

Marketing Consumer Durables in Indian Rural

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Abstract

Recent years have seen a rise in the importance of rural marketplaces as a result of the growing purchasing power of rural residents. Because of the green revolution, rural regions are increasingly buying manufactured items from cities and factories. Because of this, a new type of marketing strategy, rural marketing, has developed. Rural marketing is not a new concept in India, but it has always played a key role in the country's economy.

I. INTRODUCTION

To an urban marketer in India, where competition is strong, the country's vast rural market offers great potential. The rural market's setting is very different from that of an urban one. Marketers may face difficulties adapting to the unique cultures and habits of their rural customers. The breadth, variety, and complexity of India's rural markets have all grown in recent years. Businesses in India's rural areas have exciting prospects as they adapt to the country's changing socioeconomic landscape. Rural markets are the "green pastures" of today because they are expanding at a faster rate than city markets. Given their sizable population and purchasing power, they provide for great marketing potential. More than half of the country's gross domestic product (GDP) comes from rural areas, and they also account for more than three-quarters of the country's customers. Due to the global economic recession, those few enterprises who are seeing slower urban sales are racing into rural India.

The term "rural marketing" is widely used in both the academic and professional communities. Firms' marketing materials make use of the phrase. Academics have authored a slew of textbooks on the topic, and elective courses on rural marketing have been offered by a variety of Indian business schools, demonstrating the subject's growing importance in management education. A survey of introductory textbooks on the subject reveals that the concept of "rural marketing" has developed during the previous few decades.

II. CHARACTERISTICS OF RURAL MARKETING

Some of the important features or characteristics of rural marketing are being listed below:

Market is big and dispersed: As a whole, the rural market is sizable and widely spread. Residents of these rural areas represent a vast variety of linguistic, cultural, and religious traditions due to the diversity of these markets. Many different kinds of markets may be found all over India. The rural market in India is made up of more than 63 crore consumers from 6,000 cities and towns. As a result, a high population generates demand for many commodities. Nonetheless, in rural areas, demand is heavily impacted by income and purchasing power.

The majority of people living in rural areas still make their living through farming and related industries. Seventy-seven percent of the population relies mostly on agricultural activities. The remaining 9% work in non-agricultural jobs, 10% run their own businesses, 2% receive regular income, and 2% are unemployed. Growing and improving agriculture is obviously crucial to rural economic growth.

Lower standard of living: Consumers in the rural region have a low standard of living because of issues like low literacy rates, low per capita income, social and economic ignorance, a lack of savings, and limited access to information. Non-food items account for a smaller portion of a rural consumer's budget.

Traditional perspective: Traditional values and customs are highly valued by consumers in rural areas. They don't like change. To rephrase, the common problem with product promotion stems in part from a lack of flexibility in the face of change.

Different socioeconomic backwardness: Many clients in rural areas suffer from varying degrees of economic and social deprivation. This varies across the country's many regions. There is a wide range of rural customers with respect to culture, way of life, interests, tastes, and other qualities.

Infrastructure components

Roads, warehouses, communication networks, and banking institutions are severely lacking in rural areas. Most small towns don't have easy access to major highways, making it difficult to get goods to market. Most roads are kuchhas, which makes them impassable after it rains. Many farmers use bullock carts to transport goods from

the hamlet to the marketplace. The utilisation of such transport takes up a lot of time. Problems often arise when trying to ship goods from urban centres to outlying regions. As a result, the spread cannot occur physically.

Prevalence of spurious brands: Local brands or knockoff brands flood most rural marketplaces since they are far more economical.

Seasonal demand: Seasonal demand for products, especially more expensive products, is a defining feature of rural markets. This is because agriculture is their primary source of income, and they will not have enough money to make purchases until after the harvest.

Media Reach: Fewer people in remote areas have access to the media. According to the data, the reach of print media is 10%, followed by TV at 31%, radio at 32%, and movies at 36%. Therefore, the marketer needs to think about how to reach villages with media and techniques that are unique to the rural environment.

