Chapter – II

RESEARCH METHODOLOGY AND REVIEW OF LITERATURE

2.1 RESEARCH METHODOLOGY

The researcher obtained necessary data from the primary source as well as from the secondary source. As data on rural marketing strategy, both in urban and rural areas, is scanty; a major portion of the data is generated from primary sources through field study.

**Primary Data** – It is collected through questionnaire, surveys, interviews, observation method.

**Sampling Method** – The data is collected through sampling method. The sampling is representative sampling because the population of Maharashtra is 112,372,972 and 10% of this population was impossible for a lone researcher to undertake. Hence the 35 districts of Maharashtra were divided into 6 divisions which were represented by 1000 respondents from each divisions amounting to 6000 respondents chosen by purposive random sampling method.

The study is conducted for Maharashtra State. The rationale behind choosing Maharashtra state was that it is accessible to the researcher as he is the native of this state. The state of Maharashtra includes 35 districts, comprising 6 divisions. The statistics for various divisions in the state of Maharashtra are provided as under –
### Table: 2.1 Divisions and Districts of Maharashtra

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Divisions</th>
<th>Areas Covered (Districts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Amravati Division</td>
<td>Akola, Amravati, Buldhana, Yavatmal, Washim</td>
</tr>
<tr>
<td>2.</td>
<td>Aurangabad Division</td>
<td>Aurangabad, Beed, Hingoli, Jalna, Latur, Nanded, Osmanabad, Parbhani</td>
</tr>
<tr>
<td>3.</td>
<td>Konkan Division</td>
<td>Mumbai, Suburban Mumbai, Thane, Raigad, Ratnagiri, Sindhudurg</td>
</tr>
<tr>
<td>4.</td>
<td>Nagpur Division</td>
<td>Bhandara, Chandrapur, Wardha, Gadchiroli, Gondia, Nagpur</td>
</tr>
<tr>
<td>5.</td>
<td>Nasik Division</td>
<td>Ahmednagar, Dhule, Jalgaon, Nandurbar, Nasik</td>
</tr>
<tr>
<td>6.</td>
<td>Pune Division</td>
<td>Kolhapur, Pune, Sangli, Satara, Solapur</td>
</tr>
</tbody>
</table>

*Source – www.maharashtra.gov.in*

**Secondary Data** – It is collected from journals, periodicals, research articles in the newspapers, magazines, annual reports, websites, etc.

### 2.2 REVIEW OF LITERATURE

#### 2.2.1 BOOK REVIEW


The book is an attempt to cover the Rural Market environment, problems associated with Rural Marketing, marketing of agricultural inputs, marketing systems for agricultural and allied produce, marketing of rural artisan and craftsmen products, consumable and durable products and strategies which can be adopted to realize the potential offered by the rural market. This approach is relevant to all underdeveloped and developing countries like India, wherein rural areas play a significant role in development. The author acknowledges that in the present downturn of the economy, many companies producing consumables and durables are being sustained by rural demand which has brought a sharp focus on rural markets.

Besides discussing the traditional 4 P’s of marketing in the rural context, extensive coverage of the applications of the rural marketing mix for promoting consumer durable products and services as well as agricultural inputs and outputs has been provided. The author also offers an insight into how marketers make use of the marketing mix framework for different products and services. The book explains the marketing practices of companies dealing with FMCG and consumer durables. The book also focuses on the future trends of rural marketing. It establishes that cultural differences, emotional attachments, ICT developments and grass-roots level innovations are the future drivers of rural marketing.


In the recent years, Indian rural market has been receiving ever greater attention of the marketers, policymakers, consultants, multilateral agencies and academicians as well as researchers. The saturation and relative growth slowdown in the urban markets heightened competition. The realization of rural markets being underserved, increasing focus of the policymakers on injecting money to pump the rural economy have all contributed towards an increased interest of businesses towards rural India.

The numbers associated with rural India and the rural markets are truly mind boggling. The annual rural market potential of India is in excess of Rs. 1230 billion. There are over 627,000 villages in which 70% of India's population resides. There are many product categories, where the rural buyers’ share in the demand pie is over 60 percent. The reach of television has doubled from 13% in 1993 to 26% in 2002 in rural India.

Rural marketing strives to build concepts by discussing the practices followed by rural marketers and linking them with the theory. It discusses how the students of marketing can tap the opportunity in the progressive Indian rural economy as also the need, perforce, to move to a new turf because of maturation of urban markets. The book presents a rural marketing model, which provides the stepping stone for doing analysis and for mapping opportunities in rural markets. The book covers rural market segmentation, market environment and analysis, comparison of rural and urban markets, marketing research, consumer behaviour, marketing mix, new product development and product lifecycle, brand management, channel management and rural retailing, diffusion of innovation, marketing strategy, social marketing, corporate social responsibility, IT and e-governance. The authors have deliberately maintained adequate balance between conceptual fundamentals and heir applications.


The book helps people to understand the environment in which the rural markets operate, the opportunities and the inherent problems associated with them and the strategies which can be successfully adopted to tap this vast potential segment.

The book focuses on Indian rural market environment, the infrastructural facilities and the problems of rural areas. It also deals with operational issues like marketing strategies for consumables and consumer durable goods in rural areas, where the 4 P’s of marketing mix are discussed in detail with live examples of the well known and successful companies. Further, the book contains information on marketing strategies for marketing of agricultural inputs like seeds, fertilizers, pesticides and tractors.

The book has endeavored to cover the entire gamut of rural marketing with inputs from discussions with rural marketing practitioners, besides valuable studies conducted by the major companies. The book deals with the concepts and systems of rural marketing management, the plans and policies, pricing systems, rural customer purchase process, advertising, sales promotion and public relations in rural India. The book further explains in detail the rural marketing research, competitions happening around in rural areas, rural development plans, rural sales force management, distribution of goods and also rural product plans.


The objective of this book is to explore and analyse the impediments in targeting the rural consumer and to enlighten readers about the rural Indian psyche. This book also lays emphasis on approaches in areas of marketing agricultural produce that will enable readers to contemplate the lifeline behind the hinterland. This book deals with profiles of rural marketing, rural consumers, rural marketing strategies, products, pricing, distribution, sales force and promotion. It also covers the economics of agriculture, methods of sale, classification of agricultural markets, agricultural finance, the problems facing agriculture and ways to improve it.


This book provides complete knowledge of the nature and characteristics of rural marketing, rural development and marketing of consumer durables, retail trading, distribution channels of rural marketing, marketing of agricultural inputs, selling in rural markets, rural trade and challenges, agriculture marketing in India, classification of agricultural products, nature and scope of co-operative marketing, role of agricultural price structure, etc. This book consists of the chapters – Nature and characteristics of Rural Marketing; Rural Development and Marketing of Consumer Durables; Attitude and Behavior of Rural Marketing; Retail Trading; Distribution Channels of Rural Marketing; Marketing of Agricultural Inputs; Selling in Rural Markets; Customer-Retailer Relationship; Rural Trade and Challenges; Development of Agriculture in
Economy; Agriculture Marketing in India; Classification of Agricultural Products; Institutions and Organizations in Agriculture Marketing; Nature and Scope of Cooperative Marketing; Fertilizers, Seeds and Plant Protection; Role of Agricultural Price Structure; and Defects of Agricultural Marketing; etc.


This book includes chapters on Rural marketing research, Rural marketing mix, Marketing of consumer goods and services, organized rural retailing, Recent trends in agricultural produce marketing, globalization and agriculture, Agricultural inputs and customer relationship management, Ethics in sales and marketing and Understanding the Rural Market – a practical approach. The book deals with marketing of consumer goods and services, agricultural produce, agricultural inputs and provides an integrated approach to Rural Marketing.

**2.2.2 REVIEW OF NEWSPAPERS**

1) **Indian Express(12th May, 2003), Agricultural Shocks And The Consumer Sector**

Foreign direct investments and competition may have changed the business environment dramatically for Indian companies from the 1990s. However, it has done little to reduce their vulnerability to macroeconomic shocks such as monsoon failure. Rural spending drives demand for a number of manufactured products. Some products like bicycles, radios and so on have a large existing rural market share.

The data on the sector-wise breakdown of the index of industrial production (IIP) shows that consumer durables respond to a sharp dip or rise in agriculture immediately (within the same quarter) while consumer non-durables respond with a lag of two quarters.

International evidence shows that households treat consumer durable purchases similar to the way firms treat inventories. Firms stock up to their optimal inventory level when interest
rates are low; households build their stock of white goods when transitory incomes are high. For rural households this typically happens during an agricultural boom. On the other hand, perceptions of volatility in incomes induce a rise in precautionary savings funded typically out of durables purchases.

2) **Indian Express** (22nd May, 2005), *Widening the base*

The accent is on ‘innovative communications’ in the rural marketing arena in India. To woo rural consumers, corporates are now opting for a marketing mix which combines conventional marketing plans with the non-traditional media. Recognizing the growing significance of rural communications in India, companies are now beefing up their marketing operations to gain mind share as well as market share. ‘Innovate to lead’ seems to be the mantra for many companies in rural India. Gone are the days when companies mainly relied on wall paintings to convey their brand messages to rural consumers. But today companies are integrating conventional means of rural communications with the below-the-line activities to pump up volumes.

Consumer durables majors are stepping up their rural marketing plans to gain a competitive edge. For instance, Philips India plans to focus on tapping towns with a population of 20,000 and 50,000 plus in the current financial year. Last year, Philips had launched Vardaan CTV series which are specifically targeted at rural consumers. The product has taken off well. The company also plans to set up 200 after-sales-service shops.

Samsung India Electronics has plans to expand its channel distribution systems in semi urban markets. To achieve this goal, the company plans to focus on participating in local fairs, road shows to showcase its mass products.

3) **Indian Express** (2nd Jan, 2006), *TVs go flat out in Bengal villages*

With multinational companies going into overdrive, a new buyer’s profile is emerging in the backwoods. In Chinsurah, a district town 50km from Kolkata, one could not get a packet of soup powder or pasta even a year back. A pizza or burger was a far-fetched dream. Today, the local market has almost everything that is available in Kolkata. And people are in a buying mode.
With the state’s per capita income growth among the highest, consumers in semi-urban and rural areas are also upgrading to high-end models of consumer durables. For Korean white-goods major Samsung India Electronics Ltd, this means more demand for its flat-screen televisions and semi-automatic washing machines in the rural areas. Till about two years back, these product categories were targeted at cities like Kolkata. The volume of products like flat-screen televisions, direct cool refrigerators and semi-automatic washing machines is definitely going up in the semi-urban markets, However, for the present, Kolkata continues to absorb the single-largest share of Samsung products. “For Samsung, the upcountry market in Bengal accounts for 55% of total sales by volume in the state. Kolkata takes care of the balance 45%,” the spokesperson said.

