



# A REVIEW ON SUSTAINABLE AND INNOVATIVE RURAL MARKETING STRATEGIES: CHALLENGES AND OPPORTUNITIES

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## ABSTRACT

Innovation is the main reason behind the growth of a country. The economic growth of a country depends largely on how that country innovates, and reinvents itself in the competitive environment. Innovation helps in managing uncertain business environment. Therefore it becomes very important to study the cause and benefits of innovation in rural region. Companies can initiate in sustainable rural development with health and hygiene, agro and allied activities and infrastructure development and creating income generating opportunities for the rural population. Such initiatives are successful and sustainable when linked with the company's core business and is mutually beneficial to both the consumers and for the company.

**Keywords:** Innovation, sustainable, agro and allied activities, opportunity

## INTRODUCTION

Villages constitute the integral part of any nation. Rural India is the backbone of Indian economy and it contributes significantly to the economy. More than 70% of the Indian population lives in rural areas and depends directly or indirectly on agriculture and allied activities such as dairy, poultry and pisciculture and with more than the half of the FMCG and durables sales coming from these areas, it has become very clear that the next big opportunity in India for selling products is going to be rural areas. As rural Indian markets differ drastically in characteristics when compared with the Urban India markets, factors like literacy levels, income levels, and occupation levels, social and cultural factors are important variables, while the segmentation of the markets and the product, pricing and promotion are done. Rural products and produces are in great demand in the cities and urban areas and even globally due to changing preferences of the urban consumers. Rural products like handlooms and handicrafts are very popular among foreign tourists. These changing preferences for rural products have a significant impact on the Indian economy. Many rural innovations have come up with an idea of designing and delivering products at affordable prices. Therefore this paper attempts to highlight a few rural sustainable and innovations in different sectors like agriculture, telecom and banking industry.

## OBJECTIVES OF THE STUDY

The main objectives of the study are:

- (1) To understand the sustainable and innovative ways of rural marketing.
- (2) To find out the natural problems of the rural market.
- (3) The market strategies which can be successfully implemented to exploit the potentials of the rural market.
- (4) To find out the views of the rural consumers about the consumer goods.
- (5) To understand the opportunities in the rural market.

## CHALLENGES

- i. Low Literacy: The proper education facilities are not available in these areas. The education level is very low (36%) when it is compared to all-India literacy average of 52.
- ii. Communication Problems: Technologies such as telephone, fax and message, internet are very less available in these areas. Rural areas are not able to take advantages of such things.
- iii. Traditional Life: Life in rural areas continues to be ruled by old thinking's as well as traditions and other people don't simply accept sudden changes.

- iv. Awareness: There is very less awareness as well as knowledge of customers buying behaviour in the Indian markets makes issues in preparing methods and selling strategies.
- v. Seasonal Demand: Need of a product in the markets is based on the farming scenario, as farming is one of the important supply of money. (Sivanesan, 2014) studied that farming mostly depends on the climatic conditions and hence, the need or purchasing capability isn't regular.
- vi. Transportation: Being a hill district, several areas aren't well connected transportation systems such as by rail and road transport. Kacha roads are not useable in the rainy season as well as the interior villages get isolated.
- vii. Distribution: An efficient goods providing plans is needed for village-level merchant, Mandal/Taluka-level wholesaler or most popular dealer, distributor at the district level and the firm which owns selling at a higher level. Due to a lot of levels within the distribution system will increase the price of distribution.
- viii. Buying Decisions: Rural customers as always are very careful while deciding what to buy and this process is kind of slow and extended. They prefer to take some early use experience and solely after attaining the level of satisfaction these people will buy that product.
- ix. Language Barrier: There are a lot of different dialects of different communities which the rural villages have over different areas is one more issue the sellers have to face. Urban is basically ruled more by English and Hindi while the rural parts usually want communication systems available in their native language and idiom.
- x. Packaging: Packets of small size are in high demand in rural areas. All product don't seem to be offered in small packing's. However, branding is not available in their native language, so rural individuals do not grasp the features of the goods sold.
- xi. Cultural Factors: Culture is said to be a set of shared values, beliefs and perceptions which are said to have a change on buying patterns of customers. A lot of groups vary from one another and are on the basis on religion, caste, occupation, income, age, education and politics and every cluster has its own effect on the buying pattern of individuals in the rural. The rural people believe on experiences and consider it very necessary rather than proper education and when a salespersons offers them practical solutions for the issues they tend to buy from him.
- xii. Urban mind vs rural mind: There's an amazing distinction comparing the urban and rural outlook. It has an enormous difference within customer behaviour in rural areas and urban areas. Most of the sales people are from cities and that's the way they think which is a problem to go parallel with the rural customers.
- xiii. Warehousing drawback: It causes trouble for the goods and price side of selling mechanism. Covering the specified level in the delivery of product looks terribly troublesome. The value of providing the goods becomes very expensive.
- xiv. No desire to adopt a new lifestyle: Rural areas are very traditional and these customers are mostly carried away by culture, religion and belief. They have a tendency for following their traditional and old customs and therefore their life goes on a steady pace.
- xv. Media and Promotions: The rural consumers are less likely to be attracted towards advertisements made for the urban consumers as they cannot relate to them and feel connected, marketers need to adopt a strategy which the rural consumer can relate to.

