Rural Marketing in India

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ABSTRACT

Rural markets offer a great scope for a concentrated marketing effort because of the recent increase in the rural incomes and the likelihood that such incomes will increase faster because of better production and higher prices for agricultural commodities. Rural Marketing is a developing 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. Any macro-level strategy for these markets should focus on availability, accessibility and affordability. Focused attention needs to be paid to market research that goes on to reduce the uncertainty in dealing with these markets. More specifically, in relation to rural areas, demand is seen to a very highly price elastic. There is no doubt that divides do exist between urban India and rural India. This paper discuss the rural marketing and its strategies and also focus on opportunities and challenges in rural marketing.

Keywords: Rural Market, Marketing, Strategy, Services.

INTRODUCTION

Rural India accounts for around 50 per cent of India’s gross domestic product (GDP) and houses nearly 70 per cent of the country’s population. The market is a unique mix of burgeoning incomes and growing aspirations of around 850 million consumers who inhabit about 650,000 villages in the country. Some of India’s biggest companies generate one-third of their consumers or business from the hinterlands. Hindustan Unilever (HUL) generates about 40 per cent of its total business from these rural markets which also accounts for 30 per cent of Coca-Cola and Maruti’s turnover. Of Airtel's 8.6 million DTH customers, about a third comes from rural regions in the country. Consumption habits of people in rural regions are progressively mirroring those in urban areas. Due to this changing trend and the massive market, the hinterlands offer tremendous investment opportunity for private players. Rural India housed 75 per cent of all new factories built in the country in the last decade. Also, factories in these areas account for around 70 per cent of new manufacturing jobs. Rural India is now being seen as a major hub for investment by India Inc. In the period 2009–13, spending in rural India reached US$ 70 billion. The per capita gross domestic product (GDP) has grown at a compound annual growth rate (CAGR) of 6.2 per cent since 2000, in the country’s rural areas. Rural consumption per person is said to have risen by 19 per cent yearly in the period 2009–13, which includes some impulse-driven categories. At the end of 2013, mobile penetration in rural India was 41 per cent, while handset penetration was a little over 30 per cent. According to industry estimates, there are more than 250 million handsets in rural regions of the country, of which nearly 30 million users access the Internet on mobile phones. The Indian rural market with its vast size and demand base offers great opportunities to marketers. Two – thirds of countries consumers live in rural areas and almost half of the national income is generated here. It is only natural that rural markets form an important part of the total market of India. The rural markets dominate Indian marketing scene and need special attention for the expansion of marketing activities and also for providing better life and welfare to the rural people.

Broadly rural marketing incorporates the marketing of agricultural products, rural industries products and services of many kinds. The trade channels for different types of commodities available in rural areas private, cooperatives, processors, regulated markets and state agencies. In no sense, a social cluster or village economy as at whole can be developed without effective and efficient rural marketing. Very little attention has been paid in the planning era towards the development of rural
marketing. In fact marketing is a dynamic state of affairs and is part and parcel of the whole economy. Thus production and marketing are the two facets of a coin. Rural marketing constitutes the nerve centre of rural development activities. Rural marketing is a two way marketing process. The content now encompasses not only marketing of products which flow to rural areas, but also products which flow to urban areas from rural areas. So a broad definition of rural marketing is concerned with the flow of goods and services from urban to rural and vice-versa. In addition, it also includes the marketing in the rural areas. The concept of Rural Marketing means different things to different persons. This confusion leads to distorted understanding of the problems of rural marketing poor diagnosis and, more often than not, poor prescriptions. Rural marketing and urban marketing are identical as regards basic marketing structure. However, rural markets and rural marketing have special features and dilemmas as compared to urban markets. The rural markets offer a great scope for a concentrated marketing effort because of the recent increase in the rural incomes and the likelihood that such incomes will increase faster because of better production and higher prices for agricultural commodities.

INVESTMENTS

The following are some of the major investments and developments in the Indian rural sector:

Honda Motorcycle and Scooters (HMSI) is establishing a ‘rural vertical’ in an effort to compete with market leader Hero MotoCorp which has an extensive rural distribution network. Honda plans to improve its 100cc bike segment and bring about a new entry point for HMSI in the country. The company will build its distribution network through the addition of 1,000 sales points within a year, of which 70 per cent will come from rural markets.

