

“INNOVATION OF RURAL MARKETING”

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Abstract: The concept of rural marketing in India is often been found to form ambiguity in the minds of people who think rural marketing is all about agricultural marketing. However, rural marketing determines the carrying out of business activities bringing in the flow of goods from urban places to the rural regions of the country as well as the marketing of various products manufactured by the non-agricultural workers from rural to urban areas. There is much that modern science and technology can do to realize this vision. Rural incomes have to be increased. Rural infrastructure has to be improved. Rural health and education needs have to be met. Employment opportunities have to be created in rural areas. This paper covers some of the key aspects of rural marketing like, Understanding what is rural marketing? Analyzing the potential, importance and future prospects of rural markets by examines the innovative strategies adopted by various companies and suggestions to develop market oriented product, price, place and promotion elements with thrust on innovation and reverse innovation in rural market is the key for the companies and corporate to survival in which have caused hurdles in tapping rural markets in India.

Keywords: Rural Market, Rural Marketing, Innovation, Marketing strategy, Reverse Innovations.

I. INTRODUCTION

RURAL MARKETING “Rural Marketing is Real Marketing” The predominantly rural character of India’s national economy is reflected in the very high proportion of its population living in rural area’s. As the competition increases in the rural market is subjected to the need for competitively priced products that are developed as per the needs and requirements of the rural consumers.

Nonconsumers of yesteryears are entering into the rural market as first time buyers for a large number of products in a large market. This call for shift in management thinking from gross margin to higher profit from high value unit sales to logic of high volumes, capital efficiency and from one solution fits all thinking to market innovation. ‘Go rural’ is the slogan of marketing gurus after analyzing the socio-economic changes in villages. The Rural population is nearly three times the urban, so that Rural consumers have become the prime target market for consumer durable and non-durable products, food, construction, electrical, electronics, automobiles, banks, insurance

companies and other sectors besides 100% of agricultural-input products such as seeds, fertilizers, pesticides and farm machinery since market in the urban areas is saturated. The rural market in India is not a separate entity in itself and it is highly influenced by the sociological and behavioral factors operating in the country

II. AIM AND OBJECTIVE OF THE STUDY

- A. To study the importance of innovation in rural marketing.
- B. To determine the impact of Innovation in rural marketing of products.
- C. To understand the role of technology on innovation to rural marketing.

III. METHODOLOGY OF THE STUDY

This study is basically a library study. It is basically a reflective study.

IV. CONCEPTS AND DEFINATIONS

Marketing Innovation According to the Government of India, National Knowledge Commission innovation is defined as a process by which varying degrees of measurable value enhancement is planned and achieved in any commercial activity. Innovation is a broad concept which is not limited up to launching new products, but it also includes the integration of marketing and technology knowing customer and providing them knowledge for purchasing a product and enhancing the customer’s overall experience. “A marketing innovation is the implementation of a new marketing method involving significant changes in product design or Packaging, product placement, product promotion or pricing.”

Innovative marketing of products is about leveraging the marketing mix, namely, the four P’s: Product (Design and Packaging), Price, Place and Promotion in ways that has not been before by the organization implementing the innovations. There are different types of Innovation which serves different objective as per need of the organization such as: Incremental innovation Small changes in existing

products and services via improvements in technology or changes to the business model.

A) *Breakthrough innovation or Radical innovation Technological knowledge required to exploit.*

It usually originates from R&D or other forms of formal creative activity. The rural market in India brings in bigger revenues in the country, as the rural regions comprise of the maximum consumers in this country. The rural market in Indian economy generates almost more than half of the country's income. Rural marketing in Indian economy can be classified under two broad categories. These are market for consumer goods that comprise of both durable and non-durable goods the market for agricultural inputs that include fertilizers, pesticides, seeds, and so on. Rural marketing determines the carrying out of business activities bringing in the flow of goods from urban sectors to the rural regions of the country as well as the marketing of various products manufactured by the non-agricultural workers from rural to urban areas. To be precise, Rural Marketing in India Economy covers two broad sections, namely:

- A) Selling of Agricultural items in the urban areas
- B) Selling of manufactured products in the rural regions

V. CHARACTERISTICS OF RURAL MARKETING

Some of the important features or characteristics of Rural Marketing in India Economy includes: With the initiation of various rural development programmers there have been an upsurge of employment opportunities for the rural poor. One of the biggest cause behind the steady growth of rural market is that it is not exploited and also yet to be explored. The rural market in India is vast and scattered and offers a plethora of opportunities in comparison to the urban sector. It covers the maximum population and regions and thereby, the maximum number of consumers. The social status of the rural regions is precarious as the income level and literacy is extremely low along with the range of traditional values and superstitious beliefs that have always been a major impediment in the progression of this sector. The steps taken by the Government of India to initiate proper irrigation, infrastructural developments, prevention of flood, grants for fertilizers, and various schemes to cut down the poverty line have improved the condition of the rural masses. Make in India also promote the processing of Agriculture products which are manufactured in the rural areas of the country hence it is a booster to rural marketing. The featured population is predominantly illiterate; they have low income, characterized by irregular income, lack of monthly income and flow of income fluctuating with the monsoon winds.