## OPPORTUNITIES

- i. The Indian Government took a lot of steps to supply and renovate infrastructure of some areas due to which it will be help to increase factor impact in distribution of products, goods and other services which will in return increase the income after rising consumption.
- ii. Multinational companies such as Flipkart, Snapdeal and Paytm have signed Memoranda of Understanding (MoUs) with the government of India to succeed in areas with the help of regional centres which are constructed in villages which comes under the 'Digital India' initiative.
- iii. The demand for skilled labours is increasing day by day therefore the government decided to train more than 500 million individuals by the year 2022 and is searching for MNC players as well as budding entrepreneurs to assist during the process. Companies, government, and academic organizations are coming together and taking efforts to train, educate and provide skilled employees (Tikku, 2017).
- iv. The Union cabinet of India introduced the Pradhan Mantri Krishi Sinchae Yojana (PMKSY), and planned a donation of Rs 50,000 crore (US\$ 7.5 billion) which is for a period of five years from 2015-16.
- v. The initiatives are aimed to supply water to each village in Indian nation by covering varied irrigation plans for one centred irrigation plan. Government of India intents for paying Rs. 75,600crore (US\$ 11.34 billion) for produce Electric supply with the help of alternate feeders for farm and for domestic use for the Indian rural areas. This plan is focused toward increasing potency of supplying electric power and hence giving non-stop power offer for rural parts of India.
- vi. For increasing farm-based works the govt started 'A scheme for Promotion of Innovation, Rural business and Entrepreneurship (ASPIRE). Below this plan, a set of technology centres as well as incubation centres have been made to speed-up the entrepreneurship as well as to push start-ups with innovation and entrepreneurship in farm-industry.
- vii. The government of India looks to push innovation and technological modification within most of the rural and tribal regions. The govt intends to make a group to review varied innovations for submitting the studies to the involved Department or Ministry. (Rao, 2013) The scheme known as the 'Nav Kalpana Kosh' which targets the improvement of rural parts at varied levels, like governance, farming as well as health and hygiene.

viii. Financial institutions are operating to line up rural ATMs, which can provide money in small amounts of notes.

ix. Large Market – the population numbers of the rural market itself shows how huge the potential in this market is and if conquered in the best possible way it can lead to growth like never before.

x. Awareness – the rural consumer is aware as opposed to the conventional thinking that they might not know about products and feature, hence they want products which are value for their money.

xi. Rising Literacy Rates – the increase in the literacy rate of the rural population is increasing and this leads to demand of new products to be utilized by the rural consumer.

xii. Risk Reduction During Recessions – Both urban and rural markets are subject to recession differently depending on the sectors affected such as primary, tertiary and secondary, companies which are invested in both rural and urban markets can safeguard themselves from this risk.

## LITERATURE REVIEW

A lot of studies are available in India with reference to Indian markets in rural that has disclosed serious reverse of the unpredictable perspective of low value to a possible supply such as rural India marketing.