Canara Bank has extended its support to Biocon Foundation and Orissa Trust of Technical Education and Training (OTTET) for a public–private partnership (PPP) with the Odisha government, for an e-healthcare programme aimed at the betterment of rural regions in the state. Under this partnership, Biocon Foundation and OTTET will establish an electronic diagnostic facility, an e-Health centre managed by local entrepreneurs, at all Primary Health Centres (PHCs) in Odisha. Canara Bank will provide financial assistance for the entrepreneurs while Biocon Foundation and OTTET will provide the necessary training.

Bajaj Electricals Ltd plans to set up an integrated research and development (R&D) centre that will help the company create cutting-edge technology and drive innovation across its three business verticals. The company is seeking to increase its focus on non-urban regions, and plans to make appliances aimed specifically at the needs of the rural market, such as irons and mixers. “The R&D centre will study market needs and make what the consumer wants,” said Mr Shekhar Bajaj, CMD, Bajaj Electricals.

The Tata Group has asked its companies to cooperate with each other in a bid to serve the country’s rural regions in a more effective manner. This ‘routes-to-market’ strategy is the first of other major initiatives being tried out by the company. The plan is still nascent but it is believed that Tata Strategic Management Group, the Group’s in-house management consulting arm, is working with the companies and will likely launch a pilot project shortly.

CORPORATE INITIATIVES AND INNOVATIONS IN RURAL MARKET

ITC is setting up e-Choupals

E-Choupals which offers the farmers all the information, products and services they need to enhance farm productivity, improve farm-gate price realization and cut transaction costs. Farmers can access latest local and global information on weather, scientific farming practices as well as market prices at the village itself through this web portal - all in Hindi. It also facilitates supply of high quality farm inputs as well as purchase of commodities at their doorstep.
Shakti is HLL's rural initiative
It seeks to empower underprivileged women of villages with populations of 2000 or less by providing income-generating opportunities, health and hygiene education through the Shakti-Vani program, and creating access to relevant information through the i-Shakti community portal. Shakti is a pioneering effort from the private sector in creating livelihoods for rural women. Started in 2001, Shakti has already been extended to about 50,000 villages in 12 states – Andhra Pradesh, Karnataka, Gujarat, Madhya Pradesh, Tamil Nadu, Chhattisgarh, Uttar Pradesh, Orissa, Punjab, Rajasthan, Maharashtra and West Bengal (respective state governments and several NGOs are also actively involved in the initiative). For HLL, it is "enlightened self-interest"—creating opportunities to increase the rural family income; putting more money in their (rural people) hands to purchase the range of daily consumption products—from soaps to toothpastes—that HLL makes. It also enables HLL to access hitherto unexplored rural hinterlands. (Kamath, 2003).

Maruti
Maruti has been organizing road shows with film screenings. This is much like a travelling cinema that rural India is already quite familiar and fascinated with. The only difference being that the film is not set up in a tent, but inside a TATA truck fitted a Samsung LCD TV, an air conditioner and reclining seats. The film strikes a chord with the villagers because it tells a simple story of an average villager who buys a Wagon R after being persuaded by a friend who also bought a Wagon R.

"Gaon Chalo" by Tata Tea
"Gaon Chalo" is a distinctive rural marketing initiative started in the year 2006 in Uttar Pradesh by Tata Tea. For penetrating the rural market, the company partnered with NGOs with wide reach among Uttar Pradesh's rural masses. The "Gaon Chalo project has created employment opportunities to the youth of villages and small towns. It has brought steady income to those who are distributors of Tata Tea. Tata Tea's consolidated market shares from rural areas rose from 18% to 26.6%.

Nokia's Low-Cost Handsets
According to marketers, rural India has a huge progressive customer base for mobiles. As most rural consumers are price-sensitive, Nokia has launched seven handsets in the price range of Rs. 1500 to Rs. 5500 targeting rural customers. Further, Nokia is promoting a subscription-based service called "Life Tools" which provides information about agriculture and education that is helpful to rural people. It also provides entertainment services. The "Life Tools" service is priced between Rs.30 to Rs. 60 per month, based on the package an individual opt for.

Dabur- Indian Oil Partnership
In order to tap India's rural market, Dabur India Ltd. Has tied up with Indian Oil Corporation (IOC). According to the agreement between the two companies, IOC's retail outlets all over the country will stock and sell Dabur's products consisting of healthcare, oral care, personal wash, skin care and home care products. The Kisan Seva Kendra is a one-stop rural retail outlet of IOC, which offers fuel and non-fuel products like fertilizers, grocery, tools used for cultivation, seeds, personal care products, auto spares, etc. There are 1600 such IOC outlets across India.

