



## STUDY OF CHALLENGES AND TRENDS IN RURAL MARKETING VERSUS DIGITAL MARKETING IN INDIA

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**ABSTRACT:** Rural markets have become integral part of the global market. Today very crucial to understand rural market by marketers. In recent years rural markets have required importance as the overall growth of the Indian economy. On account of green revolution, and improved economy the people living in rural areas are consuming a large quantity of industrial and urban manufactured products. Rural market is like gold mine with lot of difficulties. To feel the pulse of the rural consumers and to tackle the rural market. We need formulate a well designed strategy. In this context, a special marketing strategy namely rural marketing has emerged. Rural marketing means delivering manufactured products and services to rural producers or consumers. Any market main objective is for getting profits. So the rural marketers must think about rural for long term success instead of short term profits. Today Indian market is changing fast and rapidly. Present day's internet access people increases day by day and use of mobile is intensifying. The present in market changes occurred rapidly with the digital tools and sites. These uses very much in their lives in people. In this context, this paper highlights the emerging trends and challenges in rural market as well as digital market.

**Key words:** Rural marketing, Digital Marketing, Indian economy, E-commerce, Agro Products, SEO and Google adenosine.

### **Introduction:**

Majority people of India live in rural villages and are nearly 70-72 percent of total population. The government of India has planned various initiatives to provide and improve the infrastructure in rural areas as well as implemented various schemes and programmes for rural marketing development. For development of rural villages government of India implemented under the slogan of financial inclusion for banking connectivity. The rural economy used to contribute nearly half of the country's GDP. Business organizations have

been embarrassing so many numbers of new trends in modern marketing, Green marketing, Corporate Retailing, Digital marketing and so on. The government of India has been allocated rural, agricultural and allied sectors Rs.187, 223/- (Union Budget 2017-2018). The government of India is looking to install Wi-Fi hotspots at more than 1000 gram panchayats across India this project is called Digital village, under this in order to provide internet connectivity for mass use, as well as to enable delivery of services like health and education in far-flung areas. The

government to reach rural areas by connecting with the government's common service centers (CSCs) being set up in villages as part of the 'Digital India' initiative. The government of india created special budget for development of infrastructure that budget is called RIDF.

**Rural market** can be defined it means rural consumers and it includes socio-cultural and behavioral part of rural market. Rural marketers must understand, rural consumers mindset, whether they buy low end products or high end products, whether they live in village or town etc. In simply rural marketing means movement of goods and services from urban to rural and rural to urban markets. Rural marketing not only covers agri marketing but also marketing of all goods and services which satisfy the rural consumers and improve their standard of living.

**Digital marketing** is a part of a Digital Economy. India is a fast moving nation towards digital economy the demonetization of the indian Currency in the last quartaer of year 2016 . Government launched various digital payment promotion schemes includes requires digital promotion and marketing strategies. Present the telecom sector also playing an important role in the digitalization movement. For example recent launch of reliance telecom jio with the free unlimited internet facilities has played a revolutionary roll. The prominent companies like airtel,idea,vodafone and BSNL are also offering various attractive internet plans. In the part of digitalization most of the indian banks also providing more customer friendly and secure money transcation services. Now

indian consumer spending more time on social media and internet surfing. Thus the any product visibility like digital medium than traditional marketing techniques. Digital marketing includes some of the following techniques like content marketing, Marketing Automation, Adwords ,SEO,Social media and website design. The government ,banking system ,shopping portal in india ,internet service providers and software service providers are the key players and role players. The use of the internet and other digital media and technology to support 'Modern Marketing'. It is also called internet marketing,e-marketing and web marketing etc.

**Digital marketing means** "Achieving marketing objectives through applying digital technologies and media". So, digital marketing is about utilising digital technology to achieve marketing objectives. It requires certain skill set to utilise the digital technology effectively.

**Rural marketing make attractive and potential:**

In rural villages lower middle income households are living compare than urban areas. In rural area market very low compare than urban areas. But present days rural markets are more attractive and potential because of green revolution,globalisation and privatisation & more marketing opportunities existed in rural areas.for infrastructure development the government of india implemented five year plans for rural people.

## Why this shift in marketing focus to rural India?

1. Market conditions: Today marketers look at rural market by compulsion and by choice. It is compulsory because urban markets almost reached saturation point and there is no other go. It is also a choice because they are attractive and potential. Marketers start moving into the rural markets and find that there is a big fortune at the Bottom of the Pyramid.