Research scholars Pawan Kumar and Neha Dangi in the research done by them on rural marketing in India give an insight into the phases of rural marketing in the years before 1960s, 1960 to 1990 and after mid 1990s, including how rural marketing was known as agricultural marketing, then the green revolution took place, and how eventually rural marketing was known differently from agricultural marketing. We got to understand what is that the rural India buys is small units but of good quality. The challenges faced while trying to penetrate the rural market is transporting the products to these remote areas, secondly about underdeveloped areas and thirdly because the storage of production. (Kumar & Dangi, 2013)

In the study the researchers it is found that when communicating with the consumers of the rural segment we need to generate awareness and demonstrate to them for their better understanding. For resolving the transportation distribution challenges companies need to make vans as a medium of transportation, and need sales people willing to work in areas which are remote for better penetration. (Rani & Shrivastav, 2014)

The 4As model of rural marketing has been a more consumer-oriented approach towards understanding the rural consumer, the 4As of Rural Marketing are an effort for sustainability in the rural markets, this model is more suitable and successful for rural markets. For acceptance the products need to be of good quality, high value and of maximum utility in a rural environment. The rural customer is concerned over the pricing of the products as they do not earn equally to their urban counterparts hence need to be able to afford products for their maximum value and minimum price available. Awareness should be done with keeping in mind the rural perspective and their point of view, and acceptability means to introduce distribution methods whose implemented along with the help of rural consumers can be successful is benefiting the consumers as well as the companies. (Naidu, 2017)

In the paper of the review of the changing scenario in rural marketing they present a profile of the rural consumer which is that these people are aware and rural children are found to be much aware about branded products of daily use, rural women tend to purchase products of low price and good durability in which those who work on the fields have less purchasing power. The rural youth is connected to the internet and is aware about the world and because of this are different than the traditional norms. There are still a number of customs and traditions which the rural consumers follow regarding purchasing patterns on certain days which need to be respected by marketers in order to succeed in this environment. (Kale & Chobe, 2016)

The rural market in India is similar in behaviour and sociological factors of the nation we live in the status of rural marketing has been changing as the population of rural consumers is shifting from low literacy rates because of which they were less aware of brands, now the people are more aware of these brands and expect value for their money, also the income of these households is expected to increase along with developing infrastructure. (Talwar, Popli, & Gupta, 2014)

The initial approach towards the rural consumers was with the perspective that the rural segment comprises only of farmers working on the field but this dynamic is not the same and is changing rapidly, the challenges discovered by the author in the paper, to capture and overcome these challenges we need to build effective communicative strategies with the right marketing mix and take into consideration the 4As of Rural Marketing for increasing the economic development of these rural areas. For the behaviour of rural consumers towards FMCG the consumers get to know about the FMCGs most through electronic media, and the penetration of FMCGs as an example reveals that most of the people go to weekly haats to purchase their products and family members have a huge influence in the buying of a particular brand. Most of the consumers consider the price before purchasing a FMCG, and most of these consumers pay through cash, because people in these areas do have seasonal incomes. The rural market will develop immensely in the future, the availability of the products is a key significant role, and hence the FMCGs should make products available in small units with a small price range which is affordable by the rural consumer. (Pradhan & Misra, 2012)

The authors of a study on SWOT in Rural Marketing state how the rural market has changed in the past decades, it was not a target market area earlier but today it has a consumption growth rate higher than the urban market; Rural market is expecting an increase in demands. The authors conduct the study in southern-part of Tamil Nadu in India. In the SWOT analysis, it is found that between traders and farmers there are some differences with regard to certain variables. The personal efforts by the marketers are the strengths, the weakness is the challenges which a marketer faces in the rural market. (Nadarajan & Rangith, 2018)

There is a high potential in rural India but exists major differences between the existing and the desirable levels of rural marketing. Market research would help the company to know more about the market as well as Promotion in the rural market will make the target market aware of the brand. The Project Shakti used assist teams all over the country to sell HUL goods more to boondocks. It is a programmer that produces income-producing opportunities just for the below privileged women in rural areas; by improving their standard of living which they do by increasing awareness about health as well as hygiene; gives power to the Indian rural areas by making available the important information with the help of several platforms while conjointly associate with NGOs to unfold accomplishment. More than 15,000 Project Shakti workers, among them a lot of them are girls that too in more than 61,000

villages across twelve states in India. So much focus on selling, using behaviour are dynamic and shows a modification within restrictive atmosphere. Mahindra's Krishi Vihar project is helping the farmers to increase their groundnut yield in places of Rajasthan with the help of a replacement seed brought from another place of geographic region with its conjointly announced the replacement type of grapes within a geographic region. Indian rural market share is more than \$27 billion. (Kalotra, 2013)