4) Vijayraghavan, Kala; Lijee Philip (6th Jul, 2011), Rural India consuming city brands [Corporate Trends], The Economic Times (Online)

Rural Buyers Driving Demand Higher disposable incomes coupled with a renewed focus of marketers to improve affordability and availability is translating not just into rural consumers driving consumption - they are also graduating to buy what were earlier seen as urban-centric brands. Venugopal Dhoot, chairman & managing director, Videocon, points out, more significant is the value coming out of non-urban markets what with rural consumers buying "expensive television sets and washing machines". "The rural consumer seems to be mimicking what he thinks his urban counterpart is doing and is experimenting with a wider array of branded packaged products that are now available," says Nielsen Vice-President Prashant Singh. Higher disposable incomes coupled with a renewed focus of marketers to improve affordability and availability is translating not just into rural consumers driving consumption - they are also graduating to buy what were earlier seen as urban-centric brands. Beyond fast-moving consumer goods, rural consumers are also opting for premium cars and two wheelers, and high-end durables such as LCD and plasma TVs and front-loading washing machines.

5) Wall Street Journal (Online) (6th May, 2010), LG Electronics: Rural Is the Future
LG Electronics Managing Director Moon B. Shin, in an exclusive interview for The Wall Street Journal, tells that it is third time lucky in India for LG Electronics. After two failed joint ventures, it re-launched itself here in1997, emerging as the market leader in color television sets,
washing machines and air conditioners. As the urban economy boomed two years ago, it realized the next big growth bump would belong to rural India. LG electronics also have extended their service infrastructure to provide service support in these markets. For example, mobile service vans reach out to people in the remotest villages.

He further goes on telling that colors are a major differential they work with color specialists to design rural products. Rural people like brighter, beautiful colors, urban people prefer more classic colors, like grey or white, with a metallic finish. Durability is also very important. For example, they have introduced plastic bodies, instead of metal, for washing machines geared for supplies to coastal areas to guard against the high corrosive content of salt in the water supply. Moreover, often, rural areas have erratic electricity supplies and they tend to be dry and dusty, so product design has to meet those demands. For example, LG refrigerators have built-in voltage stabilizers to protect the compressor from fluctuations in electricity supplies.


According to a recent Consumer Electronics and Appliances Manufacturers Association (CEAMA), over the next five years, rural India will consume 20 per cent of the consumer durable industry’s production. “As the commodity prices are increasing, consumers from hinterlands of the country are ready to splurge. But companies with well oiled connectivity to these areas can only tap this demand and overcome the tide,” said FICCI Director Soumya Kanti Ghosh.

7) Financial Times (27th April, 2005), India's rural market becomes holy grail for mobile phones: The 750m consumers outside cities are still beyond operators' reach

India's government likes to point to the boom in mobile telephony as a sign of the nation's economic take-off. More than 1.5m mobile phone users sign up each month; there are now around 54m subscribers in India from around 10m just three years ago. More affordable handsets and some of the world's cheapest call rates have helped propel overall telephone ownership to 100m users this month, making India's phone network the world's fifth-largest. A lesson among those who have had some success is to sell low-cost products and let the volumes
take care of profit margins. To make a low-cost phone one need as few middlemen as possible,” said Mr. Hartikainen.

8) Wall Street Journal, New York, (2nd June, 2003), Companies Pitch Their Products In Rural India
Multinational merchants have long ignored India's vast countryside, home to 75% of the country's billion people. Reaching those consumers can prove costly and challenging. In some of India's poorest villages, only a few can afford electrical appliances -- and even then they may not have electricity to use it. Low literacy rates make it tough to market through newspaper ads or TV. But as the world's biggest consumer-goods companies confront limits on their growth, they are increasingly willing to target the most remote destinations. India's vast countryside is one of the world's last relatively untapped markets. Philips Electronics NV has revamped its line of home electronics for folks in the countryside, offering a wind-up radio that doesn't need hard-to-get batteries and a back-to-basics inexpensive television set. Sales on all these products are up. The average rural Indian household will have five major consumer appliances by 2006, the National Council of Applied Economic Research agency predicts, up from three in 1998.

9) Hindustan Times(10th Dec, 2009), Godrej plans rural push with purifier, refrigerator, lantern
Kamal Nandi, vice-president, sales and marketing, Godrej Appliances said that If the company’s are selling a refrigerator for about Rs3,000, that's the kind of value-for-money approach they would take for other products as well. Experts are of the view that for any durables company to be successful in rural areas, it needs to have the pricing strategy, network and after-sales service in place. George Menezes, chief operating officer, Godrej Appliances added that before they start rolling out, they need to get the distribution channel right. For instance, the refrigerator to be launched in villages nationally next year will not be sold through the company's existing dealer network. The product will be sold “through the rural channel we are setting up by involving NGOs, microfinance companies and community workers”, Menezes said. "The new channel will help us sell other durables developed for rural consumers."
10) The Hindu (2007), Survey of Indian Industry

A lot has been written about the huge potential of the rural markets. With the latest efforts from the government, the market is only expected to grow further. The rural network (RMAAI) had 4 years ago estimated the market at Rs. 125000 crore.

Television industry is the classic example. Many multinationals which were reluctant to play the price game and were sitting on the high technology, high price platform, have come down to providing basic colour TV sets for the rural masses at affordable prices.

Like Sampoora from LG and Vardhan from Philips, whose 14” colour TV is now being sold for Rs. 5500 per set. A far cry from Rs.12000 per set just a few years ago.

Recently Electrolux introduced a low cost refrigerator with a built in UPS with 12 hours power backup aimed specifically at the power starved rural markets of north India. Another example that comes to mind is a radio with winding mechanism (like the old clocks with keys) from Philips launched a couple of years ago.

Obviously the durable manufacturers are realizing the need for not only reducing prices but also tailoring the products to specific demand of the rural markets. They have begun to address the strong value for money perception of rural folks.

2.2.3 REVIEW OF PAPERS PUBLISHED IN CONFERENCE PROCEEDINGS

1) Sandip Anand and Rajneesh Krishna (2008), Rural brand reference determinants in India, Conference on Marketing to Rural Consumers, I.I.M., Kozhikode

The study was done in two India states with the objective of exploring the dynamics of branding in rural India. The study was done for brand preference for 3 categories – FMCG, Durables and Agro Inputs independently. From the results, it was concluded that consumer durable brand in rural India is being significantly determined by good quality, value for money and on recommendations of people. Out of few recommendations made, one was if any consumer durable brand (National or Global) has to get established in rural markets of India, they have to
differentiate themselves on aesthetics, warranty conditions and recommendations from shop
keepers. It was also noted that despite offering warranty (service), local or unbranded products
may not offer the kind of finish and looks which a national or international brand would
otherwise offer.

2.2.4 REVIEW OF PAPERS PUBLISHED IN JOURNALS

1) Keshav Sharma, Deepak R. Gupta, Parikshat Singh Manhas (2003), Rural
marketing challenges in the new Millennium- A case study, Delhi Business Review,
Vol. 4, No.1,

The findings of the study showed that the rural customer in the urban analogous villages wants to
acquire the urban life style but when it comes to buying decisions, they were different from their
urban counter parts. Culture has a great influence on their buying decisions. The study further
reveals that the educated youngsters are interested in getting permanent jobs, so as to have an
assured income to have the pleasure of consumer durables. They want all latest durable products
in their houses like color televisions, two-in-ones, refrigerators, scooters etc. Rural customer is
simple and virgin. Upholding the dictum that customer is the king, if marketers try to approach
him through his culture and values, he will feel respected and honored and shall always be loyal
to the marketers.

The authors further states that there are two types of customer segments in these villages. The
younger lot is highly influenced by the urban consumption pattern and their desire if supported
by income, shall generate a large-scale demand for the various durables and non-durables. Their
knowledge about the consumer goods is high. The other segment is of the customers who are in
the age group of 50-70 years. They are not influenced by the urban consumption pattern.
However, for marriages and social functions, they do generate demand for consumer durables.
2) Deepti Srivastava (2010), Marketing to rural India: a changing paradigm, APJRBM, Volume 1, Issue 3, ISSN 2229-4104

Over the past few years rural India has witnessed an increase in the buying power of consumers, accompanied by their desire to upgrade their standard of living. Host of projects, such as NREGA, ITC's echaupal, HLL's project Shakti, retail hubs like Kisan Sansar (Tata), Haryali Kisan Bazar (DMC), both from the government and the private companies, have changed the rules of the marketing game in rural India. The paper discusses the profile of the rural Indian customer and analyses the characteristics of the diverse and scattered rural market. Despite the irregular buying capacity of rural markets, the taboos and traditions it is seeped in, the rural market in India is a highly lucrative one. The paper goes on to explore how some companies have been able to have an impact in the rural segment through effective marketing strategies. The paper studies the changing paradigm of the Indian rural markets and suggests some ways in overcoming the roadblocks in rural selling. A new rural marketing mix is suggested with special emphasis on the marketing communication mix. The statistics given by the researcher tells that fifty three percent of Fast Moving Consumer Goods and fifty nine percent of consumer durables have market in the rural belts.

3) Dr. Satya Prakash Srivastava; Manish Kumar (2011), Consumer behavior in rural marketing-a new paradigm, Asian Journal of Technology & Management Research, Vol. 01 – Issue: 01, ISSN: 2249 –0892

Much of the discussion arising out of this article noted the possibilities of establishing the foot holds in rural market. First, these kinds of markets are heterogeneous; hence the marketer should frame different strategies to sell their products. However the author states that it is possible to capitalize on the similarities among the rural markets. The most important difference between rural and urban is in the degree of sophistications of the consumers. Urban consumers are generally familiar with such products, their attitude and value related to purchase and consumption will be different. Here the marketer may have to work harder to sell their goods in rural area because of diversity of values and attitudes present in these regions. Lastly the author
mentions the penetration of non essential items in rural areas. It says that the penetration of consumer durables like refrigerator, Colour Television has increased by over four times from 1998 to 2005.


The paper states that on account of green revolution, the rural areas are consuming a large quantity of industrial and urban manufactured products. In this context, a special marketing strategy, namely, rural marketing has emerged to satisfy the needs of rural consumers. Hence, it is proposed to undertake this study to find out various ways to tap the potential rural markets. The main aim of this study is to observe the potentiality of Indian Rural Markets and finding out various problems are being faced by rural markets. This paper attempts to provide a brief literature on rural marketing and finally offers policy recommendations for better performance of rural markets by adopting SWOT analysis matrix to rural markets. The author also states that since there is a very low penetration rates of consumer durables in rural areas, so there are many marketing opportunities available for these companies. The author mentioned the report presented by NCAER during 2011 with respect to the penetration of consumer durables particularly for colour television & refrigerator.


