

**Major Research Project Report on**  
**AN ANALYSIS OF RURAL MARKETING IN**  
**INDIA**

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## **CERTIFICATE FROM THE INSTITUTE**

This is to certify that the Project Report titled “**An Analysis Of Rural Marketing In India**” is an original and bonafide work carried out by **Mr. Ramandeep Singh Puri** of MBA 2017-19 batch & was submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-110042 in partial fulfillment of the requirement for the award of the Degree of **Master of Business Administration**.

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**Signature of Guide**

**(Mr. Dhiraj Kumar Pal)**

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**Signature of HOD (DSM)**

**(Dr. Rajan Yadav)**

**Place:**

**Date:**

## DECLARATION

I, Ramandeep Singh Puri, Student of MBA 2017-19 Batch of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that the Major Research Project Report titled “**An Analysis Of Rural Marketing In India**” being submitted by me in partial fulfillment of the requirement for the award of the Degree of Master of Business Administration is an original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge. The report is not being submitted to any other University for the award of any other Degree, Diploma and/or Fellowship.

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**Ramandeep Singh Puri**

**Place:**

**Date:**

## **ACKNOWLEDGEMENT**

The satisfaction that accompanies the successful completion of any task would be incomplete without the mention of the people who have made this possible.

I would like to use this opportunity to express my deep gratitude and a special thanks to my mentor, **Mr. Dhiraj Kumar Pal** for the unending support, guidance and motivation in the completion of this report.

I am also very thankful to all the faculty members of Delhi School of Management (DTU) who guided me and provided their support whenever needed.

I thank all those who knowingly and unknowingly have helped me in the fulfillment of the project.

Sincerely,

**Ramandeep Singh Puri (2K17/MBA/070)**

**Place:** New Delhi

## **EXECUTIVE SUMMARY**

I am Ramandeep Singh Puri (2K17/MBA/70), an MBA student of Delhi school of Management, Delhi Technological University. My report is on the scenario of rural marketing in our country, India. This report is a secondary, descriptive research project which has encased various topics that concern the rural markets of our country. This report gives an unbiased, clear idea as to what is rural marketing, what are the challenges that it carries with itself, the significance and opportunities available in the rural markets of our country. The various strategies and innovations that the companies have and can apply to leverage the rural markets. It also encompasses various case studies of companies that have successfully encountered and made their presence felt in the rural markets of our country. After reading the whole report, the reader will be able to understand the reasons behind the growing attractiveness of rural areas and rural marketing in our country.

The title of the project report is 'An Analysis of Rural Marketing in India' and objectives of the report is to understand the scope, attractiveness, challenges and the innovations that were/are being undertaken to successfully leverage the rural areas of our country.

The successful completion of this project report shows that rural marketing is the next stop for the marketers of our country.

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# 1. Introduction

Marketing is the examination and management of exchange relationships. Marketing is about building relationships with customers and satisfying them. Oriented to the client, marketing is one of the most important components of corporate management. In the past, marketing practices were generally considered a creative sector that included advertising, distribution and sales. However, since university marketing studies employ social sciences, psychology, sociology, mathematics, economics, anthropology, and neurosciences, the profession is now widely recognized as a science, so many universities can offer a master's degree in science (Programs).

The commercialization process involves the commercialization of a product that includes the following steps: an exhaustive market investigation; Market segmentation and market segmentation; Determination of distribution strategies, prices and sales. Develop a communication strategy; budget; and the vision of long-term market development objectives. Many elements of the marketing process (product design, art director, brand management, advertising, writing, etc.) involve the use of creative arts.

"Marketing Concept" refers to the need for an organization to anticipate and meet the needs and aspirations of potential consumers in order to achieve the organisation's goals rather than its competitors. This concept comes from Adam Smith's *The Wealth of Nations*, but was not widely used 200 years later. Marketing and marketing concepts are directly related.

Marketing research to develop new products or to improve products is often associated with identifying unnecessary consumer needs. Customer

needs are the key to market segmentation, where markets are divided into separate groups of buyers according to "different needs". Features or behaviors that may require separate marketing products or blends. "Demand-oriented segmentation (also known as profit segmentation) emphasizes customer aspirations on how a company designs and markets products or services. "Aims to show how the benefits of a particular product are unique to a customer's needs, wishes or expectations. Marketing in general is very popular and splurging career that offers millions of people employment in various industries and also creates value as it goes down in value chain activities down the value or the supply chain.

*The 4 P's of marketing:*

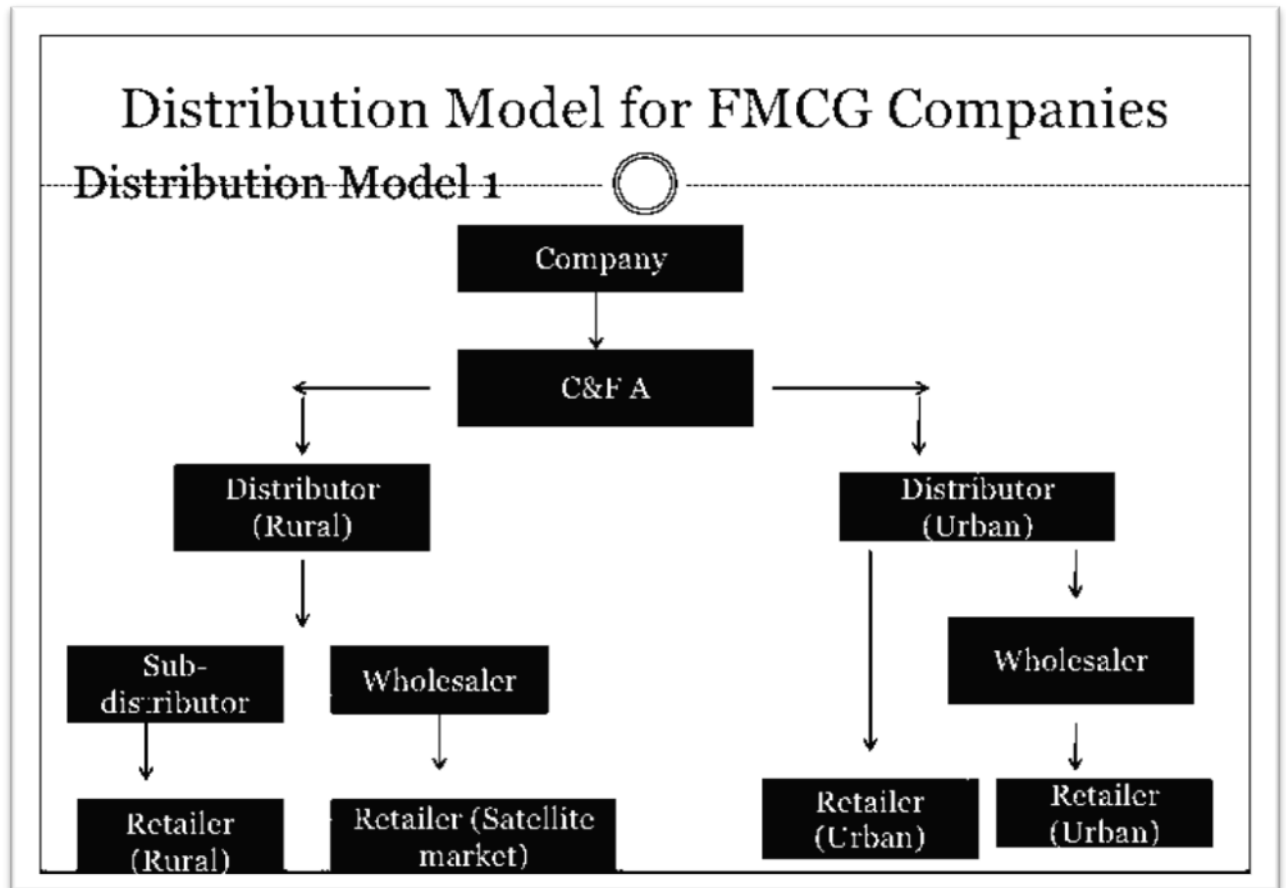
- (1) identification, assemblage and build out of a product,
- (2) determination & decision of its price,
- (3) assemblage of a distribution channel to reach the customer's place, and
- (4) build out and implementation of a promotional strategy.

It is a business philosophy that calls into question the three corporate orientations mentioned above. Its central principles crystallized in the 1950s. The key to achieving its organizational objectives (the objectives of the selling society) is that society is more efficient than its competitors in the creation, supply and communication, value for your customers. The marketing concept is based on four pillars: target market, customer needs, integrated marketing and profitability.

The concepts that have emerged:

- The Production Concept
- The Product Concept
- The Selling Concept

- The Marketing Concept
- The Societal Marketing Concept



*Figure 1.1 Basic distribution model of FMCG companies in India*

### 1.1 What is Rural Marketing?

The term "rural marketing" was a generic term for people who, in one way or another, dealt with rural people. This concept made sense after the economic appreciation of India after 1990. Before moving on to other aspects of rural marketing, we should discuss the development of this area in several areas, which will be briefly explained here.

Rural marketing involved the sale of rural products in rural and urban areas and agricultural inputs for rural markets. It has been treated as a synonym for "Agri marketing".

Agricultural products such as food crops and industrial supplies such as cotton, oilseeds, sugarcane, etc. They were at the center of the discussions during this period. The supply chain of companies supplying agricultural inputs and artisans in rural areas has received secondary attention. The local marketing of products such as bamboo baskets, ropes, door and window frames, small agricultural equipment such as plow sellers, such as blacksmiths, carpenters, shoemakers and potters, has been presented in general. It was a completely disorganized market where all the banias and mahajans (local businessmen) dominated this market.

At that time, the green revolution was the result of scientific agriculture and had moved many poor villages into thriving shopping malls. As a result, demand for agricultural inputs has increased, especially in wheat and rice. The best irrigation systems, soil tests, the use of high-yielding seeds, fertilizers, pesticides and the use of machinery such as dust collectors, harvesters, threshers etc. They have changed the rural scene. In this context, the marketing of agricultural equipment has gained in importance. During this time, two different business divisions emerged: "commercialization of agricultural equipment" and "conventional agricultural marketing". During this period, the marketing of agricultural products has received considerable attention in the general marketing framework. The creation of agencies such as the Village and Khadi Industries Commission, the Girijan Cooperative Society, APCOFabrics, IFFCO, KRIBHCO, etc. as well as the government's special attention in promoting these products have been the source of this increase. The village industry flourished and products such as handicrafts, hand-woven textiles, soaps, safety matches, crackers, etc. They reach the urban market on a large scale from rural areas.

