International Journal of Trade and Commerce-IIARTC July-December 2012, Volume 1, No. 2, pp. 311-322 ISSN-2277-5811 (Print), ISSN 2278-9065 (Online) © SGSR. (www.sgsrjournals.com) All rights reserved



Capturing Robust Market Potentiality of Rural-India

Anil Kumar Yadav a^{*,} Preeti Singh b,

 a DDU Gorakhpur University, Gorakhpur, 273009. Email-Id: anilkyadava@gmail.com
b Jagan Institute of Management Studies, , Delhi, India

Abstract

The real India lives in villages. While it is an emerging economic power, life remains largely rooted in its villages. There are nearly three fourth of the country's consumers residing in 6,38,365 villages, who provides a huge demand base and offers a great opportunity for all marketers, whether from Indian companies or MNCs. But poor infrastructure, lack of market information, scattered location, wide geographical area, multiple times of distribution channel, high distribution cost, poor economic position of consumers, lack of credit facilities, different socio-culture life style, lack of awareness, etc., creates hurdles. Now the LPG, IT revolution, improved infrastructure, electronic media, increased income and Indian Diaspora have entirely changed the scenario of rural marketing. The cases of ITC's 'e-Choupal' and HLL's project 'Shakti' etc. are examples of corporate efforts to capture the robust market potential of rural-India.

Present paper deals with all such matters and issues necessary to conquer untapped robust consumption potentiality of 120 million household of the 'Rural India'.

Keywords: National Council of Applied Economic Research (NCAER), Fast Moving Consumer Goods (FMCG), National Rural Employment Guarantee Scheme (NREGS), Annual Status of Education Report (ASER), Kisan Credit Cards (KCC).

PAPER/ARTICLE INFO

RECEIVED ON: 25/02/2012 ACCEPTED ON:15/05/2012

Reference to this paper should be made as follows: Yadav, Anil Kumar and Preeti Singh. (2012) "Capturing Robust Market Potentiality of Rural-India " Int. J. of Trade and Commerce-IIARTC, Vol. 1, No. 2, pp. 311-322

*Corresponding Author

1. INTRODUCTION

India is often described as a collection of many countries held together by a common destiny and a successful democracy. Its diverse ethnic, linguistic, geographic, religious, and demographic features reflect its rich history and shape its present and future. It is also only the second country to achieve a population of 1.2 billion. The Indian economy has seen consistent overall growth in recent years. While it is an emerging economic power, life remains largely rooted in its villages. Thus, real India lives in the villages. According to the National Council of Applied Economic Research (NCAER), about 74 percent of population is living in its villages. Thus, about three fourth of the country's population is residing in 6,38,365 villages, accounting for 50 per cent of the national income. It consists 70 per cent of the total household or say more than 12 crore households, having more than 741 million consumers.

The enormous size of rural-India provides a huge demand base and offers a great opportunity for the corporate sector. Rural Markets constitute an important segment of overall economy. India has perhaps the largest potential rural market in the world. It has as many as 47,000 haats. This steadily growing market is bigger than the urban market, in both the durables and non-durables, having 53 per cent share of total market. For consumer durables, the figure is 59 percent. In addition to this, of the total FMCG's demand in India, nearly 53 percent comes from the rural market. The annual size of the selling value in rural areas is estimated at around Rs. 5,000 crore for durables and Rs. 8,000 crore for FMCGs, which is excluding the Rs. 45,000 crore for Agriinputs and Rs. 8,000 crore for automobiles.

This is where the fortunes of many of the biggest corporations are likely to be shaped. This is why Rural-India is becoming a key area of focus for the corporate sector. The rural areas are consuming a large number of industrial and urban manufactured products. Consumer durable companies, such as LG India and Godrej, have increased their marketing efforts in rural areas. Multinational companies as well as Indian companies like HUL, ITC, Philips, Samsung, Godrej, Procter and Gamble, Nirma, TVS, Wilkinson, L & T, Honda, Britannia, MRF, Coke, Pepsi, Colgate Palmolive, etc., are aggressively targeting the rural areas.

Corporates had realized that the urban market has come closer to its saturation. There is stiff competition and clutter in the urban market, and demand was building up in rural areas. Seeing the vast potential of 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 Hindustan Unilever covered 11.5 million rural households and increased awareness by 41 per cent. Project Jagruti in the second phase by Colgate Palmolive India increased penetration of Colgate Dental Cream reaching to a million houses.