Airtel's Telecom Revolution in Rural India
Airtel's rural start up package offers its customers a Motorola handset for just Rs. 1599. Its recharge cards come in a minimum denomination of Rs.10, so that even daily wage earners can afford to use the service, Airtel is spreading awareness in villages by its roadside advertisements highlighting its red and white logo. It is also increasing its business network through commission-based retailers, who can be anyone who is selling cigarette, paan, textiles, etc. The company already has 55000 retailers in Bihar and Jharkhand, and is planning to expand the network by approaching 5000 more cigarette and paan sellers.
Mahindra—Leading Brand in Rural India
After launching its Super Turbo 595 DI Tractor, Mahindra wanted to create awareness about its new technology and high efficiency to farmers and thereby sell the tractor. It, therefore, identified opinion leaders and progressive farmers and organized interactive discussions between the company (Mahindra) and its target audience (farmers and opinion leaders). It gave free test rides and thereby sold the tractor initially to opinion leaders. This marketing activity was carried out in Maharashtra, Haryana and Punjab. After using the tractor for a reasonable time period, the initial buyers were glad to have the product and expressed their positive word-of-mouth about the tractor to their friends, relatives and neighbours. This initiative has helped the company to a great extent.

CORPORATE INNOVATIONS FOR RURAL MARKET

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<tr>
<th>Company</th>
<th>Industry Segment</th>
<th>Product/Program</th>
<th>Description</th>
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<tr>
<td>Godrej &amp; Boyce</td>
<td>Consumer Durables</td>
<td>ChotuKool Refrigerator</td>
<td>Powered by battery, a perfect refrigerator for rural population. Does not require regular electricity supply unlike the conventional models.</td>
<td>Providing the rural/semi-urban areas with a high-end product, the company pays commission of US$ 3/refrigerator to the rural agent; making rural population the last mile connectivity of its supply chain.</td>
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<td>Vortex</td>
<td>Banking</td>
<td>Low cost ATM</td>
<td>Low-cost Automated Teller Machines (ATM) which provide banking solutions to people in rural/semi-urban areas. The machine consumes very less power, and has an elegant, rugged and reliable Cash Dispense Module. A wide range of products meant for rural and semi-urban bankers makes the financial operations seamless and uncomplicated</td>
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<td>Tata Chemicals</td>
<td>Consumer goods</td>
<td>Water Purifier</td>
<td>Swach range of water purifiers promise pure drinking water to the rural people at a very low cost of INR 999. It does not require running water or electricity to provide harmless, bacteria-free drinking water.</td>
<td>The winner of the gold at the Asian Innovation Awards 2010 would be rolled out nationally and then in emerging markets across Africa, South-East Asia and Latin America.</td>
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<td>HUL</td>
<td>FMCG</td>
<td>Khushiyon ki Doli</td>
<td>The multi-brand rural engagement module-Khushiyon ki Doli- initiated by HUL, provides various personal care and home care brands such as Wheel, Surf Excel, Fair &amp; Lovely, Sunsilk, Vim, Lifebuoy and Close Up.</td>
<td>The main objective of the campaign is to reach out to media dark villages with HUL brand messages to inculcate good personal hygiene habits among the people. Shakti distributors now account for 15 per cent of the company’s sales in rural India.</td>
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<td>Company</td>
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<td>Example Product</td>
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<td>Nestle</td>
<td>FMCG</td>
<td>Smaller packs of maggi noodles and tomato ketch-ups</td>
<td>The initiative aimed at ‘Indianising’ Nestle’s global portfolio to propel its growth in the rural markets. The company promises nutritionally superior products for people residing in the hinterlands.</td>
<td>With an aim to penetrate into rural markets, Nestle has strived to create products specifically for the consumers at the bottom of the pyramid. The taste maker introduced not only delights the taste buds, but also adds nutritional quality to the food.</td>
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<td>Nokia</td>
<td>Software</td>
<td>Nokia Life tools</td>
<td>The mobile application, launched in June 2009, empowers people to have access to agricultural, educational and entertainment content</td>
<td>Nokia has tied up with government organizations, NGOs and Reuters for this campaign and has partnered with Idea Cellular as the service provider. It has launched an ancillary microfinance campaign to facilitate handset purchase in the rural areas.</td>
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<td>ITC</td>
<td>Agriculture</td>
<td>e-Choupal</td>
<td>An initiative by ITC, e-Choupal aims to empower farmers with up-to-date agricultural and marketing information through access to internet and computers. The campaign was launched in 2000 and targets to empower 10 million farmers by 2012.</td>
<td>e-Choupal delivers real-time information and customised knowledge to improve the farmer’s decision-making ability, thereby better aligning farm output to market demands; securing better quality, productivity and improved price discovery.</td>
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<td>GlaxoSmithKline</td>
<td>FMCG</td>
<td>Asha- milk food drink</td>
<td>GlaxoSmithKline’s Asha, which is 40 per cent cheaper than the regular variant of Horlicks, is the first product from the UK-based MNC designed for rural consumers.</td>
<td>Realising that right product needs to reach the right consumer in time, the company will continue to identify and bridge need gaps for BoP consumers, particularly in terms of nutrition products and their availability.</td>
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<tr>
<td>Hero Honda</td>
<td>Consumer</td>
<td>Splendor</td>
<td>Hero Honda Motors Ltd., a joint venture between India's Hero Group and Japan's Honda Motor Co., has bet big on rural India by selling fuel-efficient motorcycles designed for shallow pockets. The Splendor, for instance, costs US$ 800.</td>
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GOVERNMENT INITIATIVES
The Ministry of External Affairs together with CSC e-Governance Services India Ltd is set to launch Passport related services through the extensive network of more than 100,000 common services centres across the rural regions. This would help bring down the digital divide in India. Under the Passport Seva, the Ministry of External Affairs has made it compulsory to complete the form filing process online, which would include payment of applicable fee and scheduling appointments for seeking Passport related services.

