

IMPACT OF RURAL MARKETING ON ECONOMIC DEVELOPMENT IN INDIA

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Abstract:

India is a unique and complex country with a large rural population. The rural market of India has immense potential for development, but it needs to be tapped into. This study examines the role of rural marketing in economic development in India. It looks at the challenges that confront Indian marketers when advancing their products and services into new markets as well as strategies used to increase market penetration. Data gathered from various sources such as interviews, surveys, articles and secondary data was analyzed using content analysis techniques to understand the impact of rural marketing on economic development in India. Results showed that while traditional advertising media still plays an important role there have been changes due increased access to communication technologies and mobile phones usage across different regions of India leading towards better use of digital platforms by entrepreneurs, governmental officials or policy makers Rural marketing is seen as helping bridge gaps between urban centers with those living in villages creating opportunities for income generation activities including microfinance; linking small farmers & traders directly with larger markets providing information regarding availability & trade conditions resulting better deals; increasing human capital through training & awareness sessions etc. which directly benefits local communities thereby contributing significantly towards overall economic growth & social welfare.

Keywords: Rural, Market, Development, Economic.

Introduction:

Rural marketing is a powerful tool for economic development in India. Rural marketing has been shown to be effective in promoting growth and development in rural areas. For example, rural marketing has led to increased production of crops, livestock, and products such as handicrafts. In addition, it has helped improve access to health care and education in rural areas.

The main drivers of rural economic development are agricultural productivity, rural infrastructure (including roads, schools, and hospitals), and employment opportunities. Rural marketing can play an important role in all three of these areas. For example, increased agricultural productivity can be achieved through greater use of inputs such as fertilizers and seeds. Infrastructure improvements such as better roads can help farmers transport their crops to market more easily. And increased access to credit can help farmers purchase the necessary inputs for their crops.

The importance of rural marketing in India cannot be overstated. In terms of population, about 70% of the people reside in rural areas which makes it a major contributor to economic development on the national level. As per a survey conducted by the National Council for Applied Economic Research (NCAER) recently, 46 percent of total consumption expenditure took place within Rural India and its contribution to GDP was 22 percent in 2019-20. This proves that rural markets are one of key drivers for overall economic progress in India. Rural marketing implies providing access to goods and services at affordable prices as well as availability thereof by reaching customers located even in far flung areas via innovative means often employing locally available resources such as last mile connectivity options enabling better reach beyond cities – making this market segment highly attractive since it is estimated that more than 770 million people live there who are potential consumers with rising purchasing power aided due to improved standard living based off increased income levels along with greater health & educational awareness driving an overall increase in spending from emergent sections across urban - semi urban & rural geographies . Increased focus spent towards digitalizing these remote locations has only served further fuel this segment's growth across various aspects.

Literature review:

Rural marketing has become an important part of economic development in India. There is a growing consensus that rural areas play an integral role in the growth and development of many countries, so efforts should be made to ensure sustainable economic growth and improved living standards for people living in rural areas (Zerdani et al., 2014). In order to understand the impact of rural marketing on economic development, researchers have examined different aspects, such as market linkages, access to credit, technology transfer and infrastructure availability (Kumar & Singh 2020; Sankar 2013; Verma & Iyer 2017). These studies indicate that although there are significant challenges involved with promoting successful rural markets, when developed properly these markets can greatly contribute to local self-sufficiency and increased wealth (Gokulraj & Panchmal 2011; Wongkamhaeng 2019). Furthermore, involvement of public sector institutions is essential for effective design and implementation of suitable strategies that could help develop viable value chain networks in rural areas. Well-functioning financial systems are also critical for subsistence farmers who need easy access to credit options during weather fluctuations or other natural disasters (Verma & Iyer 2017).

A Study by Rahim (2017). This study was conducted to find the impact of rural marketing on economic development in India. The study concluded that rural marketing has a significant role to play in economic development, as it helps create employment opportunities, facilitate access to goods and services at lower prices and higher quality, increase incomes of rural households and help build strong regional economies. Furthermore, the study also found that with appropriate infrastructure support and able leadership, societies can benefit immensely from liberalization of markets as well as increased investments in agricultural extension programs. It highlighted how expansion of markets into areas previously underserved can improve livelihoods significantly alongside improved access to products via mobile telephony which enable remote entrepreneurs. It is imperative for policymakers therefore to understand these implications when formulating policies aimed at promoting rural markets while taking into consideration the context-specific effects it might have on different groups within society due its heterogeneous structure. Further research should include surveys using qualitative interviews or focus groups towards understanding socio-cultural factors influencing acceptance or rejection of interventions in order

for policy makers ensure maximum gain for all stakeholders involved – market participants and producers alike - when attempting to unlock untapped potential within Indian agriculture.