2. STRUCTURAL PROBLEMS AND CHALLENGES

Despite aforesaid strengths the rural markets face served weaknesses as well. The rural markets are more unstructured and were not a prioritized target location for corporate in last decade. Very few companies, mainly the agro-based ones, were concentrating in these markets. There were no innovative strategies and promotional campaigns. A distribution system did exist, but was feeble. Illiteracy, lack of technology and poor infrastructure were the other factors leading to the poor



-312-

reach of products and lower level of awareness amongst villagers. The rural markets are aptly described as towns, villages or small hamlets having poor infrastructure. Miles away in corporate boardrooms, rural India is still taken as an abstract concept. Most of senior executives like to sit through the periodic rural marketing workshop in five-star hotels, than dealing with the heat and dust of the actual market place. Thus, rural India and rural market remains the last frontier, for them.

Wide geographical area and scattered location create need of multiple numbers of tiers for distribution and make marketing functions more complicated. These wide and scattered locations, multiple tiers of distribution channel not only increase complicacy but also increase the distribution cost. Due to poor infrastructure and scattered locations, the bargaining power of rural intermediaries increase and used in taking more prices and other undue advantages, such as not providing aftersale services, not offering promotional schemes, benefits and discounts offered by corporate to the customers. Due to wide and scattered locations, direct distribution through chain shops or company owned retailed outlets are also not viable. Taking products to the customers in every nook and corner of the country, through own delivery vans are also not possible for all companies, due to very high operating cost.

Economic position of rural customers is considered as low per capita income, having lower purchasing power than the urban customers. Sufficient credit facilities are also not available so the marketers have to face difficulty in getting sufficient volume of purchase orders. Rural customers belong to some different social and cultural background. A different routine, life style and needs can be observed in rural customers in comparison to urban customers. So it is also questionable that the products basically designed and launched for satisfying the needs of urban customers will also suit the rural customers.

There is lack of awareness about Consumer Protection Act 1986. Consumer protection councils of lodging complaints to the industrialist consumer councils, etc., in rural customers. So they easily become the soft target of inferior quality, duplicate, fake or illegal products manufacturer marketers. There is lack of market information as well. The rural customers know little about different brands, their near competitors, their prices, their quality and other product information. So, many times they are unable to take wise purchasing decisions. In the absence of marketing information and data, the marketers also face difficulty in making plans, analysis, forecasting and research works, etc.

3. INCREASING PURCHASING POWER

But now the entire perspective is being transmuted. Rural markets have been changing drastically since the last decade. Earlier the disposable income of villagers was very low, but now the experts observe that there increase in their income. Agriculture production is growing year by year putting more money in rural consumers' hand. Because of good monsoon in last few years, agriculture production has increased year by year, putting more money to rural people. This is also a result of regulated markets with an aim to see that the agricultural produce get better prices. The advent of commercial and market oriented farming, with the help of modern agricultural technology, necessitated the use of manufactured inputs like fertilizers, pesticides,



Capturing Robust Market Potentiality of Rural-India

Anil Kumar Yadav and Preeti Singh

high yielding varieties of seeds to improve rural produce. Now, almost one third of the national income is generated in rural areas. The marketers are expecting rural market boom due to increasing the purchasing power of rural consumers. According to NCAER study, there are almost twice as many "lower middle income" households in rural India as in the urban areas.

- At the highest income level, there are 2.3 million urban households as against 1.6 million households in rural areas.
- Middle and high income households in rural India were expected to grow to 111 million by 2007.
- In urban India, the same was expected to grow from 46 million to 59 million.

The academicians also agree with these upbeat views of a rural resurgence. "Policy measures like the waiver of agricultural loans to the tune of US \$13.9 billion and the National Rural Employment Guarantee Scheme (NREGS) have really put cheer into the rural economy," says Devi Singh, director of the Indian Institute of Management, Lucknow (IIML). "The Bharat Nirman program with an outlay of US\$34.84 billion for improving rural infrastructure is another step that has helped the rural economy. To some extent, the growth of organized retail can also be held responsible for the rural economy's growth, as this has ensured that farmers get a better price for agricultural produce. The MSP set by the government has been rising further, fuelling rural growth by putting more money into the hands of the rural population."