2. Competition: Competition is becoming tough in urban markets compelling many firms to incur heavy costs in promotional expenditure. Most of the companies spending heavily on promotion which will become burden on existing consumers. Marketers find rural markets are more attractive where there is less competition.

3. Awareness Level: The awareness level of urban consumers is high hence they always look for new product or new features in existing product. This process needs a huge investment which will have a negative impact on profitability. Thus, perhaps for easy reach the urban markets have become extremely difficult. Since the awareness level of rural consumers is low they easily accept existing products.

4. Interdependency between urban and rural market: Urban markets invariably depend on rural markets for agri produces such as food grains, fruits and vegetables, milk and meat, agri based raw materials for sugar, cotton industries and so on. Similarly rural markets depend on urban products such as agri inputs and other goods and services. Today this dependency has been increasing due to change in life style of rural consumers.

## Some Facts about Rural Market:

Rural India consumes 45% of all soft drinks, 50% of sales of motorcycles, TVs, cigarettes, detergents, fans, blades, and a lot of others. 70% of new subscribers for telecommunication, 55% of new policies for LIC, 60% of India's annual consumption of gold and jewelry is from rural and semi-urban areas. One of the key trends in the rural markets is people changing very from cable to satellite TV. 50% of DTH connections are from rural market. Around 75% of the rural people are aware of insurance but less than 20% rural households own a policy. Less than 10% of rural households own a two-wheeler. Telecommunication services covered only 20% of rural market. Be it automobile, telecom, insurance, retail, real estate or banking, the future drivers of growth are rural. No marketer can afford to ignore the possibilities of rural India.

## Rural area sales products:

Milk and poultry products: we are the largest producer of milk in world rank first in world.

- Handicrafts and handloom products : handloom, coir, sericulture and khadi etc.
- Other products –small scale industries etc.

**The rural agro products:** the following are the main agro products of the rural villages.

- Fruits and vegetables
- Grains
- Rice milling
- Pulse milling
- Flowers etc.

**Digital marketing – Meaning:** Digital Marketing is the term most frequently used today, so that is the term we focus on. In simple words we define digital marketing is “Achieving marketing objectives through applying digital technologies and media”. So, digital marketing is about utilising digital technology to achieve marketing objectives.

### **Effective ways of Digital Marketing:**

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In order to achieve success one suppose to move in the following manner.

**Plan** - Create a structured plan and roadmap by reviewing your current weaknesses and the opportunities to boost online leads and sales.

**Manage** - Review your marketing activities, so that you know where to focus to get the Quick Wins which will make the biggest difference

**Optimize** - Learn the best practices and success factors to help you compete to get better results

Let's list the different ways you can use the digital medium to popularize and drive conversions for any startup or business.

**a). Search Engine Optimization (SEO):** Search Engine Optimization or SEO is essentially tweaking your website so that it comes up naturally or organically for search results in Google, Yahoo Bing or any other search engine. Google updates its algorithms regularly so that only the relevant results come up. many experts say that SEO is dead and the effort is futile. However, the truth is that Google tries to prevent

algorithm manipulation and filters sites that don't deserve to be on the top of SERPs (Search Engine Result Pages).

**b) Search Engine Marketing (SEM) :**Search Engine Marketing or SEM is the comprehensive strategy to drive traffic to your business, primarily through paid efforts. Hence it is also called Paid Search Marketing. The universe of SEM is diverse and complicated. Based on your business structure, you may choose PPC (pay-per-click) or CPC (cost-per-click) model, or CPM (cost-per-thousand impressions) model. SEM also includes Display Advertising, Search Retargeting & Site Remarketing, Mobile Marketing and Paid Social Advertising. There are different platforms for SEM. By far, Google AdWords (on Google Network) and Bing Ads (on Yahoo Bing Network) are the most popular. You may choose a single-point strategy like PPC, or go for a complete SEM strategy, including Display and Retargeting. But whatever you do, make sure your work is managed by experts as wrong planning may make your costs go haywire.

