



Perspectives Of Rural Marketing In India: An Overview Of Companies Practices And Government Initiatives

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Abstract: Rural marketing in India involves tailored strategies to reach diverse rural consumers by understanding their unique needs and purchasing behaviours, which are influenced by factors like community opinion, seasonal income, and a focus on value for money. The main objectives of this study are to study the rural marketing activities of companies and government initiatives to develop rural marketing activities and to analyse the green marketing practices of companies in the present days. The source of this study is limited to secondary sources, in this research extensive review of existing literature and websites information are considered analyse and interpret. Opportunities in Indian rural marketing include a vast untapped market, rising incomes, improved infrastructure, and increasing digital penetration. These factors have created demand for a wide range of products, from agricultural inputs to durable goods and FMCG, making rural areas a significant growth area for companies seeking to escape saturated urban markets. Rural marketing in India faces challenges like poor infrastructure, low literacy, income sensitivity, and cultural/language barriers, but also presents opportunities such as a large untapped population, rising literacy, increasing purchasing power, and the potential for innovative digital strategies.

Key Words - rural marketing, companies, Government initiatives, rural marketing activities.

Introduction:-

Rural marketing in India involves tailored strategies to reach diverse rural consumers by understanding their unique needs and purchasing behaviours, which are influenced by factors like community opinion, seasonal income, and a focus on value for money. Key elements include adapting products and prices, building accessible distribution networks through local markets and micro-distribution centres, and using both traditional media like audio-visual vans and digital platforms for promotion. Marketing efforts are categorized into agricultural products and non-agricultural products, with successful strategies.

India's rural market is a large, diverse, and growing segment of the economy, with significant data points indicating its economic importance and key characteristics. For example, 742 million people live in rural areas, and the market is estimated to be worth approximately Rs. 123,000 crore across various sectors like FMCG (Rs. 65,000 crore), agri-inputs (Rs. 45,000 crore), and vehicles (Rs. 8,000 crore). The market's growth is influenced by factors such as improving infrastructure, rising incomes, and government initiatives, even while facing challenges like limited infrastructure and complex distribution channels.

Approximately 60% of rural income comes from agriculture, though reliance is slowly decreasing as other industries gain prominence. Rural income has been growing, with some estimates suggesting rural income growth outpaced urban income growth in recent years. A significant portion of rural sales is concentrated in a smaller number of villages; for instance, about 33% of villages account for 80% of all rural FMCG sales. Consumer behaviour: Rural consumers often have a traditional outlook, though this is evolving. They value local influencers and traditional communication methods, but are also increasingly connected through mobile technology.

Review of Literature:-

- 1. Akanksha Bharti and Vineeta (2017):-** presented a review of rural markets environment, Problems and strategies in India. Fast pace of technology advanced every sphere of social, economic, political cultural life, produce, reduce costs, distribute, and expect higher profits. Urban markets have saturated led to look rural markets. The focus is on tapping the rural markets.
- 2. K Maha Lakshmi and T Rama Devi (2020):-** assessed the rural market behaviour and rural market structure and rural consumer's behaviour towards buying motives. The fast-moving consumer goods scenario in India and in Andhra Pradesh in particular situation to Guntur District. The market strategies have a greater influence on the brand and quality of products that are available in rural markets. Companies need to be careful in implementing the marketing strategies relating to Product, Price, branding etc. in order to attract the rural consumers. In the days of the Digital marketing the companies show attractive features to retain the customers in the rural markets.
- 3. Harsh Kumar (2023):-** evaluated that the rural India has enormous chances for businesses to expand and prosper. To compete in India's rural marketplaces, businesses must overcome several obstacles. India has 833 million people, compared to 377 million in cities, thus there are enormous untapped prospects in rural India. Yet, lacks of infrastructure, marketers are unable to take advantage of these chances. The number of middle-class and higher-earning households in rural India is expected to increase from 80 million to 111 million. For marketers and multinational corporations (MNCs) who comprehend the dynamics of rural marketplaces, the future may be quite promising. Many difficulties and chances exist that may entice marketers to increase their market share in rural areas.
- 1. Prof. (Dr.) R. K. Ghai and Mr. Sunil Dutt Sharma (2023):-** analysed the rural market in terms of rural market strategies practiced by Four established companies belong to different industries namely ITC, HUL, LG, Nokia to tap the rural market and behaviour of rural consumers. This study has been conducted in four selected rural districts of Madhya Pradesh state of India that is the central province of the country.