The products that have not received much attention in the last two phases are, for obvious reasons, the marketing of consumables and sustainable domestic

products in the rural market. The economic conditions of the country were such that the rural population could not buy such products. Secondly, our market was in a good position and we never allowed foreign companies to operate in the Indian market.

But we have lifted the ... and opened up the economy for businesses in India to thrive. The small villages / villages were scattered, making the task difficult and expensive. Rural markets were seen as complementary to the urban market and conveniently neglected. However, since 1990, the Indian industrial sector has gained strength and maturity. Their contribution to GDP has increased significantly. The result is a new service sector that marks the metamorphosis of the agricultural society into the industrial society. Through the development programs of governments and governments, service organizations and socially responsible business groups such as Mafatlal, Tatas, Birlas, Goenkas and others, rural areas have now progressed socio-economically.

Economic reforms have further accelerated the process by introducing competition in the market. The rural market for household goods and durable goods has grown steadily. Rural marketing has been the emerging business of attracting and serving rural markets to meet the needs and desires of the rural population, families and professions. As a result of this analysis, we are able to define rural marketing. "Rural marketing can be understood as a function that controls all the activities needed to evaluate, stimulate and transform purchasing power into an effective demand for specific products and services, and to bring them to rural people, to their satisfaction and create a level of of life for them and thereby achieve the goals of the organization."

## **1.2 SWOT analysis of the rural markets in India**

### *Strengths:*

- A large population of 647 Million largely uncovered by the companies.
- The staggering 72% of India's population contributes to half on India's GDP.
- Size of the Indian rural market is INR 124000 Crores approximately (bound to increase exponentially).

Weaknesses:

- Low literacy levels exist in majority of the rural areas.
- Major lack of Infrastructure and facilities like uninterrupted, stable or sustainable power, roads and logistics, etc.
- Language difficulties-22 major languages and other languages as per geographical area
- The mass population of the area resists change due to a traditional outlook of India.

Opportunities:

- Central and State Government Interest:
  - 41 Million Kisan credit cards issued providing 977 Billion to Rural India.
  - Bharat Nirman & Grameen Sadak Yojna has resulted in increased rural Connectivity via highways and roads.
  - 87% of the villages have been electrified, providing a possibility to industrial marketing & other business activities on a larger scale.
- There is less exposure to various competing brands, meaning less competition amongst brands and new entrants.
- Resistance to change from people gives established brands a preferred leverage in terms of retention.

- Rural literacy levels of the country have improved from 36% to 59%.
- The Percentage of below poverty line families have declined from 46% to 27%.

Threats:

- The process of Creating products and services for rural areas can be a tricky proposition.
- The Corporate houses that have deeper pockets (Large Capital) can enter and perform in the market since a huge infrastructure spend is required.
- Communication is a big challenge-Miscommunication is a threat as multiple languages; dialects and gestures can be construed as something else.
- Low levels of infrastructure can cause threaten profitability and subsequent losses on investment.

**1.3 Objective of this study**

- The conceptual points and scope of rural markets in India.
- The nature/characteristics and attractiveness of rural markets of our country.
- Obstacles to the Indian rural markets.
- Solutions, innovations to problems of the rural market.

Since then, rural markets have become more important in recent years Global economic growth has led to significant results, Increase the purchasing power of



rural communities. Typically, a rural market is a community in a rural area of 2,500 to 30,000. The revolution consumes a large amount of rural areas Industrial and urban products. So, a special marketing strategy, namely rural marketing, has emerged meet the needs of rural consumers. Therefore, it is proposed to Participate in this study to find different ways to exploit the potential of rural markets. The main objective of this study is the observation of potential of Indian rural markets.

#### **1.4 Research Methodology**

Research Methodology is a systematic way to solve the research problem. My research Methodology included several methods and techniques for conducting the specified research.

The data source of my research paper that I took into consideration was 'Secondary', that is an indirect collection of data from various sources containing past, present or future predictions and information like, Annual Publications,books,newspapers,articles,magazines,Etc.,the references of which are mentioned at the end of my report for better clarification

The project falls in the category of exploratory and descriptive research, i.e., a research designed to evaluate the opportunities in rural India.

The basic research method is based on the empirical review method; various sources of information which are mentioned below were taken into consideration:

- Case studies
- Articles
- Books
- Annual reports (KPMG, Bain & Co., Accenture, etc.)
- Govt. surveys and annual reports
- Published Research Papers

- Media and information websites
- Company websites

Analysis: The next relevant step is to extract the pertinent findings from the collected data. I utilized the findings to create a separate chapter which further showcases the utilization of the gone through data in the form of strategies and innovations that the companies can take to further establish presence and leverage the benefit of opportunities available in rural India.

I have further presented 3 case studies of companies that have successfully positioned themselves in the rural area as per my reading, knowledge and finding of the collected secondary data.

The analysis has been represented in two descriptive sub-headings which show the reach, acquisition and retention of the consumers that can be adopted by the companies to leverage their positions in the rural arenas of our country.

Further, the sector wise innovation has been mentioned for better clarity and understanding on the reader's part. I have further mentioned the case studies as well for better understanding and the conclusion part represent the whole picture.

## 2. Literature Review

### 2.1 India-Population

India also known as the Republic of India is a country in South Asia. It is the seventh largest country by area size and with more than 1.3 billion people in population parameters; it is the 2<sup>nd</sup> most populated country as well as the most populated democracy in the world. Surrounded by the Indian Ocean on the southern points, the Arabian Sea on the south-western, and the Bay of Bengal on the south-eastern, it shares land borders with Pakistan to the western frontier; China, Nepal, and Bhutan to the north-eastern frontier; and Bangladesh and Myanmar to the eastern frontier. In the Indian Ocean arena, India is in the vicinity of Sri Lanka and the Maldives, while its Andaman and Nicobar Islands share a maritime border with Kingdom of Thailand and Indonesian Republic.

#### Population (in Crores)

	2001	2011	Difference
India	102.9	121.0	18.1
Rural	74.3	83.3	9.0
Urban	28.6	37.7	9.1

*Table 2.1 India's urban and rural population*

- The point of rural urban literacy gap which was 21.2 percentage points in the year 2001 has come down to 16.1 percentage points in the year 2011.
- The gender gap in literacy levels has come down from 24.6% in 2001 to 19.8% in 2011 in the rural areas of our country.
- Villages:

- Census 2001 - 6, 38,588
- Census 2011 - 6, 40,867 {Increase: 2,279}
- Rural Population in our States:
  - Uttar Pradesh: 155.11 million - 18.6%
  - Bihar: 92.07 million - 11.1%
  - West Bengal: 62.21 million - 7.5%
- The number of Literates: Rural : 493.0 million

## 2.2 Comparison of urban v/s rural consumers

No.	Aspect	Urban	Rural
1	Market Demand	High	Low
2	Competition	Among units in the organized sector	Among units in the unorganized sector
3	Customer Location	Concentrated	Widely Spread
4	Literacy	High	Low
5	Income	High	Low
6	Expenditure	Planned, Even	Unplanned, Seasonal
7	Needs	High level	Low level
8	Innovation/Adoption	Faster	Slower

*Table 2.2 India's urban and rural population-comparison*

### Product Mix:

No.	Aspect	Urban	Rural
1	Awareness	High	Low

2	Concept	Known	Less Known
3	Positioning	Easy	Difficult
4	Usage Method	Easily grasped	Difficulty in grasping
5	Quality Preference	Good	Moderate

*Table 2.3 India's urban and rural population-comparison (product)*

Price Mix:

No.	Aspect	Urban	Rural
1	Sensitivity	Low/Moderate	High
2	Level Desired	Medium-High	Medium-Low

*Table 2.4 India's urban and rural population-comparison (price)*

Distribution Mix:

No.	Aspect	Urban	Rural
1	Transport facilities	Good	Average
2	Product Availability	High	Limited
3	Channels	Wholesalers, stockists, specialty stores, authorized showrooms	Haats & local Kirana shops

*Table 2.5 India's urban and rural population-comparison (place)*

Promotion Mix:

No.	Aspect	Urban	Rural
1	Advertising	Print, Audio, Visual media, Outdoor exhibitions	T.V, Radio, Print in more languages
2	Personal Selling	Door to Door, frequently	Occasionally
3	Sales promotion	Contests, Gifts, Price Discounts	Gifts, Price Discounts

4	Publicity	Good opportunity	Less opportunity
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*Table 2.6 India's urban and rural population-comparison (promotion)*

### **2.3 Nature and characteristics of rural market**

It is a saying that the proof of the pudding lies in the food. Likewise, the proof of the entire production is in consumption / marketing. With the fast pace of technological progress and the increase in the number of people & shopping capacity is now more and better goods and services continuous demand. In India, marketing in rural areas can sometimes be confusing with those who think that rural marketing is only about agricultural marketing. Rural area marketing determines the carrier of commercial activity from urban areas to rural areas, as well as marketing of various products produced by non-agricultural workers from rural areas to urban areas.

Liberalization and globalization of India, the economy has given the demanding production an additional advantage, Distribution and mass distribution of goods and services. Given these elements, the question may arise Marketers must focus their activities on urban India, consisting of Subways, district offices and large industrial areas or extend their activities to rural India. Rural India is the real India. The Most Indians live in villages. In numerical terms, the Indian rural market is almost twice as high as the US market or USSR. They are further mentioned:

- Agricultural income is the main source of income in rural areas
- Their income level is seasonal in nature. It is fluctuating also as it depends on crop production.
- Though huge, the rural market is geographically scattered across the subcontinent.
- It shows linguistic, social, religious and cultural diversities and economic disparities.

- The market is under-developed, as the people who constitute it still lack adequate purchasing power and knowledge.
- It is largely agricultural oriented, with low and poor standards of living, low-per capita income, and socio-cultural backwardness.
- It exhibits varied, sharper and varied regional preferences with distinct predilections, habit patterns and behavioral characteristics.
- Rural marketing process is both a catalyst to hasten as well as an outcome of the general rural developmental process. Initiation, development & management of social and economic change in the rural sector are the core of the rural marketing process. It becomes in this long process both benefactor and beneficiary.