III. RURAL MARKETING STRATEGIES

India's rural market is witnessing a quiet revolution because of rising incomes and shifting consumer preferences. Large portions of the rural population have become more affluent customers in recent years, and this shift has piqued the interest of the country's largest corporations. The rural market does not have as much competition as the urban market does. In the rural countryside, brand competition is unusual. It's naive to think that any company can gain easy access to rural markets and walk away with a substantial share of them just because they offer a big draw for marketers.

In a major way, the lives of the Indian people have changed. It's a shift in how people in rural areas act and shop. People in the village want chocolate candies that melt in their mouths rather than in their hands, as an alternative to the peanut candies they used to crack open, eat the nut, and then throw away the shell. Toothpaste has replaced the use of charcoal, Neem twigs, and Babool twigs for cleaning teeth. These days, people are increasingly interested in how their teeth look after using toothpaste like Colgate or another multinational brand. Parts of India where the clock has seemingly stopped for millennia are not immune to the onslaught of consumerism and globalisation. Families (husband, wife, and kids) are often involved in the decision-making process while shopping for a home in the city, but in rural regions, men typically make purchases alone due to a lack of mobility and market knowledge among rural women. Strong social connection influences rural consumers, and collective decision making is commonplace. In rural areas, the same tactics that work in the city won't work if they're applied to marketing. To capitalise on India's vast untapped rural market, businesses must first have an understanding of the nuances of rural consumers' buying habits.

In order to succeed in rural marketing today, you need to create a model that can be scaled to have a lasting impact on the minds of rural consumers over a wide geographic area and a long period of time. There should not be any overspending on this endeavour. Here's where ad agencies and marketers with a firm grasp of rural consumer habits may make a difference by creating an effective manner of interaction.

Product strategy

The rural market in India is unique due to the fact that it serves a distinct demographic, resides in a unique geographical area, and has distinctly distinct preferences among its patrons. As a result, businesses looking to break into the rural market should focus on conducting differentiated research and tailoring their products accordingly. To succeed in the rural market, businesses must tailor their offerings to the specific demands of the population there. This means making necessary adjustments to the products' structures, quality, and functions to ensure that they fit the needs of farmers while remaining affordable. Farmers' consumption habits and those of the general public must be taken into account when designing product packaging and branding. Improving the product's core functionality while eliminating unnecessary extras is the top priority, since this will have a positive impact on the company's bottom line and its ability to spread its brand name.

Positioning: Advertising goods in rural areas relies heavily on strategic product placement. The success of a product launch depends on the marketer's ability to anticipate customer needs and adapt the product's positioning accordingly. There are three parts to positioning a product or service: figuring out what makes your offering better than the competition's, narrowing in on those distinctions, and getting the word out to your target market.

Existing products might be repositioned for sale in rural areas by companies. Most households in rural areas have large nuclear families, therefore manufacturers can meet this demand by releasing larger appliances. Second, most rural areas in India are experiencing a severe water crisis; this presents an opportunity for businesses to relocate their washing machines, which use significantly less water than conventional models.

Segmentation And Targeting - Rapid growth in the rural market is possible, but only if you apply the right methods of segmentation and targeting. Many businesses wrongly believe that rural marketplaces are uniform. Companies would be foolish to think that their current strategies for product, pricing, and advertising would work in the rural market. Demographic, geographical, psychological, and behavioural characteristics are just a few examples of the kinds of information that can be used for segmentation.

a) **Geographic:** Companies can streamline their distribution channels by breaking the vast rural market into smaller segments with similar geographies.

b) **Demographic:** Different segments of the market might be targeted depending on factors such as income, education, lifestyle, gender, marital status, family size, profession, and religion. The detergents market in India is shaped like a pyramid due to the country's unequal economic distribution.

c) **Psychographic:** Market is segmented by socioeconomic status, lifestyle, and individuality. For instance, it has been claimed that farmers in some regions of Gujarat are opting for powerful 50 hp (horse power) tractors, even though what is actually required are much smaller, often 25 hp to 30 hp ones. The need to "keep up with the neighbours and to mimic their lifestyle," as the explanation put it, was the driving factor.

d) **Behavioral:** The market can be broken down into subsets based on events, desired benefits, user status, usage rate, loyalty status, location, and product ownership status.