Research gap:-

A review of the literature on rural marketing in India reveals that it's a growing field driven by the untapped potential of a large rural population, but faces unique challenges related to infrastructure, communication, and diverse socio-cultural factors. Key themes include identifying opportunities like increased rural income and consumer demand, overcoming challenges like distribution and low literacy, and developing strategies that consider rural consumer behaviour and preferences, often necessitating localized approaches rather than simply applying urban models. The absence of distinctive rural marketing theories and frameworks, the dearth of research on creating tailored, regional marketing strategies, and the need for additional studies on the effects of digital penetration and the shifting mind-set of rural consumers are some of the research gaps in Indian rural marketing. Furthermore, a lot of study focuses on issues like literacy and infrastructure, but more is needed to understand how marketing principles may be applied effectively to address issues and spur growth.

Objectives of the study:-

2. To study the rural marketing activities of companies and government initiatives to develop rural marketing activities.
3. To analyse the green marketing practices of companies in the present days.

I. The rural marketing activities of companies and government initiatives to develop rural marketing activities:-

Major FMCG companies like Hindustan Unilever, ITC, Nestle, Dabur, and Britannia have a strong presence in rural markets, often using strategies like affordable pricing, smaller pack sizes, and expanded distribution networks. By providing premium items at reduced unit prices, expanding their distribution network through regional agents and retailers, and occasionally constructing local factories, these businesses are modifying their offerings and marketing strategies to appeal to the expanding rural consumer base.

Examples of FMCG companies in rural markets:-

- ✓ Project Shakti is the core of HUL's rural distribution, the Project Shakti network of women entrepreneurs is now utilizing the Shikhar app for digital ordering and facilitating digital payments from customers.
- ✓ In order to increase consumption, ITC Limited focuses on providing high-quality goods, such as cookies, in reasonably priced ₹10 packets. It is also expanding its eB2B platform to interact directly with retailers.
- ✓ With more than 31,000 rural distributors, Britannia Industries is striving to increase the frequency and extent of its outlet coverage in these regions.
- ✓ To increase accessibility in rural areas, Godrej Consumer Products Limited has introduced reduced pack sizes for items like incense sticks and hair colour.
- ✓ Throughout the upcoming years, Nestlé India intends to reach a considerable number of communities. A multi-faceted approach that focuses on expanding its distribution network through initiatives like "RURBAN smart stores," leveraging on-the-ground personnel via the "Feet on Street" program, and adapting its product portfolio to local tastes.
- ✓ Marico's initiative to strengthen its supply chain and distribution network Has launched "Project Setu" to boost its direct rural distribution and reach. Marico has already expanded the program to 11 states. The focus is on reaching more rural shops while also improving product variety in cities and pushing premium products.

Rural marketing initiatives by companies in India:-

Companies in India use a variety of initiatives for rural marketing, including product miniaturization (like ₹10 packs) and tiered pricing to cater to affordability, leveraging traditional channels like fairs, haats, and folk media, and building distribution networks through local retailers, self-help groups, and collaborations with companies like IOC. Brands also focus on awareness through direct consumer engagement like mobile vans and local events, as well as digital platforms that connect with rural areas.

Examples of initiatives:-

1. Hindustan Unilever Ltd. (HUL):

- Hindustan Unilever (HUL) is modernizing its rural market efforts in 2025 by deepening its use of digital technology, adapting its marketing and product strategy to changing rural consumers, and focusing on supply chain efficiency.
- Launched initiatives like "Project Shakti" to empower rural women as sales agents; it has financially empowered over 190,000 women across 18 states, enhancing their confidence and social standing.
- HUL's on-going rural strategy, including a 2025 focus on sustained growth in rural and semi-urban India, builds upon the foundational success of programs like Operation Bharat.