#### **2.4 Challenges in Indian Rural market**

The rural markets as part of any economy have an intact potential. There are several problems that make an effort to fully explore rural markets. The concept of rural markets in India is still in changing ways, and the industry presents a number of challenges. Distribution costs and unavailability of shops are the main problems for sellers & the success of a brand. The Indian rural market is just as unpredictable as the rain. Many brands that should have been Success, failed miserably. This is because most companies are trying to expand their marketing plans. They are used in urban areas to rural markets. The unique consumption patterns, tastes and needs.

Household consumers should be analyzed in the product planning phase in line with the needs of the rural population.

For this reason, marketers need to understand the social dynamics and the different attitudes. People, even though it follows a uniform national pattern. The biggest problems with rural marketing,

They are: -

- Understanding the Rural Consumer
- Poor Infrastructure
- Physical Distribution
- Channel Management
- Promotion and Marketing Communication

The major hurdles in tapping the rural markets of India are mentioned below as:

- High distributional costs
- High initial market developmental expenditure
- Inability of the small retailers to carry inventory without adequate credit & thrift facilities
- Generating effective & efficient demand for produced foods
- Wholesaler, retailer and dealer networking problems
- Mass communicational and promotional problems
- Banking and credit(BFSI) problems
- Business, management and sales managing problems
- Business & Market research problems
- Limited infrastructure facilities (lack of physical distribution, roads warehouses and media availability)
- Highly dispersed and sparsely populated markets
- Less per capita and low standards of living, social, economic and cultural backwardness of the rural population
- Limited level of exposure to different product categories and product brands
- Cultural gap between the urban-based marketers and rural consumers.

Firstly, the contribution of agriculture to Indian GDP has steadily decreased to 17.5%. In addition, almost half of the Indian rural economy is not based on



agriculture and a third of families - around 50 million - are engaged in non-agricultural activities - people working in the processing industry or as traders, traders providing services such the production of electricity, construction, mining, transport and transportation.

Its good Manufacturers of consumer goods who hit the dust clouds of cities are discovering a set of contradictions and paradoxes in rural areas. A start is made, but experts say they are too weird and superficial to be consistent. At the moment. E-choupal and Project Shakti from ITC and HLL, and there seems to be some enthusiasm you right now.

However, the problems posed by underdeveloped markets are more important. Consumers are less aware of rural products than urban markets and purchasing power is not enough. Vendors in urban and semi-urban areas cannot exploit the full potential of villages.

"We strongly suggested that marketers select and use educated unemployed people from the villages and venture into larger areas, "said Piruz Kambhatta, CMD of Rasna. In addition to soap, detergents and toothpaste, ITC e-choupal sagar sells almost everything - television, DVD players, pressure cookers, heaters, clocks, sewing machines and mills.

And of course cigarettes, farmers can also buy motorcycles or even tractors. ITC has also introduced its own clothing line and shoe line in the countryside - 166 rupees, a pair tailored to the villagers. ITC officials say the mall is booming. There is also a question of population displacement and fierce competition from local brands on the rural market, which stands out for urban marketers. National consumers are much less homogeneous than their urban counterparts and vary from region to region. The Indian national market in India covers approximately 80% of the country's population.

In terms of the number of people, the Indian rural market appears to be almost twice as large as the entire American or Russian market. This market is large, but spread and diverse. It presents linguistic, regional and cultural differences as

well as economic differences and can therefore easily be considered more complex than the market of an entire continent.

The prices of rural marketing raise many problems because of the vastness of the country and the high potential of an effective marketing system. Another myth says that purchasing power is weak. He said that in 15.6 million "middle-class" households, rural areas are good compared to 16.4 million urban households. With the same income, the surplus in the villages is much higher than in urban India, he said. Businesses have begun to offer an urban-style shopping experience in locations where domestic business transactions are conducted. However, domestic consumers are more value conscious than urban consumers, and market observers are wondering if traders can keep their interest when the novelty is exhausted. In the long run, these initiatives will bear fruit, but experts say there is no concerted effort to conquer other companies.

At the royal area level, semi-urban markets still exist. Automobile manufacturers say that bicycles and cars are not impulsive products, but "sophisticated" products. In addition to most manufacturers, most national markets have been developed in recent years. RL Ravichandran, CEO of Eicher: "Shopping centers like E-Choupal will raise public awareness, but will not lead to real sales." Shopping center Company, when more than 70% of the goods purchased on national markets are generated. "

The biggest challenge for managers is to visualize an active market when poverty prevails. These successful brands do just that: they focus on unused markets. Take the example of Dandi Namak. Who would have recommended entering the brand salt market if Tata and HLL practically shared the entire market? But they entered that category when conventional wisdom said no. And they became an overnight success story. They did not enter the market to compete with Tata and HLL, but with the intention of bringing branded salt to rural and semi-urban areas.

The areas with this narrow goal, they not only conquered a large rural and semi-urban market, but also gained a share in the urban market due to their destructive effect.

Furthermore, these little players are perfectly aware that marketing needs money these days. Do not hesitate to invest in marketing. Let's take the example of Dandi Namak again. They spend money on their long TV commercials to make sure the message is anchored in the head of the prospectus. Fairever and Ujala follow the same strategy. Of course they don't spend so much

Multinationals do, but spend enough to attract visitors.

An important aspect of the strategy is the effective communication of the product. Take the case of Dandi Namak. Television advertising was boring and uninteresting. However, he was able to connect with his target customers without delay because he spoke in the language of his target customers. These brands send a strong message to their target customers: they are made for each other.

The core of a scientific approach lies in understanding the market opportunities for rural products and the country's development priorities and developing a strategy in which the rural industry plays an important role. Although national products must increasingly be integrated into global supply chains, these products must adapt not only to the changing taste of the national market, but also to the changing taste of the international market. That is why a process is essential to explore the SHG market interconnections and capacity building through a bottom-up approach and continuous dialogue with the stakeholders of the rural enterprise. This process should ensure the participation of the rural population as consumers and producers in the globalization mechanism with better livelihoods and access to the world market. This is where the real challenge begins with building a sustainable market connection.

The consumer goods market in India is currently one of the largest and is growing rapidly by almost 60%. Despite the economic crisis, the pipeline market in India currently stands at about 85,000 crores. The phenomenal growth of the consumer goods sector, especially in Tier 2 and Tier 3 Indian cities, is due in large part to the improved standard of living of the inhabitants of these cities. Increase in disposable income.

The consumer goods sector in India appears to be the fourth largest in the world. According to experts, this sector will reach \$ 33.4 billion by 2015. Both the organized and unorganized sectors are largely responsible for the success of the Indian exhaust industry.

By looking at the challenges and opportunities that national markets offer to marketing professionals, we can say that the future is bright for those who can understand and make the most of the dynamics of rural markets. A radical change is needed in marketers' attitudes towards dynamic and fast-growing rural markets in order to positively impress consumer, Millions of rural consumers in some six hundred thousand villages in the Indian countryside.

The development of the rural market will be linked to both advertising and additional costs and distribution. In rural marketing, it is often not important to market a brand, but promote a particular product domain, for example, fertilizer and Pesticides. The city and its sellers cannot fully exploit the potential of the villages. Here, you can suggest that marketers can choose and use educated people from the unemployed villagers.

## **2.5 Significance of the rural markets**

If you meet a sales representative today and ask which market would you choose? Dear friends, the immediate answer would be "rural markets" like them they are still unused/unexploited. Many factors have been recognized responsible for the development of the rural market. They are mentioned below:

- Marked up increase in the Indian population, and hence increase in demand. The rural population in 1971 was 43.80 crores, which increased to 50.20 crores in 1981, 60.21 crores in 1991 and 66.0 crores in 2001 & 83.3 in 2011.
- A marked increase in the rural income due to agrarian prosperity and better remittances from the urban areas of India and abroad.
- Better and increased inflow of investment both in terms of FDI and FII for rural development programmes from the Central and state governments and other sources.
- Increased communication of rural people with their urban counterparts in India and abroad due to development of transportation networks and a wide communication network with respect to 3G, 4G, and LTE along with Fiber networks.
- Marked up increase in the literacy and educational levels among rural folks, and the resultant inclination to lead sophisticated lives due to better interaction and connection to sophisticated and advanced products and services.
- Major Inflow of foreign remittances and foreign made goods in rural area due to migration of people from rural areas to Indian urban areas and foreign countries. This is most prevalent in the states of Punjab, Kerala, Haryana, etc. where the prosperity is seen with plush houses in the midst of farmlands and outer rural areas due to remittances from abroad.
- Modifications, upgrades and changes in the land tenure/ownership system causing a structural change in the ownership pattern and consequent changes in the buying and selling behavior. The general marked up rise in the level of prosperity appears to have resulted in two dominant shifts in the rural consuming system. One is conspicuous consumption of consumer durables by almost all segments of rural consumers, and the obvious preference for branded goods as compared to non-branded goods of rural. People there have started demanding goods that are prevalent in the urban areas, because FMCG goods don't require as much infrastructure that is required by white goods like Televisions, refrigerators in terms of service, electricity, etc. Brands like Axe, Fogg have seen a lot of acceptance and popularity in the rural areas due to increased advertising and communication by these brands on the national television.

Traders who understand the rural consumer and develop their own, the strategy will certainly be useful in the coming years. The management of a product or service is related to the leadership of rural India, with the exception of a few lifestyle products that depend mainly on urban India. The penetration of consumers has increased considerably. Commodities in the Indian rural sector. One third of premium luxury products are now sold on the rural market.

Globalization will also affect rural India. It's starting to be something. This will affect target groups such as farmers, young people and women. The farmers stay up to date today and search for what Global move price changes and availability of products in the International markets seem to determine their local business strategies. In the youth, it affects knowledge and information and still depends on women socioeconomically.

By now, two-thirds of middle-income families are in the rural market. A study comparing income and purchasing power in rural areas if rural income in India increases by 1%, this would increase purchasing power by nearly 10,000 crores (rupees). On the other hand, the urban sector has shown saturation in recent years.

The fact is that the rural market in India has great potential, waiting to be exploited. Some have moved in this direction, but marketing professionals seem to have a long way to go to make the most of it. Rural India is not as poor as it was ten years ago. Goes up in the near future!