Consumer centric marketing style is predominant in the durables, which in turn revolves round the consumer purchase attitude. It is known that Consumer attitude is a learnt predisposition to respond to an object or act consistently in a favorable or unfavorable manner and is shaped by one’s values and beliefs which are learnt. Only by changing the consumer’s attitude can they be influenced to enact a merchandise transaction in the marketing milieu. Hence the importance of
attitude change is of paramount importance to marketers who are consumer focused in the modern age often customizing the products/services to match the tastes of the consumer by proper positioning and targeting strategies. Consumer segments may be urban or rural based on the peculiarities/residential location and outlook/lifestyle characteristics of the consumer. In this paper, an evaluation of the Urban and Rural Consumer Purchase attitude-Behavior, a Comparative Study of various facets with Special Reference to Consumer Durables (both white and brown goods) with the sample frame of middleclass working women families of Ernakulam(Kochi), the premier test marketing site in Kerala, was attempted herein. Based on the rich findings, the future strategies in market segmentation and market mix can be redesigned to match with current consumer tastes. The author proved many things in this paper. First such thing is that there is no significant relation between the urban and rural consumers as far as the market mix influence on their purchase preference for durables is concerned. Second is there is no significant relation between the urban and rural consumers as far as the weightage of the salient attributes on their purchase preference for durables is concerned. Third is There is no significant relation between the urban and rural consumers as far as the impact of key benefits on their purchase preference for durables is concerned. Lastly, he concluded with the statement that Marketers of consumer durables have to evolve appropriate strategies on product positioning and market segmentation catering to both the urban and rural consumers for the white and brown goods in the wide spectrum of durable products.

6) Neeraj Saini(2012), Brand culture targeting a rural customer and creating consumer at the bottom of the pyramid –a review, International Journal of Research in Finance & Marketing, Volume 2, Issue 2, ISSN 2231-5985

The research study is primary descriptive in nature. The Research is done to find the trilogy in which today’s rural customer, international brand and rural brand are finding the ways to create a space for oneself in the era of advertisement and consumerism. The secondary data is collected from various different sources and an approach is being tried to develop to find a relationship between rural customer and the concept of brand in his mind. The study covered the research on the descriptive stage so a path of finding the Brand value in the mind of rural customer and their concept of value for money being created for an unending culture of consumption while moving
away from satisfaction, creativity & relishing nature. The author goes on stating that The innovation in the different places and the habit of consumption are to be considered. The rural market is ready to adapt the new product but the main conditions are value for money, availability, packaging modification and awareness of the product has to be created. The companies are innovative at some front but not at the all fronts as their focus remains to the urban markets where the distribution and product awareness is easily done with no specific innovation is required. Brands are required to be build not at the cost of local ecosystem.


A debate continued for a long time amongst the Indian marketers, both practitioners & academicians, on the justification for the existence of the distinct discipline of rural marketing. Consequently, two schools of thought emerged. The first school believed that the products/services, marketing tools & strategies that are successful in urban areas, could be transplanted with little or no more modifications in rural areas. However, the second school saw a clear distinction between urban & rural India, & suggested a different approach, skills, tools & strategies to be successful in rural markets. With a population already in excess of one billion people, India has caught the eye of multinational corporations across the globe as a place of opportunity for exploring new markets. Hub and spoke model involving engagement with farmers in rural India. A rural shopping mall is a place where farmers can sell their commodities and can buy almost everything including cosmetics, garments, electronics, appliances and even tractors. It serves as an agri-sourcing centers, shopping centers, and facilitation centers. an overwhelming majority of India\'s population lives in rural areas, retailers are fast penetrating rural India. Rural India is experiencing the same changes as urban India - changing consumer preferences and consumption patterns, increasing exposure to different lifestyles and products, and increasing purchasing power. The retail sector has played a phenomenal role throughout the world in increasing productivity of consumer goods and services.

The Indian rural market has a huge demand base and offers great opportunities to marketers. Two-thirds of Indian consumers live in rural areas and almost half of the national income is generated from there. From the point of view of rural marketing, Ghaziabad district is an ideal district because it is very much near to the capital of the country. In the present paper Ghaziabad District’s four segments have been selected, By the detailed analysis of the results of 40 villages from the sectors “Murad Nagar, Loni, Hapur and Dadri”, it can be observed that the results are almost same in the villages of these sectors. There certainly is a place for premium products, but consumers in rural market for those products are scattered and difficult to reach. Therefore, such products can be left to be bought from the nearest urban centre. The attraction of rural market is in their size as mass markets. Those who design products for such mass markets will prosper and grow rapidly. The author goes on stating that there certainly is a place for premium products, but consumers in rural market for those products are scattered and difficult to reach. Therefore, such products can be left to be bought from the nearest urban centre. The attraction of rural market is in their size as mass markets. Those who design products for such mass markets will prosper and grow rapidly.

9) Mohd Rafiuddin; Dr. Badiuddin Ahmed (2011), Understanding the potential of rural marketing in India - An analytical study, Zenith international journal of business economics & management research, vol.1 issue 2, Nov 2011, ISSN 2249 8826

Fast pace of technology advanced every sphere of social, economic, political cultural life, produce, reduce costs, distribute, and expect higher profits. The focus is on tapping the rural markets. Urban markets have saturated lied to look rural markets. This paper presents a review of rural markets” environment, Problems and strategies in India. Rural marketing has become the latest mantra of most corporate even MNCs are eyeing rural markets to capture the large Indian
market. The rural market consist 70 percent population, twice as entire market of USA and would become bigger than total consumer market in countries like South Korea/Canada in another 20 years. Using primary and secondary data collected from various market segments. It exhibits linguistic, regional and cultural diversities and economic disparities. Increase in purchasing power fuelled lot of interest, several companies are exploring cost effective channels like HUL/ITC/Colgate/Godrej/Nokia/BPCL. The author concludes that there a high potential in rural India but exists major differences between the existing and the desirable levels of rural marketing, has to be improved.

10) Dr.C.Rajendra Kumar (2012), Rural marketing in India – the real big challenge, International Journal of Social Science & Interdisciplinary Research Vol.1 Issue 7, ISSN 2277 3630

Rural India is the one of the fastest growing big market in the world. Today rural India accounts more than 50% of the India’s GDP. Rural India is growing about 14% for FMCG’s comparing with 8% from urban India. Also among 59% of consumer durables sold in rural India, due to there is more income guaranteed in rural India more than urban India, therefore it has become most important segment for the marketers. Main reasons for the companies are easily going to rural India because, already 80% of our villages are connected by roads means more than 90% rural population is connected by road and more the 95% of rural wealth is accessible. Not only roads but also literacy rate is increasing very fast already 70% of rural India has become literate, due to literacy more opportunities for better jobs and therefore higher incomes. The middle class families are growing and expanding rapidly the poor in 1985, almost 96%, this is projected to be coming down to 38% by 2020 and that really shows a very big market is awaiting in Rural India. What can go wrong? This is critical in Rural India, there are two gods, one is Government, if the government changes the new government doesn’t have a rural agenda then it will cause major setback for market, second one is the rain god, both are important and both grace is need., if not Rural India will run into problem. The author goes on stating that Occasions for purchase, especially for durables, are a little different in rural India, people buy durables either immediately after harvest because that is when they have money or during the wedding season, which also very often coincides with the harvest.
India is one of the fastest growing markets of the world. The potential not only lies in the urban India, but also in the rural India. The study has been carried out to differentiate the buying behavior of rural households from that of urban households. Three durable goods from three different product categories; Television (entertainment product), Refrigerator (home appliance), and an Automobile (two wheeler, motorcycle and car/jeep) have been selected for study. A sample of 411 (204 from urban and 207 from rural areas) households across the Punjab state (India) have been selected on the basis of non-probability convenience sampling. Overall no significant differences could be observed between rural and urban consumers in terms of their; timing of purchase, buying the same brand of other durable, number of items, and duration of planning before buying. Habitat (rural or urban) has a relation with income for the timing of buying a television, refrigerator, and automobile except in case of buying of an automobile on festive / special occasion, where the income had no relation with habitat. There is a relation between habitat and income in terms of duration of planning for different time periods before the buying of a television and refrigerator. The habitat also reveals association with income in terms of planning for months before buying an automobile. No association has been observed between habitat and income in case of planning for few days, few weeks and years before buying an automobile.

India has been acknowledged as one of the most promising and fastest growing economy of the world. Besides urban and semi-urban areas, rural India has a huge potential. Many foreign brands are dominating particularly in consumer durable category. The purpose of the study is to understand the comparative attitudes of rural and urban Indian consumers towards the foreign
products against Indian products. Both rural and urban consumers have rated foreign products very high as compared to domestic products. Rural consumers were found more impressed than their urban counterparts with foreign products in terms of maintenance services, technical advancement, prestige, durability, quality/performance, and wide choice of size and model. No significant differences were observed between rural and urban consumers in terms of ‘good style and appearance’. Indian producers in the coming times are going to face a very strong threat from foreign brands, particularly in consumer durable category.


Indian mobile market is one of the fastest growing markets and is predicted to reach 868.47 million users by 2013. In recent years, the availability and uses of mobile phones have been rapid so fast not only in India but also in the whole world. Today, the mobile is a part of everyone life. We cannot spend much time without use of mobiles. Today, its not just a symbol of urbanization but also its a part of rural India. According to Telecom Regulatory Authority of India (TRAI), there has been rise of 18 percent age in the use of mobile by rural subscribers. Rising from 93.2 million users at the end of last year, India today has a total of a massive 109.7 million rural mobile subscribers. Nowadays, we have so many latest mobile handsets available in the market; however with the reduction in service charges and other cost of handsets the number of mobile users in Indian rural market has increased. Mobile phones have become a primary need compared to fashion accessory and other facilities. The aim of the study is to investigate and understand the usage patterns of rural consumers. The study observes that price, shape, color and features are most affecting factors that influence to rural consumers behavior. The authors have done this research study on collegiate students who generally come from rural areas or villages. The authors concluded that mobile phone companies give their products shorter names in the local languages and educate the rural customer about the significance of their brands. Pictures and endorsement by local stars will also help in increasing brand awareness. Poor media penetration and lack of hoardings, television reach, newspapers and magazines has made the task of marketers rather
challenging. It is also because of poor media penetration and low literacy rates that the village people are highly influenced by the local political and religious leaders.

14) Aniruddha Akarte; Dr. Amishi Arora (2012), Indian telecom market in transitive economy: a comparative study on buying behaviour of rural and urban buyers on mobile phone, ZENITH International Journal of Business Economics & Management Research Vol.2 Issue 6, ISSN 2249 8826

Telecom industry in India has witnessed double digit growth in past ten years. The mobile market in rural India has significant potential with number of subscribers anticipated to grow at a CAGR of around 35% during FY 2012 - FY 2014. To make the most of the enormous potential of rural market in India, companies need to develop specific marketing strategies and action plan for the rural market. This study is an attempt to understand different aspects of rural consumer behaviour on buying of mobile phones and compare that with urban buying behaviour. The authors concluded that rural marketing cannot succeed if the strategies and action plan are merely extension to urban marketing strategies and plans. In order to make the most of the untapped rural market in India, companies need to understand the dynamics of rural consumers to formulate marketing strategies specifically for rural consumers.

