

RURAL MARKETING STRATEGIES OF FAST MOVING CONSUMER GOODS IN RAJASTHAN

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ABSTRACT

The Indian rural market has a huge demand based and offers a great opportunity to marketers. Two-third of Indian consumer lives in rural areas and almost half of the national income is generated from there. Rural marketing determines the carrying out of business activities bringing in the flow of goods from urban sectors to rural regions of the country as well as the marketing of various products and manufactured by the non-agriculture workers from rural to urban areas. Number of strategies like product, price, promotion, distribution, marketing and sales strategies can help various organizations to capture large market share of rural India. However, it is not that easy to operate in rural markets because of several problems such as underdeveloped people and underdeveloped markets. Inadequate media coverage for rural communication, multi language, lack of proper physical communication facilities. But every problem has a solution. So the problem of rural marketing can be solved by improving infrastructure, communication, packing facilities.

KEYWORDS: Rural Marketing, Strategies, Fast Moving Consumer Goods, Underdeveloped Markets.

Introduction

Marketing is the business activity that explores unfulfilled needs and wants, defines their magnitude, determines which target market can be best and optimally served, decides on the basis of appropriate products, pricing, promotion and distribution programs to serve these markets with the aim of exploring new opportunities and developing a market orientation. Marketing is an ancient art. The first marketing transaction can be perhaps attributed to Adam and Eve. Its emergence as a management discipline is of relatively recent origin. And within this relatively short period, it has gained a great deal. Marketing plays a very important role by satisfying these needs and wants through exchange processes and by serving the best quality goods with assurance of serving the customer in the best possible manner and ends at building long term relationship. The process should be well communicated by developing the value of a product or service through positioning to customers.

Rural Marketing

Today, rural India is attracting every corporate house in India and the world around and has been considered as the most lucrative market because companies across different sectors are wooing them to support their momentum of business growth. Rural market are full of opportunities, which are in abundance and relatively untapped. Rural Marketing can be defined as a marketing activity in which products are sold in rural areas and the one dominant participant from buyer or seller is from rural areas.

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This implies that rural marketing is all about marketing of inputs (products or services) to the rural masses as well as marketing of outputs from the rural markets to other geographical areas.

According to census of India (2001), 'Rural' is defined as any habitation with a population density of less than four hundred per sq.km., where at least seventy five percent male working population is engaged in agriculture and there is no Municipality or board.

Prahalad (2006) philosophy is based on increasing the purchasing power in rural areas. In his perennial work of "The Fortune at the bottom of the pyramid", he says, The poor must become active, informed, and involved consumers. Poverty reduction can result from co- creating a market around the needs of the poor.

Features of Indian Rural Market

- **Large and Scattered Market:** The rural market of India is huge in area and scattered in sense of that it consist of over 70 crores consumers from 6,27,000 villages spread throughout the country. According to a study by Chennai based Francis Kanoi Marketing Planning Services Pvt. Ltd., the Rural market for FMCG is worth Rs. 65000 crores, for durable Rs 5000 crores, for tractor and agri inputs Rs. 45000 crores and two and four wheelers, Rs. 8000 crores.
- **Traditional Outlook:** The rural consumer values and follows old customs and tradition. They do not prefer changes and they are bound to follow traditional values set by the society and religious bodies. In addition Indian consumer find themselves closely connected to local products. The aforementioned Thumps Up and Coca-Cola scenario also illustrates this fact. Though Thumps Up is considered as cola of lower quality than Coke, It is locally made Indian brand that rural consumers can relate.
- **Infrastructure Facilities:** The infrastructure facilities like roads, warehouses, communication system facilities are inadequate and improper in rural area.

Facts Related with Rural Indian Economy

- 70% of India's total population lives in 6,27,000 villages in rural areas. As per the NCAER study, there are almost double as number of 'lower middle income' household in rural areas as compared to the urban areas.
- In context of high income-level group there are 2.3 million urban households as compared to 1.6 million households in rural areas.

Review of Literature

Sreedevi, 2016 says that study is focused to find out the challenges and strategies of rural marketing and also the effectiveness of current marketing strategies adopted by the marketers.

S.Saranya & G. Surya 2016 said that the consumer plays an important role in marketing. The study is influenced by various factors in the changing role of market.

Mehraj, I 2014 focused to find out the study which says that rural market offers a great scope for FMCG Companies to market their product because of the recent increases in rural income. The right distribution objective is to get the right good to the right place at the right time for the right people.

Goel, A .2014 author highlights the present scenario of rural marketing especially rural producers and its importance. The study also focuses on transportation facilities, communication and development in infrastructure.

Krishnan, J. 2014 says that the study mainly focused on the aspect of rural markets, marketing issues and challenge, problem relating to rural marketing environment.

Gulati, N. 2013 says that rural marketing determines the carrying out of business activities and bringing in the flow of goods from urban to rural region of the country as well as marketing of various products manufactured by the non- agricultural worker from rural to urban areas.

Kumar, M. 2012 says that the Indian rural market with its vast size and demand based offers a great opportunities to companies. Two third of Indian consumer lives in rural consumer and almost half of the income is generated here. The Indian rural market has a huge demand base for durable products and offers great opportunities to market.

Dixit, K 2011 focused on the study which mainly reveals on the aspect of rural infrastructure , income level , rural people education , media communication , availability of product , affordability cost price of brand and product awareness.

Research Problem

In rural areas more than 70% of the population is engaged in agriculture. They also required products and services for consuming similar to urban areas.

Objective of the Study

- To know the strategies of rural marketing of FMCG companies in Rajasthan.
- To identify the problems faced by FMCG companies in rural marketing.
- To identify the source from where the rural consumer buy FMCG products.
- To provide suggestions to FMCG companies in order to make the rural marketing a success.

Hypothesis

- **Null Hypothesis (HO):** There is no significant difference between rural marketing strategies adopted by FMCG companies in Rajasthan.
- **Alternative Hypothesis (H1):** There is a significant difference between rural marketing strategies adopted by FMCG companies in Rajasthan.

Data Collection

Convenience sampling will be used because which determine the number of respondents that will be asked to participate and give information regarding the study. Convenience sampling means to collect from individual who actually experience phenomenon. Secondary data is mainly collected from internet, books, journals, annual reports, magazines, newspapers.

- **Sample Size:** 400 sample size is taken by Morgan formula.
- **Area to be covered :** Chaksu, Churu, Chomu, Hasanpura, Khatipura
- **Limitation of the Study**

The research design is chosen for both exploratory and conclusive in nature .Because the study has some dearth in present scenario. The study is mainly focused to FMCG product of MNC's in rural market of India.

Statement of the Problem

Marketing is the most important aspect of economic development. No industry or business can survive without proper marketing. FMCG products are such goods which are needed by everyone . These goods are fast consumable items and are bought and sold frequently for the satisfaction of wants. A strong well design rural marketing strategy can ensure the growth , development and stability of any organisation.

Conclusion

Rural market plays a vital role as it provides great opportunities. India's rural market could have been stronger than the present position if India policy maker have made adequate infrastructure for rural India. Rural markets, as part of any economy, have untapped potential. Thus looking at the challenges and strategies government should make an effort for the future of rural people to exploit them to their best advantage.

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