State Bank of India (SBI) has announced a one-year fellowship programme for rural areas named ‘SBI Youth for India (SBI YFI)’ for 2014, which aims to draft and encourage India’s youth to become change agents in the rural regions. The fellowship programme targets young professionals and graduates, who are passionate about leading the change for a better country.

With the rising demand for skilled labour among Indian industries, the Indian government plans to train 500 million people by 2022, and is seeking participation of entrepreneurs and private players in the space. The Centre is constantly taking steps towards improving rural education, with rural India, too, embracing online learning in a big way. Several corporate, government, and educational organisations are putting in the effort to train, educate, and produce skilled workers. Job-oriented vocational courses are today offered online which equip students with specific skill sets as well as a degree.

CHARACTERISTICS OF THE INDIAN RURAL MARKET
1. Large and Diverse Market
   The Indian rural market is large and diverse. Therefore, the density of shops to market the products is less when compared to the total population.

2. Agriculture is the major source of Income
   The main source of income of the rural people is agriculture. If crops fail, then their income gets affected automatically and this reduces their purchasing power.

3. Traditional Outlook
   People in rural areas are traditional in their thinking; they are superstitious in their beliefs. This trend too is changing because of increasing literacy levels among the rural youth.

4. Diverse Socioeconomic Background
   Rural consumers are spread across different states in distant parts of India. Thus, their social norms and economic status differs widely from each other.

5. Change in Standard of Living
   Rural population has in general a low literacy rate, low per capita income and thus low savings. Many of the rural people's standards of living are below the poverty line and they are also socially backward. There is, however, a change for the better on these fronts as a result of reduced tax structures, Government subsidies and favourable regulations on pricing of farmers produce. Thus, their disposable income is increasing slowly.

As the rural marketing is a two-way process, this article attempts to highlight Issues and challenges associated with the rural marketing strategies. It covers the marketing strategies aspects of rural produce with special reference to products and services within the rural areas.