15) Dr. Makarand Upadhyaya(2010), Marketing In Rural India: The Innovative Selling Mantra, Abhinav Journal Of Research In Commerce & Management, Volume No.1, Issue No.10 ISSN 2277-1166

The author states that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage. A radical change in attitudes of marketers towards the vibrant and burgeoning rural markets is called for, so they can successfully impress on the 230 million rural consumers spread over approximately six hundred thousand villages in rural India. The rural market is very large in compare to the urban market as well as it is more challenging market. The consumer wants those products which are long lasting, good, easy to use and cheaper. The income level of rural consumers is not as high as the income level of urban consumers that’s why they want low price goods. It is one of the reasons that the sale of sachet is
much larger in the rural area in all segments. It is necessary for all the major companies to provide those products which are easy to available and affordable to the consumers. It is right that the profit margin is very low in the FMCG products, but at the same time the market size is much large in the rural area. The companies can reduce their prices by cutting the costs on the packaging because the rural consumers don’t need attractive packaging. Rural market has an untapped potential like rain but it is different from the urban market so it requires the different marketing strategies and marketer has to meet the challenges to be successful in rural market.


The paper discusses the profile of the rural Indian customer and analyses the characteristics of the diverse and scattered rural market. Despite the irregular buying capacity of rural markets, the taboos and traditions it is seeped in, the rural market in India is a highly lucrative one. The paper goes on to explore how some companies have been able to have an impact in the rural segment through effective marketing strategies. The paper studies the changing paradigm of the Indian rural markets and suggests some ways in overcoming the roadblocks in rural selling. A new rural marketing mix is suggested with special emphasis on the marketing communication mix. The author also throws light on the importance of rural markets in India. They states that forty six percent of soft drinks are sold in rural markets, forty nine percent of motorcycles and fifty nine percent of cigarettes are also consumed by rural and small town consumers. Apart from this fifty three percent of Fast Moving Consumer Goods and fifty nine percent of consumer durables have market in the rural belts.


In view of the large investments made by the government in rural infrastructure pushing income and demand level, the prospects are seen bright for rural India. With empowerment of rural
people with education, employment, higher purchasing power, better media exposure, better connectivity with outside world, they provide a massive unexplored pool of consumers. To be successful in the rural market, companies will have to be innovative and sensitive while devising marketing strategies. Traditional urban marketing strategies will have to be localized as per the demands of the rural market. The author stresses on the fact that the rural marketing, as of now, is all about seeding the markets, creating awareness about brands and promoting a culture for consumption.

18) Dr. Sunil Shukla, Dr. Neena Tandon (2011), Rural marketing- exploring new possibilities in the rural India, Gurukul Business Review (GBR), Vol. 7, ISSN : 0973-1466

Rural India is going to become a biggest market of the world in the near future and it is transforming like anything. Rural marketing as an emerging trend is about to explore possibilities in the rural India. It is a process to hunt a treasure Iceland, yet to be hunted by the adventurous explorers. It is not simply marketing to just sell and deliver consumers satisfaction but something else certainly. Because of change in the rural market environment, its market profile is changing and people are changing themselves. Ultimately, their needs and requirements are also changing. At this point of juncture companies are rushing with their product portfolio to satisfy the needs of rural consumers. The companies are applying several models and strategies to be winner in the rural market. It is also great fallacy that those who have not seen rural India, they are making and shaping rural strategy to win the hearts of rural India. The author states that Today’s non-consumers comprising the rural poor will enter the market as the first time buyers in large numbers. Getting a larger share of the growing rural pie, will call for a radical shift in management thinking, from gross margin to high profit, from high value unit sales to a game of high volumes. The CEOs are articulating a strong commitment to rural market and the marketing team is giving focused attention and sustained support to this growing market segment. Further, rural marketing is being treated as separate area of work, the way export market is. The next big marketing revolution in the world is going to happen in the rural India and corporate are getting ready for it.
Rural markets offer a great scope for a concentrated marketing effort because of the recent increase in the rural incomes and the likelihood that such incomes will increase faster because of better production and higher prices for agricultural commodities. Rural Marketing is a developing concept, and as a part of any economy has untapped potential; marketers have realized the opportunity recently. Improvement in infrastructure and reach promise a bright future for those intending to go rural. Any macro-level strategy for these markets should focus on availability, accessibility and affordability. Focused attention needs to be paid to market research that goes on to reduce the uncertainly in dealing with these markets. More specifically, in relation to rural areas, demand is seen to a very highly price elastic. There is no doubt that divides do exist between urban India and rural India. This paper discuss the rural marketing and its strategies and also focus on issues and challenges for selling products & services. The author concludes that if the company wants to capture the rural market, they must first carry on the detailed and earnest analysis of the countryside goal market, aiming at the particular characteristics of the rural market, and utilizing different marketing strategy according to concrete situations.

20) Anshu Jain, (2013), A Pragmatic proposal on dynamics of diverse rural marketing strategies on consumer behavior, International Journal of Computing and Corporate Research, Volume 3 Issue 1, ISSN2249054X-V3I1M3-012013

An understanding and knowledge of the motives underlying consumer behavior helps a firm in seeking better and more effective ways to satisfy its customers. It helps to select appropriate sales and advertising strategies, and to plan marketing programme in a more efficient manner. This manuscript enlightens and proposes an empirical investigation and analysis on diverse rural marketing strategies on consumer behavior.
21) Ms. Himani Joshi, Dr. R. K. Srivastava (2011), Capturing rural market with customization of marketing mix, Asian Journal of Technology & Management Research, Vol. 01, Issue: 02,

It is important for the marketers to formulate tailored strategies for rural areas. The formulation of strategies depends upon product category, targeted segment, accessibility to the area etc. It is difficult to understand the mindset of rural people and to develop products according to their needs. Nevertheless there are many companies which entered and captured the far flung rural markets and now have trail of success sagas behind them. They have set examples before their competitors that with proper understanding of the market and implementing innovative marketing ideas, it is possible to trap the rural markets. The article explores the various successful marketing strategies adopted by the companies and what new and revolutionary can further be introduced. Rural market now is no more confined to ‘haats’ and ‘melas’ or the market where only agriculture and handicraft products are sold. It is now flooded with consumer goods both fast moving as well as consumer durables. Though rural region drastically varies from urban area yet the thorough market research before making a foray in rural area would help the marketers to design a right kind of marketing mix for a given product and succeed in their marketing endeavors.


The dynamic change in the marketing practices and strategies has transformed the marketing environment to a significant extent. To meet the challenge of creation and retention of customers and entry to rural market with good product packages has become need of an hour. On the other hand increased purchasing power of rural customers has attracted the attention of marketers. It requires unique marketing strategy full of client and location oriented involvement of 4A’s. Present paper is an attempt to overview the concept of rural marketing for which marketing strategy with 4-A approach is applied on BSNL one of the leading telecommunication service
provider in rural India and to analyze their various marketing strategies adopted for rural customers. The author states that it is need of an hour that BSNL should come forward in rural India with different products of small values and effective connectivity. Engagement of rural customers in product development is equally important for BSNL to innovate and provide better products with effective services.


Rural markets, as part of any economy, have untapped potential. There are several difficulties confronting the effort to fully explore rural markets. The concept of rural markets in India is still in evolving shape, and the sector poses a variety of challenges. Distribution costs and non-availability of retail outlets are major problems faced by the marketers. The success of a brand in the Indian rural market is as unpredictable as rain. Many brands, which should have been successful, have failed miserably. This is because, most firms try to extend marketing plans that they use in urban areas to the rural markets. The unique consumption patterns, tastes, and needs of the rural consumers should be analyzed at the product planning stage so that they match the needs of the rural people. This paper tries to explore the challenges in rural marketing and the strategies that a marketer can incorporate while approaching the rural consumer.


Rural India is an evolving concept and with Improvement in infrastructure and reach, promises a bright future for those intending to go rural. Rural India is going to become a biggest market of the world in the near future and it is transforming like anything. Rural marketing as an emerging trend is about to explore possibilities in the rural India. It is much more than selling and delivering consumers’ satisfaction. It is a visit to the 75 crores people residing in the villages of
India where they have hope, aspirations needs and potential. Because of change in the rural market environment, its market profile is changing and people are changing themselves. Ultimately, their needs and requirements are also changing. At this point of juncture companies are rushing with their product portfolio to satisfy the needs of rural consumers. The companies are applying several models and strategies to be winner in the rural market. It is also great fallacy that those who have not seen rural India, they are making and shaping rural strategy to win the hearts of rural India.


Indian Rural Marketing has always been complex to forecast and consist of special uniqueness. However many companies were successful in entering the rural markets. They proved with proper understanding of the market an innovative marketing idea, it is possible to bag the rural markets. It is very difficult for the companies to overlook the opportunities they could from rural markets. As Two – Thirds of Indian population lives in rural areas, the market is much unexpected for the companies to be successful in rural markets. They have to overcome certain challenges such as Pricing and Distribution.

The present paper has been covered to know the rural market challenges in India. The study on different Rural Marketing Strategies, to analyze Rural Marketing Strategies adopted by stated business houses, to highlight the significance and challenges of rural marketing in India, to evaluate SWOT analysis of rural marketing.

26) Dr. Deepakshi Gupta(2011), Indian rural marketing: a new path to profit, International journal of research in commerce & management, Vol. No. 2 Issue No. 12, ISSN 0976-2183

‘Go Rural Win Rural’ is the new mantra of corporate world. Most of the national as well as international corporations are attracting towards Indian rural market because its potential is still untapped. According to Indian census 2001, approximately 73 percent population is living in
rural India. It means in rural areas, there are more market opportunities for the sale of products and services. According to McKinsey report (2007) in 20 years the rural Indian market will be larger than the countries such as Canada and South Korea. The estimated size of the rural market will be USD 577 billion. The main objective of present paper is to analyze the features, opportunities, strategies and challenges of Indian rural marketing. It also includes some recommendations as to formulate better marketing programmes.

27) Dr. Kavaldeep Dixit; Priyanka Sharma(2012), Innovative marketing strategies experimented by MNC’s for exploring vast Indian rural potential, International Journal Of Management Research And Review, Vol. 2; Issue 5; ISSN: 2249-7196

Several European multinational firms -- and a few U.S. firms -- have been making inroads into rural India for years with trenchant strategies. Companies such as Unilever, Nokia, Phillips and Nestle have long been active in bottom of the pyramid markets. Rural markets require patience and investment by companies as in some case the companies have to build the entire product category and not only position their brands. Thus marketers are not only marketing products but they are contributing in nation building by focusing on improving the standard of living of rural masses. Intense focus on the rural and semi-urban areas has inherent advantages. Consumer product multinationals Procter & Gamble, Nokia and Unilever are adopting unconventional and innovative distribution models for better rural connect. The two giants are scouting for, incubating and investing in small, rural entrepreneurs who can assist them in selling to low income consumers. Marketers are trying novel ways to tap the vast rural potential however it is wait and watch scenario for now.


