

A Good Marketing Mix Plan For Rural Markets: A Wonderful Opportunity For Upcoming And Existing Marketers

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Abstract

Rural markets are untouched by marketers and another side there is a full of competition among marketers in urban area markets. Today there is a widened scope for rural markets and competition among the marketers is very less than the urban markets. It is necessary to focus the rural market and grab the opportunity available in the rural market. Rural market is having around 70% of population living in Indian rural area and near about 6,38,365 villages are in Indian rural area, it means a huge market is available **to go and deliver product and services effectively and efficiently** which is untouched even today for a good marketing practice. Rural area market is scattered and large in size most of the income of rural people is generated from agriculture and agriculture-allied activities. Needs, wants, likes, dislikes, preferences, expectations, standard of living, income level, purchase pattern these all things are different in between urban market consumers and rural market consumers. There is a difference in between rural market and urban market, different marketing policies and strategies are required for both markets. Rural marketing is a two-way marketing process some products are produced in rural area and sold it towards urban area (Rural to Urban) i.e., Agricultural Products and some products are produced in urban area and sold it towards rural area (Urban to Rural) i.e., FMCG Products. Marketing tools and techniques can be used for developing, pricing, promoting and distributing rural specific consumer goods and services. So, the present paper is written by researcher on marketing mix plan for rural area market and depicted it in the title of research paper.

Key words-Rural Market, Urban Market, Marketing Mix, Plan, Product, Price, Promotion, Place

1.1 Introduction:

India is a country which belongs to agriculture, which is also known as an agricultural country and mainly introduced itself as a country of villages because where villages are located at large, more than 70% of population is living in villages near about 6,38,365 villages are in the India. i.e., one of the **huge but scattered market** is available to the marketers which is the **biggest opportunity to go and deliver the products and services** which are capable for fulfilling needs and wants of rural customers and helps them to improve the standard of living. The rural customer is totally different than the urban customers. His life style, standard of living, education level, purchase pattern, likes and dislikes, preferences etc. all things are different than city or urban customers. This is a huge and scattered market that is even untouched by marketers because of some

assumptions of MNC's and marketers they totally neglected towards this wonderful opportunity.

One of the famous and well-known management philosopher **C. K. Pralhad** who is also known as a '**Strategy Guru**' he said in his theory of "**Fortune at The Bottom of Pyramid: Eradicating poverty through profits**" that there is a big market where low-income level (\$1500 or < \$1500) people are living. MNC's think that they don't have enough purchasing power, they are not interested to purchase brand products and services, they are not our customers but C. K. Pralhad explained how the B.O.P. (Bottom of Pyramid) market can be served with small quantity and minimum priced product with profitable manner. He explained the importance of B.O.P. market therefore the rural area has a good potential market where:

- 1) 45 % of soft drinks are sold in rural market out of total.
- 2) 50 % of motorcycles are sold in rural market out of total.

- 3) 60 % of cigarettes are sold in rural market out of total.
- 4) 55 % of FMCG products are sold in rural market out of total sale of products.
- 5) 50 % of national income is generated from rural part of the country.
- 6) 22 million Credit cum Debit Cards in city or urban area and 41 million Kisan Credit Cards are distributed in rural area.
- 7) 50 % of LIC policies are taken over by rural customers
- 8) 60% of Rediff mail users there are in rural area.

All poor people live in rural area and all rich people live in urban area like wise all people living in the urban are rich and all people living in the rural are poor. This is a wrong assumption because there are rich people in the rural and poor people in city or urban. Therefore, **marketers have to change their attitude towards rural market** and grab the opportunity available in the B.O.P. market that is rural market. Today there is a great opportunity for marketers which offers vast potential market. Two-third of consumers are resided in rural area almost half of the income is comes from there.