## **2.6 Opportunities in Rural India**

There are several reasons why each sector seriously analyses rural markets:

- About 285 million people live in urban areas of India, 742 million in rural areas, which is 72% of the Indian population lives in its 6, 00,000 villages. The size of the rural market is estimated at 42 million households and the rural market has grown. Five times as fast as the urban market.

\* More than or equal to 750 million people \* this is the estimated annual size of the rural market in India.

FMCG	Rs. 70,000 Crores
Durables (Consumers)	Rs. 5,500 Crores
Agricultural-Inputs (including tractors)	Rs. 48,000 Crores
2 / 4 Wheelers Automobiles	Rs. 8,400 Crores

*Table 2.7 Estimate of rural market potential*

- In the financial year 2011-12, LIC sold more than 50% of its insurance policies in rural market of our country.
- Due to various initiatives, 42 million of the rural households (HHs) are availing banking & financial services in comparison to 27 million urban HHs.
- Investment of funds in formal savings instruments of government and Private Entities is 6.6 million HHs in rural and 6.7 million HHs in urban.
- In the last 50 years, 45% villages have been connected by road network by various Central and State Governments as well as Private entities under the PPP mode.
- More than 90% of the villages are electrified under various schemes, though only 44% rural homes have electric connections but the Government is aimed at providing electricity to each and every household.
- Central and State Government is providing subsidies to the villagers to use other sources of energy like Solar System, Wind Energy, Biomass and is now being used in large amount by the villages due to the incentives available both financially as well as due to emotional stature.
- The number of "pucca/solid" houses are increasing day by day due to the various schemes like PMAY.
- The overall rural literacy levels of our population have improved from 36% to 59%.
- The Percentage of BPL families has constantly declined from 46% to 25%.
- Out of the two million BSNL mobile network connections, 50% are tier 2 and tier 3 small towns / villages.

- Under BFSI, 41 million Kisan Credit Cards have been issued (against 22 million credit-plus-debit cards in urban), with cumulative credit of Rs. 977 billion resulting in tremendous liquidity and increased purchasing power as well as inclusion in formal finance.
- The basic Lowering of difference between taste of urban and rural customers in our country due to better networking.
- The constant Setting up of infrastructural channels like e-choupals by companies like ITC, private sector has played a huge role.
- The rapidly Increasing agricultural productivity leading to growth of rural disposable income albeit marginally but thanks to new HYV seeds as well as genetic seeds ,income can grow at a large pace.
- The Growing stature rural infrastructure - thanks to Government initiatives at the central, state as well as district levels through various schemes and subsidies.
- Albeit better irrigation facilities and the constant improvement of water provision facilities to the far flung, dry, ill-irrigated rural areas.

Many companies, such as Colgate-Palmolive, HLL, Godrej, etc. they have already taken action in rural areas. Households, but still conquering markets, are a distant dream. Most sellers still lack depth. Knowledge to analyze the complex rural market is required to tackle it in an effective and efficient manner.

In the Indian context, rural marketing is a complex problem. For a professional organization, rural marketing is plagued by a series of problems. The prices of rural marketing face problems related to the size of the country and the possibility of setting up an effective marketing system.

In addition, other problems are due to underdevelopment of markets, illiteracy and credulity. People are the main segment of the markets. More buying power is not enough. It is not enough to have pioneers of consumption. The activation of large-scale purchases is an essential condition for the use of the rural market.

It is no secret that the Chinese have done an incredible job to improve their rural economy and to achieve significant progress in terms of extreme poverty. The



same trend is visible in Vietnam. In fact, this happens in almost every country I have visited, including India. To maintain high growth rates, you need an inclusive growth strategy that includes urban and rural consumers. This is the key message.

It is now unanimously recognized that rural distribution in India is inadequate and inadequate and disproportionate to the agrarian revolution. This requires focusing on increasing rural demand for urban demand.

Companies take risks that they can master. The operations of P & G, Unilever and Coca-Cola in Western Asia are examples. The end result is the size of the market: Africa and Asia have more than three billion rural consumers. It is almost half of the total population. One third or one billion people live in South Asia (India, Pakistan and Bangladesh). Unilever South Asia, headquartered in Mumbai, has been meeting consumer needs for decades. These companies, as I call them, have a rural DNA.

Traditional marketing activities, such as advertising, distribution, sales and service, which have been carried out so far in the urban and semi-urban context, will be extended to a much larger area in rural areas innovation, selection, and appropriate acquisition.

## **2.7 Factors contributing to the changes in the rural market**

- Green revolution:

The considerable attention given to agriculture in successive five-year plans has contributed to improving agricultural productivity. Adoption of new agronomic, selective practices. Mechanization, multiple crops, inclusion of crops and Development of related activities such as dairy products, fishing and other commercial activities.

The activities have helped increase the disposable income of rural consumers. In India, more than 75% of the villages have been electrified. There is also a change from the addiction to rain to irrigation. Farmers receive high profits for their money and food. Throughout the process, dependence on seasonality has decreased and, in turn, disposable income has increased. In this scenario, India is one of the largest giants, Hindustan Lever Ltd. Enter the rural market for a greater penetration of

Operation Bharat. Since December 1999, HLL has reached 35,000 villages, 22 million homes and issued 20 million rupees. This was one of the largest sampling exercises conducted recently by a large commercial building.

- Emerging Role of Bio-Tech. in Indian Agriculture Sector:

In fact, Indian agriculture is less efficient than that of the world's major countries. Countries such as the United States, Canada, Israel, and Germany have produced high yields in agricultural production, but countries such as India, Brazil, and Nigeria have agricultural yields well below the international average. The main difference in this respect is the use of biotechnological applications. Biotechnology plays a vital role in improving the performance of agriculture. For example, in the United States, wheat yields per hectare are almost three times higher than in India, and sugar cane yield is two and a half times higher than sugarcane yield per hectare. These advanced countries have widely used biotechnology, while the concept is not yet very popular in developing countries. When we live in a time of globalization, everything becomes globally competitive, so we cannot live isolated in terms of agricultural production. We need to exploit the biotechnology applications in an agricultural sector, both in terms of seed production and cultivation.

The same after the theories of biotechnology. Our farmers, who are usually unaware of this fact, need to be trained and educated. The responsibility lies on the shoulders of the country's researchers, scientists, administrators and policy makers. It will give farmers discretionary income.

- Rural communication:

About 50% of the villages are connected by all the current climatic routes and are accessible all year long. However, there are states that are almost 100% connected to the metal track. Linking roads has not only

increased the mobility of rural consumers, but has also increased their commitment to products and services. Looking at this scenario in these areas, Korean consumer goods companies have decided to look closely at their noses. Now they depend on rural markets. Two giants, LG and Samsung, have already developed their strategies to enter rural India. According to a study by the Indian Market Research Bureau (IMRB), 77% of villages are covered by television channels. Now, even the villages are configured for satellite dishes and have already contacted several products. Through advertising, all villages will be connected to telephone systems in the near future and some villages are already connected to this facility. Apart from that, the internet is not internet.

A distant reality recently, the Minister of Communications, Ram Vilas Paswan, announced that this would be the case in the coming days.

100% phone connectivity in rural areas. Watch, with these opportunities and the interests of rural residents, Tata Cellular has already arrived in rural India with the first entry into Andhra.

Pradesh Tata Cellular has created the largest mobile communications corridor in India. Provide connectivity to non-metropolitan and rural centres.

- Development programmes:

Five-year plans have led to massive investments in rural areas. Number of development programs implemented by central and provincial governments. These programs generated income for farmers and helped them to change their way of life. Some of these programs are:

- Intensive Agricultural District Programme (IADP- Package Programme)
- Intensive Agricultural Area Programme (IAAP)
- High Yielding Varieties Programme (HYVP- Green Revolution)
- Drought Prone Areas Programme (DPAP)

These programs refer to agriculture and related activities. However, there are some other guidelines specifically designed for this. The level of the rural

population in terms of health, education, hygiene, etc. After the start of economic reforms in 1991, the government paid special attention to rural India by providing certain development programs for these areas. The Minister of Finance announced a series of announcements in the EU budget in 2000 aimed at enriching existing programs and launching new rural programs such as Kisan credit cards, microfinance and Pradhan Mantri Gramodyog Yojna and so on. It was about agriculture and rural development.

Some programs pay particular attention to the EU budget and, taking into account the progress of economic reforms, poverty is taken into account decrease faster, and there is a significant increase in the Per capita income of people, especially for most Indian Union. So we can see that today's changes are progressing rapidly in all countries. The streets of life and rural areas are no exception. Improved Infrastructure, economic liberalization, new focus on Agro-industries and small industries, rapidly changing agricultural technologies and communication.

The marketing opportunities of agriculture and a larger budget for the rural population are reasons for this. In addition, various socio-cultural, psychological and political aspects of rural life are discussed. The changing rural population today is less fatalistic, less religious. Increasingly individualistic, success-oriented and emerging beliefs in front. All this opens up new perspectives for marketers Millennium, at least in states that lead the per capita income with sustainable growth, such as Punjab, Haryana, Maharashtra, Tamil Nadu, Karnataka, Gujarat, Delhi and Western UP etc.

## **2.8 4 Ps in the rural markets**

There is a significant change in the villages. The rural people used to break the walnuts, eat the nut and throw away the peel. They now want chocolates to melt in their mouths and not melt in their hands. A new announcement from Rani Mukherjee's Perk talks about the demand for chocolates in the rural market.

There are charcoal, neem branches and babool trees that brush your teeth now being replaced with paste .In today's world Colgate, or other brilliant brilliance is very good. The international toothpaste brand is more attractive than traditional teeth cleaning methods.

They also accompany the terminology to describe the activities change the attractiveness of product marketing. Consumer Globalization includes parts of India where some could endanger& it is likely that time will end forever.

These villages and small towns were once insignificant. On maps, they attract the attention of men and global media planner. Thanks to globalization, economic liberalization, the information revolution, Enhancing the power and female infrastructure currently in the middle class of rural India disposable income more than in urban India. Rural marketing has new height when compared to rural advertising.

Most companies consider the rural market as a waste for the lower market, Final products for a public citizen. However, this scenario is slowly changing and importance is attributed to the needs of the rural consumer. So it is important to understand the 4Ps of rural marketing with respect to rural consumers.

- Product

A product is in the heart of rural marketing. It is a need/want satisfying entity to a rural consumer. NCAER has classified various consumer goods into 3 categories. These categories cover most of the products from Rs. 100 - Rs. 20000 and above.