**c) Content Creation:** Content can be presented in different formats, including blogs, white papers, e-books, case studies, how-to guides, question and answer articles, forums, news and updates, images, banners, infographics, podcasts, webinars, videos, or content for microblogging and social media sites. All recent changes to Google's algorithm - be it Panda, Penguin or Hummingbird - point to the fact that content is the most important metric while filtering search results. You can be creative and

create content on any topic and then skillfully link it indirectly to your business.

**d) Social Media Marketing (SMM):** Social Media Marketing or SMM is an offshoot of your SEM efforts. It involves driving traffic to your sites or business through social sites like Facebook, Instagram, Twitter, Pinterest, Google+, LinkedIn, etc.

**e) Digital Display Advertising:** This again is a subset of your SEM efforts. You may use a variety of display advertising formats to target potential audience - be it text, image, banner, rich-media, interactive or video ads.

**f) Retargeting and Remarketing** Essentially, Retargeting or Remarketing is a strategy to target customers who have already visited your website. It is based on cookie technology.

**g) Mobile Marketing** The website, apps and content is being customized for mobile devices. The mobile users are growing day by day and it is the most effective way of marketing.

**h) Interactive Marketing** Make sure your advertising strategy engages the potential customer in a conversation. According to a survey by ExpoTV.com, 55 percent respondents preferred to have ongoing communications with the companies they buy from; and 89 percent felt more loyal to the companies if they were invited to provide feedback. Use tools like widgets and opt-in features to make your website

interactive, solicit feedback and track user behaviour. Engage with the customers actively and customize offers based on their preferences and browsing activities.

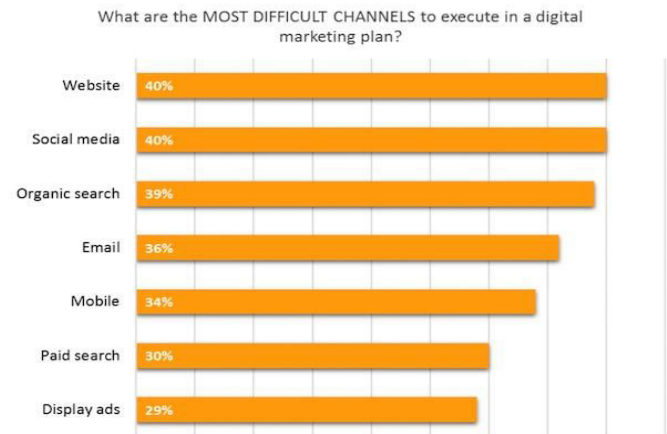
**i) Viral Marketing** Viral Marketing is a strategy where a unique content spreads exponentially online, because the content is appreciated, shared and liked immensely.

**j) Email Marketing** When you send a commercial message through email to a list of potential customers, the strategy is called Email Marketing. With an effective email marketing software, you can maintain email lists that are segregated based on several factors, including customers' likes and dislikes, and spending habits. Remember to send personalized emails; this helps to develop trust. However, note that Email Marketing may also be considered as spamming and there are laws against it in some countries.

**k) Affiliate Marketing** Affiliate Marketing is a performance-based marketing program, where you pay publishers who bring you customers. The performance may be based on conversions - promotions, leads or simply sales. You may like to be part of the affiliate programs of different publishers. Affiliate Marketing is especially useful for startups, as it will bring in more traffic to their business through high-traffic sites. In essence, Affiliate Marketing is a win-win situation for both the merchants and publishers. Sites like Amazon, eBay, LinkShare and Flipkart run Affiliate Programs.

**l) Digital Media Planning and Buying** When a media agency researches and makes a comprehensive strategy framework, we call it Digital Media Planning. Be it in driving sales or conversions, launching a new brand or promoting an established brand, or changing customer behaviour, the media agency plans different platforms and formats to reach the desired audience. It studies reach and frequency of different web-based and mobile applications. The agency works with different partners and buys relevant space and ideas. This is called Media Buying. In essence, Media Buying and Planning entails all the strategies that we have discussed above.

**m) Web Analytics Perhaps**, the most important aspect of your Digital Marketing is Web Analytics. Essentially, Web Analytics helps you to collect, measure, understand, analyze, plan, report and predict the web activities for your business. Web Analytics should not be confused with Web Statistics. As opposed to simple reporting, Web Analytics gives you analyses and different angles to ponder vis-à-vis your business. Some of the important Web Analytics tools are Google Analytics, Spring Metrics, Woopra, Clicky, Mint and Chart beat. It goes without saying that every advertiser should use Web Analytics to understand.