Urban marketers can move towards the rural market from urban market where is a cut-through competition, challenges are for marketers, where marketers have minimum scope for developing, expanding their business and earning profit than the rural markets, Above things can realize us why the rural market is important for today's marketers they can sale their products and services with satisfying customers as well as with good profitable manner. Making changes in **4 Ps of marketing mix that is Product, Price, Promotion and Place and newly added 3 Ps of marketing mix that is People, Physical Evidence and Process.**

1.2 Statement Of Problem:

Rural area has potential huge market but it is scattered nature. Rural market is deprived from marketers because of some reasons. There are some difficulties have to suffer to the marketers. Most of the people of rural are belongs to agriculture the main source of income is agricultural and agriculture allied business activities. The main problem is that marketers think rural people doesn't have enough purchasing power, they don't like the branded

product, they are not our customer because they don't have enough money but these thoughts are totally wrong because there are more people live in village who have much more money, purchasing power and also education level. What are the drawbacks, challenges, difficulties in front of marketers some of the genuine problems of Rural Markets as follows:

- 1) Low per capita income
- 2) Lack of communication
- 3) Transportation and warehousing difficulties
- 4) Scattered market
- 5) Low literacy level
- 6) Seasonal demand/Irregular demand
- 7) Traditional view of customers
- 8) Demand for durable product
- 9) Negative attitude of MNC's about rural market
- 10) Lack of godown facility
- 11) Lack of a proper distribution channel
- 12) Low standard of living
- 13) Multiple languages
- 14) Difficulties in reaching information to customers
- 15) Lack of interest among marketers

There is a huge demand for the products which are agricultural product or inputs like cattle feed, pesticides, seeds, fertilizers and agricultural machineries as well as fast moving consumer goods but above drawbacks should be solved.

1.3 Objectives of The Study:

1. To understand the concept of Rural Marketing.
2. To describe Importance of Rural Marketing.
3. To examine opportunities in Rural Market for upcoming and existing marketers.
4. To study the proper application of marketing mix plan for rural market.

1.4 Scope of The Study:

1. The topical scope of the study is only for Rural Marketing.
2. The present research paper covered contents of Rural Marketing.
3. The paper focus only opportunities of Rural Marketing for marketers not challenges.

1.5 Limitations of The Study:

1. The present study is limited to secondary data only.

2. The study is limited to concept of Rural Marketing.
3. The study is limited for marketing mix plan for Rural Marketing only.
4. The study is limited for theoretical data only.
5. The study is limited for opportunities of Rural Marketing challenges are not considered.

2.1 Review of Literature:

- 1) Sumit Mishra and Vinay Kumar; Rural marketing in India-challenges and opportunities, researcher examine that 46 percent of soft drink, 49 percent of motorcycles, 59 percent of cigarettes, 53 percent of Fast Moving Consumer Goods, 59 percent of consumer durables are sold in the rural market. LIC sells more than 50 percent of its policies in rural India and 20 millions who have signed up for Rediff mail, 60 percent of user are from small towns.
- 2) Dr. Mohd Shuaib, Siddiqui and Aftab Alam; Strength weakness and opportunities of HUL's, the rural consumers unless not triggers them by others they don't prefer new product they attached with old products. Researcher said that companies should understand the needs and wants of the group then FMCG product which required by customers should provide.
- 3) Dr. Deepak Bhandari and Dr. Gaurav Khanna; rural marketing a study in Jodhpur District. The study reveals more than 50 percent of income is generated from rural area the study observes and tells that the sale of washing machine, refrigerators, shampoos, face cream, mosquito repellent and tooth pest is minimum and there is a great opportunity or potential consumers which can be provided necessary product.

3.1 Research Methodology:

The present study is based secondary data. Researcher has not prepared any questionnaire for collecting primary data because this study does not included primary data.

3.2 Data Collection:

The data has been collected for the study is totally on secondary data collection method. The data has collected from the various sources of Internet websites, books, journals, research papers, newspapers and records.

4.1 Thereotical And Conceptual Framework:

The conceptual framework part of this paper is covered all the concepts, definitions and meaning of concepts which are related to the present study and which are key elements of the research paper those all concepts helps to researcher for understanding the concepts properly.