1 <sup>st</sup> Category	2 <sup>nd</sup> Category	3 <sup>rd</sup> Category
Pressure Cookers	2-in-1 (mono)	C TVs (S)
Pressure Pans	2-in-1 (stereo)	C TVs (R)
Mono Recorders	Cassette	B and W TV (S)
Wrist (mechanical)	watches	B and W TV (R)
		VCRs/ VCPs
		Scooters

Wrist watches (quartz)	Instant Geyser	Mopeds
Radio/Transistors	Storage Geysers	Motor Cycles
Electric irons	Sewing Machines	Refrigerators
Ceiling Fans	Vacuum Cleaners	Washing Machines
Table Fans	Mixer/grinders	
Bicycles		

*Table 2.8 Division of products in the rural area*

The structure depends on the needs of the rural consumers. Most of the products under category 1 are of immediate usage to the families. Category 2-products reduce the strain on the households and also act as a source of daily entertainment. Category 3 is a combination of means to supplement the income. Rural branding majorly aims at creating and disseminating the brand name of the products so that it is easily understood and recognized by the rural consumers.

In rural market areas, brands are almost non-existent. They identify FMCG by three

Criteria:

1. Color,
2. Images of animals and birds and
3. Numeric.

So a 333, 777, laal goli, hara hathi, lal saboon, safed dantmanjan are the kind of terms through which they identify brands.

Therefore, it is very important to understand that there is much marketing and branding, communication. There are several cases that suggest that brand names to educate consumers simultaneously. Branding communication, education must support marketing activities.

The following things have to be kept in mind while the marketer makes a decision on the product:

- The products for the rural market areas have to be simple, easy to use and there should be provision of after sales service or maintenance.
- The product has to be packaged for low price and convenient usage patterns.
- The pack has to be easily construed and understood by the rural consumer. The information on the pack is to be printed in local language communicating the functional and other benefits of the product.

- Pricing

A rural area customer is price conscious and business is valuable. This is mainly because of their lower income level than their urban counterparts. Therefore, the dealer must find ways to make the product accessible to the domestic consumer.

Banks offer loans for tractors, sets of pumps, televisions, etc. The product is accessible to a rural consumer. Smaller units are preferable to consumer goods at low prices. The packaging and presentation of the product offer enough space to keep the price low. Reusable packaging or recharging packaging is also preferred and considered as value added.

- Placement or Distribution

Distribution of products is one of the biggest challenging areas of rural marketing.

There are CWC (Central Warehousing Corporation) and SWCS (State Warehousing Corporations) set up in rural market areas to store, inventory and distribute products.

A three tier rural warehousing setup exists:

- CWC/SWCs
- Co-operatives
- Rural Godowns

CWC and SWC reach district levels. Cooperatives are at the Mandi level. The rural godowns are located at the village level, where they belong to the chiefs of panchayats. All of these levels provide only storage for your own members. Therefore, storing products in rural areas is a big problem. These are some of the problems of rural distribution:

- Transportation networks have not been fully developed.
- Lack of proper and thorough channels of communication like telephone, postal services, and so on pose a lot of problem to marketer to service the retailer as it is difficult for the retailers to place order for goods.
- Inventory of goods in rural market areas is also a problem for the marketers.
- Multiple hierarchical structures push up the costs and channel management becomes a major problem for marketers due to lot of middlemen in the process.
- Availability of suitable dealers, middlemen, agents
- Poor feasibility of rural outlets
- Rural outlets need BFSI support for remittances to principals, get fast replenishment of inventory, receive supplies through bank and facilitate credit. This gets disabled due to inadequate bank facilities.
- There are a lot of personal shops in the rural sector.

There are varied kinds of retailers:

- Shops within the village areas,
- Shops located on the main arterial road and not exactly within the village



- Kasba markets or the tehsil market.

The clientele/customers for these markets also vary. For the shops within the village, the inventory pattern is very much dependent on the kind of investment the retailer can make in a single-time purchase.

- Promotion

Communication with rural consumers takes place through organized media. Many rural consumers (about 70%) listen to the radio and most of them go to the cinema. Communication in rural areas can be done through traditional media or through non-traditional media. The most common classic supports are: printed, cinema, television and print media. Non-traditional media include theater, posters, hats and molasses. Traditional media have excellent access, are cheaper and have a better impact. At the same time, however, it is not personalized for every village and sometimes provides unnecessary protection.

Literacy rate, culture, tradition, rural area, attitudes and poor behaviors are other problems of rural communication.

Effective advertising should include a suitable media mix. This, it is very important to create a common spirit among rural consumers. When you speak in a language that you know with the customer, when you articulate the functional benefits and promote the product, you make a major contribution to the rural market. The rural market in India is only Rs 8 billion (53% of consumer goods, 59% of consumer durables, 100% of agricultural products) out of a total of RS 120 billion, representing 6.6% of the total. So it seems that a long way to go.

Hindustan Unilever is the first company that comes to mind and is thinking rural marketing. Amul is another example of aggressive rural marketing. Other slow companies in this area include Coca Cola India, Colgate, Eveready Batteries, LG Electronics, Philips, BSNL, Life Insurance Corporation, Cavin Kare, Britannia, and Honda Heroes, just a few people named.

Until a few years ago, the rural market was subject to dastard treatment. Many companies and advertising for rural consumers usually had this treatment. In most cases, the program involves selecting a shortcut by pushing urban communication into the rural market through a single transliteration of the advertising text. As a result, urban-based advertising did not influence rural attitudes and consumers. This is now changing, but it is always a slow process. The biggest challenge for advertisers and marketing is to find the right mix that reflects an all-Indian rural appeal. Coca Cola has done this with Aamir Khan Ad.

Companies are always worried about "Go Rural". Since then the rural consumers are scattered and it is difficult to anticipate the demand in the rural market. Agencies wishing to draw attention to the rural market and its importance are Anugrah Madison, marketing and advertising solutions from Sampark Ltd, MART, Rural Relations, O & M Outreach, Linterland and RC & M, just to name a few. In addition, the first four agencies gathered up to form the rural network. The main purpose of the network is to get customers to look for a national rural marketing strategy and to support them in their implementation in different region.

## **3. Strategies & Innovations**

### **3.1 Strategies to overcome the rural hurdles**

The Indian rural market is the key to the future growth of many businesses. Companies that understand this huge opportunity will step up their efforts in this market. However, high costs for rural consumers make business profitability difficult. These challenges must not prevent leaders. This research, it is clear that the Indian rural market can also generate real benefits in the short term.

The key? Companies must set up effective distribution and sales networks, adapted to the specificities of rural India. This report explains how companies can quickly realize and grow profits when they reach, buy and hold consumers in India.

In the currently unstable commercial environment are Indian rural markets. It represents an opportunity that no company can afford. Since 2000, the gross domestic product (GDP) per capita has increased most rapidly in rural India.

Areas only in urban centers: 6.2% CAGR vs. 4.7 Percent. Revenues in rural areas are increasing and consumers are buying discretionary products and lifestyle products, including cell phones, televisions and two-wheelers. Between the 2009 and 2012 editions for rural India reached \$ 69 billion, well above the \$ 55 billion spent by the urban population.

Companies experiment with different marketing models to participate in this growth. The results are mixed. To understand why, and how to fix it, an in-depth study was conducted to find out how companies responded to Indian rural market opportunities and what sales and distribution problems they encounter.

The study included in-depth interviews with more than 40 business executives, 20 industry experts and scientists, and a quantitative survey of 70

Companies that operate in Indian rural markets, our research has shown that an effective sales and distribution model is the most important determining factor for a successful rural expansion in India.

Our research suggests, Let the challenges be lived. Companies can be divided into three main categories: reaching, acquiring and maintaining rural customers in India. Accenture customer research and experiences show how Companies respond to these challenges and differentiate them in the rural market.

We also analyze the development of the farm market in the rural market. The result and the degree of innovation that characterizes the sales and distribution model of a company. On the basis of these comments we classify those companies in four categories.

### **3.1.1 Rural Customer Reach**

When it comes to achieving rural customers in India for whom the main obstacles are insufficient. Distribution networks, partners with limited capacity for a long time. Payment cycles and weak Marketing channels are not surprisingly, the respondents. Our survey quoted "high costs for served rural markets "as your biggest challenge: 50% rated it as one of They have the first three challenges. Face He asked which units the highest cost more than 60. Reported percentage plus logistics Costs in rural areas. More than 40 percent of the companies, considered as "recruitment". Select channel partner "a challenge her even more Face to reach rural customers.

- Take a solid approach to reaching the last mile: rural masters use a multi-level approach to reach rural consumers. This allows for deeper penetration and helps overcome the search for distributors with the right capabilities and reach. While some companies have used a single-channel model, such as Turntables and speeches have introduced other

hybrid models to compete and grow. The extension of traditional urban models to rural areas remains the most used option. Some rural masters who entered the rural market early adopted the village contractor. ("Pie on the street") Model to overcome distribution-related infrastructure challenges others have added layers to their distribution approach to bridge the gap between traditional cities. Rural partners and clients distributed. Others use e-commerce and other distribution partners for quick and efficient access for rural consumers.

- Focus on market expansion: Rural teachers apply a laser-like approach in their expansion efforts. For example, they use a detailed market. Analyze and segment to understand the specific nuances of the segment and prioritize the best opportunities. Some use technologies such as GIS mapping to create a Multidimensional image of the target segments. These companies are trying to make a profit as quickly as possible while making a profit. It's time to express the potential value of each target segment. The introduction of a variable cost model at the beginning gives them the opportunity to easily change course as they use their current approach. This does not lead to the desired results.
- Create a sustainable channel: Relationships as rural markets grow, more players enter the fight that drives that Channel request ability the partners, and however, few potential partners have they need standards and skills. As demand increases, so too like the risk of the couple Wear land teachers recognize this extended channel partner the skills are the focus of successful implementation of your sales strategies. The most successful companies Rural India creates sustainable Relationships with distributors and make sure its partners stay motivated to find non-transaction contact point to the anchor channel Relationships like construction family ties with theirs Partner to build trust.