RURAL MARKETING STRATEGIES
The rural market has changed drastically in the past one decade. A decade ago, the rural market was more unstructured and was not a prioritized target location for corporate. Very few companies, mainly the agro-based ones, were concentrating in these markets. There is no innovative strategies and promotional campaigns. A distribution system did exist, but was feeble. Illiteracy and lack of technology were the other factors leading to the poor reach of products and lower level of awareness amongst villagers. Gradually, corporate realized that there was saturation, stiff competition and clutter.
in the urban market, and a demand was building up in rural areas. Seeing the vast potential of 75 per cent Indians living in rural areas, they started focusing on these unexplored, high-potential areas. Companies came up with special rural products, like Chic Shampoo sachets @ Re 1, Parle G Tikki Packs @ Rs 2, customized TVs by LG, Shanti Amla oil by Marico. All these brought positive results for them. Also, campaigns like Project Bharat by Hind Lever, where trials were generated across India in 1999, saw 30 per cent of its total personal products growing to contribute 50 per cent five years down the line. In the first phase, they covered 11.5 million rural households and increased awareness by 41 per cent.

Project Jagruti in the second phase by Colgate Palmolive India was a village consumer contact programme in 2001. It increased penetration of Colgate Dental Cream by doubling the villages from 33,000 to 55,000, reaching to a million houses. Such projects lead to increased penetration of products in rural areas.

As a result, retail outlets have sprung up in practically all the villages that store products of various brands and categories. Also, high congregation areas, like fairs, haats, markets etc. are proving to be an important marketing tool since clusters of target audience can be tapped at the same time and place. Location plays a big role in marketing. Therefore, if a product is for kids, anganwadis and schools are a good place taps them and their mothers. Similarly, mandis and village influencers act as a catalyst in pushing a brand/product.

**PROBABLE STRATEGIES TO BE ADOPTED BY COMPANIES FOR RURAL MARKETS**

**Best Promotion and Quality Perception**
Companies with new technology are properly capable to communicating its products and services to their customer. There is a trade-off between quality a customer perceives and a company wants to communicate. Thus, this positioning of technology is very crucial. The perception of the Indian about the desired product is changing. Now they know the difference between the products and the utilities derived out of it. As a rural Indian customer always wanted value for money with the changed perception, one can notice difference in current market scenario especially in case of services given by the companies.

**Easy-Way Communication especially for Rural Market**
The companies have realized the importance of proper communication in local language for promoting their products especially in rural market. They have started selling the concept of quality with proper communication and easily understandable way of communications. Their main focus is to change the Indian customer outlook about quality.

**Changing Pattern of Rural Customers**
Nowadays villagers are constantly looking forward for new branded products and good services. Indian customer in rural market was never price sensitive, but they want value for money. They are ready to pay premium for the product if the product is offering some extra utility for the premium.

**Regards for Cultural and Social Values**
Companies have recognized that social and cultural values have a very strong hold on the people in rural markets. Cultural values play major role in deciding what to buy. Furthermore rural people are emotional and sensitive. Thus, to promote products and services we should regard their social and cultural values.

**Focus on Customer Requirement**
Every customers want value for their money. They do not see any value additional associated with the products. They aim for the basic functionality. However, if the sellers provide frills free of cost they are happy with that. They are happy with such a high technology that can fulfill their need. For example Nokia and Reliance has launched a simple product, which has captured the market. Promoting
Products and Services with Right Person in Case of Celebrity Endorsement

Companies are picking up Indian models, actors for advertisements as this helps them to show themselves as an Indian company. Diana Hyden and Shahrukh Khan are chosen as a brand ambassador for MNC quartz clock maker "OMEGA" even though when they have models like Cindy Crawford. Another example Penelope Cruz endorses for Pantene Shampoo but it is more effective with Indian Models and Actors because peoples know them very well.

**Patriotism with Products and Services**

Companies are associating themselves with India by talking about India, by overtly saying that they are Indian and they are more patriotic. Using Indian Tricolor while doing advertisement during Independence Day and Republic Day like Nokia has designed a new cellular phone 5110, with the India tricolor and a ringing tone of "Sare Jahan se achcha".

**Promoting Indian Sports Team**

Companies are promoting Indian sports teams so that they can associate themselves with India. With this, they can influence Indian mindset like during Cricket World Cup. For example Hero Honda has launched a campaign "Dhak Dhak Go" Similarly, Other companies has also launched a campaign during world cup Product/Services Campaign like “Be Indian” Companies are now talking about Be Indian. It is a normal tendency of an Indian to try to associate him/her with the product. If he/she can visualize himself/herself with the product, he /she become loyal to it.

**Developing Specific Products for Specific Segment**

Many companies are developing rural-specific products. Keeping into consideration the requirements, a firm develops these products. Electrolux is working on a made-for India fridge designed to serve basic purposes: chill drinking water, keep cooked food fresh, and to withstand long power cuts. In Service Sector like Insurance they are focusing on Micro insurance products for rural segments.