Marketing:

"The science and the art of exploring, creating and delivering value to satisfy the needs and wants of target market at a profit."

-Philip Kotler

"Marketing is the activity, set of institutions and processes for creating, communicating, delivering and exchanging, offering that have value for customers, clients and society at large."

• Rural:

"In general, a rural area is a geographic area that is located outside towns and cities."

"As per census any habitation with a population density of less than 400 per sq., km. is known as rural."

• Rural Marketing:

"Rural marketing is a marketing system that involves the developing, planning and distributing of goods and services so that people in rural areas can access basic products at fair prices."

"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."

• Marketing Mix:

"Marketing mix is nothing but the combination of marketing tools, marketing key activities which are used for promoting, selling products and services. It is a combination of 4 Ps that is Product, Price, Promotion and Place. There are three Ps added newly in marketing mix such as People, Physical Evidence, Process."

❖ A wonderful Opportunity in Rural Market for Upcoming and Existing Marketers:

Today's world is digital market world all world became a small market, all limitations, restrictions are minimized and open the market to all countries for importing and exporting goods and services. Online marketing, Social marketing, Holistic marketing these are emerging concepts in marketing era likewise another one concept is

emerging today that is **Rural Marketing this is a such thing which can be explored by marketers and which has loopholes for finding and getting benefits from Rural Market.**

70 percent of population is living in rural area and near about 162 million households are existing in rural (according to census 2011) 60 percent of India's income derives from rural, small town and semi urban rural area it is notified by Rural Marketing Association of India (RMAI).

Rural area has some specific characteristics and those are agricultural background, main source of income is agriculture, agricultural allied activities, demand for agricultural product, improving standard of living, increasing education level, changing life style of rural consumers, it is one of the foremost income source of the country, backbone of economy it is playing pivotal role in villages that is agriculture, improving transportation facilities, increasing awareness among rural consumers these all things finally affect the rural market, market conditions, demand and supply of market, marketing environment of rural area. Changes in market environment create good opportunities for marketers those can be achieved through providing goods and services with profitably manner by satisfying needs and wants of rural customers.

Rural market demand for fast moving consumer goods, pharma products, auto parts and rural market is increasing. MNC's or business organizations can develop a corporate image, sustainable development of business with investing time, money and efforts through rural markets. Hindustan Uniliver Limited has introduced Shakti project, HDFC bank Ltd. Launched Umbrella Parivartan a wide variety of products to decrease the stress about financial management.

❖ **Marketing Mix Plan for Rural Market:**

Product, Price, Promotion and Place these 4P's are components of marketing mix and People, Physical Evidence and Process these 3P's are added newly in the marketing mix. **An effective combination of these 4P's or 7P's will satisfy customers well and can get command on market within short span of period.** Urban market and rural market are totally different from each other so, preparing marketing mix plan for rural market is different and challenging for today's marketers. Marketers can make a good marketing mix plan for

rural market with considering nature of rural market, purchase pattern, rural consumer behavior, life style of consumer, standard of living of rural consumer, income level, education level, competition in the market etc.

Some Tactics or Techniques for Making Effective Marketing Mix Plan:

- 1) **Product:** Rural consumers mostly prefer or demand for durable product, FMCG products with minimum price and in small quantity. So, product which will delivers to rural consumer that should be in small sachet. Consumers in rural prefers to buy product considering its durability not its look, they don't give more importance for its style or look they mostly notice the durability of product. So, product should be designed and made considering affordability and quality of product not its look.
- 2) **Price:** Price of a product plays vital role in marketing. Rural area consumers have different purchasing pattern, consumer behavior than urban market consumers because there is a traditional view among the elder consumers, like wise young generation consumers influenced by television there is an impact of television on youth of rural therefore pricing policies and strategies should be applied with considering these things.

There is low competition in rural market and consumer also don't have enough knowledge, information so producers have flexibility in price. Marketers can be goes with minimum pricing policy with low margin of profit also they can use skimming pricing policy for making profit and then competitors entering in the market prices can be decreased. Pull and push strategy of pricing as per condition in the rural markets, availability of product, demand of product and life cycle of product determines the pricing strategy with effective pricing policy and strategy marketers can grow their business in rural market.