### 3.1.2 Rural Customer Acquisition

Rural consumers' have diverse, specialized and Settings to acquire these Customers need companies Understand the cultural, the economic. And the demographic dimensions that define them. Organizations often make the mistake of editing the field. Consumers are so homogeneous. Market and offer the same. They offer value proposition.to urban markets. These values the sentences are usually focused on the functional advantages of a product. And pay little attention to how the product corresponds to the unique Needs and wishes of the rural population. Customer segments, Accepted Strong social fabric in rural areas. And the crucial role of this tissue Play by influencing the purchase. Decisions need companies. Integrate into them. Only then can, they successfully promote their Products and create credibility. Rural teachers explicitly accept these Steps to achieve these goals:

- Create trust and relevance through a stakeholder ecosystem: Rural Masters works with a large number of stakeholders to prove it.Your business is a force for the common good. Because every actor influences the ecosystem and guides customer behavior, the holistic approach creates a vicious circle. Business who takes this approach perceived as a builder of symbiotic relationships focus on everyday consumers it doesn't need easy on corporate earnings. This Also the ecosystem approach increases awareness of Company and allows them cover the latent demand. Moreover, Place companies at the touch Customers to much more previous points during the purchase often cheaper.
- Define a single value proposal for rural customers: Successful companies constantly renew their commitment – e strengthen their capacities for the knowledge of rural customers and provide experiences adapted to their needs, values and preferences. Victory Market share of these companies positions their brands to address specific consumers the segments the

rural masters invest strong development skill like Win customer analysis  
Focus on rural consumers and their latent needs.

- Set the correct sentence Influencers: for the most part the brands have relatives, Short story in rural India, Word of mouth plays a lot Greater role in the acquisition of rural areas. Only customers in urban markets. Rural masters involving individuals with spectacularity, stop in rural communities as an "influencer" to strengthen the key. Strategic messages to access with the good influencers, Identify and classify companies. Key players behind how influential and supportive they may be. By identification and turn right Influencer, business form. The perception of rural clients. Your business and offers and create a repository of Knowledge of the local market. Smart the use of influencers becomes one. Powerful way to stimulate Brand and client Satisfaction in the reduction the costs of customer acquisition.

### **3.1.3 Rural Customer Retention**

Although the companies are focusing strongly on the rural Acquisition and reach of the consumer, strengthening customer loyalty the efforts have gained importance. as a competitor deepen theirs penetration in the market, As long as Reliable and consistent after-sales Trust and construction service stay with local communities Great obstacles for rural masters. Overcome these challenges by applying several powerful practices:

- Develop low-cost models for post-sales support: post-sales support is an important part of customer loyalty. Provides feedback from customers and generates market information about competitors channel partner performance. In addition, after-sales assistance. Strengthens the rural environment of a company Prizes and obligations, what increases the

customer Loyalty in all phases of the Life cycle of the product, successful Companies often build a commitment .Convenient post-sales support Infrastructure have Used the local resources they provide "Low cost service" or leverage. Technology to avoid costs to perform this service.

- Anchor customer relationships with confidence: teachers of the building land Trust in local communities Even if it's getting closer to building trust. They vary depending on the company and industries, buildings Trust relationships are a part of effective organizations »Distinctive character. Some companies use customer feedback Show your attention Consumer needs, who can Help them gain the trust of their customers.
- Invest in community development: rural masters. Align your long-term interests with the development of the premises. Community to get your trust. And loyalty. This orientation builds synergistic relationships based on common objectives and Aspirations The most effective Organizations build a strong Ecosystem of company of Integration of the local population.in your value chains as Partner with an independent professional Interest in the company. Survival. Often overlooked, this approach can guarantee Business sustainability.

The unique challenges that Circumstances that define India the rural markets will continue develop. So on the way, Years will take over companies additional approaches to Reach, acquire and preserve. To better focus on rural consumers of India, emphasis on execution Excellence, and implementation will serve as new strategies and rural consumers and drawing to a deep understanding of Crops and needs of the consumer. You will need innovative, efficient & effective models to take the chance and ways to protect your margins. While the income grows, the face of a constant change, speed will be an important factor that will have an intelligent formulation in the Implementation of strategic plans of companies.



### **3.2 Market-driven innovations in the rural marketing sphere of India**

An important part of the world population lives in underdeveloped and underprivileged regions of the world. Although this segment represents a significant proportion of the population, it has been strongly rejected by companies and sellers.

Just as the primitive urban market needed the same revolutionary innovation to accelerate the development process, this market also needs revolutionary and relevant innovations for the real estate sector, in several sectors.

Therefore, an appropriate combination of appropriate technologies and pragmatic innovations in commercial and marketing strategies can make this market as effective and lucrative. This article examines the different dimensions of innovation to penetrate the rural market and the future of the rural market in India, Agricultural growth, based on technological innovation, products and services, particularly in the fields of agriculture, banking and telecommunications.

Innovation is the main reason for the growth of all countries. It is generally acknowledged that a country's economic growth largely depends on how it innovates and reinvents itself in a competitive environment.

With nearly sixty-nine percent of India's total rural population and more than half of consumer and consumer goods sales in these regions, it has become very clear that the next big market for India will be In India, product sales will be rural areas. The characteristics of rural markets in India are very different from those of Indian city markets. Factors such as literacy level, income and employment levels, social and cultural factors are important variables, while the segmentation of markets and products, prices and promotions is performed.

Many rural innovations have the idea of designing and delivering products at affordable prices. Many examples show that rural innovation is caused by lack of

resources, be it money, skills shortages or lack of technology. Therefore, this research tries to highlight some rural innovations in different sectors such as agriculture, telecommunications and the banking sector.

### **3.2.1 Agriculture Sector**

The degree of urbanization increases from 27.82% in the 2001 census to 31.16% in the 2011 counts. This could be explained by the transformation of some rural areas near the cities and by the definition of the census. Any discussion of the rural population and the eradication of poverty and development are directly related to the future of Indian agriculture. This is especially true for India, because the population is still the pillar.

- Cold Chain Logistics: In India, the greatest success of cold chain logistics is packaged milk. You can buy milk from regional and national brands all over the country. The mere availability of new technologies in agriculture has increased the production of agricultural products, and companies such as ITC and Wal-Mart, PepsiCo, etc. They buy these products directly from farmers. Many perishable horticultural products, such as tomatoes, apples and peas, can not last long unless stored in a controlled climate. For example .Safal
- Innovative -Supply Chain: Keggfarms Pvt. Ltd. is one of the oldest poultry organizations in India, founded in 1967. She is known as a pioneer of the genetic selection of poultry populations in India. The company is dedicated to the development of poultry populations for rural areas under the brand name "Kuroiler". Keggfarms offers chicks through direct marketing to rural households, small farms and state governments through a unique and innovative supply chain. Keggfarms provides

knowledge, experience and products to all, organizations or authorities that want to promote and improve poultry production programs in villages. This unique supply chain affects around one million poor rural households, especially women. In addition to the rural poultry program, high-quality, almost organic eggs labeled "KEGGS" were introduced in the national capital region.

- ITC e-Choupal: It is specially designed for Indian farmers. Thanks to and Choupal, farmers who live in remote areas of the country and do not have direct contact with consumers can contact directly. It provides a purchasing system that gives the farmer access to the latest and most up-to-date information (local, national and international) on different farming practices. It provides farmers with real-time information and adapted knowledge, allowing them to make better decisions and have direct contact with the customer, reducing waste through the broker's distribution channel. Choupal is already the largest initiative among Internet interventions in rural India. And Choupal is represented in 36,000 villages in almost 6,000 kiosks in nine states. ITC (Indian Tobacco Company) plans to further expand the generator concept in 15 states in India.
- Hariyali Kisaan Bazaar: In rural India, farmers have traditionally only had limited access to quality inputs to their fields and households. The Indian conglomerate DSCL has launched a unique initiative for rural businesses to address this issue by establishing a retail chain in rural India with the goal of: The farmers and their families. With its growing network of branches, DSCL can connect with farmers and provide them with a variety of agricultural services, including improved resources, agronomic support, fuel, banking products and consumer products. , The outlets also buy part of the farmers' production at harvest time. By using the products and services offered in the shops, farmers can improve the quality of their harvest and gain access to a network of useful resources in an

environment previously considered to be fully linked to the benefits of agricultural research. and technology used in other parts of the world. The World DSCCL develops strategies for how society can benefit from these new connections with millions of rural indigenous people.

- Gyandoot: It was founded in January 2000. It is a module based on e-government for citizens of rural areas. The project was initiated by the Madhya Pradesh government. Gyandoot meets the needs of villagers by providing information on current rates of agricultural products and property taxes. Each information booth Gyandoot has about 15 panchayats and 30 villages. The module is designed to provide people with a profitable and sustainable delivery model.

### **3.2.2 Telecom Sector**

In addition to agriculture, a new revolution reduces the distance and barrier between rural and urban markets. Telecommunications is the new revolution. In the first decade of the 21st century, the telecommunications revolution symbolized urban phenomena, since telecommunications companies had found it cheap. In the cities, but in the second decade, companies such as Airtel, Vodafone and Idea recognized the importance of rural consumers increasing their income and profits. The penetration of mobile technology is leading to a census of more than 500 million per week, more than 500 million. The number increases week by week as more and more villagers use a cell phone to get Pruning and weather information. Powerful entertainment tool, you can transfer money. Mobile is used to distribute new products through SMS such as Safal. According to the Compound Growth Rate (CAGR), the number of rural telecommunications customers has reached 282.23 million in March 2011 or 45.71 million in the 2006-2007 period. The remaining 558 million rural inhabitants of 840 people have not yet been exploited. This was an ideal victory situation; Mobile manufacturing companies are interested in innovative solutions to improve their size. To address the low-income segment, especially in rural

areas, companies are trying to meet the growing demand for low-cost phones launched by Nokia due to frequent power outages in these areas.