**Effective Media Modes of communication**

Traditional media or the modern media used for rural marketing is being used by companies. The traditional media include melas, puppetry, folk theatre etc. while the modern media includes TV, radio, e-chaupal. LIC uses puppets to educate rural masses about its insurance policies. Govt of India uses puppetry in its campaigns to press ahead social issues. ITC's e-chaupal (chaupal is the common place where villagers gather) has been the most elaborate and extensive venture in this field so far. Conceived by ITC's international business division and launched in 2000, the e-chaupal project has since grown to around 2,700 chaupals covering a population of around 1.2 million in five states - Madhya Pradesh, Karnataka, Andhra Pradesh, Uttar Pradesh and Maharashtra.

**Adopting Best localized way of Distributing Channels**

Proper distribution channels are recognized by companies. The distribution channel could be big scale Super markets; they thought that a similar system can be grown in India. However, they were wrong; soon they realized that to succeed in India they have to reach the nook and the corner of the country. They have to reach the "local Paanwala, Local Baniya or Kirana Shop Owners" only they can succeed. Big Multinational companies in India capture the rural market share in India if they have to go the local market shoe sellers and with the low priced products.
India is ingenious with a good degree of ethnic, cultural and regional diversity. About 3/4th of the total population resides in the rural areas and majority of them are dependent upon agriculture for their subsistence. Agriculture contributes about 24.7% to the Gross Domestic Product (GDP) of the country. It also contributes about 13.1% to the total Indian exports. This sector provides employment to 58.4% of the country's workforce and livelihood to more than 650 million people. Despite this fact, the condition of these people has not shown any significant improvement. The development of the nation largely depends upon the development of the rural population.

Rural market witnesses a high demand and it is the rural segment of market that contributes more profit than its urban counterpart. Rural marketing broadly involves reaching customers, understanding their wants, supply of goods and services, and ultimately satisfying consumers, leading to more sales. The general impression is that only agricultural inputs like seeds, fertilizers, pesticides, cattle feed and agricultural machinery has a potential for growth in the rural market. However, there is a growing market for consumer goods now. It has been estimated the rural market is growing at the rate of five times its urban counterpart.

**CHALLENGES IN RURAL MARKETING**

Despite the fact that rural markets are a huge attraction to marketers, it is not easy to enter the market and take a sizeable share of the market, in the short time due to the following reasons.

**Low Literacy**

There are not enough opportunities for education in rural areas. The literacy level is as low (36%) when compared to all- India average of 52%.
Seasonal Demand
Demand for goods in rural markets depends upon agricultural situation, as agriculture is the main source of income. Agriculture to a large extent depends upon monsoon and, therefore, the demand or buying capacity is not stable or regular.

Transportation
Many rural areas are not connected by rail transport. Kacha roads become unserviceable during the monsoon and interior villages get isolated.

Distribution
An effective distribution system requires village-level shopkeeper, Mandal/ Taluka- level wholesaler or preferred dealer, distributor or stockiest at district level and company-owned depot or consignment distribution at state level. The presence of too many tiers in the distribution system increases the cost of distribution.

Communication Problems
Facilities such as telephone, fax and telegram are rather poor in rural areas.

Traditional Life
Life in rural areas is still governed by customs and traditions and people do not easily adapt new practices. For example, even rich and educated class of farmers does not wear jeans or branded shoes.

Buying Decisions
Rural consumers are cautious in buying and decisions are slow and delayed. They like to give a trial and only after being personally satisfied, do they buy the product.

Media for Promotions
Television has made a great impact and large audience has been exposed to this medium. Radio reaches large population in rural areas at a relatively low cost. However, reach of formal media is low in rural households; therefore, the market has to undertake specific sales promotion activities in rural areas like participating in meals or fairs.

Career in Rural Market
While rural marketing offers a challenging career, a rural sales person should require certain qualifications and specialized talent.

Cultural Factors
Culture is a system of shared values, beliefs and perceptions that influence the behavior of consumers. There are different groups based on religion, caste, occupation, income, age, education and politics and each group exerts influence on the behavior of people in villages. There is a belief among rural people that experience is more important than formal education and they respect salespersons who can offer practical solutions to their problems. Therefore, it is desirable that sales persons, especially those who have been brought up in cities are given a thorough training consisting of both theory and practical aspects of village life. The training will help these sales persons to align themselves with the market realities and settle down smoothly in their jobs.