In recent years, rural marketing have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. On account of green revolution and improved economy, the people living in the rural areas are
consuming a large quantity of industrial and manufactured products. In this context, a special marketing strategy, namely rural marketing, has emerged. But often, rural marketing is confused with agricultural marketing, the latter denotes the marketing of produce of the rural areas to the urban consumers or industrial consumers, whereas rural marketing involves delivering manufactured or processed inputs or services to rural producers or consumers.


Indian rural market is emerging stronger with a gradual increase in disposable income of the rural folk. The structure of the Indian economy indicates that a significant portion of the total income is derived from agriculture income. In addition, better procurement prices fixed for various crops and better yields due to many research programmes have also contributed to the strengthening of the rural markets. 'Go rural' is the slogan of marketers after analyzing the socio-economic changes in villages. The 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 sector. The Present study explores the significant motivators for Air-conditioner purchase in economically significant rural and urban areas of Prosperous State of Punjab. A survey of 596 rural & urban respondents (with use of Z test) brings out significant findings regarding ACs purchase. Finally, some useful implications for marketers have been offered at the end.


Research firms have started conducting surveys, academicians published papers and business had made inroad on the area called rural market. The word on everybody lips are - "The real India lives in the village". Rural Marketing is not an uncommon psychology anymore. There has been a radical change in the way marketers are framing their strategies for rural parts of India. It is startle-ting to point out here that Rural Marketing has witnessed unprecedented growth with
increasing purchasing power of the people living in rural India. Consumers hailing from these parts are unquestionably growing “fashionable” in their taste. The present research paper consists of the study understanding emerging trends in Rural Marketing in Indian context. India being a developing economy has opened up flood gates for ample opportunities for producers and marketers to tape and explore potential consumers living in rural India. For understanding the different trends surfacing in the area of rural marketing, I have heavily relied on secondary data comprising of articles from the pages of newspaper, magazines and periodicals. Different business websites have been good source of information for drawing clear-cut picture of rural marketing. In Present paper researcher has focused on the changing face of rural India from the eyes of marketer's perspectives as the Indian Rural Market is extremely fragmented, having small number of players on the seller's side and large number of player on the buyer side. The author gave examples for supporting his statement. Examples are LG Electronics defines all cities and towns other than the seven metros cities as rural and semi-urban market. To tap these unexplored country markets, LG has set up 45 area offices and 59 rural/remote area offices. Nokia develop affordable mobile phones for rural markets with unique features such as local language capabilities, present time/call limits etc. Philips developed „free power radio. This radio does not require power and battery also. It run on simple winding of level provided in the set. The price of this attractive set is Rs.995.

31) Dr. Partap Singh; Dr. Anshul Sharma (2012), The changing face of rural marketing in Indian economy; Arth Prabhand: A Journal of Economics and Management Vol.1 Issue 7, October 2012, ISSN 2278-0629

The Indian rural market with its vast size and demand base offers a huge opportunity that companies cannot afford to ignore. We are a country with 1.12 billion people of which 70% live in rural areas which means more than 700 million people spread around 6,27,000 villages. India's rural population comprises of 12% of the world's population presenting a huge, untapped market. This paper critically examined the current status of Indian rural marketing in present economic scenario. It analyzed the problems prevail in the rural marketing. It does quest the opportunities,
rural marketing strategies, problems along with challenges exists in rural marketing. The author further states that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage. A radical change in attitudes of marketers towards the vibrant and burgeoning rural markets is called for, so they can successfully impress on the 230 million rural consumers spread over approximately six hundred thousand villages in rural India.


Consumer centric marketing style is predominant in the durables, which in turn revolves round the consumer purchase attitude. It is known that Consumer attitude is a learnt predisposition to respond to an object or act consistently in a favorable or unfavorable manner and is shaped by one’s values and beliefs which are learnt. Only by changing the consumer’s attitude can they be influenced to enact a merchandise transaction in the marketing milieu. Hence the importance of attitude change is of paramount importance to marketers who are consumer focused in the modern age often customizing the products/services to match the tastes of the consumer by proper positioning and targeting strategies. Consumer segments may be urban or rural based on the peculiarities/residential location and outlook/lifestyle characteristics of the consumer. In this paper, an evaluation of the Urban and Rural Consumer Purchase attitude-Behavior, a Comparative Study of various facets with Special Reference to Consumer Durables (both white and brown goods) with the sample frame of middleclass working women families of Ernakulum(Kochi), the premier test marketing site in Kerala, is attempted herein. Based on the rich findings, the future strategies in market segmentation and market mix can be redesigned to match with current consumer tastes.
Fast pace of technology advanced every sphere of social, economic, political cultural life, produce, reduce costs, distribute, and expect higher profits. The focus is on tapping the rural markets. Urban markets have saturated lied to look rural markets. This paper presents a review of rural markets’ environment, Problems and strategies in India. Rural marketing has become the latest mantra of most corporate even MNCs are eyeing rural markets to capture the large Indian market. The rural market consist 70 percent population, twice as entire market of USA and would become bigger than total consumer market in countries like South Korea, and Canada in another 20 years. Using primary and secondary data collected from various market segments. It exhibits linguistic, regional and cultural diversities and economic disparities. Increase in purchasing power fuelled lot of interest, several companies are exploring cost effective channels like HUL/ITC/Colgate/Godrej/Nokia/BPCL.

The rise of rural market has been the most important marketing phenomenon of 1990s, providing volume growth to all leading companies. Many corporate have been trying to get a grip on the rural markets, but the challenges are many: how to make the product affordable, how to penetrate villages with small population, connectivity, communication, language barrier, spurious brands etc. The author further states that The key challenges that companies face in the rural market is to identify and offer appropriate products without hurting the company's profitability or margins. Moreover, Companies should recognize that rural consumers are quite discerning about their choices and customize products and services accordingly.
The Indian rural market has a huge demand base and offers great opportunities to marketers. Two-thirds of Indian consumers live in rural areas and almost half of the national income is generated from there. From the point of view of rural marketing, Muzaffarpur district is an ideal district because it is very much near to the capital of the state Patna. In the present paper Muzaffarpur District’s three Blocks have been selected, By the detailed analysis of the results of 35 villages from the sectors “Kanti, Kurhani, Mushari ,and Sakra”, it can be observed that the results are almost same in the villages of these blocks. There certainly is a place for premium products, but consumers in rural market for those products are scattered and difficult to reach. Therefore, such products can be left to be bought from the nearest urban centre. The attraction of rural market is in their size as mass markets. Those who design products for such mass markets will prosper and grow rapidly.

Rural marketing involves the process of developing, pricing, promoting, distributing rural specific product and a service leading to exchange between rural and urban market which satisfies consumer demand and also achieves organizational objectives. In recent years, rural markets have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. These markets are extremely attractive with its vast potential but also provide challenges. It is a classic case of risk return situation. The key to reducing the risk is to understand the market, the consumer need and behaviors. The marketers in recent years are thus facing an extremely difficult and challenging tasks of catering to the rural sector, which is now almost impossible to ignore because of its rising income, population growth rate and government thrust on primary sector growth in its current five years plan. This market was so far been left largely to the mercy of local, cheap and
fake products apart from few large companies. Organizations in order to succeed are now redefining their marketing mix strategies for the hugely untapped or rather poorly serviced rural markets, which by its sheer population size is much bigger than the combined population of many of the foreign nations. The present paper shall discuss in brief the rural market scenario in India, the growth drivers and challenges that are faced by the rural marketing organizations. It shall also recommend the strategies that can be adopted by the marketing firms in order to succeed in this highly unpredictable and unorganized market.

37) Iyer, Vidya (2010), Rural Marketing, SIES Journal of Management, Vol. 6.2; ISSN 0974

In this research paper, the author reveals that in the recent years, rural markets in India have undergone considerable changes as the urban markets have hit saturation and relative growth has slowed down. Marketers have realized that rural India has tremendous potential and with increasing focus of the policy makers on injecting money to pump the rural economy have all contributed towards an increased interest of businesses towards rural India. This article is an attempt to understand rural markets and how organizations serve the emerging rural markets. The author goes on explaining that the concept of rural markets in India, as also in several other countries, is still in evolving shape, and the sector poses a variety of challenges, including understanding the dynamics of the rural markets and strategies to supply and satisfy the rural consumers.


The rural market, having suffered due to the lack of sufficient exposure to the developmental process, remains at the lower rung in the process of development as compared to its urban counterpart. However, a substantial proportion of the global population resides in this very market that despite lacking sophistication conceals in itself a tremendous potential for growth. A proper blend of appropriate technology and pragmatic innovation in business and marketing strategy may make this market equally potent and lucrative. This paper explores the different dimensions of innovation for penetration into the rural market and tries to identify a
pattern of innovation that would both enhance the fortune for the bottom of the pyramid and would effectively be rewarding for a company working at the bottom of the pyramid.


A rapidly expanding middle class with high aspirations and a growing appetite for quality goods make India an attractive investment destination for consumer goods companies. With the growing economy, not only the per capita income is increasing but number of households in this segment is exploding in double digit growth rate. The rich are becoming richer and richer leading to the economic divide. The young population prefers to have working partner which increases dependency on having all the comforts at home. With both husband and wife working leads to increased buying power and the desire for high quality goods, comforts and luxury especially in the metros. This trend is now going to rural areas as well, as opportunities are increasing and companies are targeting rural India which is where majority of India lives.


Rural Markets have seen a big boom in terms of opportunities they provide to the corporate sector in India, According to data furnished by National Council for Applied Economic Research (NCAER) clearly showed a great rural market boom. Findings of the study conducted by NCAER in1998-99 showed that rural markets for group I durables (less than Rs. 1000 in value: items like transistors, pressure cookers, wrist-watches, bicycles, etc.) are bigger than urban markets already; predicted that rural markets for group II durables (Rs. 1001- Rs. 6000 in value: items like B&W TVs, sewing machines, mixers, cassette recorders) will be bigger than urban markets by 2001-02; For group III durables (Rs. 6001 or more in value: like color TVs, refrigerators two-wheelers and washing machines) rural markets will be smaller than urban ones, even in 2006-07; Rural Market growth rates are faster than urban ones, even on the larger bases
of group I & II. The NCAER data also showed that India is now seeing a dramatic shift towards prosperity in rural households. It predicted that the lowest income class will shrink from more than 60% in 1994-95 to 20% in 2006-07. The higher income classes will be more than double. Rural economy has triggered. Ten good rains in a row from 1980-81 to have 1998-99) boosted food grain production. Procurement prices have also been rising. This implies growing rural prosperity and demand for goods.


The rural market in India is not a separate entity in itself and it is highly influenced by the sociological and behavioural factors operating in the country. The rural population in India accounts for around 627 million, which is exactly 74.3 percent of the total population. On account of green revolution, the rural areas are consuming a large quantity of industrial and urban manufactured products. In this context, a special marketing strategy, namely, rural marketing has emerged. But often, rural marketing is confused with agricultural marketing - the latter denotes marketing of produce of the rural areas to the urban consumers or industrial consumers, whereas rural marketing involves delivering manufactured or processed inputs or services to rural producers or consumers. The author concludes that majority of rural respondents have got brand awareness through friends and relatives.


