most of the branded products, there are numerous local alternatives that are less expensive and therefore more appealing to the rural consumer. Most of the time, the consumer is unable to distinguish between a counterfeit brand from the genuine one. This may be due to illiteracy or ignorance of rural consumers. Another reasons for the popularity of local brands in rural areas, in spite of their low quality, can be low purchasing power of rural customers.

(g) Widely scattered market:

There is large geographic dispersion of rural population. In addition, it is nearly impossible to guarantee brands global availability. District fairs occur on a regular and sporadic basis. These incentives are welcomed by retailers and manufactures because they enable increased exposure and keep the target audience's attention for a longer period of time. Publicity is also very expensive in such diverse environment.

(h) Ineffective distribution channel:

Typically, a distribution channel a thought of as a chain of intermediaries who move the product from one entity to the next till it reaches the end user. The producer must take into account the end user's requirement as well as each component of the chains unique requirement. In rural context, minimum three distribution channels are required. In addition, it involves the manufacturer's branch office operation in the territory. Producers, who can reach the consumers through the shortest distribution channel can do better in this market. Business relies to a great extent on dealers who are not easily available in rural areas.

(i) Inadequate banking & credit facilities:

Institutional agricultural credit structure is in devastated condition in most of the rural areas. A large majority of villages do not have basic banking facilities. Therefore, the rural retailers face numerous problems not only in their business financing operations, but also in making payment to the suppliers. As far as, credit facilities are concerned, business are enable to carry sufficient stocks with them. All these issues, in banking sectors impede the sector's progress towards development.

(j) Low literacy level:

Literacy rates are significantly low in rural areas. Again this causes issues with communication in rural areas. Due to its limited reach, the printed mediums become ineffective and to a certain extent irrelevant, since majority of the villages are uneducated. So, challenges are faced by marketers in rural areas due to prevailing low level of literacy.

3.0 Conclusion:

The concept and scope of rural marketing have evolved over time. In the past, it was used to refer to the transfer of agricultural produce and handmade goods from rural to urban areas for marketing. Nowadays, however it is viewed as a function that is concerned with the flow of goods and services that meet the requirements of rural households and businesses. The rural market differs significantly from the urban one, a variety of factors, including rising

prosperity, shifting lifestyles, rising income and consumption levels, intense competition in the urban market, and so on have made rural markets appealing to businesses.

In a nutshell, rural markets differ in thinking, purchasing pattern, perception, attitude, behaviour, environment, and segmentation. As a result, rural marketing can benefit from a brand-new marketing strategy. Marketers need to understand the fundamental differences between urban and rural market before entering the rural market.

4.0 Preferences:

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