"Income of rural people is entirely disposable income, unlike what it would be in urban India. If a farmer in rural area earns US \$1, all of it is his to dispose off as he pleases. The same income in the hands of an urban person, who is possibly a tech worker, is actually not US \$1 of disposable income. It is most likely 67 cents; the rest goes as tax. The farm economy, with zero-tax on farm income, creates far more disposable income. Buying power in the hands of the rural rich is higher than the buying power of the urban rich," explains Bijoor.

4. IMPROVING FACILITIES

Improving infrastructural facilities and media revolution have changed the entire scenario of rural India. 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. 'Go rural' has become the new slogan for the marketers. The marketing arena has shifted now from cities to villages. A large population, rising farm incomes and inspiring infrastructure has translated great opportunities with a sizeable rural presence. Following factors have been recognised for the rising significance of rural markets:

- Increase in educational facilities and literacy.
- Increase in rural income due to better monsoon in recent years.
- Changing buying behaviour and consumption pattern.
- Increasing facilities of information, communication and electronic media.
- Improving overall infrastructural facilities, like road, electricity, etc.



-314-

- Rural development and investment programmes by Government agencies.
- Prosperity through land reforms and adopting modern agriculture systems.
- Existence of rich rural consumers having close contacts to urban areas.
- Increase in rural population, remittances and direct investments in rural areas.
- Inflow of foreign goods, remittances and direct investments in rural areas.
- Cut thought competition and saturation of demand in urban areas.

Thus, agriculture reforms through Plans, easy availability of agriculture credit, facility of Kisan Credit Cards, Rs. 60,000 crores village road program, connecting nearly 1.9 lakh villages, and improved communication network gave a huge fillip to the rural economy and income, resulting in higher penetration as well as increased consumption rate. Adi Godrej denotes, "Rural marketing is vibrant at the current rate of growth and it will soon out-strip the urban market." The trends indicate that the rural markets are developing massively and growing manifold as fast as urban, even better than urban. Some impressive facts about the rural sector are:

- 1. The number of middle and higher income families (having Rs. 70,000 plus annual income) in rural (21 million) and urban (24.2 million) is nearly the same.
- 2. An ASSOCHAM report on rural consumption says that in three years the per capita income in rural areas will double. Considering that rural households form 72 per cent of the total, the rural market roughly comprises 720 million customers.
- 3. 24 million Kisan Credit Cards (KCC) issued in rural areas exceeds the 17.7 million credit cards plus debit cards issued in urban India. A whopping Rs. 52,000 crores has been sanctioned under KCC scheme.
- 4. LIC sold 55 percent of its policies in rural India.
- 5. Of the BSNL mobile phone connection 50 percent are in rural.
- 6. Of the millions who have signed up for rediffmail, 60 percent are from small towns. Of the lakhs who transact on rediff online shopping site, 50 percent are from small towns.
- 7. The global market for mobile based transactions, due to rural markets, is projected to be worth more than \$ 500 billion by 2011.

The consumption pattern and buying behaviour of rural customers are changing day by day. Increasing income is one of major influencing factor for them. Price affordability, taste etc., mostly influences the consumption habits of rural people. A survey reflects significant relation between consumer income and use of some branded FMCG products in a rural area (table no. 1). They want to acquire the facilities and products used by urban customers and adopt the similar life style. As per the NCAER study, there are as many 'middle income and above' households in rural areas as there are in the urban areas. There are almost twice as many 'middle income' households in rural areas as in the urban areas. At the 'highest income level' there are 2.3 million urban households as against 1.6 million households in rural areas. As per a statistics of NCAER, the penetration level and consumption pattern, in respect of all types of FMCG products, has shown positive increase in past years. This reflects the opportunities in rural markets available for marketers.