In rural area more than 70% of the population i.e. 815 million resides this makes India as Bharat, a unique in the terms of rural market. Rural India contributes over 54% of GDP and has share of 55% of Monthly per capita expenditure (MPCE). These are the major factors which attract the companies to rural markets, in addition to this rural market share is about 34% in FMCG sector and is growing at 25% in consumer durables comparing to 10% in urban market. Tata chemical, Nokia and many other companies are following innovative
marketing practices to target the customer of rural India. But the companies are encountering with the problems and challenges like mindset of consumer are different from urban, difficulty in designing and pricing products, culture, lack of infrastructure, purchasing power, lack of awareness.


The rural market of India is large and scattered, which consists of over 6.27 lakh villages spread over 3.2 million square kilometres. About 750 million Indians live in rural areas, and finding and delivering them the products is a tough task. Rural markets are increasing both in size and volume and any marketing manager will be missing a great opportunity if he doesn’t go to the rural areas. Further, urban markets have become congested with too many competitors and have reached a near saturation point. Rural markets have become the main avenues with potential for consumption of variety of products and services. This study was conducted to gain insight into the perceptions of rural and urban consumers about various promotional measures adopted by durable goods manufacturing companies. The Z-test was also applied to test the significance of the difference between perceptions of rural and urban consumers for durables and some useful implications for marketers have been offered at the end. The author also states that the rural consumer is more concerned about replacement, because of lack of effective and viable distribution channels as well as repair workshops (outlets) in the rural markets. It seems they are too worried about repair and maintenance problems and want immediate replacement in case of fault in product. Rural group values ‘after-sales service’ as the most significant promotional measure. Their problems, in the context of poor infrastructure (rail-road facilities), are the main cause of the high consideration they give to ‘after-sales service facility.'
India is emerging as an attractive market for consumer durables. But the vibrant environmental profiles. The aim of this study is to analyze the influence of consumer demographics in rural markets on brand management of consumer durables. A self-designed questionnaire containing 14 statements related to the brand/product features was administered face to face to 224 prospective buyers of consumer durables, randomly selected during the months of May and June 2011, while they were approaching retail outlets in Warangal district. The responses were analyzed through chi-square test and reliability analysis with the help of SPSS-19. The findings indicate that out of the five demographic factors tested, occupation and income emerged as the strongest determinants, followed by age and education, whereas gender did not yield a strong significance. Since this research has established empirical evidences in determining the attitude towards brands, consumer goods marketers may formulate their strategies accordingly. The researcher further suggested that this research has established empirical evidence that the demographic features of age, education, occupation and income play a vital role in determining the attitudes towards different brands of consumer durables category, marketers would have to formulate their strategies accordingly.

The paper reviews the state of rural marketing in India and examines the difficulties which company face in establishing distribution network and running communication programme in rural India. It also exhibits the dilemma which company faces in crafting rural communication program. In Present paper researchers had examined the paradigm shift which had been in rural
market, designed strategies for effective rural communication for rural managers and concludes
with some further questions on how the future need of rural people can be addressed. With urban
markets getting saturated for several categories of consumer goods and with rising rural incomes,
marketers are running and discovering the strengths of the large rural markets as they try to
enlarge their markets. In the vein of any market that has seen a demand and awareness boom,
rural India has been seen significant changes in purchasing power and brand recognition. Shift in
consumption patterns and easiness to medium of communication have made the rural market a
vital mechanism in the churning sales, especially with demand for many categories increasing in
the urban markets. The proposed framework can help contribute to the theoretical development
of strategic issues of participant who are operating in market under different modalities and
norms in present system. It also provides insights into communication gap and challenges in
present rural market structures. The authors further suggest that the attitude towards growing
rural market should be that of an investor. The approach has to be of ‘market seeding’. The
marketer has to develop a separate marketing programme and information system which can
tracks sales to different markets as well as identify market potential to meet the customer needs.
With knowledgeable and discriminating rural buyer, the suitable approach is to have product
variants, differentiation and multiple brands. A marketer has to identify region specific media
and develop regional messages. This is to be implemented by developing region and area wise
budget for promotion.

46) Poonam Bassi and Bhavna Sharma (2012), Rural marketing – A Paradigm shift in
2249 5908

Rural marketing has gained prominence in the last decade. The need of rural marketing is that
rural areas of the country have a low population density, and typically much of the land is
devoted to agriculture. The purpose of this paper is to study the rural markets which are
geographically scattered and rural communities are relatively detached from the main stream
population. The paper also highlights the changing paradigm of rural market, strategies for rural
marketing and its emerging trends in India. The research paper also cites the example of BP
energy selling smoke less biomass run gas stove(Oorja) for rural markets, priced attractively at
Rs. 675. Also the cited, is the example of LG electronics developing a customized television for the rural markets and christened it SAMPOORNA. The author suggested that Nokia can appoint Sarpanch as their brand ambassador and can give them some incentives for each referral. Once 10% of the population has experienced the product then the critical mass would be created in that locality to make that brand a dominating brand there.

47) Dr. Anukrati Shrama (2013), An analytical study on the opportunities of rural marketing in India, International Journal of Management, Volume 4, Issue 1, ISSN 0976-6502

The Indian rural market has a large demand and has lots of opportunities for marketers. India has almost 5,76,000 villages, 80% of which has population less than 1000 and about 77% of that population is dependent on agriculture or land based activities. There are several reasons why companies and marketers are getting attracted towards the rural markets. Almost every marketer is in the rat race to get a hold and grip on the rural market as a market leader. India’s 70 percent of the population resides in rural areas and 56 percent of the overall consumption comes from there. They study made by Boston Consulting Group (BCG) has found that small town consumers (those residing in their towns) are spending higher on premium products as against their peers in urban lands. Such consumers moved up the value chain during 37 percent purchase occasions as against 31 percent in metros in 2011-12. The purpose of the paper was to find out the right marketing strategies for rural areas in India and along with this, an attempt had been made to examine the rural market environment, its problems and solutions.

The author also mentioned that while making strategies for rural marketing, the marketers must be aware about the media selection, proper use of the language which is understandable by the rural people. The rural people relied on the decisions of other people who have already used that product, so the marketers need to make a proper marketing strategy. There are several opportunities in rural markets if marketers concentrate properly on the requirements of the rural consumers. Branding, media, usage of language are the few important factors which must be kept in mind, while going for rural marketing.
The success of brand and product in India is unpredictable because with vast rural market and consumers it is difficult to guess the consumer behavior. Consumer behavior is center of the modern marketing, understanding his behavior is quite essential for efficient and effective marketing management. Customers may state their needs, wants but act otherwise. They may not be in touch with their deeper motivations. India’s consumer market is riding the crest of the country’s economic boom. Driven by a young population with access to disposable incomes and easy finance options, the consumer market has been throwing up staggering figures. Marketing problem enhancing from the consumers’ behaviour has a greater degree of similarity behavioral problems relating to the consumer durables. Hence, the present study has been chosen to identify and ascertain the extent of problems of consumer behaviour have an impact on the marketing of consumer durables in the fast growing and a green belt of Satara District. The consumer behaviour in relating to consumer durables is strongly affected by some economic, social, cultural and psychological factors; the present research has been selected for an intensive empirical survey of the various factors influencing the buyer’s behaviour on consumer durables in Satara District of Maharashtra State. The researchers had found that Rural consumers have typical buying behavior where they prefer to associate with reference group for purchasing high involvement products.


The paper describes the challenges and strategies of rural marketing in India. The rural market in Indian economy can be classified under two broad categories. These are the market for consumer goods that comprise of both durable and non-durable goods and the market for agricultural inputs. In recent years, rural markets have acquired importance, as the overall growth of the economy has resulted into considerable increase in the purchasing power of the rural people and
preferences of rural people are also getting changed. So, every marketing player is keen to invest in rural markets. Though there is huge potential and substantial growth opportunities in the rural markets, yet there are some challenges too, which caused hurdles in tapping rural markets. This study is a step forward in exploring various strategies to be adopted in the rural market along with the current scenario of rural marketing, highlighting key challenges related to rural marketing.


India is a country having more than 70% of its population residing in rural areas depending mostly on agriculture and allied activities. The people in rural areas have to go for urban areas or semi urban areas for getting majority of products which are frequently used in their day to day use. It is miserable to stay in many villages where there is no medical shop. Even for emergencies, they have to travel atleast six or seven kilometers. This is the situation in almost all parts of the country. The rural public contributes more income to the country in various ways. Though there is potential for marketing of products, the manufacturers and marketers concentrate very less in rural areas. At present the potentiality in rural areas is felt by all manufacturers. The rural marketing gives more volume of sales to many products. The NGO’s plays vital role in rural marketing. They arrange various awareness programmes to all villages. They approach the marketing department and explained the situation. They themselves establish some centers for marketing various types of domestic products at reasonable rates. Further, they initiate the villagers to promote business houses and trading concerns. They even financial assistance through regional banks to establish their business and even for working capital. The NGO’s in rural areas face many problems in their services and in their initiatives relating to rural marketing. In many areas, their services are misunderstood by the people. In many villages, due to lack of education, even the young people hesitate to accept the initiatives of the NGO’s. in this article, the researcher tries to analyze problems in rural marketing and find out the reasons for the issues and suggest the remedial measures for solving the problems.
The rural market is developed by rising purchasing power, changing consumption pattern, increased access to information and communication technology, improving infrastructure and increased government initiatives to boost the rural economy. The marketers tune to their strategies in accordance to the rural consumer in the coming years. In spite of all complexities involved in the rural marketing, the rural scene of rural environment is changing steadily in India. The biggest challenge today is to develop a scalable model of influencing the rural customer mind over a large period of time and keep it going. Traditional urban marketing strategies will have to be localized as per the demands of the rural markets. It has to reach out to rural consumers and relate to them at an appropriate level, so that it can bring about the desired behavioural change. Government support is necessary for the development of rural market in India to face the emerging issues and challenges in the core areas like; transportation, communication, roads, and credit institutions, crop insurance for better utilization of land and water management. The future no doubt lies in the rural market. In conclusion, the rural markets are enticing and marketing to rural consumers is exciting. However, a clear understanding or the rural consumers and their current and future expectations are the major part of strategies to tap the rural market nowadays.

This paper coins and explains the term “Urban Myopia” and attempts to present framework for rural marketing in India. The marketing firms are blind to the six lakhs villages in India, perhaps the largest rural market, owing to urban myopia. These firms should adopt the 3P framework of Rural Marketing. This model will not only help the marketing firm to develop innovative products for rural markets but will help to align the CSR activities to its marketing activities. To tap the rural market potential in a sustainable way, the marketing firm will have to adopt the 3P framework in Toto. This will bring the rural consumer into the value-net of the firm and help create innovative and green products (nature friendly) even for urban consumers.
Rural markets, unaffected by the economic slowdown, have created a complete turnaround in the mindsets of the marketers. The present article tends to explore the changes in the rural infrastructure and economics during the past decade and touches fairly on the rural psychology and consumer behavior that needs to be understood to penetrate the rural ecosystem. It also captures the impact of these changes on rural income and the consumption pattern. Finally, the article ideates the opportunities of future through rural markets and how business can leverage opportunities arising out of this rural boom.