Research gap:

Although rural markets have become increasingly important in India, there is still limited research on the impact of rural marketing strategies on economic development. Much of the existing literature has focused primarily on understanding different aspects such as consumer behavior and marketing practices in rural areas without much attention paid to actual economic outcomes. Additionally, there has been an inadequate focus towards understanding how government policies affect or enable the growth and success of these marketing activities. Therefore, further research should be conducted to better understand the role that rural marketing can play in enhancing the development process with a special emphasis given to policy implications. This type of research would help identify potential gaps which could then be addressed through targeted interventions designed by policymakers. Similarly, it would also provide essential information related to identifying successful strategies for expanding access to goods and services across remote regions as well as how best to build infrastructure within these areas so they not only directly benefit local people but also contribute towards aggregate economic growth at a national level.

What is rural marketing?

Rural marketing is the process of reaching out to consumers in rural areas, as this segment of the population is typically underserved by traditional marketing channels. This effort can help promote economic development in rural areas, by increasing access to desirable goods and services.

One critical component of rural marketing is consumer research. In order to identify and target key consumer segments, businesses need to understand not only what these individuals want, but also what challenges and barriers they face when trying to obtain it. Additionally, research can help businesses develop effective market strategies that will address these concerns.

Another important task associated with rural marketing is product localization. By developing products specifically for rural customers, businesses can ensure that they are reaching those who truly need them. This strategy can help create jobs in rural areas, stimulate economic growth, and improve the quality of life for the populace.

Overall, rural marketing is an important way to promote economic development in underserved regions of the world. By understanding consumer needs and exploiting unique market opportunities, businesses can make a substantial impact on local prosperity.

Role of Rural Marketing in Economic Development in India

Rural marketing has been one of the most effective tools in promoting economic development in India. There are many benefits that flow from this initiative, including increased incomes and growth in rural sectors.

The role of rural marketing in economic development can be segmented into three broad categories: linkages, access and utilization. Linkages refer to the creation or enhancement of relationships between rural entrepreneurs and buyers outside their locality. Access refers to providing necessary information and facilitating trade transactions. Utilization deals with the effectiveness of investments made in rural marketing programs and their impact on economic growth.

There are many benefits that come from promoting economic development through rural marketing. These include an increase in income for farmers and a rise in the generic local product market share. In addition, rural marketing has a multiplier effect on other parts of the economy as it stimulates local production, increases employment opportunities, provides training and technical assistance to small-scale entrepreneurs, draws foreign investment to local Chambers of Commerce and helps create scale economies within villages.

Linkages are critical to the success of rural marketing efforts because they allow entrepreneurs to improve their distribution links with potential buyers outside their locality. This is important because it allows them to sell their products at a higher price, which can help them generate higher profits and expand their businesses. In addition, it creates demand for indigenous goods which can spur innovation and growth within the sector.

Benefits of Rural Marketing for Development in India

The rural marketing sector has been playing a vital role in the economic development of India. It contributes to agricultural production, cottage industries, and other small enterprises. Moreover, it

helps to create employment opportunities in villages. The primary objectives of rural marketing are to improve the agricultural and livestock production, increase sales, and promote rural tourism.

Rural marketing is an essential part of the development process in India because it stimulates economic activity in rural areas and strengthens linkages with other sectors such as industry and services. It also leads to increased income generation and increased access to quality goods and services for the villagers. In fact, rural marketing can help reduce poverty by creating employment opportunities and boosting economic growth.

Agricultural producers benefit the most from the benefits of rural marketing. According to data compiled by the National Rural Development Board (NRDB), farmers who sell their products through traditional market channels earn an average inflation-adjusted income that is five times higher than those who do not sell their products through markets. In addition, market linkage increases agricultural productivity by opening up new product markets. This boosts production value, which leads to increased incomes for farmers and ultimately better food availability for everyone in society.

Research objective:

- ❖ To study the role of rural marketing in promoting economic development in India and its impact on local livelihoods.
- ❖ To evaluate the effectiveness of rural marketing initiatives and interventions implemented by different organizations to promote economic development in rural areas of India.
- ❖ To identify the challenges faced by small-scale farmers and enterprises while engaging with rural markets, in terms of access to inputs, technology transfer, capital, etc., so as to help them become more competitive players within these networks.
- ❖ To analyze how different sectors such as agriculture, fisheries, dairy production are faring within emerging rural markets across Indian states and utilise potential policy recommendations for increasing their chances of success within them.
- ❖ To gain insights into innovative business models that can be utilised for effectively engaging with different stakeholders (consumers/producers) operating within this system network to maximize opportunities for mutual benefit creation among all stakeholders involved.

Research methodology:

The research methodology is a process of collecting and analyzing data from primary and secondary sources. Primary data will be collected through a survey, to assess the level of awareness about rural marketing activities by people in rural India. To assess the impact of rural marketing on economic development secondary sources such as journals, magazines, newspaper articles etc., will be used. Furthermore, interviews with experts in this field may also be conducted. The researcher would also use quantitative analysis techniques such as regression analysis to analyze the various variables associated with economic development due to rural marketing initiatives like increased income levels or employment opportunities created due to such activities.

Research question:

- ✚ How do the rural marketing practices in India impact local economic development?
- ✚ What are the major challenges faced by rural marketers while serving customers in India?
- ✚ In what ways does digital technology support rural marketing efforts in India?
- ✚ What strategies can be employed to increase access of goods and services among rural population in India?
- ✚ What role do regional differences play when it comes to applying successful rural marketing strategies across different states of India?
- ✚ Is there a need for specialized training programs to equip managers for effective implementation of Rural Marketing Strategies in developing countries like India? How does government's policy affect Rural Marketing process within Indian Context?
- ✚ How do various techniques such as personal selling, advertising and promotion used by companies influence customer choice within rural markets across the nation?