2. **ITC:** In 2025, ITC's rural marketing efforts are focused on expanding existing initiatives like e-Choupal, Choupal Saagar, and Project Shakti, and adapting to evolving consumer behaviours by introducing new products in affordable mini-packs. The company is strategically leveraging technology, adapting its product portfolio to meet rising rural incomes, and enhancing its distribution to meet the increasing demand and purchasing power in rural India.

Rural marketing initiatives by government of India:-

The Indian government promotes rural marketing through initiatives like the National Agriculture Market (e-NAM), which connects local markets to a national digital platform for farmers. Other key efforts include the Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM), which fosters rural entrepreneurship, and specific schemes like Pradhan Mantri Dhan-Dhaanya Krishi Yojana and Mission for Aatmanirbharta in Pulses that focus on boosting production and creating market linkages for specific crops. Additionally, there are schemes to improve agricultural infrastructure and provide financial assistance for various rural businesses.

Digital and market access initiatives by Government:-

- ❖ **E-NAM:** e-NAM's performance shows significant growth in trade volume and registered stakeholders, with over Rs. 3,20,766 crore in trade from April 2020 to March 2025. As of June 30, 2025, 1,522 mandis and 1,79,41,613 farmers are registered. While performance indicators like growth in registered users and commodity trade volume are positive, challenges remain, such as low inter-state trade volume and the need for greater awareness and training for farmers.
- ❖ **Pradhan Mantri Kisan Samridhhi Kendras (PMKSKs):** Significant milestones for the Pradhan Mantri Kisan Samridhhi Kendras (PMKSK) scheme were achieved in 2024–2025, driven largely by the integration of Primary Agricultural Credit Societies (PACS). By October 2025, more than 10,000 PACS had been upgraded to function as PMKSKs and Common Service Centres (CSCs), expanding the reach of agricultural inputs and services to farmers nationwide.

Entrepreneurship and livelihood programs:-

- ❖ **Start-up Village Entrepreneurship Programme (SVEP):** In 2025, Assam was the leading state in the Start-up Village Entrepreneurship Programme (SVEP), supporting 9,557 non-farm enterprises, followed by Kerala and West Bengal. Overall program performance indicates significant impact, with 75% of enterprises owned by women, 82% of entrepreneurs from marginalized communities, and a 57% contribution of SVEP enterprises to household income. Key initiatives include the Community Enterprise Fund for seed capital and Business Support Services provided by Community Resource Persons-Enterprise Promotion (CRP-EP).
- ❖ **Deendayal Antyodaya Yojana: Self-Help Groups (SHGs):** The program mobilized 10.05 crore rural households, mostly women, into over 90.90 lakh SHGs across 28 states and 6 union territories. To boost rural financial access, 47,952 Bank Sakhis (trained SHG members) were deployed to help SHGs with financial services, including opening accounts and accessing loans. A total of ₹58,714.44 crore was provided as capitalization support to SHGs and their federations since the program's inception.