Ascend2 2017 Digital Marketing Plans Survey, Ascend2 and Research Partners, December 2016

## Major factors affecting the Digital Marketing:

- India's literacy rate** is at 74.04%. Kerala is the most literate state in **India**, with 93.91% **literacy**. Six **Indian** states account for about 70% of all **illiterates in India**: Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan, Andhra Pradesh and West Bengal. Thus increasing literacy positively effecting the digital marketing growth in India .
- Expensive technology**: The mobile and internet rates are very competitive and now it is in reach of a common man also.
- Cost of advertising**: The cost of advertising is very low. One can have its own website in just Rs. 5000 in India. One can promote his product on Google with Google Ad sense with just Rs.1000 a month.
- Inherited limitation of Technology**: In India the youth is very adaptable towards technology but still large population is not so friendly with the electronic gadgets.

e) **Unavailability of Infrastructure facilities in India** : The internet connectivity is still not available in Indian rural areas.

f) **Believe in Traditional business practices** : The small businessman having running its business in a small area and quite focused on that area only then he prefers Traditional ways of Promotion as it he finds it is more visible to the people around.

g) **Lack of Online Business Experience:** Lack of awareness about the digital marketing is also a major limitations in the growth of the digital market.

## EMERGING TRENDS AND CHALLENGES IN RURAL MARKETING AS WELL AS DIGITAL MARKETING:

The change in consumption pattern: The consumption pattern and life style among rural consumers is changing due to exposure to media. Media particularly TV has been a great leveler. Even in small villages, people who have seen the urban lifestyle on television seem to want similar goods and services. On the consumption front, 33% of rural consumers are eating biscuits and bread for breakfast. Instant noodle sales are double in rural India compared to urban.

1. Seemingly 'urbane' brands in categories like deodorant and fabric softener are growing much faster in rural India than urban and 17% of rural buyers of hair dye now use colors other than black to indulge in the trend of externalized beauty that is picking up fast in rural areas. Companies have

realized this and are going all out to tap this latent demand.

2. Increased level of education and employability of rural youth: Villagers realized their children education is the first priority. Most of the rural youth especially teenagers are well aware of products due to their school education and media exposure. Significant progress on literacy levels – 90% of the villages have a primary school within a 1 km walk. Private school enrolment in rural India has enhanced by 5.5% points over past six years. The literacy rate has also gone up by 68.91% in rural India. This enhanced the employability of rural youth they are not sitting idle in villages they are motivated to go to nearby towns to find the jobs.

3. Huge in Size: Indian rural market is huge in size because rural population accounts for almost 70% of Indian population as the recent Census 2011, 833 million live in rural India, 33% of rural population includes youth, number of households increased from 25 to 33 crore. The rural market is currently worth approximately USD\$ 10 billion in consumer spending in the FMCG market annually. Food categories are currently driving the bulk of the additional USD\$ 90 billion into the marketplace by 2025.

4. Increased purchasing power: Rural purchasing power has grown faster than urban in the recent years. Rural Indian economy is highly supported by increasing disposable income, Government initiatives and schemes and favorable demographics. As a result, the rural segment of the Indian economy is growing at a pace of 8-10% per annum.

Government spending in rural India has tripled over the last four years and is now translating into higher consumer spending. Therefore, rural consumers are consuming more premium and convenience-oriented categories that are typical of their urban counterparts. Policy measures like the waiver of agricultural loans around US\$ 13.9 billion and the National Rural Employment Guarantee Scheme, which guarantees 100 days of employment to every one.

The Rural youth will look for a piece of “premium” at an affordable price but the products must not appear “cheap”. The classic example is TATA Nano Car; one reason Tata-Nano hasn't taken-off is because it was seen as a cheap car. It indicates that rural consumers seeking a premium, in the sense that they are seeking an upgrade and not value for money. Value has to fall into place but it is one of the drivers, not the only driver. Brands, in the rural space, need to add a bit of imagery to themselves. Those consumers are reaching out to brands that are giving them that sense of premium. Rural India is seeking a sense of moving up in life, a sense of pride. If brand managers believe that rural consumers will buy everything / anything cheap it is absolutely wrong.