Table-1: Consumer Income and use of Branded Products										
	Consumer Income Group									
Brand	Below	Rs.	Rs. 4000	Total	Percentage					
	Rs. 2000	2000-4000	& above							
Branded Toilet Soaps										
Lux	02	05	08	15	30					
Santoor	03	02	02	07	14					
Lifebuoy	07	06	04	17	34					
Liril	-	03	05	08	16					
Nirma	01	02	-	03	06					
Total of toilet soaps	13	18	19	50	100					
Branded Washing Soaps										
Green Wheel	2	4	3	9	18					
Sun light	2	8	2	12	24					
Rin	-	2	9	11	22					
Nirma	3	4	5	12	24					
Sona	6	-	-	6	12					
Total of washing soaps	13	18	19	50	100					
Bra	Branded Tooth Paste and Powder									
Colgate	-	4	8	12	24					
Promise	-	3	3	6	12					
Babool	2	-	2	4	8					
Pepsodent	-	4	5	9	18					
Bytco tooth powder	7	4	-	11	22					
Baidynath tooth powder	4	3	1	8	16					
Total	13	18	19	50	100					
Branded Tea										
Superdust	3	5	9	17	34					
Pariwar	3	6	3	12	24					
Red label	-	3	4	7	14					
Tajmahal	-	2	3	5	10					
Loose tea	7	2	-	9	15					
Total	13	18	19	50	100					

Table-1: Consumer Income and use of Branded Products

Source : Indian Journal of Commerce, April-September 2008, p. 31.

5. Emerging Marketing Strategies

Rural marketing has changed its concept and scope over the years. Small villages and towns, which were mere dots on maps, are now getting the attention of global marketing giants and large scale manufacturers. Rural market revolution is creating direct impact on life style of rural consumers. Most of the large companies and marketers are targeting rural market to promote sale of their goods. To reach rural markets, they mostly apply urban market strategies, with suitable



-316-

modifications, to satisfy the different needs, buying behaviour and consumption pattern of rural customers.

The following strategies were adopted by different companies to attract the rural consumers:

- HINDUSTAN LEVER's 'Operation Bharat', covering 22 million new households in villages in India.
- SAMSUNG offered some of its color TV models in less than Rs. 5,000 to attract rural market.
- > HERO MOTOCORPS has established mobile service centers to take care of rural customers.
- > COKA COLA, evolved a hub and spoke distribution model to reach the villages.
- > LG defines all cities and towns other than the metro cities as rural and semi-urban markets.
- > TVS redesigned and modified its motorcycle to suit the rural conditions and customers.
- > MRF organized tyre clinics, called the tractors owners meet for exhibition, help and advice.
- PROCTOR AND GAMBLE adopted distribution strategies of covering every village or town having population of 5000 persons.
- BRITANNIA's low priced and conveniently packed Tiger brand biscuits became a success story in rural marketing.
- LIFE INSURANCE CORPORATION used puppets to educate rural masses about the life insurance policies, which was considered successful.
- NIRMA soap captured the rural market by selling its product at half the price of its rival brands of same quality.
- HUL sold 50 ml shampoo bottle at 6 rupees did not succeed, but its 4ml sachet picked up much faster.
- WILKINSON deputes salesman to villages wherever it launches a new blade as seeding operation.
- LIFEBUOY used unconventional media like fairs, festivals, hosts for generating awareness in rural areas.
- COLGATE attracts rural customers through smaller units and lesser-priced packs making sense of increasing affordability.
- USHA INTERNATIONAL LIMITED conducts dealership conference and workshops in rural areas.
- RECKITT AND COLEMEN used NGOs in rural areas to educate customers about product benefits.
- BROOK BOND AND LIPTON INDIA LIMITED marketed its rural brand through magic shows and skits.
- ▶ GODREJ has planned to setup service centers in rural areas.

Major domestic retailers like AV Birla, Godrej, Reliance and many others have already set up farm linkages. Hariyali Kisan Bazaars (DCM) and Aadhars (Pantaloon-Godrej JV), Choupal Sagars/ echoupal (ITC), Kisan Sansars (Tata), Reliance Fresh, Project Shakti (Hindustan Unilever) and Naya Yug Bazaar have established rural retail hubs. DCM Shriram Consolidated (DSCL) has undertaken the process of improving the business model of the rural retail chain of the company, in order to strengthen the company's system of product sourcing. 'Rural melas' are being organised by Godrej in order to access potential rural consumers. Wipro BPO, the BPO arm of Wipro Technologies launched its first rural BPO centre at Manjakkudi Village in Tamil Nadu in



Capturing Robust Market Potentiality of Rural-India

Anil Kumar Yadav and Preeti Singh

August 2011. In October 2011, Infosys BPO inked an agreement with the Government of Andhra Pradesh to open rural BPO centres in 22 districts.

