



# Rural Marketing Basics

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# 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.
- ‘Rural marketing’ is similar to simply ‘marketing.’ Rural marketing differs only in terms of buyers. Here, target market consists of customers living in rural areas. Thus, rural marketing is an application of marketing fundamentals (concepts, principles, processes, theories, etc.) to rural markets.



# Rural Marketing can be classified into:

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



# Rural Marketing covers two broad sections:

- Selling of agricultural products in the urban area.
- Selling of manufactured products in the rural regions.



# Rural Haat Markets(Weekly Bazaars)

- The Rural Haats (RH) managed by Village Panchayats are the best examples of direct interface between farmers and consumers.
- There are 3500 Rural Haats in Maharashtra. These are held once or twice in a week.
- The management of these Haats rests with local authority viz., Village Panchayat or Municipality.
- However, these Haats are held in dusty places and conditions are most unhygienic. The Haats have no basic infrastructure facilities like sheds for sellers and pathways for buyers.
- Therefore, it is proposed to modernize around 8 to 14 rural Haats managed by Village Panchayats in every district so that total 300 RHs are modernized in the state by providing basic infrastructure.



# Rural Products Maharashtra



- Rice jwari, and Bajri Other crops include Wheat, pulses vegetables and onions.
- The main Cash crops include cotton, sugarcane, turmeric, and several oil seeds including groundnut, sunflower and soyabean. The state has huge areas, under fruit cultivation of which mangoes, bananas , grapes and oranges are the main ones.
- Most of the Growers of Cash crops such as sugarcane and cotton in the state belong to farmers cooperatives .For example, most of the sugar production in Maharashtra takes place at mills owned by local cooperative societies. The members of the society include all farmers, small and large, supplying sugarcane to the mill



# Profile of Rural Demand:

- **1. Seasonal demand:**

The demand for goods is irregular and seasonal. As agriculture is the predominant occupation in villages, demand for goods generally depends on the harvest periods. Their cash flows are better after harvest. The demand is also festival and marriage linked.

- **2. Composition of rural demand:**

A large variety of transactions are considered a part of rural demand:

a. Agricultural inputs such as fertilizers, pesticides and farm equipment.

b. Products made in urban centres and sold to rural areas such as soaps, toothpastes and electronic items.

c. Products made in rural areas sold to urban centres such as khadi cloth and

handcrafted products.

d. Products made and sold in rural areas such as milk and milk products. Locally manufactured toothpowder, cloth, and so on.

- **3. Size of rural demand:**

The size of rural market is quite vast in India. The rural market is growing steadily over the years. The demand for traditional products such as bicycles, mopeds and agricultural inputs, and branded products such as toothpaste, tea, soaps and other FMCG goods, and consumer durables such as refrigerators, TV and washing machines has also grown over the years.



# Problems and challenges



- Wide and Scattered Market
- Problem of Designing Products
- Transportation Bottleneck
- Seasonal and Irregular Demand
- Uncertain and Unpredictable Market:
- Low Living Standards
- Lethargic Life Style
- Language Problem
- Backwardness
- Inadequate Marketing Support



# Factors affecting the purchase decision of the rural consumers

- Price, durability, availability of product with nearby retailers are the factors influencing purchase of majority of consumer durable products in Rural Areas.
- Along with the price, durability, availability with nearby retailers and brand image are also among those influencing purchase of Refrigerator and cell phone in rural areas.
- In addition to the price, durability, availability with nearby retailers and reference group are the factors that influence purchase of Watches and DVD player in Rural Areas
- . For some products like washing machine and DVD player, after sales service plays an important role in their purchase decision.



# Measures which can be taken for effective rural marketing

## **Solving the problem of availability:**

- The first task is to ensure availability of the product or service. Finding the rural consumers is not easy. However, given the poor condition of roads, it is an even greater challenge to regularly reach products to the villages.
- Over the years, India's largest MNC, Hindustan Lever, a subsidiary of Unilever, has built a strong distribution, which helps its brands reach the interiors of the rural market. To service remote village, stockists use auto-rickshaws, bullock carts and even boats. Coca-Cola, which considers rural India as a future growth driver, has evolved a hub and distribution model to reach the villages.

## **Solving the problem of affordability:**

- The second task is to make sure affordability of the product or service. With low disposable incomes, products need to be affordable to the rural consumer, most of whom are on daily wages. Some companies have addressed the affordability problem by introducing small unit packs.
- Godrej recently introduced three brands of Cinthol, Fair Glow, and Godrej in 50-gm packs, priced at Rs. 4-5. Hindustan Lever, among the first MNCs to realize the potential of India's rural market, has launched a variant of its largest selling soap brand. Lifebuoy at Rs. 2 for 50 gm. The move is mainly targeted at the rural market.



# Measures which can be taken for effective rural marketing

## **Solving the problem of acceptability:**

- The third task is to gain acceptability for the product or service. Therefore, there is a need to offer products that suit the rural market. One company, which has benefited by doing so, is LG Electronics. In 1998, it developed a customized TV for the rural market and named it Sampoorna.
- It was a runaway hit selling 1,00,000 sets in the very first year. Because of the lack of electricity and refrigerators in the rural areas, Coca-Cola provides low-cost ice boxes—a tin box for new outlets and thermocol box for seasonal outlets.

## **Solving the problem of awareness:**

- The majority of the rural population is not exposed to mass media. Unconventional media has to be used for generating awareness. Events such as fairs, festivals, and haats are used as occasions for brand communication.
- Cinema vans, shop-fronts, walls and wells are other media vehicles utilized to increase brand and pack visibility. Putting stickers on the hand pumps and walls of the wells are some new ideas for advertising, with the objective to advertise not only at the point of purchase but also at the point of consumption. With large parts of rural Maharashtra unreachable to conventional advertising media—another important task.





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