Sector-specific and financial schemes:-

- ❖ **Pradhan Mantri Dhan-Dhaanya Krishi Yojana:** The Pradhan Mantri Dhan-Dhaanya Krishi Yojana (PMDDKY) is in its initial phase in 2025, and its performance is already being seen in many areas. The scheme was launched on July 16, 2025 and aims to improve 100 low-performing agricultural districts over a period of 6 years, PIB. Its initial performance is being measured based on 117 key performance indicators (KPIs),
- ❖ **Mission for Aatmanirbharta in Pulses:** The "Mission for Aatmanirbharta in Pulses" (2025-26 to 2030-31) is a government initiative with a budget of ₹11,440 crore to make India self-reliant in pulses by increasing domestic production to 350 lakh tonnes by 2030-31. Key strategies include expanding cultivation area to 310 lakh hectares, distributing free seed kits and certified seeds, ensuring 100% procurement of Tur, Urad, and Masoor at MSP, and promoting climate-resilient varieties and modern farming techniques.
- ❖ **Interest Subvention Scheme:** Continuation and Budgetary Allocation: In May 2025, the Union Cabinet approved the continuation of the MISS for fiscal year 2025–26, allocating ₹15,640 crore for the scheme. The government provides a 1.5% subvention to lending institutions for short-term crop loans up to ₹3 lakh. Farmers who repay their loans on time receive an additional 3% Prompt Repayment Incentive (PRI), lowering their effective interest rate to 4%. The scheme has significantly boosted agricultural credit flow. Institutional credit disbursed via KCCs increased from ₹4.26 lakh crore in 2014 to ₹10.05 lakh crore by December 2024. Overall agricultural credit increased from ₹7.3 lakh crore in FY 2013–14 to ₹25.49 lakh crore in FY 2023–24.
- ❖ **National Livestock Mission:** In 2025, the National Livestock Mission (NLM) is focused on entrepreneurship and breed improvement, with a 50% capital subsidy for poultry, sheep, goat, and piggery ventures. Performance data from up to July 2025 shows a positive trend in meat, egg, and goat milk production growth for FY 2023–24. Modifications in early 2024 also introduced initiatives for camel, horse, and donkey breed upgrading, along with expanded fodder production and insurance support.
- ❖ **NLM-EDEG:** As of January 13, 2025, a total of 3,010 projects had been approved under the NLM-EDP since the realigned scheme was launched in 2021. The total cost of these approved projects was ₹2,182.52 crore. Subsidies of ₹1,005.87 crore have been released for these projects. The NLM-EDP offers a 50% capital subsidy, up to ₹50 lakh, to individuals and organizations for various livestock ventures.

- ❖ **New Agricultural Marketing Infrastructure (AMI) sub-scheme:** this is a sub-scheme is a demand-driven, credit-linked program by the government to develop agricultural marketing infrastructure, including storage and rural markets. It provides beneficiaries like farmers, FPOs, and agripreneurs with a 25% subsidy (33.33% for NER, hilly areas, Women/SC/ST promoters, and FPOs) for projects such as building godowns, rural haats, cold storages, and primary processing facilities. The scheme, under the Integrated Scheme for Agricultural Marketing (ISAM), is implemented through financial institutions with subsidies disbursed by agencies like NABARD.

II. The green marketing practices of companies in the present days:-

Green marketing examples in India include companies like Tata Motors (electric vehicles), HUL and Myntra (sustainable packaging), Infosys and SBI (energy-efficient buildings and "green IT"), and Nerolac and Asian Paints (low-VOC paints). These examples showcase strategies such as using eco-friendly products, implementing sustainable packaging, reducing energy consumption, and promoting eco-conscious initiatives.

Examples by company and strategy:

- ✓ **Tata Group's Tata Motors:** produces electric vehicles (like the Nexon EV) to promote sustainable transportation. Tata Motors is integrating electric vehicles (EVs) and sustainability in rural India through affordable and reliable products, creating partnerships for charging infrastructure, and building brand trust.
- ✓ **Tata Group's Tata Power** Invests in renewable energy sources like solar and wind power. Tata Power promotes rural sustainability through its renewable microgrid initiative, which provides affordable, clean electricity to villages using solar power and battery storage. These microgrids support local businesses, improve quality of life, and reduce fossil fuel dependence, with plans to expand significantly across India.
- ✓ **Tata Chemicals** Focuses on sustainable agricultural practices and offers eco-friendly products like organic fertilizers. Tata Chemicals contributes to sustainable agriculture in India through its subsidiary Rallis India, by developing eco-friendly products and promoting climate-smart farming practices. This includes a focus on research and development through the Rallis Innovation Chemistry Hub (RICH), creating sustainable agrochemicals, and providing training and support to farmers for improved productivity and income, notes Tata Chemicals. Key initiatives include investing in green chemistry, using precision agriculture technologies like drones, and partnering with organizations like BAIF to develop bio-based solutions.
- ✓ **HUL** has recovered and recycled more than 1,000 tonnes of plastic waste into packaging by manufacturing over 100 million bottles. Riding on this success, HUL now aims to reduce their plastic footprint by at least 50% through the eradication of 1, 00,000 tonnes of plastic and using at least 25% recycled plastic by 2025.
- ✓ **State Bank of India** Introduced paperless banking services through ATMs and cards. Utilizes eco-friendly equipment in new ATMs and has green banking branches. Uses wind energy to reduce emissions.