- 3) **Promotion:** Most of the elder people in rural are illiterate and or minimum educated and another side young generation is aware and literacy level is increased through youth therefore promotional strategies and planning and advertising medium should be used which is most suitable and

appropriate for the same. News papers, wall paintings, pictorial advertisements, direct interaction with consumers, television advertise.

Most of rural people believes when marketers or salesman goes to his door and interacts with customers, showing a demo of product or demonstration of use of product for convincing consumers about usefulness of product so, direct meeting with customer is most effective for rural area consumers.

Marketers have to give some usable necessary goods when promoting sale of product with using promotional tool as a free sample and buy one get one free. If necessary, products are provided to customer as a part of promotion tool, then rural consumer quickly take decision for buying product and services.

Most effective tool of promotion in rural market is exhibition of products, agricultural products, necessary products, technological products this type of exhibition where consumers come with group, friends, relatives and they see the demonstration, get information and after consultation he prefers to buy so this promotion tool is very effective.

Villages traditionally enjoys the festivals like Jatra, Yatra, Ganesh Festival, Navratri Festival and here marketers can sell their products interacting with customers solving doubts and queries of customer when exhibition is arranged.

- 4) **Place:** Currently android mobile phone users are increasing in urban area along with rural area and internet network is also improved. Roads are connecting to cities and therefore marketer has choice for an appropriate, suitable distribution channel which minimizes cost of distribution and finally price of a product. Online marketing, digital marketing provides online platforms to marketers. Mails, SMS, help lines, mobile apps, telephone, what's app, face book, flip kart, Amazon and India mart these all-online platforms are now available from where consumers can interact and information related to market conditions can be gathered or collected which is helpful for improving distribution channel making effective distribution and delivering goods and services at proper time, proper place and proper quantity that is in right time, right place and in right quantity.

Salesman plays important role in rural market, door to door visit and selling products with van, hawkers, through weekly market and at central place of rural because of its minimum intermediaries can be used and product price became lower or it can be benefited to customers as well as business entity.

- 5) **People:** People is newly added p in the marketing mix planning. People means anyone who is involved in the marketing process he may be producer, wholesaler, advertiser, managing teams, representing customers, recruiting and training. Anyone in the organization should be able to solve problems of customers suffering for that purpose it is needed to offer, training, good working environment for employees. Professional, knowledgeable, polite and fully friendly employees help to customers for solving their problems.
- 6) **Physical Evidence:** Physical evidence means overall about brand tells to customers that your business is viable, reliable and legitimate because physical evidence is nothing but the existence of your brand. Branding, social media, logo of your product, packaging of your product, thank you mail after purchasing all these things offer your customer the physical evidence to create a well-crafted strategy that ensures you offer great customer support, be sure to deliver products and receipts efficiently and reliably and provide a customer experience that is seamless across each and every touch point.
- 7) **Process:** Process is nothing but the set of actions involved in movement of product from place of manufacturer to place of consumption it means how to package, deliver, shipping these all actions are involved in delivering the product and service to the customer.

5.1 Conclusion:

In today's 21st century things are changing very fast business environment is become very dynamic which creates challenges and opportunities to marketers. Rural Marketing is also like a dynamic change in marketing era. That creates opportunities. "India lives in her villages" the statement was said by Mahatma Gandhi when more than 620 million people were living in villages that is more than half of million Indian lives in villages. He observes and state

the above statement which tells us importance of Rural. Today most of the people are using android smart phone, the education level is increasing therefore marketers have to change their attitude towards village area market and should be started to get maximum market of rural area. The summary of above research paper is the Rural Marketing concept is emerging today and marketers should focus and grab the opportunities with a good marketing mix plan and therefore title of the paper is made A Good Marketing Mix Plan for Rural Market: A Wonderful Opportunity for Upcoming and Existing Marketers.

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