### STRATEGIES UNDERTAKEN BY COMPANIES:

i. Easy-Way communication: The businesses are now focusing on the uses of correct communication in a native language just to sell their product particularly in the rural market. Starting with the thought of better quality accompanied with correct communication and simply perceivable manner of communications.

ii. Changing Pattern of Rural Customers: Nowadays village people are perpetually trying to use different branded product and sensible services. Indian consumers in the rural areas were not always valued focused, however, focus on value for cash. They're now able to buy luxury goods only when that item is providing few further use in the near future.

iii. The Best Promotion and Quality Perception: Industries who have modern technologies are easily able of communicating their goods and services to the client. There's a fifty-fifty for the quality one consumer gets and what a corporation needs to communicate. Therefore, the placement of proper technology is extremely important. The way of looking of the Indian customers regarding the specified item is very volatile. Currently, corporates recognize the distinction between the goods, and also the uses which it provides.

iv. Promoting Indian Sports Team: Corporations are targeting the sports industry, just in case to connect themselves with the country. According to them doing this will help them to have an effect on the thinking of the customers, best example is what they do at the time of cricket World Cup. Another case is of Hero Honda motor cops who planned a campaign "Dhak dhak Go" different, alternative corporations have additionally used campaigns throughout the World Cup. (Gulati, 2013) The product Campaigns such as, "Be Indian" firms are currently telling you to be Indian. It's a traditional for an Indian in which they try to connect themselves to the country through the merchandise.

v. Developing Specific Products: Several corporations are making a rural-specific product. By understanding the wants, a company makes this product. Electrolux has started to work on products which are made-for India refrigerator structured specially for providing the basic facilities such as: cold water, keeping food fresh, and to resist cuts on power. Other than that in-service companies such as Insurance, for concentrating on a small insurance product just for these segments.

6. Effective Media modes of communication: Nowadays media is basically in use for rural selling is mostly used by corporations. The standard media which consists of melas, puppetry, folk's theatre etc. whereas today's new media consists of T.V, Radio and E-Chaupal. LIC is using puppets to teach rural plenty regarding what kind of insurance strategies they have for them. Indian government is also using the puppetry method for many of its campaigns for promoting the social problems.

7. Patriotism with product and services: Firms are now connecting their products and services with the country by talking about India, by an expression showing that they're Indian as well as loyal to the nation. By applying the Tricolor Indian flag whereas making advertising throughout the Day of Independence as well as the Republic day where the brand Nokia came up with a design of a brand new mobile 5110, which had the tricolor while specially keeping the calling as well as the ringtone of "Sare Jahan se achcha".

### CONCLUSION

The green revolution and the white revolution combined with the overall growth of Indian economy have resulted into substantial increase in the purchasing power of the rural communities. Organising a suitable back-haul method for distribution vehicles may prove to be an economic to transport the "urban goods" like soap, detergent, oil, cream, shampoo, tooth paste, and other daily necessary items for the rural consumers and in the return journey, transport the fruit and vegetables etc. from rural areas to the nearest towns and cities for distribution among the urban consumers. The general insurance companies may promote their policies of health insurance, crop insurance and vehicle insurance through the existing co-operatives. Marketers may arrange more number of ware-houses for storage and re-packaging into smaller pouches for which employing local villages will work profitable and popular. Markets need to develop innovative packaging technology which would be economic, protective and improve self-life of goods. All communication in the rural areas must be in the regional language and dialects. The levels of unemployment are very high in the rural areas. Hence, any marketing strategy which involves the scope of income generation would be more preferable. The success of "Self Help Groups", which helps in generating income apart from operating like direct to home distributors, is a reflection of this viewpoint. Another important problem of sustainable rural development in India is lack of access to critical information and services. As we know, that India has large geography and weak infrastructure; it is often difficult to reach out to the rural areas. In such situation corporate initiative can play important role to promote livelihood opportunities and increase in living standards of rural communities. Innovative strategies in agriculture and horticulture sector, cold chain logistics, supply chain and in telecom sector will play a major role in the sustainable development of both rural villagers and marketers. It demands that companies should work on public private partnerships to address these challenges. This will be helpful in finding innovative solutions and build on the opportunities, this opportunity may lead to the sustainable rural development.

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