- BSNL: BSNL is poised to play an important role in the rural market with low-cost tablets, as telecom service providers have partnered with Goa, the Teracom-based telecommunications equipment manufacturer, to launch the large tablet for telecommunication tablets.
- Tata Teleservices and Ossian Agro Automation-Nano Ganesh: The management of irrigation pumps and water supply systems is a difficult and expensive task for many farmers in developing countries. The time and energy that farmers spend on watering their plants are often associated with a time that could otherwise be used for family and community commitments. This also affects their safety during the night when they are more exposed to predators. A new innovation from Ossian Agro Automation, based in India, in partnership with Tata Teleservices, has launched mobile phones called Nano Ganesh to revolutionize the way farmers manage their water supply systems. and outside With the help of Nano Ganesh, farmers can save water and electricity more efficiently. This minimizes the environmental and financial costs of agriculture. In fact, the product description suggests that farmers can cover the cost of the technology in just eleven days by saving water and electricity that they will generate.
- DOT to subsidies Rural Mobile Telephone: The Telecommunications Division has begun working on a proposal to provide rural people with a one-time subsidy for a new mobile connection, with the department paying 20% of all mobile phone bills, which are less than Rs 300 per month. . Because all telecommunications activities pay 5% of their gross annual income adjusted to US dollars. This system can be interesting because rural customers can expect increased use of their phones.

### 3.2.3 Banking Sector

- Kisan Credit Card: The Indian government has taken several initiatives to strengthen the rural credit supply system to meet the growing needs of the lending sector. Significant innovations introduced in recent years to improve the flow of agricultural credit include the Kisan credit card system, the reduced agricultural credit, the simplification of credit policies and the modernization of the credit union. This policy has highlighted the progressive institutionalization in order to provide farmers with adequate and adequate credit, especially for small-scale peasants and the most disadvantaged sectors of society, to introduce modern technologies and practices. Improve agricultural production to increase agricultural production and productivity. The purpose of the Kisan credit card is to provide credit to farmers as quickly as possible and in an informed manner. The KCC program has been implemented by banks across the country since 1998-1999. KCC is a simple booklet with cards and sperm. Farmers can contact the nearest branch of a bank or PACS.
- HDFC: HDFC opens 87 rural offices in the states of Punjab and Haryana in one day. HDFC Bank has an alliance with Indian Oil Companies Ltd. announced. There, Kisan Kendra, a rural gas pump company, will act as correspondent for the bank. This is a great thing that combines the strengths of the oil distribution company and the bank with modern banking services. People living in semi-urban and rural India that are not accessible through the current branch network.
- Govt Plans to Cross Merge RRB: The government is ready to merge and bring together regional rural banks (RRBs) from eight states to create economies of scale and promote the program for financial inclusion. Cross Fusion is a mix of RBIs that move between several state rural banks. Over the next four years, banking activities in rural areas are

expected to expand into more than one banking machine, as banks expand their rural and semi-urban networks towards greater financial inclusion.

- Union Bank of India ties with Jain Irrigation: Partner of the farmers for the drip irrigation system. The association with Jain Irrigation will provide farmers with simple credit facilities that will allow them to obtain a greater and faster return on their investment and better manage infertile land and grow high yielding crops in addition to sensitization programmes.
- NABARD cut refinance rate, Launches crop Lots: Nabard lowered the interest rate of refinancing banks for investment loans. The refinancing rate has been revised to 20 basis points after a resolution of the NABARD Board of Directors in New Delhi. The bank has approved three specific potatoes -Hoogly projects, from Karnal- tomatoes and onions - Nasik.
- Corporation Bank to set up Farm Lending: they launched an annual planning campaign to promote agricultural credit and the financing initiative in all its sectors. The commercial bank will focus on supporting agricultural families, especially those with weak and marginal interests, weaker groups, minorities and self-help. Agriculture and related activities will continue throughout the banks.

## 4. Case studies

### 4.1 Dabur

#### Dabur: Implementation of Reach Extension Technology

Dabur is the largest in the world. Ayurveda and natural health care Business, with annual sales of more than \$ 1 billion and Market capitalization of 4 USD Billion, it is the fourth largest in India w.r.t. Fast consumer goods Business. Dabur's offer is very popular in rural markets. Products such as Chyawanprash, Amla Hair Oil and Hajmola Digestives have been developed on the basis of the knowledge acquired by the company from consumers in rural areas.

Sales in rural areas are particularly important for Dabur. In fact, about 47% of sales come from rural markets of less than 50,000 inhabitants. Society occupies the third place among rural actors. 31% of sales in rural areas are generated by direct sales networks. Dabur needed to increase its direct reach to increase revenues in the rural market and create a higher sales margin Categories such as fruit juice, oral care and home care.

To expand its reach, Dabur launched the Double project in 2010. The objective of the project was to double sales in the rural market and increase the penetration of distributed non-passive categories. The initiative was aimed at towns with more than 3,000 inhabitants, a market that no other consumer goods company has reached directly. Initially, Dabur focused on high-potential districts in ten concentration areas, including Uttar Pradesh and Maharashtra, which account for 72 percent of the production potential of rural consumer goods.

#### Barriers to Scale:

Insufficient distribution structure: Dabur's organizational and sales structure for urban markets was not sufficient for rural distribution. The company was divided into three areas: the house and the personal care, health and foods with a dedicated sales team for everyone in urban markets, To Rural distribution, and



structure. This would dilute the economies of scale as many suppliers of the company would turn to the same rural point of sale. Reaching the local level through local operators instead of these service providers outside was another challenge. Rural commercial ecosystems were so locally specific that a local distributor was needed despite its use in large numbers would be expensive.

Pressure to generate elevations in Income: the Indian rural landscape It is scattered and the economic potential varies considerably from landscape to landscape. The southern Maharashtra, for example, is quite wealthy. Dabur knew, however, that according to historical sales, some districts of that state were never delivering the expected return in the investment. One size fits all Approaching a state would never work. The company had to select the areas within Every Dabur state had to generate additional income through rural outlets where they were already a strong player. The company had to increase the village level Consumption to increase sales at the point of sale beyond current efforts beyond the twin project. Dabur also had to hire staff who were willing to work and travel to remote areas.

Limited demand for high margins Categories': Another obstacle for the company was the need to successfully market high margin categories to justify the additional costs of a rural direct marketing channel.

Strategies for Success:

Market prioritization with GIS technologies: double project It was divided into two phases. Phase 1 was started at the UP and Maharashtra to confirm the sustainability of the idea. In Phase 2, Dabur focused on the I still had eight states Lessons learned and used by Phase 1 to lead the effort. The initiative began to prioritize 287 districts. Using a GIS tool the team was able to select districts, based on such properties like the presence of a bank, Per capita, income and population and every month distribution. The network has received

a new cluster, new destinations and route planning, Optimized software Work in different regions.

Change in sales structure, to improve the scope: structure your distribution and avoid. Contacts of several companies in an exit, Dabur decided. Use an umbrella for all yours Categories and developed a Distribution structure of two layers. Supermarkets operated by a key city in a neighbourhood and a Covered feeder undercover Smaller areas supermarkets got the inventory directly from Dabur and did not appear Any local distribution locally The distribution was made by sub-states which came in villages with up to 3,000 inhabitants. In order to avoid parallel distribution, the Super Distributors were only allowed to supply sub-shareholders through the use of the Company. Transaction Software Storefronts served outlets in major cities. A rural district administered the system and administered the three categories and the stock.

Recruit local representatives and offer unique career paths: enable direct contact with the markets from the beginning and generate additional sales, hired Dabur many rural sales Representatives of third parties (RSR) pay these administrators supply the villages within 100 km of their headquarters and are responsible for orders and orders & Ensuring the realization by the resellers. Dabur has created her own career paths for RSR to keep her motivated to offer advice and training.

Use technology around Advantage: To Monitor the workforce, Dabur uses a lot of work, Mobile application technology- RSR, They are a bit expensive. Instead they used a tablet that records the activity daily. The variable payment structure depends on the RSR updates. The tablets also provide information about transportation routes, routings, and order status. Applications also provide access to sales history and inventory at the level of sub-stockists.

Incubation of the request: generate Sales by category with less. Penetration had Dabur Increase the demand of the people. To carry out a customer analysis, the investigation has discovered the company, what rural customers wanted Quality

notifications that stress characteristics. News- It is necessary to address the benefits to solve. The questions and more importantly, involve people. Symbols, colors and logos were the most common form of brand identification. Dabur has tested liaison programs for rural customers through Haats and Melas to give consumers the opportunity to discover Dabur products. The company has also targeted opinion leaders and health workers to raise awareness and increase penetration in the categories. Like Chywanprash and baby oil. In addition, Dabur suggested the mobile service. Health camps provided Medical examinations and advice.

*Impact:*

In one and a half years of the Project double reached 24,000 of the 33,000 target villages with Populations over 3000 in the top 10 states. In a mature State, like Maharashtra, The program has collected 100 Coverage in the villages, with more than 3000 inhabitants and made progress in Villages more than 3000 population in Districts with high potential. In the current year the rural enterprise because Maharashtra is coming in a rate of more than 50 percent superior to the urban markets and has gone beyond the urban Markets for three consecutive years the years Extended coverage in cities over 3000 Residents led the accelerated pace Growth Rural Growth Index The urban growth was 135 against The expected sales revenue was more than twice as disgusting Margins improved thanks to a The product range is much better.

## **4.2 Tata Motors**

Tata Motors: Fast scale up of agricultural utility vehicle, Business through a predominantly variable cost model

In 2010, Tata Motors Limited (TML), the largest Indian automobile manufacturer analyzed and had identified the need for aggressively attack the rural markets, accelerate sales growth, such as well as keeping his lead Position in advertising

Vehicle segment. With more than 70%.the Indian population residing in rural markets are unique. It is the "battlefield" of the future, For TML as for most others Marketing companies in India.

The moment was well chosen, investments from the Indian government, Creating a rural infrastructure and employment, leading raise in rural income and Consumption makes rural markets.an interesting opportunity to do so ,TML To take advantage of this effectively Emerging segment, launch of TML's Project Neev literally means "Foundation" in Sanskrit), with to win an eye for the first place advantage in these markets.

*Barriers to Scale:*

Significant access to the campaign Markets: Although small TML Commercial vehicle (VCS) Portfolio was considered ideal worthy of the rural markets with his Prices and attractive points, Employment potential, the distribution network of the company, that was mostly urban and semi-urban nature (located Typically in cities / towns with more than 100,000 inhabitants) it was seen as a bottleneck for Growth of these rural markets.

Limited understanding of rural customer: No direct contact. Access meant too had limited structured trials of understand, define and educate the target customer segments in rural areas geographies, in value Offer or commercial potential invest in an MCS. At the View of the customer, lack of Proximity to the dealer and the absence of The "trusted" advisers meant that they could never really explore the option to rate a SAM as a mean of Livelihood / business opportunity.