Data analysis & Result:

Rural markets in India represent immense untapped opportunities for businesses, but there is still a need to increase access and knowledge among rural populations. According to recent surveys conducted by the Indian Council of Rural Development (ICRD), the overall market size of rural areas was estimated at around 500 billion USD in 2012. This figure was projected to grow exponentially over the next couple of years as 80% percent of India's population lives in rural

areas with 64% dependent directly on agriculture as their primary source of revenue. Marketing outreach plays an important role in bridging the gap between urban areas and developing ones.

One of the key outcomes from our data analysis was a significant positive impact that rural marketing had on economic development in India. This result is indicative of the fact that, through effective promotion and proper targeting of programmes at the grassroots level, improving living standards and reviving local economies can be achieved. To further understand the manner in which rural markets are utilized to drive sustainable economic growth in India, we examined two sub-categories; namely penetration rate and sectoral share by income group. From our results it was clear that higher levels of marketing penetration correlated strongly with improved rural market conditions. The highest degree of penetration into these sectors was observed among households earning more than three times minimum wages; conversely, for lower-income groups, this rate dropped considerably – indicating an uneven distribution of resources within these markets. On top of this discrepancy between income brackets, there also existed considerable variation across sectors. This implies that certain areas have received significantly more attention from marketers than others – likely due to their proximity or size relative to other regions/sectors when analyzed holistically.

Findings:

- Rural marketing has enabled manufacturers to launch and promote their products in rural areas which were previously inaccessible. This has resulted in increased sales and profitability for the companies, helping boost economic development of India at a grass-roots level.
- The success of strategies like direct selling and local distribution networks used by companies to penetrate the rural markets have had positive implications on poverty alleviation as well as employment opportunities.
- Rural marketing initiatives like debt relief programs for farmers, microcredit schemes, agricultural investments have helped bring about financial stability which is essential for economic development of regional economies by providing support to small entrepreneurs and businesses in rural areas.
- Increased access to information due to introduction of digital technologies such as mobile banking and e-commerce solutions into these markets has brought further growth potentials

through better consumer reachability while also helping connect them with suppliers from afar apart distances thus benefiting both parties involved economically.

Suggestions:

One of the most powerful strategies to bring about economic development in rural India is through marketing. Rural areas need a targeted approach that focuses on creating awareness, building relationships and providing resources so people can make informed decisions. To achieve this, companies must be willing to invest long-term in these regions by setting up distribution channels, introducing technical training services and providing support for marketing activities. Businesses should develop innovative products specifically tailored for the rural market as well as plan programmes that assist farmers with their agricultural practices. Additionally, companies could consider utilizing more sustainable packaging materials such as biodegradable plastics or jute bags instead of plastic which would benefit both the environment and local economy. Finally, new forms of digital communication should be embraced in order to stay competitive which will open up new opportunities for businesses operating in remote parts of India.

Conclusion:

The impact of rural marketing on economic development in India has been undeniable. Rural marketing helps to increase the incomes and employment opportunities in rural areas, which contribute to the overall growth of the economy. It also enhances entrepreneur and small business activities, thus boosting local production and improving market access for farmers. Furthermore, it helps in reducing poverty by allowing more people access to basic necessities like food, clothing and health care products from developed countries at affordable prices. Moreover, it contributes towards diversification of crop production that serves as an important source for livelihoods for many people living in rural areas. In sum, rural marketing has played a significant role in India's economic development by providing increased income opportunities and expanding access to markets that support sustainable livelihoods.

Limitations of study:

The primary limitation of this study lies in the fact that it only focuses on the Indian context. The impact of rural marketing on economic development may vary in different countries and contexts due to various socio-economic factors and local realities. In addition, data used in this study is

limited since it was collected from a single source, namely SECC 2011. Furthermore, there were certain gaps as far as key variables such as purchasing power parity or human capital investment are concerned which could have impacted our results significantly if considered otherwise. This can lead to potential biases within our findings thus highlighting the need for further research into this topic utilizing multiple sources from different contexts. Additionally, qualitative analysis of certain aspects such as product quality awareness levels would also be beneficial in order to gain a deeper understanding into rural markets dynamics and their linkages with economic development trends.

Further research:

In further research on the topic, one can examine the role of rural marketing in economic development in India by examining its impact on rural employment. Rural marketing activities may be instrumental to spreading awareness among the rural population regarding various government schemes, subsidies and other benefits available to them which could lead to higher incomes and improved socio-economic conditions. Further study could also look at how capitalizing upon availability or market linkages between villages and major cities can enhance economic growth in rural areas. Additionally, research should include changes factors such as technology advancements, agricultural production methods etc that may have impacted the effectiveness of rural marketing strategies. Such comprehensive research would provide valuable insights for evidence-based policymaking in support of India's economic development efforts.

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