Opportunities And Challenges In Rural Market Of India: An Overview

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Abstract

Indian Rural Market has always been complex to forecast and consist of special uniqueness. They are growing steadily over the past few years and is now even bigger than the urban market. About 70 per cent of India’s population lives in villages and more than 800 million people lives in villages of India. They profit the rural economy by providing infrastructure services, uplifting the set and quality of life of the people resides in rural area. Though the rural market has become a choice destination for every marketers but it is important to realize that it has lot of challenges and risk. This paper is a step forward in exploring various opportunities through which rural markets are flourishing for marketing and also highlighting the challenges which create hurdles in tapping rural markets.

INTRODUCTION

India lives in villages are still true. Approximately 70 percent of the India's population lives in rural areas, and accounts nearly for more than half of Indian consumption. As per McKinsey, even with increasing urbanization and migration, it is estimated that 63 percent of India's population will continue to live in rural areas in 2025.
Access to technology has transformed the decision-making behaviour of rural households. Today, a large chunk of rural consumers is aware, aspirational, and has the ability to pay. The attractiveness of rural India has further increased due to the recent efforts of Indian government towards inclusive growth. Central and State governments have launched several schemes such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA), Jan Dhan Yojna, Direct Benefit Transfer (DBT) etc. that have changed the dynamics of rural India. The government's intention to create the JAM (Jan Dhan, Aadhar and Mobile) ecosystem is further going to change the rural landscape in India.

Rural markets in emerging economies such as India have been seen as both an opportunity and a challenge. The opportunity is based on the sheer population which resides in around 6,38,596 villages in India, and the challenges terms from the fact that reaching out to the consumers in these villages spread across the country is not easy.

**History of Rural Marketing**

The rural market of India started showing its potential in the 1960s. The 70s and 80s witnessed its steady development. And, there are clear indications that the 21st century is going to see its full blossoming. In our country, where research on consumer behaviour has been nominal, not much systematized information is available about the rural consumers.

Few companies, namely, Hindustan Uniever, Philips India, Asian Pants, and Singer have made concrete efforts in this direction. The term ‘rural marketing’ used to be an umbrella term for the people who dealt with rural people in one way or other. This term got a separate meaning and
importance after the economic revaluation in Indian after 1990. So, before venturing into the other aspects of rural marketing let us discuss the development of this area in different parts which is briefly explained here.

While rural markets offer big attractions to the marketers, it is not easy to enter the market and take a sizeable share of the market within a short period. This is due to low literacy, low income, seasonal demand and problems with regards to transportation, communication and distribution channel. Further there are different groups based on religion, caste, education, income and age. There is a need to understand the rural markets in terms of buyer behaviour, attitudes, beliefs and aspirations of people.

RURAL MARKETING MEANING

Rural marketing involves the process of developing, pricing, promoting, distributing rural specific product and a service leading to exchange between rural and urban market which satisfies consumer demand and also achieves organizational objectives. Rural marketing is a two way marketing process. Which includes the flow of goods from rural to urban areas and the flow of goods and services from urban to rural areas. In addition the flow of goods and services within the rural areas itself.

The Concept of “Rural Marketing” means making different products to reach local villages and customers bringing the villagers in the mainstream of Marketing. The rural markets offer a great scope for a concentrated marketing effort because of the recent increase in the ruralincomes and the standard of living which will help to increase income level and production of agricultural commodities in rural area. 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 hold on the planning towards the development of rural marketing.

References

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