As rapid socio-economic changes sweep across India, the country is witnessing the creation of many new markets and a further expansion of the existing ones. With over 300 million people moving up from the category of rural poor to rural lower middle class between 2005 and 2025, rural consumption levels are expected to rise to current urban levels by 2017. Consumer durables involve any type of products purchased by consumers that are manufactured for long-term use. As opposed to many goods that are intended for consumption in the short term, consumer durables are intended to endure regular usage for several years or longer before replacement of the consumer product is required. Just about every household will contain at least a few items that may be properly considered to be of a consumer durable nature. A combination of changing lifestyles, higher disposable income, greater product awareness and affordable pricing have been instrumental in changing the pattern and amount of consumer expenditure leading to robust growth of consumer durables industry.
Rural marketing is an attractive term today as compared to what it was in the mid and late 80s. While rural income continues to rise the rate of growth has slowed down and market is already seeing signs of demand plummeting in urban centers. The rural markets has been growing steadily since 1980s and is now bigger than the urban markets for both FMCG (35% share of total market) and durables (59%). These facts are substantiated in a study of market growth conducted by various researches. In recent years, rural markets have acquired significance in countries like China and India, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. On account of the green revolution in India, the rural areas are consuming a large quantity of industrial and urban manufactured products. By this paper the author has revealed various aspects related to rural consumer behaviour and the strategies to uplift the rural market trends.


Endorsement of brands in rural markets seeks special attention. Communal and backward circumstances pose a challenging and daunting task the forces of personal selling and instill a greater effort towards the same. The word of mouth is an important message carrier in rural areas. Moreover the opinion leaders are the majority which highly sways a part of promotion strategy towards the rural sectors. Mass media also plays a very crucial role in promoting different product strategies in the backward areas. The know-how of agricultural input industry can act as a rule for the marketing efforts of consumer durable and non-durable companies. Moreover the Indian established Industries have an upper hand in this aspect as compared to MNC’s which are a little naïve in this regard. It is believed that existing and established Indian brands have tough brand equity, consumer demand-pull and committed dealer network created over a long span of time which adds as an advantage towards brand pushing in rural sectors.
Majority companies are trying to elicit augmentation in rural areas since they are now acquainted with the idea that rural population is also equipped with better position and disposable income. Further the availability of low rate finance in Indian has triggered the affordability of purchasing the expensive goods by the rural people. Hence marketer should recognize the price sensitivity of an end user in a rural area. Thus this paper is a small attempt made towards promoting of brands in the rural markets since good branding strikes a chord with viewers and helps them relate with the product and reflect their aspirations.

57) Umakanta Tripathy, Pragnya Laxmi Padhi (2011), Change in consumption pattern in rural markets: An empirical study of Sambhalpur district of Western Orissa, International Journal of Marketing and Management Research, Vol.2 Issue 9, ISSN 2229-6883

More than 70% of the population resides in rural India and it is more than 85% in Orissa. India lives in villages and the main occupation of these people is agriculture. It is seeing that there is a new transition of development in agriculture. The rural areas offer great opportunities to marketers for selling their goods and services, as half the national income is generated there. The Indian rural market has been growing steadily over the years and is a big market for both consumer products and agricultural inputs. The government’s support has led to the adoption of modern agricultural technology. As a result, the purchasing capacity of the rural people is increasing, with exposure to education and various media, rural people are changing there consumption pattern. In spite of the vast potential, the rural market is not well-exploited, mainly due to many limitations and constraints. Rural people are traditional and conservative. Transportation poses a big challenge. Banking and credit facilities are not extensively available. Rural distribution channel sometimes involves more number of intermediaries. The low rate of literacy coupled with multiplicity of languages and dialects make marketing communication in rural areas much more difficult. In the light of this background, this article presents the findings of an empirical study regarding the consumption pattern of people in rural areas of selected villages of Sambalpur district of western Orissa among both consumers and retailers, to understand the consumption profile and behavior.
2.2.5 REVIEW OF PAPERS PUBLISHED IN MAGAZINES


A population migration on a grand scale is about to happen in India. Around 300 million people are moving, not from one geographical area to another -- but out of poverty. These are the people living in rural communities, in households with an annual income of L1,082, who make up 64% of India's rural population. India's GDP has been growing at 7% to 8% annually for the past decade and its 1.1 billion people represent a L600 billion economy. However, tapping into the low income, dispersed and inaccessible rural market in any developing economy poses many challenges. These are: 1. awareness, 2. availability, 3. affordability, and 4. acceptability. The author further states that by 2017, per capita consumption of consumer goods in rural areas is expected to equal the currently witnessed levels in urban consumption, and thereby the rural economy looks set to explode and become three times the size of the current urban economy. He gave the example of a company named Jolly, a local colour TV brand with a battery back-up which ensured uninterrupted operation even during frequent and long power outages, had become the preferred choice in Northern India.

2) Kushan Mitra(2005), Bloodbath In White Goods; Rising input costs, overcapacity, slow growth, and huge losses plague the country's Rs 5,000-crore white-goods industry. Is there a way out? Business Today, Living Media India Pvt. Ltd. Jul 17, 2005

"The competition today is not to be the market leader or brand leader, but a loss leader," says T.K. Banerjee, Managing Director of Chinese white goods major Haier India, the latest price warrior in an already bloodied market. LG India and Samsung Electronics India, are making money selling white goods in India. A five-kg automatic washing machine is now available for Rs 6,000 as against Rs 8,000 just two years ago. A 1.5-tonne room air-conditioner is in the market at prices nudging Rs 15,000 as against Rs 25,000 three-four years ago. Then, absolute prices coming down is a truism in just about all consumer goods, from cars, two-wheelers, electronics, even expendables. The author
mentions the statement given by Godrej's Motwani of Godrej appliances that replacement cycles for durables, currently at 5-7 years, will have to get shorter and economic growth has to filter down to smaller cities for volumes to pick up in the hinterland. Moreover LG's Rao states that, infrastructure issues will allow consumers across urban and rural India to buy more refrigerators and washing machines.

3) Rural India loses steam: Demand for tractors, agriculture machinery, durables decline as income falls, prices rise, The Economic Times (Online) [New Delhi] 11 Feb 2012, Bennett, Coleman & Company Limited

Agricultural output growth is expected to decline to 2.5% in FY12 from 7% in FY11, according to the advanced estimates released by the Central Statistical Organization, or CSO, the government's official statistician. "Growth has been slowing in the current fiscal with demand in rural markets impacted by several macroeconomic factors like availability of finance and higher interest rates on auto loans," says Shashank Srivastava, Maruti Suzuki India chief GM (marketing). "There is a huge focus on strengthening distribution in rural markets. This will counter any effects of slowdown in sales," says Samsung India Vice-President (home appliances) Mahesh Krishnan. Rival Panasonic is also hopeful, adding that a few categories have pulled down the entire market. Manish Sharma, Panasonic India director marketing and sales, says in tier-II and tier-III markets, sales have fallen 10-15% since November with the worst affected being direct cool refrigerators, small-screen LCD television and window air-conditioners.

4) Tejeesh N.S. Behl (2009), Rural to the rescue: Stagnant urban demand, collapse of export markets and relative rural prosperity are drawing companies to the countryside. Business Today

It's probably this resilience that's prompting companies such as Airtel, facing slower urban sales following the global financial meltdown, to make a dash for the hinterland despite the lack of basic infrastructure. We started focusing on the rural markets about a year-and-a-half ago, and today 60 per cent of all our new consumers are from the rural areas, says
Sanjay Kapoor, Deputy CEO, Bharti Airtel. That means 1.68 million new rural customers a month. Airtel has been adding some 2.8 million subscribers every month since the past one year.

For the companies, the initial results have been encouraging. While Maruti Suzuki has seen the share of its rural sales jump from 3.5 per cent of the total in 2007-08 to 8.5 per cent in 2008-09, Bharti Airtel's rural penetration has increased from 6 per cent in 2007-08 to 12.6 per cent, according to data available till February 2009. Airtel's average revenue per user (ARPU) in the rural regions has increased from Rs 100 to Rs 150 in the same period. That indicates an increased cash flow for the rural consumer, attributed in part to the 40 per cent-plus increase in minimum support price (MSP) of wheat and rice over the last two years. While wheat's MSP has risen to Rs 1,080 per quintal in 2008-09 from Rs 750 per quintal in 2006-07, the figure for rice in the corresponding period has jumped to Rs 850 from Rs 580 per quintal. Then, there's the NREGS jobs scheme, even though its success is debatable. Last but not the least are the farm loan waiver and the declining prices of consumer durables.

Today's rural consumer also demands a flat screen television, rather than a CRT television and he prefers foreign brands like LG and Samsung. There's also been a steep increase in DTH connections in rural areas, states [Pradeep Kashyap] of MART. His findings are in consonance with Nokia's, which says that the rural consumer doesn't just want an entry-level handset priced below Rs 3,000, but mid-range models between Rs 3,000-6,000. Earlier, a new rural consumer went for a single-colour basic handset; today, he's increasingly choosing a feature-rich colour display phone, says Vineet Taneja, Director Marketing, Nokia India.

5) S. Jeyakumar, (2010), Consumer Durables Rural India Calling, Fact For You.

The author mentions that rural India with as much as 70 per cent of the Indian population but low penetration level of consumer durables is the next target for companies. An important factor behind low penetration is poor government spending on infrastructure. For example, the government spending is very less on electrification programmes in rural areas. This discourages
the consumer durables companies to market their products in rural areas. The rural sector offers huge scope for the consumer durables industry, as it accounts for 70 per cent of the Indian population. Rural areas have penetration level of only 2 per cent and 0.5 per cent for refrigerators and washing machines, respectively. The annual growth rate of the urban and rural markets is 7-10 per cent and 25 per cent, respectively. The rural market is growing faster than the urban market, and the urban market has now largely become a product replacement market.


Agricultural output growth is expected to decline to 2.5% in FY12 from 7% in FY11, according to the advanced estimates released by the Central Statistical Organization, or CSO, the government's official statistician. "Growth has been slowing in the current fiscal with demand in rural markets impacted by several macroeconomic factors like availability of finance and higher interest rates on auto loans," says Shashank Srivastava, Maruti Suzuki India chief GM (marketing). "There is a huge focus on strengthening distribution in rural markets. This will counter any effects of slowdown in sales," says Samsung India Vice-President (home appliances) Mahesh Krishnan. Rival Panasonic is also hopeful, adding that a few categories have pulled down the entire market. Manish Sharma, Panasonic India director marketing and sales, says in tier-II and tier-III markets, sales have fallen 10-15% since November with the worst affected being direct cool refrigerators, small-screen LCD television and window air-conditioners.