Project 'Shakti' is HULs smart way to use self help groups, to directly cater to 1 million homes every month in villages, where traditional distribution systems cannot hope to enter. 'E-choupal' is ITC's much-feted business model to build a trading platform with rural India that already touches 3 million farmers. The business areas of HUL and ITC match in several ways (table No. 2), but the approaches of both in study contrast in many ways (table-3). This isn't a typical corporate battle where there is a winner and a loser.

Fast Moving Consumer Goods (FMCG) giant HUL is targeting to reach 100 million rural consumers through its women focused rural marketing initiative project 'Shakti'. The company expects to boost rural demand for its products by creating around 25000 Shakti entrepreneurs who act as direct-to-home rural distributors covering 1 lakh villages across the country by then. The company is also getting an encouraging response from state governments and NGOs. Similarly, ITC's rural business arms through 'e-choupals' marks a new beginning using unconventional e-commerce channel. ITC aims to create the biggest agricultural distribution system in India by linking farmers to market, with the help of Internet, through 'e-choupal'.

HUL	June 2011	June 2010	ITC	June 2011	June 2010
Soaps & Detergents	9.2	10.9	Cigarette	29.9	27.9
Personal Products	25.3	24.8	FMCG	6.3	8.9
Beverages	12.3	12.8	Hotel	20.2	17.1
Packaged Foods	4.5	8.1	Agri	9.1	9.5
Exorts	7.8	8.7	Paper	22.4	22.6
Overall Operating	12.7	13.1	Overall Operating	21.3	20.6
Profit Margins			Profit Margins		

Table-2: Business of HUL and ITC (Figures in Percentage)

Source: Companies' data.

In various surveys it has revealed that men play an important role in decision-making and purchase of most of the household products in rural areas. But the initiative by HUL breaks that mind set and shows the increasing participation of women in household decision making. HUL plans to use women in rural areas as their distributors. On the other hand ITC wanted to see the e-choupal as a commercial operation and hence capable of replication throughout India without political subsidies and intervention. ITC hired farmers and traditional middlemen to help in runing e-choupals, harnessing their traditional knowledge. ITC is creating several e-choupals every day, and has already established over 4000 of them, connecting 21000 villages and empowering 2.4 million farmers.

On the rural retailing front, ITC has undertaken several activities to enhance engagement with rural consumers. "Distribution of FMCG products in rural markets through the e-Choupal network gained traction with throughput during the year 2009-10 recording an increase of 44%. Plans to expand reach to more than 50,000 villages over the next 1 year are on the anvil," added Sivakumar. HUL has embarked upon an aggressive coverage expansion project for its rural and



-318-

urban business. As part of its rural marketing strategy, HUL has launched Khushiyon Ki Doli, an initiative in Uttar Pradesh, Andhra Pradesh and Maharashtra. "During this year, over 14 million consumers would be contacted through this initiative in over 35,000 villages. We are strengthening our go-to-market capability to increase our rural and urban distribution," said a spokesperson from HUL.

Basis	HUL	ITC		
1. Turnover	Rs. 10,245 crore	Rs. 12,039 crore		
2. Market	Rs. 28,846 crore	Rs. 34,033 crore		
capitalisation				
3. Name of programme	'E-choupal'	'Shakti'		
4. Model	Use self-help groups across the	Use proprietary network of		
	country to push HUL products	intermediaries for		
	deeper into the hinterland	procurement and distribution.		
5. Goal	Non-executive chairman Vindi	To account for 7% of India's		
	Banga believes Shakti can be as	GDP by 2020. Revenue from e-		
	large as the current size of HUL in	Choupals to overtake that from		
	a decade.	tobacco by 2010.		
6. Current size of	A litter over Rs. 100 crore	Rs. 850 crore (sourcing) +		
business		Rs. 50 crore (distribution)		
7. Targeted size	Rs. 1000 crore by 2007	Rs. 4,000 crore (sourcing) + Rs.		
		3,000 cr (dist.) by 2010		
8. Current coverage	13,500 Shakti dealers, mostly	5,050 kiosks in 31,000 villages		
	women in 60,000 villages			
9. Targeted coverage	In next 5 years, HUL plans to have	20,000 Choupals in 1 lakh		
	50,000 Shakti dealers in 2 lakh	villages by 2010.		
	villages.			