Access costs: Wide matrix Spread of the rural population and the high cost of access to these Geographies, dealer coverage to historically limited Villages / room where the Reseller had the presence and at best About 50 km.

Financing questions: NBFC and Banks were also careful in Commercial Vehicle financing in these geographical areas the low availability of relevant documentation, high Cost of scope and "collections" Associated challenges.

Strategies for Success:

All the above factors, which historically produced rural markets, an unprofitable segment that can be used you have to develop one innovative approach to TML Marketing strategy in rural areas, instead of simply changing the existing city model. The main goal is Penetrates quickly into rural markets And at the same time the sustainable management low costs for TML and his Dealer The solution focused, In the following areas:

Better understanding of rural customer: TML performed Personal interviews with more than 2000 available rural users of SCV receive one better understanding of yours Needs, preferences and purchase. Behavior Armed with ideas these talks, the project team identified three Target customer segments:

- Unemployed and young unemployed old man between 21 years old and 30, who saw running an SCV as a viable medium Independence.
- The big farming families, who could invest in a facility? SCV, second source Income for the family.
- Merchants, small businesses and schools that could use these vehicles for prisoners and Transportation of goods by third parties, Students or people in one Radius from 10 to 50 km.

Access to remote rural areas Locations: Dealers arrive in rural apartments, has been extended. Through two indirect channels. A network "on the road" It was built by the local level Commitment to the government and nongovernmental organizations Participation in rural development. This helped give access. Group of rural talents that were called "Tata Gram Mitras" (TGMs) and acted as "trust" Rural client advisor They were widely provided Training to work with TML as an extension of the reseller Sales team on commission. Base for the generation of

leads and their respective tehsils and talukas this channel was completed by an exit Network of business partners. With an established rural reach, this served as the second Great channel when feeding. TML reseller network and they were retained by 'Tata Kisan Mitras (TKM).

Build these two forms of full indirect channels, the direct sales channel helped set up a micro presence for LML Sub district (tehsil / taluka) In an accelerated time.

Activation of rural demand: Workers in the indirect area. Channels were formed deliver a customized sale Pitch for each target customer Segment, activation request usually focused on the use the component "independent work", and position the TML, SCV as The bag as another option- Livelihoods for rural youth.

Rural coverage costs: The balance of former indirect channels has been structured Ensure fixed costs for TML and dealers were limited to Minimum and a larger part of the cost of the chain was financed by the sale of vehicles Incentives carried out. These in turn guaranteed rural sales generated progressive right to profitability and not seen since its inception as only long-term investments.

Financing rural area vehicles: Warranty Availability of vehicle financing on a rural level the project established team relations with district banks, NBFCs, national lenders and government Agencies At the same time TML internal financial part new plans that have accelerated The financial approval process.

Rural organization and Technology: Effective Mentor train and manage the rural above Network and its requirements, Appointed TML dealer Rural District Manager (DRM) for each district. Inverted LML in the appointment of a rural company Coordinator (RBC) and area Sales manager to feed the rural, Network Components Sales and Distribution CRM technology systems were also available aligned in TML to capture and Support sales processes in rural areas.

Over time with the development of local demand and Confidence in business ability, the branches of the distributor are in work and Open for everything in the Long-term model.

Impact:

Speed in the rural market: The results were significant and fast construction and operation of a Network of rural and young youth, rural business network It provided quick access to the campaign. Markets currently in use six states have the rural enterprise In addition more than 20 percent. Volume of TML SCV vehicles, this one here currently, it is in use nationwide and it has an annual increase and Adding a Potential of more than 70,000 vehicles and an income of \$ 500 million.

Continuation of the social agenda: while the main goal of the program should look like rural markets so profitable, commercial proposal put into use .Rural youth as sales agents and Creating rural entrepreneurship Possibilities in the vehicle The property as well as the waterfall. Impact on the rural economy for the service request, Mechanic, fuel helped to move forward in the social agenda as well.

Project Neev has contributed and looking immeasurably Long-term strategy of TML. During the most significant advantage was the creation of a first engine Advantage for your advertising Vehicles with rural benefits, other benefits include more competitive distribution partners with an extensive network and access to great talent and created a pool for future employment Within TML and its resellers.

### **4.3 Novartis**

Novartis: Building a Stakeholder Ecosystem

Novartis is a world leader in pharmaceutical products with almost 115,000 more employees from 140 countries. Novartis India Limited employs a few 4,500 employees and prospects in the country in a series of Therapeutic areas, including pain management, organ transplants, cardiovascular, immunology, Diseases and oncology.

Investigation of Novartis discovered a lack of information in rural areas Regions. Villagers often do not They understand what diseases they have Maybe you have or what options you have had Available to manage because of the high cost of the visit of a doctor, often villagers Treatment suspended until illness had reached an advanced stage.

Aiming to Close the gap and improve the Health Service for marginalized arms, Novartis Has launched Arogya Parivar (Hindi) that is, a healthy family) in 2006. The company was then founded and the commercialization of commercial weapons supported the success of the program. The social arm was loaded with the generation of demand; the Commercial unit with guarantee of the offer of treatments. Arogya Parivar offers a complete offer Health solution and that's anchored in the "4As" framework:

- Awareness: raising Disease awareness and Educate doctors about Novartis treatments.
- Adaptability: adaptation of the Product portfolios and to use marketing techniques of local influencers.
- Accessibility: increase Distribution by premises Sub-distributors and Health camp for doctors.
- Affordability: provision small personalized packages Drugs with less Price points and innovative medical equipment solutions.

Barriers to Scale:

Limited health awareness: Since then, Novartis has chosen its approach. Single,



he could not resort to implement tested models Arogya Parivar Initiative. In addition, rural areas do not Medical records to help. Business identify health Subjects of the greatest importance. In addition, awareness of Health care in rural areas was low, hard to reach and educate the rural population.

Lack of adequate medical attention Ecosystem: In the existing system Doctors, educators, clinics, Hospitals, medical devices. Companies and pharmacies was not connected and inconsistent in rural areas, the absence of basic health facilities in Some villages even showed up. More obstacles and Novartis, It had to have a lot to do with that. The actors of the ecosystem and build long-term relationships ,Manage expectations and that was not easy.

New treatments with Limited research and development: To avoid significant R & D costs, Novartis had to develop affordable Treatments without resorting to your R & D laboratories. From the offer in rural areas, the regions were indirect and There were no wholesale channels to ensure that treatments are -they are available, although Novartis. Demand successfully stimulated.

Strategies for Success:

To create a coherent ecosystem: Novartis has established networks of small hospitals, doctors, Chemists, diagnostic centers and Patients Each cell is composed of Educators and supervisors of health. Health educators are trained in Disease awareness and superior preventive health, they are the sales force of the initiative and Work with pharmacies, doctors, Hospitals and NGOs"Health Camp" in which the villagers can be treated and provided Preventive care .The Company pushes the limits now, this ecosystem through development. Unconventional associations under the motto "Bring Nearest health infrastructure to Indian villages ", partner of Novartis. With important medical devices bring selected companies, cheap equipment that it is suitable for rural markets for putting this idea into practice, Novartis provides loans for Doctors through associated banks.

Raise awareness about health: Awareness was central For the success of the program. To achieve this, health educators conducted About 130,000 manufactured Meetings in 33,000 villages. Every year these meetings provided product information and Therapeutic approaches that villagers visited regularly.

Impact measurement: help Soften the ecosystem, Novartis, and Reference cards introduced at Villagers in health education Meeting and the villagers gave the cards to the doctors during Visits to the sales team. The collected cards – which then founded a medical patient on the left - and he used to pursue Health effectiveness -Stock. Because Novartis is concentrated to women and childrens'Health, women's health recruited. Educators with the woman Patients can feel comfortable.

Develop unconventionally associations: Increase Penetration of the most recent Medical technologies in rural areas was members of Novartis. With important medical devices Companies including GE launched innovations like favorable electrocardiogram (ECG) machines. Novartis also establish credit facilities for the doctor's education and The teams as well as the doctors and Supplies for pharmacists.

Customize the product Portfolio: The Company has developed a portfolio of custom products that the villagers could afford it. Novartis- It offers small packages of medicines with low prices and printed package information in local languages. That too Some of its products have been reorganized, Satisfy the needs of rural markets.

Set up a dedicated Sales structure: Ensure the availability of your products; Novartis has created a dedicated space and separate distribution Structure. Distribution conventional network supply Channels like pharmacies, Chemist and wholesaler - as well as the subject of doctors that offer treatments directly to Patients after diagnosis.

*Impact:*

Arogya Parivar sales have increased 25% since the beginning in 2007, and the program collapsed, even in the first 30 months. Novartis now offers access to Medicines to more than 42 million People in 33,000 villages in India The initiative includes 250 Cells in 10 states and at 530 Educator and supervisors/cares Also serves nearly 39,000 doctors and just over 29,000 pharmacies. The product portfolio includes 11.Therapeutic areas with portfolio of 80 storage units (SKU) it is without prescription Treatments and vaccines. Novartis has great expectations for the initiative to be generated US\$ 4.8 million in 2013.

The Benefits (Social) also, it was important. Arogya Parivar it is the largest private sector Health Initiative in India. In the 2012 only more than 2.7 million Villagers have benefited from health, Educational and health camp. The initiative also facilitates Exchange of knowledge between about 60 000 rural doctors and Pharmacies led by the success of the program in India, Novartis is expanding it.including other emerging markets like Kenya, Indonesia and Vietnam.

## 5. Conclusion

So looking at the challenges and opportunities offered by rural markets to merchants, and the manufacturers, we can say that the future is very promising for those who can, understand the dynamics of rural markets and make the most of it. The radical change in the attitudes of marketers towards emerging and growing rural markets is mentioned because they can impress the 750 million consumers in rural areas in nearly six hundred thousand villages in rural India.

Essentially, the scientific approach is to understand the market opportunities for rural products. With the country's development priorities and the development of a strategy in which rural industries have a very important role to play. While rural products are forced to be part of the global supply chains, these products not only have to adapt to the changing taste of the National market, but also in accordance with the development of flavour in the international market. This process is essential to investigate market links and develop the group's capacity. Open focus and constant dialogue with the stakeholders of the rural enterprise. This process should ensure the participation of the rural population as consumers and producers in the process of globalization. With better livelihoods and global access to markets and the true challenge of sustainable construction, the connection with the market starts here.

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