- A. Large and scattered market
- B. Major income from agriculture
- C. Low standard of living
- D. Traditional Outlook
- E. Poor Infrastructure
- F. Issues of distribution and communication

VI. PRINCIPLES OF INNOVATIONS FOR RURAL MARKETS

The principles and practices of innovation to be adopted in rural market have to take into consideration: needs, lifestyles and consumer behavior of the rural population. It is extremely important that the product, pricing, promotion and distribution strategy are not just innovative alone but they must make product value proposition attractive and relevant for rural consumers. Process Innovation Process innovations are critical in rural markets. Innovation must focus on building a logistics infrastructure, including manufacturing that is in accordance with the prevailing conditions and can deliver solutions in a cost effective manner. Product Innovation Product development must start from a deep understanding of functionality, not just form. Marginal changes to products developed for customers in the towns might not be that effective in rural market. The infrastructure and environment, in which the rural consumers live and work in, demand a rethinking of the functionality.

VII. SUGGESTIONS FOR INNOVATIVE RURAL MARKETING

The following serve as suggestion point for the brands to tap the rural market potential

- A) Relating to Product: Small unit size and low priced: A lot is already emphasized on adapting the product and price in terms of packaging, flavoring, etc and in sachets, priced to suit the economic status of the rural India in sizes like Rs. 5 packs and Re.1 packs that are perceived to be of value for money. New product designs- sturdy products: There is a need to vary the product design to suit the rural consumers' needs. The initiative of Philips and Exide batteries are noteworthy in this regard. 76 This article can be downloaded from <http://www.ijmrbs.com/currentissue.php> Int. J. Mgmt Res. & Bus. Strat. 2016 Masese Omete Fred, 2016 Avoid sophisticated packing Consumers in rural markets buy a brand for their core benefit and not for their attractive packages. Refill packs and Reusable packaging can do the selling than a glossy cover which needs to be thrown away.
- B) Relating to Price: Low priced products: From the characteristics of rural market, it is clear that the rural consumer will not be able to afford premium products. What is required is value for

money and that's what exactly the companies need to hit upon. Application of value engineering: Milk-soya protein for example is something a rural consumer can relate to health immediately. The products should provide high value to him.

- C) Relating to Place: Segmentation: The marketers can target a specific segment, for example, coverage of villages with 2,000 and above population. Distribution: Distribution through Mandi/ shanties/ Melas can help. Also, direct contact with rural Retail will improve the distribution in the otherwise poorly connected areas.
- D) Relating to Promotion: The companies can use both traditional and innovative media to reach the rural customers. The initiative of promoting and targeting rural customers especial the women for they are mostly neglected in the market, Festival branding – e.g. Build kiosks or spread their brand 'pandals' or 'umbrellas' Region specific names for the schemes offered by companies. Winning the opinion leaders Organizations need to adopt the "reverse innovation" strategy and also work on new price paradigms. A reverse innovation simply means any innovation that's likely to be adopted first in the developing areas. Increasingly, many companies are developing products in smaller towns and villages and then distribute it nationally.

VIII. FUTURE TRENDS FOR RURAL MARKETING

The Markets which are not able to face the stiff competition posed by multinational companies can restore their profits in the rural sector. The market share of urban market when compared to the rural market is low; hence if Indian industries concentrate on rural markets their sales will increase. If rural markets are brought into the limelight of development, they can move towards the prosperity. Prosperity of India lies in the prosperity of every Indian; hence no rural segment should be left untapped. Rural market has a tremendous potential that is yet to be tapped. A small increase in rural income, results in an exponential increase in buying power.

IX. CONCLUSION

The world is changing like never before. This change is more attributed to the way business practices and strategies are changing across the globe. Business organizations are rapidly changing their domain and strategy to take benefit of this emerging global order. Rural marketing endeavors have to be seen and implemented as investment for better tomorrow. Despite lower incidence of premium product purchases, the rural consumers across all income segments exhibit marked propensity to spend on premium high quality products, which are backed by strong brand values, where they correspond to their own aspirations and quality needs. The problem really lies in market not being able to offer a premium

product in the specific context of rural demand. The Indian rural market is a complex mosaic of mind-sets cultures, and lifestyles. While education, employment, income, agricultural land ownership may still be the major deciding factors accounting for social differentiation, they do not yield reciprocal cohort behavioral patterns with respect to consumption patterns, purchasing decisions and priorities of product ownership. Rural markets represent a distinct we Dynamic in how they come into being and make unique demands on how the product is designed and how the brand is positioned and promoted. Greater the strategic attention to these unique demands, greater is the chances of the product's success in the rural market.

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