Table-3: Comparative Approaches of HUL and ITC

Source : Business World, 2nd May 2005.

Traditional distribution channels become more costly, due to low density of population in rural areas. The direct distribution channel by project 'Shakti' helps in reducing cost of distribution for the company and on the other side the rural customers get benefit in terms of superior quality and original products. The final results of such initiatives are yet to be proved but the survey findings were in tune with the initial response that the said project has achieved. With more than 2800 women entrepreneurs registered in 12000 villages across 100 districts of five states namely Andhra Pradesh, Karnataka, Gujarat, Madhya Pradesh and Chhattisgarh the initial response is encouraging. The project was piloted in 50 villages of Nalgonda district of Andhra Pradesh in 2001. In Gujarat it covers 11 districts in north Gujarat and Saurashtra through 330 entrepreneurs and is targeting 2000 women in Gujarat alone over the next 18 months.

Now Shakti has rolled out in Uttar Pradesh as well. The Shakti entrepreneurs, many of whom had been below the poverty line, were now earning Rs. 1000-1500 a month. Similarly for ITC the idea

-319-



seemed unattainable in the beginning, but later it won the first world business award instituted jointly by International Chamber of Commerce, the United Nations Development Programme and the HRH Prince of Wales International Business Forum. E-choupal provides an easy and cheap medium for buying and selling products. If the model succeeds, these e-choupals can easily replace the traditional mandi system. ITC also plans to sell its e-choupal data to interested food and beverage companies.

ITC is offering a readymade channel for companies that are finding it hard to reach the customers is small village and towns, for niche advertising, micro marketing and distribution. Similarly its model Rabo India Finance Pvt. Ltd. Has also planned for setting up Agri-service centers in rural areas. The idea was to get in tie up with companies like Mahindra & Mahindra, Escorts and Rallis for setting up Agri-service centers in rural areas. For FMCG Company HUL, over 60%, of sales come from rural markets, while P & G, Britannia and Colgate, etc., are eyeing rural markets for similar results. Even the demand of consumer durables like refrigerators and television is mainly coming from rural market. Pepsi, Coca Cola and other soft drinks are getting more and more market in rural areas.

6. CAPTURING THE MARKET POTENTIALITY OF RURAL-INDIA

To capture the market potentiality of rural-India, it is essential for marketers to know the rural areas, the rural people and their practices very well. The rural market is so wide and vast that it is difficult to cover and reach. One segment is totally different from other segments. Every district, region and state is different from others. The whole India is different in itself and even then it is an ideal example of a country having different cultures. The rural markets are also full of challenges because of its characteristics like illiteracy, distances, vast markets potential, communication, rail and road transportation, distribution of products and services, understanding consumer behaviour, socio- cultural factors, languages, lack of infrastructural facilities etc. So such matters should be very carefully tackled.

Rural-India is incredible. Knowing Rural India for marketers is a very difficult task, its spirit, feelings, warmness, distinctness, shyness, innocence is beyond their expectations. If marketer/ salesmen try to cheat the rural people, they feel disgusting and try to make distance from these people. Next most important point is that marketing men still don't know real needs of rural consumers. They design wrong products, services and poor strategy without knowing rural India where their own consumers in the villages live. It is also difficult to get skilled sales persons conversant with rural culture. Though, marketing heads are educated from abroad and top institutions of the country but they are poor in knowing their rural consumer. There is always gap in their knowledge about what they have and what they should know about rural consumers.

Though the purchasing power of villagers have been slightly increased, yet the price sensitivity of a consumer in a village is an important factor that rural marketers should be aware of. Further, the rural customers are generally seasonal or daily wage earners not having monthly incomes, so packaging in smaller units and lesser-priced packs makes sense to increase their affordability. Convenience is also an important factor, so packing in sachets or carry bag makes the product



-320-

easy to carry, easy to handle, easy to use. Since many of the households don't have proper sanitation facilities, the pack must have proper caps so that the remaining material can be kept for further use.

Inadequate infrastructure, power cut, accommodation problems, different life style and their routine must be considered while selecting the products for marketing in rural areas. For marketing of durable items credit facilities and after sales services must be improved. The marketers should try to create more awareness in rural consumers. Moreover, the growth of rural India is largely attributed by increasing awareness and education. Rural consumers visit high congregation areas like haats/ fairs etc., where product awareness can be created. Therefore, the right product needs to reach the right person at the right time and on the right place. Effort should be to bridge the supposed digital divide between rural and urban areas in one great leap.

