

# Rural Marketing

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- Rural marketing is now a two-way marketing process. There is inflow of products into rural markets for production or consumption and there is also outflow of products to urban areas.

# Features

Large and scattered population:

The rate of increase in rural population is also greater than that of urban population. The rural population is scattered in over villages. The rural population is highly scattered, but holds a big promise for the marketers.

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## High Purchasing capacity

- Purchasing power of the rural people is on rise. Marketers have realized the potential of rural markets, and thus are expanding their operations in rural India. In recent years, rural markets have acquired significance in countries like China and India, as the overall growth of the economy has resulted into substantial increase in purchasing power of rural communities.

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- Market Growth

The rural market is growing steadily over the years. Demand for traditional products such as bicycles, mopeds and agricultural inputs; branded products such as toothpaste, tea, soaps ; and consumer durables such as refrigerators, TV and washing machines has also grown over the years.

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- Development of infrastructure

There is development of infrastructure facilities such as construction of roads and transportation, communication network, rural electrification and public service projects in rural India, which has increased the scope of rural marketing.

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- Low standard of living

The standard of living of rural areas is low and rural consumers have diverse socio-economic backwardness. This is different in different parts of the country. A consumer in a village area has a low standard of living because of low literacy, low per capita income, social backwardness and low savings.

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- Traditional outlook
- The rural consumer values old customs and traditions. They do not prefer changes. Gradually, the rural population is changing its demand pattern, and there is demand for branded products in villages.



# Cont...

- Market mix
- The urban products cannot be dumped on rural population; separate sets of products are designed for rural consumers to suit the rural demands. The marketing mix elements are to be adjusted according to the requirements of the rural consumers.

# Regulated markets

- There are more than 5000 primary and Secondary Agricultural produce **WHOLESALE** assembling markets functioning in the country. These markets are meant for the farmers to take their produce for sale. These markets facilitate farmers, immediate cash payments.

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- The directorate of state Agricultural Marketing Board or Registrar of cooperative marketing societies is controlling these markets. The market is run by an elected committee comprising of members from the farmers community, commission agents/wholesalers and some government nominees from Directorate of state agriculture / cooperative societies.

- The main aim of regulated markets are
  - Ensure remunerative prices to the farmers.
  - Narrow-down the price-spread between the producer and consumer.
  - Reduce non-functional margins of the traders and commission agents.

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- Benefits from regulated markets:

A system of competitive buying has been introduced by the regulation of agricultural markets.

It helped to eradicate malpractices in mandis.

They have rationalised market charges

It has ensure the use of standardized weights and measures

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- They have evolved suitable machinery for the settlement of disputes between buyers and sellers.
- It provides reliable and up-to date market information
- The consumer is able to ascertain both the quality and price of the goods he buys.

# Co-operative marketing

- Another major improvement for rural producers is the formation of cooperative societies. Farmer's common interest helped to increase the incomes of the farmers and avoid exploitation of the middlemen. There are about five lack cooperatives working but very few cooperative societies in selected areas like Dairy, sugar, oilseeds, Maharashtra, tomato growers in Punjab etc. succeeded in cooperative processing industry.

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- Aim of co-operative marketing
- To eliminate the vicious circle of middlemen
- Direct link between producers and consumers
- The farmers can get fair prices for their products
- It can also build warehouses, advances loans to its members against their crops



# Problems of rural marketing

- i) Underdeveloped people and underdeveloped markets**
- ii) Lack of proper physical communication facilities**
- iii) Inadequate Media coverage for rural communication**
- iv) Multi language**