

**PROBLEMS AND PROSPECTS OF RURAL MARKETING: A STUDY WITH
REFERENCE TO ANANTHAPURAMU DISTRICT.**

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Abstract

As 68.84 percent of India's population lives in 6, 38,000 villages and the overall growth of the economy has led to a significant increase in the purchasing power of rural communities, the rural market has recently gained significance and caught the attention of marketers. Rural areas are consuming a lot of manufactured and industrial goods as a result of the green revolution(Census, 2001). In this way, the rural market presents advantages such as a sizable untapped market, increased disposable income, higher levels of literacy, and broad opportunities for penetration. A unique marketing approach called "Rural Marketing" has emerged to take advantage of these opportunities. Rural markets have enormous potential and significant growth potential, but there are also some difficulties that make them difficult to access. This study is a step forward in exploring different strategies to be used in the rural market along with the current rural marketing environment, highlighting significant rural marketing challenges.

Key Words – Rural Market,Prospects, Problems.

Introduction

Since a few years ago, the Indian rural market has been steadily expanding and has now surpassed the size of the urban market. India has a village population of more than 800 million. The marketer's new catchphrase is "Go rural." Rural markets have received attention from both domestic and international marketers, including Colgate-Palmolive, Godrej, and Hindustan Lever. Given the opportunities that rural markets present to marketers, it is clear that those who are able to comprehend their unique dynamics and take full advantage of them will have a bright future.

Indian villages have had the idea of rural markets, or village haats, since antiquity. Essentially, the haats are gatherings of local buyers and sellers. The barter system was quite common and is still used in a lot of places today. Haats are the main source of income for the village and are essentially a weekly event.

Businesses are concentrating on the rural market and creating effective strategies, to tap into the rural market potential, which can be determined as follows,

- Large and scattered population:

India has a population that is almost entirely rural. The rate of population growth in rural areas is also faster than in urban areas. There are over 6 lakh villages where the rural population is dispersed. Despite being widely dispersed, the rural population offers great potential for marketers.

- Higher purchasing capacity:

Rural residents' purchasing power is increasing. As a result of realising the potential of rural markets, marketers are stepping up their efforts in rural India. Since the economy as a whole has grown, rural communities' purchasing power has significantly increased, giving rural markets increased importance in nations like China and India.

- Market growth:

Over time, the rural market has been expanding steadily. Over time, there has also been an increase in demand for traditional goods like bicycles, mopeds, and agricultural inputs, branded goods like toothpaste, tea, soaps, and other FMCGs, as well as consumer durables like refrigerators, TVs, and washing machines.

- Development of infrastructure:

The scope of rural marketing has expanded as a result of the development of infrastructure facilities in rural India, such as the building of roads and other means of transportation, communication networks, rural electrification, and public service projects.

- Traditional outlook:

The rural consumer values enduring traditions and customs. Change is not what they prefer. The demand pattern of the rural population is gradually changing, and villages have a market for branded goods.

4A's of rural marketing

Despite its allure, the rural market is not without its issues: Low per capita disposable incomes—less than half that of urban areas; a high proportion of workers who earn a living on a daily basis; a strong reliance on the whims of the monsoon; seasonal consumption tied to harvests, festivals, and special occasions; bad roads; power outages; and lack of access to traditional advertising media. But in many ways, the rural consumer is similar to his urban counterpart. availability, affordability, acceptability, and awareness are the ensuing challenges that the more daring MNCs are addressing. (The alleged 4 A's.

Availability

Assuring product or service availability is the first challenge. There are 627,000 villages in India, covering 3.2 million square kilometres. Though 700 million Indians may reside in rural areas, it is difficult to locate them. Aiming to connect with 13,113 villages with a population of more than 5,000 should be a priority for any serious marketer.

Affordability

Making sure the good or service is affordable is the second challenge. Products must be affordable for rural consumers, the majority of whom are on daily wages and have low disposable incomes. The affordability issue has been addressed by some businesses by introducing small unit packs.

Acceptability

Gaining acceptance for the good or service is the third challenge. Therefore, it is necessary to provide goods that are appropriate for the rural market.

Awareness

Only 57% of the rural population can be reached by mass media. The use of targeted, unconventional media, such as ambient media, is therefore necessary for creating awareness. Events like fairs and festivals, Haats, etc., are used as platforms for brand communication in order to generate awareness. Some other media vehicles that have been used to increase brand and pack visibility include cinema vans, storefronts, walls, and wells.

Review of Literature

(Agrawal, 2018) According to their research, 56% of all food consumed in India comes from the hinterlands, where 70% of the country's people live. Indians living in rural areas are not less than their urban counterparts. Major factors influencing the growth of the rural markets include rising incomes, expanding non-farm employment opportunities, higher aspirations, and the government's emphasis on rural sustainability programmes. The study's findings indicate that between 2009–2010 and 2011–2012, rural spending was significantly higher than urban consumption.