6. Migration of Rural youth: Rural youth come to cities in search of better jobs. When they travel back home, they carry with them stories of urban lifestyles. Awareness is thus created in the potential markets. Increased contact of rural people with their urban counterparts due to development of transport and wide communication network has influence on rural consumers' life style.

## Challenges and Strategies in Rural Market:

Delivering to the rural markets is a real challenge to many marketers. In fact, the whole dynamics of rural markets are so unique that one has to look at beyond traditional marketing mix with advanced mix containing the 4A's instead of the traditional 4P's of marketing: *Acceptability* – develop what the consumer wants, *Affordability* – Make an affordable product, *Availability* – product made available at villages and *Awareness* - Don't promote the brand, demonstrate the product. Most of the marketers look at rural market as an extension of existing urban market hence they simply dump their existing product which is outdated in urban market into rural market. Hence marketers fail to penetrate into rural market in big way. Though rural consumers attracted towards urban life styles their dynamics are differ from urban consumers. Similarly rural marketing Strategies are also significantly different from the marketing strategies aimed at an urban consumer.

1. Communicating with heterogeneous rural market: Every 20 kms of distance India is different. Different in terms of Language, lifestyle, culture, food habits, dressing and needs and wants and so on. Therefore, communication strategies must be more specific to the language and local culture. Mass media may serve the purpose of achieving awareness and interest but for creating conviction the consumer must have face-to-face

Communication medium. Client and Location specific promotion strategy based



on the location and the client and co-operative promotion strategy, participation between the marketing agencies and the client are more relevant in rural market.

2. Lack of Infrastructure facilities: Infrastructure continues to be a challenge in rural India. There are many villages without access to continuous electricity, water, health and education and so on. Due to this problem reaching the remote village consumers is much difficult. Nearly 50% the villages in the country do not have proper roads. Physical communication to these villages is highly expensive. But instead of using traditional supply chains, many companies are distributing through rural self-help groups and micro lenders that are already plugged into villages.

3. Selection of sales force: The salesman in rural markets should be selected from the educated unemployed villagers, trained well and appointed as salesmen. The town-to-villages shuttling salesmen are to be replaced by stationary salesman in villages.

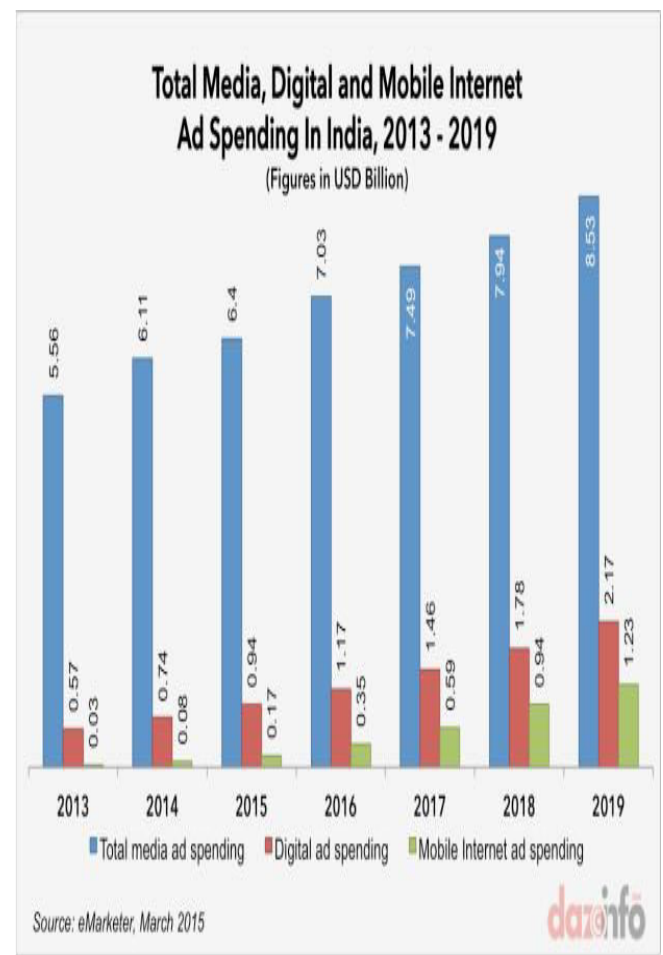
4. 'Foot in the door' strategy is the most popular marketing approach used for selling products like cell phone and motorcycle to rural segment.