But there are more issues also on other sides of challenges which are like the rural population is spread over a large area where reach is expensive and the mass is heterogeneous. The spending power of rural population fluctuates with the agri-yield. Hence, demand is not consistent. Besides this, low level of product exposure, poor standard of living, spurious products with high margins for retailers and lack of infrastructure leads to low penetration.
FUTURE TRENDS
Markets which are not able to face the stiff competition posed by MNCs can restore their profits in the rural sector. The market share of urban market when compared to the rural market is low; hence if Indian industries concentrate on rural markets their sales will increase. If rural markets are brought into the limelight of development, they marked towards the prosperity. Prosperity of India lies in the prosperity of every Indian; hence no rural segment should be left untapped. Rural market has a tremendous potential that is yet to be tapped. A small increase in rural income, results in an exponential increase in buying power.

CONCLUSION
Rural Marketing is a developing 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. Any macro-level strategy for these markets should focus on availability, accessibility and affordability. Constant scanning and sieving of ideas and plans is essential at all times. Focused attention needs to be paid to market research that goes on to reduce the uncertainty in dealing with these markets. More specifically, in relation to rural areas, demand is seen to a very highly price elastic. To break the price barrier is essential. Only this can keep the grey area local brands in check. There is no doubt that divides do exist between urban India and rural India. However, with a silent revolution that has already begun, a seamless integration of rural and urban markets is underway. The overall marketing mix framework for rural markets must therefore focus around plugging the segments with the right product, using value for money pricing, selecting the most appropriate channel of distribution, building long term relationships with the customers and finally, using the power of emotional brands. The rural market is not homogeneous. The individual sections of this market are not too big, although the overall size is large. There are geographical, demographical, statistical and logistical differences. Positioning and realities regarding the potential of each of these market segments differ and lie at the very core of forming the strategy for the rural markets. Gone are the days when rural consumer went to nearby city to buy „branded products & services“. The rural consumer is growing and this is an opportunity to grab the market share for all the global players in the market – whether it is into Fast Moving Consumer Goods (FMCG) sector or retail sector (either insurance or banking). Insurance sector has one of the biggest potential in the upcoming scenario and the fact lies in the statement that only eight to ten percent of the rural households are covered by life insurance. Several companies trying to reach out to rural consumers are exploring alternative cost effective channels. Direct selling through company delivery vans, syndicated distribution between non-competitive marketers, setting up of temporary stalls in rural melas/haats are few successful examples. Use of stockists and their staff for effecting direct sales to rural consumers has also been found to be successful by companies like Hindustan Unilever / ITC / Colgate / Godrej. Rural markets/mandis are emerging as the target centers for direct sales. BPCL introduced specially designed Rural Marketing Vehicle, which moved from villages to villages to fill cylinders on spot. Another innovative distribution model that merits mention is the HLL”s Shakti project, which connects Self-Help Groups (SHGs) with business opportunities. Hindustan Lever promotes and uses the SHGs network present in the villages for increasing its sales in the rural areas. The SHGs are offered chance to become company”s local small scale distributor in the rural areas. The groups, typically of 15 to 20 people, buy a small stock of items such as soap, detergent or shampoo and then sell directly to consumers in their homes. The model is a win-win for the company and the village SHGs. Lower prices/smaller packaging has been the most common strategies adopted by FMCG companies to penetrate rural markets.

Rural customer understands and demands value for money in every purchase that he makes. Pricing therefore is a direct function of factors including cost-benefit advantage and opportunity cost. Pricing offered to consumers should be for value offerings that are affordable. Price sensitivity is extremely high and comparison with competitive prices is common. It must be remembered that the rural consumer does not have a budget problem. He has a cash flow problem. This is because the village
folk receive funds only twice a year. At these times, he is capable of making high volume purchases. At all times, however, the unit price is critical and so is the pack size. Because of this, in the lean season when there is a cash flow crunch, marketers need to provide financial products, schemes or solutions that suit the needs of the rural population.

In concluding remark, if the company wants to capture the rural market, they must first carry on the detailed and earnest analysis of the countryside goal market, aiming at the particular characteristics of the rural market, and utilizing different marketing strategy according to concrete situations.

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