7) Workbook of PR Pundit’s workshop, Mumbai (2003), Rural PR

The Indian rural market with its vast size and demand base offers great opportunities to Companies. Two-thirds of Indian consumers live in rural areas and almost half of the national income is generated here. It is only natural that rural markets form an important part of the total market of India. According to the National Council of Applied Economic Research (NCAER), with about 74 per cent of its population living in its villages, India has perhaps the largest potential rural market in the world. It has as many as 47,000 haats (congregation markets),
compared to 35,000 supermarkets in the US. Plus, of the total FMCGs demand in India, nearly 53 per cent comes from the rural market. For consumer durables, the figure is 59 per cent.

The success of a brand in the Indian rural market is as unpredictable as rain. It has always been difficult to gauge the rural market. Many brands, which should have been successful, have failed miserably. More often than not, people attribute rural market success to luck. Therefore, companies need to understand the social dynamics and attitude variations within each village though nationally it follows a consistent pattern. Language and regional behaviour variations should be considered while developing rural communications strategy. Advertising and Public Relations agencies should entrust development of rural communications packages to professionals hailing from small towns, as they would have a better connect with rural mindset.

As a general rule, rural marketing involves more intensive personal selling efforts compared to urban marketing. Companies need to understand the psyche of the rural consumers and then act accordingly. To effectively tap the rural market, a brand must associate itself with the same things the rural community does. This can be achieved by utilizing the various media in rural areas to reach out to their readers in their own language and in large numbers.

8) LG Electronics Managing Director Moon B. Shin tells Jyoti Malhotra in an exclusive interview for The Wall Street Journal (May 2010)

About 73% of India's population lives in rural areas and 35% of the rural population own a color television set, 5% own refrigerators and 1% own a washing machine. LG has the widest distribution network across the country. Mobile service vans reach out to people in the remotest villages, so LG remain connected with the consumer even after our products have been bought. Colors are a major differential [and] we work with color specialists to design rural products. Rural people like brighter, beautiful colors, urban people prefer more classic colors, like grey or white, with a metallic finish.

Durability is also very important. For example, LG have introduced plastic bodies, instead of metal, for washing machines geared for supplies to coastal areas to guard against the high corrosive content of salt in the water supply. Also, LG have tailored their designs to suit rural conditions. Often, rural areas have erratic electricity supplies and they tend to be dry and dusty,
so product design has to meet those demands. For example, Their refrigerators have built-in voltage stabilizers to protect the compressor from fluctuations in electricity supplies. The most popular first-time purchases are televisions. Recently LG have come up with low-end, 14-inch TVs. Also, the same is the case with refrigerators and washing machines. These are the three products we see people buying when they get married.

9) Archna Shukla, Kapil Bajaj (Jun 18, 2006), A Rs 25,000-Crore Market In Play; Korean firms LG and Samsung haven't won the battle for the consumer durables market, Business Today

Just about when everybody thought that the war for durability in the Rs 25,000-crore consumer electronics industry in India had been fought and won, the industry seems to be gearing up for another battle. On the face of it, nothing seems to have changed, not the game, nor the players and not even the prize. Poor infrastructure is another reason that seems to have held back the industry. "Regular power supply is imperative for any consumer electronics product. But that remains a major hiccup in India," says Ravinder Zutshi, Deputy Managing Director, Samsung. Indeed, over 80 per cent of the rural market in India remains irrelevant for the industry because of these reasons. But the fact remains that these problems are not going to be resolved in the near future. And companies will have to factor them in when they draw new growth plans. Which they have now done. Shorter replacement cycles, especially in urban areas, also give companies cause for hope. Over the next few years, the topography of the industry will likely change, with some companies gaining at the expense of others. Eventually, however, the market itself will grow, as rural markets evolve and companies create specific products for them.

10) Dr. Arpita Khare (April, 2008), Global Brands Making Foray in Rural India, Regent Global Business Review

The popular image the world has of an Indian rural consumer is one who has limited education and exposure of products and services. Yet, Indian rural markets are much more complex and
represent a tremendous marketing challenge and opportunity for multinational firms. Consumer durables such as LG Electronics India, targeted the Indian rural customer with launch of new products such as ‘Sampoorna’ brand of television sets and it has opened more offices in rural India than in the urban parts of the country. The top management understood that as the rural market awakens to new technologies, the consumer durable market was bound to undergo a transformation.

LG is not the only MNC vouching the changing trends by growth of its sales in the rural parts, MIRC Electronics has also launched a program called ‘Operation Vistaar’ and has introduced low priced television brands for rural households. Samsung has targeted the villages by organizing road shows and have focused the semi-urban and rural consumer for their various product ranges.


The author in his presentation mentions that there are nearly 600,000 villages with 700 million people. More than half of total GDP comes from rural India. The rural people nearly constitutes 50% of Very rich and are well off households in rural India. The author further provides solution to overcome problems faced by the company by setting up of a Life style Research Team by LG electronics which would analyze the needs & preferences of the consumer. These teams would do an in depth analysis of the rural customer, would understand at length his comfort levels in terms of what he wants and what he would spend for his wants. The author wants to make products and service available for him to suit his needs & preferences. The author further suggests the need to have a deep pocket network to make products available for him at a close proximity.

12) Dr. G. Sridhar, Dr. N. Ramesh Kumar, Dr. G. Narasimha Murthy (2010), Susceptibility to Reference group influence Among Rural consumers, Metamorphosis Vol. 9, No. 1

The diversity in the reference group influence on consumer purchase in general and with reference to rural consumers is examined in the review of literature. The literature on reference
groups influence on rural consumer behaviour reveals the role and importance of opinion leaders and the susceptibility of consumers on reference groups for any purchase. Many findings in rural marketing domain concur with the literature on the reference group influence construct done elsewhere. Consumers who are susceptible to interpersonal influence will try to satisfy reference groups' expectation by complying with groups' norms. Reference groups in all have been found to have profound influence on consumers' decision making. This influence is different for several sub cultures and situations. Consumers may accept a reference group influence because of its role in providing informational, utilitarian and value expressive influences.

2.2.6 REVIEW OF PAPERS PUBLISHED ON INTERNET


A rural consumer is always a budget seeking consumer. It is essential to first match a product's expectations and its pricing structures. It is to be noted that most of the rural population comprises of daily wage workers who tend to have minimal stock of money. Depending on her daily income, she fixes a budget for the purchase and makes a decision after taking other parameters like after sales service, warranty period etc into picture. Thus, the products in the rural market should be able to meet the basic needs of the consumer, as a rural consumer shall not be willing to pay additionally for extra benefits. This makes pack sizes and price points all the more important. In rural markets, a consumer's buying behavior is widely influenced by social customs and traditions. Higher levels of illiteracy and lack of exposure to traditional media practices further add to the problems. Hence, the advertising mix should be customized and contain other alternative forms like street plays, wall painting, posters etc. Effective incentive schemes and trade promotion activities should be developed to maintain a long lasting relation with the retailer.

2) Saloni Nangia (December 25, 2010), Rural retail: To touch $25 bn by 2020, Senior Vice President & Head of Retail & Consumer Products at Technopak Advisors
The rural Indian economy, growing at 8-10 per cent every year, will be adding $90-100 billion of new consumption in the next five years, over the current base of $240-250 billion. Over the last five years, some consumer product companies have recognised the potential of rural markets and invested time and resources to tap into this opportunity - understanding and segmenting the consumer, based on their spends and lifestyles. Some have re-engineered products, pricing and packaging to customise features and value relevant for these markets. For instance, LG has Sampoorna, a customised TV; Godrej soaps has introduced 50-gm packs and Samsung has launched Guru - a mobile that can be charged with solar energy. Some players have developed new communication and distribution channels within the hinterland (HUL's Project Shakti; Tata Tea's 'Gaon Chalo') and some have created completely new products. This innovation for rural markets has paid off well for some of the FMCG, consumer durables and automobile companies, and will continue to grow as they get closer to their target consumer and refine their business models.

2.2.7 REVIEW OF PHD. THESSES AND DISSERTATIONS


Demographic profile of the Rural and Urban Ahmedabad has quite different scenario which has been reflected in the consumer preference for different consumer durables. Rural consumer as a conservative approach giving importance to the durability and after sales service factors in selection of the particular brand and model of consumer durables. Motivational factors for purchase of the consumer durables are different in the Rural and Urban area. Adoption of new technology in case of Television and Air-conditioned has been observed very fast in the Urban area as compare to Rural one. The Rural consumer mind set for the television reveals that it is a life time product hence the question for replace of the old Television set is not raised unless and until there is strong reason from the family members. Rural consumers have given importance to certain basic features and few augmented features of the product. There is no significant influence of demographic factors other than income on the buying decision of Television,
Refrigerator and Air conditioner in the Rural and Urban area. The affordability is the main problem in the both the area which has been overcome with most effective tool of “0% finance sales” in both the area. Television and News Papers are the most influencing media for marketing communication in Rural as well as Urban area. Marketers are supposed to converge the offerings of the Urban area and re-launch in the Rural area. Other marketing strategies in the area of Distribution Network, Brand Building, After Sales support eat are to be redesign by the marketer.


The literacy rate is high in selected areas of Gujarat state, 95% rural respondents have awareness about H.U.L. brand, majority of the rural respondents are satisfied with the selected H.U.L. products, they are satisfied with the availability of the selected H.U.L. products at their regular buying places, they are happy with their product quality and price of the product. The rural people are mainly price conscious but not so brand loyal, so they may switch to other brand in case, other brand offer them comparative quality product with low price, they do not consider the fragrance and taste as important factor while making purchase decision. As well there is very low effect of brand ambassador on their buying behaviour but advertisement definitely helps them to increase their product knowledge and which helps them to differentiate between branded products and spurious products. Overall it was concluded that, among five selected product categories except tea, the performance of H.U.L. products are excellent, in case of H.U.L. tea, it has less market share and awareness. So company should focus on this point and make the future strategy. With reference to other selected products H.U.L. needs to change their strategies time to time to maintain satisfied customers and good position as per the trends in the market.

3) Sharma Priyanka (2013), “Marketing of Consumer Durables in Rural India With Special Reference To Eastern Rajasthan”, PhD. Theses, I.I.S. University, Jaipur

The marketer, irrespective of operation in an urban or a rural area, gives importance to
marketing, its concept and objective of satisfying consumers with goods and services for a profit. The four P’s which make up marketing mix are equally relevant in both the cases. However, the basic difference in these two segments lie in demographic, socio cultural and economic environment.

A sincere attempt had been made in the research to examine rural marketing of consumer durables in terms of its challenges, practices and effective management of marketing mix which comprises of product, price, place and promotion in the rural environment of five districts of Eastern Rajasthan. The findings of the study and suggestions for the present and prospective marketers keeping the concept of four aspects of marketing had been given here. This will help them to device their marketing strategy for the rural market.