According to the ASER (2012) report, private school enrolment in rural India has enhanced by 5.5 per cent points over past six years. The literacy rate has also gone up by 68.91 per cent in rural India, which can certainly help the marketers. Language and regional behaviour variation should be given more consideration in developing rural communication and strategies. Further, rural marketing should be treated as separate area of work, as the export marketing is treated. The more researches are required to be conducted to understand rural consumers in better way and generate more reliable data on the rural sector.

In earlier days rural marketing was used to designate marketing of agricultural product and village artisan products. But now globalization, privatization, liberalization, IT revolution, improved infrastructure, electronic media, increased rural income and Indian Diaspora have entirely changed the rural marketing. Rural consumers are getting more and more importance today. It is just a high time for rural marketing. Not only indigenous companies but the MNCs are also reaching the remote rural areas for marketing of their products. But it is necessary to develop the fascinating 'village value', comprising of originality, purity and quality of product, to conquer untapped robust consumption potentiality of 120 million household of the 'Rural India'.

REFERENCES

- [1]. Agriculture Outlook Report. NCAER, New Delhi, April-June 2012.
- [2]. Annual Status of Education Report- 2012. ASER Centre, New Delhi.
- [3]. Bijoor, H. (2009). Why Companies See Bright Prospects in Rural India. India Knowledge-Wharton, June 18.
- [4]. Deaton, A. and Jean, D. (2002). Poverty and Inequality in India A Re-examination. Economic and Political Weekly, 7, pp. 3729–48.
- [5]. Demographics in India. National Council of Applied Economic Research, New Delhi, January, 2004.
- [6]. Desai, S.B. (2010). Human Development in India- Challenges for a Society in Transition. Oxford University Press, New Delhi, 110001.
- [7]. Gupta, I. and Rajshekar, M. (2005). ITC Vs HLL. Business World, 2 May, pp. 30-38.



- [8]. Haub, C. and Sharma, O.P. (2006). India's Population Reality: Reconciling Change and Tradition. Population Bulletin, Vol. 61, No. 3.
- [9]. Jagwinder, S. (2011). A Comparison Of Rural And Urban Buying of Consumer Durables. Global Journal of Management & Business Research, USA, April, Vol. 11, No. 5-1.
- [10]. Jain, A. and Rathod, R.M. (2005). Distribution and Retailing Trends in Rural Markets. Indian Journal of Marketing, September.
- [11]. Kelkar, (2011). ITC Vs HUL: Smoking Thrills, Competition Kills. Firstpost Business, Jul 28.
- [12]. Krishna (1998). Trade Liberalization, Market Discipline and Productivity Growth: New Evidence from India. Journal of Development Economics, Vol.56, pp. 447–62.
- [13]. Lokhande, M.A. (2003). Rural Marketing- A Study of Consumer Behaviour Trends. Indian Journal of Commerce, April-September.
- [14]. Manjunath, K. (2004). Rural Marketing- Prospects. India Journal of Marketing, June.
- [15]. Naidu, Y.K.M. (2004). An Evaluation of Consumer Awareness in Rural Markets. Indian Journal of Marketing, April.
- [16]. Rodriges, M. (2002). Small Talk Brand Equity. Economic Times, 20th March.
- [17]. Rural Market. Indian Brand Equity Foundation (IBEF), February, 2012.
- [18]. Rural Road, Speeding Up. The Economic Times, Lucknow, 4th January, 2010, pp. 4.
- [19]. Shivakumar, K. and Arun, G. (2002). Buying Behavior in the Hinterland. Indian Management, Vol. 41 (7), pp 55-57.
- [20]. Shukla, R. (2009). Rural Consumers in their Rich Variety. The Economic Times, Lucknow, 30th November, pp-13.
- [21]. Shukla, S. and Tandon, N. (2011). Rural Marketing- Exploring New Possibilities in the Rural India. Gurukul Business Review, Vol. 7, pp. 125-130.
- [22]. Srinivasan, L. (2009). HUL, ITC take Battle to Villages. The Financial Express, Aug 11, 2010.
- [23]. www.ncaer.org
- [24]. www.economictimes.com
- [25]. www.businessworldindia.com



-322-