(Kale & Chobe, 2016) In their research, they stated that "Rural marketing in India means considering the needs and requirements of the population's 80 percent and meeting those needs promptly, adequately, and at a price they can afford. The demand for white goods in rural areas has risen steadily as a result. Despite the lack of drinking water, small rural stores still sell Pepsi soft drinks. Pant shirts are now the norm rather than dhoti-kurta. In rural markets, cosmetics are in high demand. The modernization of agriculture and the quickly expanding rural industries are to blame for the rise in capital goods demand. Rural marketing is the preferred location for marketers in the globalised, changing business environment.

(Kalotra, 2013) According to the researcher, "Urban markets have saturated to look at rural markets. This essay provides an analysis of India's rural markets' environment, issues, and solutions. Even multinational corporations are turning to rural markets as their new mantra in an effort to penetrate the sizable Indian market. In another 20 years, the rural market — which currently has a population of 70% — will surpass the total consumer markets of South Korea, Canada, and the United States.

Research Methodology

The current study combines primary and secondary data collected with the goal of examining the size of rural markets across the nation. The most popular method of research was descriptive analysis after a thorough questionnaire was created to collect primary data. 100 people were selected as the sample size for the survey. secondary data gathered from various business organisations and other market participants.

Objectives

- To study the demographic factors of the respondents from the select study area
- To evaluate the potential of the rural sector's various parameters

Sample design

A sample of 100 respondents has been taken Ananthapuramu district of Andhra Pradesh for this study and convenient method of sampling technique is used.

Analysis and interpretation

The following are the tables and explanation in accordance to the primary data investigations madethrough filling of questionnaire by the respondents

Table 1

Particulars		Frequency	Total
Gender	MALE	70	100
	FEMALE	30	
Age	BELOW 25	12	100
	26 TO 35	24	
	36 TO 45	38	
	46 TO 55	17	
	56 AND ABOVE	9	
Marital status	MARRIED	68	100
	UNMARRIED	32	
Type of family	JOINT	79	100
	NUCLEAR	21	
Size of the family	1 TO 4	30	100
	5 TO 7	54	
	8 & MORE	16	
Education qualification	ILLITERATE	26	100
	PRIMARY	15	
	SECONDARY	29	
	GRADUATION	18	
	PG	12	
Occupation	AGRICULTURE LABOUR	49	100
	GOVERNMENT EMPLOYEE	15	
	PRIVATE EMPLOYEE	18	
	BUSINESS	18	

Annual income	BELOW 50000	79	100
	50001-100000	9	
	100001-150000	6	
	151001-250000	4	
	251001 & ABOVE	2	

Source: Primary data

Table 1 represents the demographic facts of the respondents from Ananthapuramu district of Andhra Pradesh. There are 70 male and 30 female. From above table it is observed that 12 respondents are of below 25 ages, 24 people are between 26 to 35 ages, 38 respondents are between 36 to 45 age, 17 respondents are between 46 to 55 of age and the last 9 people whose age is 56 and above. 68 are married and 32 are single. 79 respondents say that this still live in the joint family system and 21 respondents clearly stated that they are in nuclear family system. 54 respondents are having 5-7 members in the family where as 30 people said that they have one to four members in the family and the last 16 members said that there are 8 and more number of members in the family. When it comes to education qualification 26 members are illiterate, 15 have done their primary education, 29 have done schooling, 18 members have done their graduation in the last 12 have done post-graduation. Major occupation is agricultural labour 49% percentage and rest of the others are Government employees, private employees and small business holders. 79 respondents said that their annual income is below 50000 per annum

Table 2

Purchase Influencers	Frequency
Price/Discounts	39
Brand/Company Name	27
Celebrity endorsement	34
Total	100

Source: Primary data

Table 2 represent the purchasing influences for particular product based on different aspects. The product or the discount factor has a dominated the sector Where as 39respondent say that price of the product and discounts attracts them to buy the product. The people who live in rural areas are being dominated by their favourite hero or heroine, celebrity endorsement changes the ideology of purchasing a product. Population in the rural areas is now exploited to various aspects of life by way of different communication platforms so they are also aware about the brand and company names 27 people say that they purchase a product based upon the brand of the company name.

Table 3

Purchase decision	Frequency
Husband	58
Parent	9
Wife	18
Children	15
Total	100

Source: Primary data

The table above demonstrates that self and spouse make decisions while purchasing in rural areas.

Conclusion

The age analysis explains the shopping pattern in rural markets, where the majority of the male population is dominant in the 36-45 age groups. In addition to rates and discounts, national customers are gradually becoming more brands aware. In the national market, the decision-making is taken by man and woman. It can be inferred from the study that rural India has great potential, but significant differences remain between the actual and desired degree of rural commercialization.

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