Branding: The brand is the most reliable indicator of quality for consumers in rural areas. While nationally recognised companies continue to rise in , regionally recognised businesses are gaining ground in rural areas. Possible causes include consumers' lack of education and ability to spend money in rural areas. Consumers in rural areas are more likely to complain about the sale of low-quality counterfeit products, such as soaps, lotions, garments, etc., even though these items are sold for the same price or less than the national brands. As a result, it is imperative that both domestic and foreign brands place greater emphasis on meeting the demands of the rural consumer by delivering the same branded products that these people in rural areas crave for.

Packaging: When it comes to packaging, smaller sizes tend to sell better out in the country. All necessary items are not yet available in smaller packaging in rural areas. Consumers in the lowest income bracket cannot afford larger and medium-sized packages. The package's labelling is likewise not written in the local language. This is a significant barrier for consumers in remote areas to learn about the features of the product. As a result, before spreading their products in rural areas, businesses should think about the right packaging and the right size of the packets. Smaller pack sizes have been introduced by many fast moving consumer goods (FMCG) companies selling everything from cookies to shampoo in an effort to expand into new market niches. Shampoos, soaps, hair-oil, toothpaste, spices, pickles, jams, ketchups, tea, coffee sachets, confectionery items, medicinal medicines like Vicks, pain-relieving ointments, etc. are now commonly sold in sachets in rural markets. Experts in the rural market may also engage in value engineering to cut down on expensive inputs like raw materials and packaging. Common wisdom holds that markets must be made, not discovered. In the case of the rural market, when demand is stimulated by advertising urban-specific products to rural consumers, this is especially true.

Customized products: Value is often understood by rural consumers in terms of a product's or service's utility, whether that be its longevity, accessibility, or versatility. More and more people in rural areas are adopting urban-style living and behaviour. Markets in rural areas are characterised by a combination of price sensitivity and a keen sense of value for money, as well as rising aspirations. Knowing how to strike that delicate balance is essential for success in those marketplaces. The goal of market growth and creation in the periphery is to boost consumption and open up new markets by means such as better understanding of consumers, individualised product design, competitive pricing, value engineering, and creative forms of advertising and promotion. The necessity of redesigning or changing rural household items is shown through a detailed examination of these things.

Pricing strategy: There is a close relationship between product strategy and pricing strategy. Products must be inexpensive because the vast majority of rural consumers receive only daily wages. The affordability issue has been handled by some businesses by offering micro unit packs. Some examples of such price strategies are provided below.

Varying income Given India's massive income gap, it's likely that many different markets exist there, each with vastly different purchasing power. The goal of consumer goods manufacturers should be to design products with the rural market in mind so that they may capture a bigger piece of that market.

Prioritizing output over profit Businesses should concentrate on the low end of the market, which is quite substantial. There is a sizable percentage of the rural population that relies on daily wages to make ends meet. People who make a living wage on a regular basis often have to cut back on their spending to just the bare minimum. As a result, strategies for marketing in rural India need to put an emphasis on volume over profit margin.

Less expensive: Most companies sell their existing products at significantly inflated prices and employ ineffective marketing strategies when trying to reach customers in rural areas. As a result, they end up appealing mostly to the most discerning niche players. Consumers in rural areas tend to be more price conscious. They often only buy products that are cheap in nature, whether they are national brands or local ones. This gives small and medium-sized enterprises an edge over multinational corporations in rural areas. Furthermore, companies have an unspoken policy of selling low-quality goods in the rural market for a lower price.

Promotional Strategy: Several types of advertising serve as integrating structures between manufacturers and customers. When it comes to consumer goods, this is done on a massive scale, but when it comes to products

sold in rural areas, it is done on a much smaller scale or with a more targeted goal in mind. Producers and processors give thought to the best ways to reach their customers and the ways in which they might be reached. As technology has progressed, people have gained access to both traditional and innovative means of communication. Both broad and narrow forms of dissemination of information are applicable. There are several ways to get information out to the public, including newspapers, magazines, radio, television, the internet, telephones, fax machines, pagers, and mobile phones. The ratios of utilisation change from product to product. There is a different approach of solving five marketing-related duties, including (1) Direct marketing, (2) Sales promotion, (3) Public Relations, and (4) Personal selling. markets, both urban and rural.

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