SBI Foundation's initiatives: - The SBI Foundation spearheads integrated development programs to build self-reliant rural communities.

SBI Gram Seva: This flagship program adopts villages for holistic socio-economic development, impacting more than 3 lakh lives across 235 villages and 25 states. The initiative focuses on improving livelihoods, skill development, healthcare, education, and sanitation.

SBI Youth for India Fellowship: This fellowship encourages young urban professionals to work with experienced NGOs on grassroots development projects in rural communities. The program covers various themes, including rural livelihoods, environmental protection, and women's empowerment.

Environmental conservation (CONSERW): This program combines environmental and livelihood efforts for long-term sustainability. Projects include afforestation and habitat conservation for wildlife like the Red Panda, which simultaneously creates ecotourism opportunities for local communities.

Sustainable finance and agri-lending: - SBI uses its lending power to promote sustainable practices in rural and agricultural areas.

Agricultural lending: As India's largest agri-lender, SBI disbursed over ₹3.5 lakh crore in financial year 25 to support farm infrastructure, farmer producer organizations, and cooperatives. These investments are designed for long-term, sustainable rural development.

Green finance products: SBI offers specific loan products and services designed to fund eco-friendly projects in rural areas. These include:

- ✓ Financing for solar photovoltaic (PV) pump sets under the PM-KUSUM scheme.
- ✓ Loans for setting up Compressed Bio-Gas (CBG) plants under the SATAT scheme.
- ✓ Financing for polyhouse farming to help increase crop yields and promote sustainable agriculture.
- ✓ PM Surya Ghar–Loan for Solar Rooftop: A key part of the bank's commitment to achieving India's Net Zero 2070 targets, this program aims to solarize 4 million homes by FY2027, including those in rural areas.
- ✓ **Wipro** Launched "Greenware" computer peripherals that is compliant with RoHS (Restriction of Hazardous Substances) regulations, which helps reduce e-waste. Wipro Greenware was a line of eco-friendly computers and components designed to reduce environmental impact by eliminating hazardous materials like PVC and BFRs. Key features included compliance with RoHS regulations, energy conservation, and the use of recyclable and biodegradable packaging materials. The initiative was part of a broader commitment by Wipro to "Green IT" and sustainability.
- ✓ Asian Paints and Nerolac Manufacture paints with lower Volatile Organic Compound (VOC) content, which helps reduce air pollution. Asian Paints addresses Volatile Organic Compound (VOC) levels by offering a range of "low VOC" and "zero VOC" paints, with many products meeting stringent standards like the Green Seal GS-11 certification. This commitment is part of their "Green Assure" initiative, which aims to provide eco-friendly products by restricting hazardous materials and minimizing VOC emissions, which improves indoor air quality. Products like Royale Aspira and others are certified or formulated to meet these guidelines, and their offerings include specific products like Royale Health Shield with low VOCs and anti-bacterial properties.

Conclusion:-

Opportunities in Indian rural marketing include a vast untapped market, rising incomes, improved infrastructure, and increasing digital penetration. These factors have created demand for a wide range of products, from agricultural inputs to durable goods and FMCG, making rural areas a significant growth area for companies seeking to escape saturated urban markets. Rural marketing in India faces challenges like poor infrastructure, low literacy, income sensitivity, and cultural/language barriers, but also presents opportunities such as a large untapped population, rising literacy, increasing purchasing power, and the potential for innovative digital strategies. Effectively targeting these markets requires tailored strategies that address the unique characteristics and needs of rural consumers, such as focusing on affordability and accessibility. Green rural marketing in India involves promoting eco-friendly products and practices in rural areas, leveraging both traditional methods like biogas and earthenware, and modern sustainable innovations. Key aspects include focusing on environmentally safe products, highlighting corporate social responsibility, and adapting strategies to rural conditions like affordability and local availability. Green marketing in rural India involves promoting sustainable practices like using biogas for energy and traditional methods like 'surahi' for cooling water instead of refrigerators. It also includes government schemes that promote sustainable development, such as organic farming, waste management, and using locally sourced materials in housing projects. Companies are increasingly targeting rural consumers with affordable green products, recognizing their growing environmental consciousness.

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