5. 'Bundling of inputs' denote a marketing strategy, in which several related items are sold to the target client, including arrangements of credit, after-sale service, and extension Services such as providing the required know-how and so on.

6. Developmental marketing refer to taking up marketing programmes keeping the development objective in mind and using various managerial and other inputs of marketing to achieve these objectives.

7. Unique Selling Propositions (USP) involves presenting a theme with the product to attract the client to buy that particular product, the classic example, "Thanda matlab Coco cola". In urban India, it is a question of reach. But in rural India, it is about reach and preach". "You have to tell them what a cold drink is, how it is opened, how [to drink it] in a macho manner by holding your head up – you cannot take it for granted."

## CHANGING TRENDS OF DIGITAL MARKETING:



## FOLLOWING IS THE STATISTICS OF YEAR 2016 AND 2017:

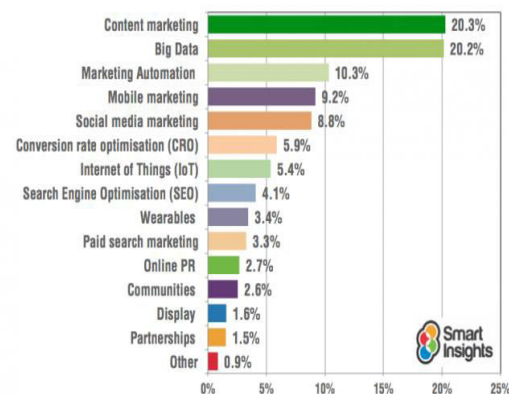


billion units worldwide. So as more people use smart phones, tablets and other mobile devices, the potential of mobile market continues to grow. Delivering to the rural markets is a real challenge to many marketers. In fact, the whole dynamics of rural markets are so unique that one has to look at beyond traditional marketing mix with advanced mix containing the 4A's instead of the traditional 4P's of marketing: *Acceptability* – develop what the consumer wants, *Affordability* – Make an affordable

## FUTURE OF RURAL MARKETING AS WELL AS DIGITAL MARKETING IN INDIA:

Day by day growing Digital Market in India is an evident that the Digitization is taking place with a high speed. E-commerce website are providing all the goods and services through online portals online today. The increasing number of ecommerce websites. WARC Survey shows that 35% of advertisers would increase their mobile advertising spend by 50% or more by 2020 in India. 114 | Page According to the GroupM report, consumer product makers will remain the most dominant sector in terms of ad spending with a 28% share of the total expenditure. Many advertisers will increase their ad spending to spur demand, helped by the buffer provided by low commodity prices, which have reduced their input costs. Thus, all reports and surveys conducted around the globe are showing that the digital marketing will grow more in coming years. Youth of India is very much technology friendly . By 2017, mobile devices are expected to reach around 3

Top-rated digital marketing techniques 2017



product, *Availability* – product made available at villages and *Awareness* - Don't promote the brand, demonstrate the product. Most of the marketers look at rural market as an extension of existing urban market hence they simply dump their existing product which is outdated in urban market into rural market. Hence marketers fail to penetrate into rural market in big way. Though rural consumers attracted towards urban life styles their dynamics are differ from urban consumers. Similarly rural marketing strategies are also significantly different from the marketing strategies aimed at an urban consumer.

## **CONCLUSION:**

India's rural market could have been stronger than the present position, if Indian policymakers have made adequate infrastructure for rural India. Unless the proper infrastructure developed in rural market with sufficient power, water, communication etc at a nominal cost, this demand may not be sustainable for long. The corporate people should think beyond their products and initiate innovative corporate efforts to replace government intervention for providing basic facilities, for example ITC's e-Choupals, to capture the rural market and stay long over there. Corporate sector needs to realize that to be successful in the rural market, they must go in with clear long term strategy. Marketer must have willingness to invest in rural market with equal importance as they give urban market. Short term promotional efforts may not deliver the desired results in the rural market. Digital marketing such as search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, e-commerce marketing, campaign marketing, and social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books, optical disks and games, are becoming more and more common in our advancing technology. Today we all are connected through WhatsApp and Facebook and the increasing use of social media is creating new opportunities for digital marketers to attract the customers through digital platform. Digital marketing

is cost effective and having a great commercial impact on the business.

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