

## RURAL MARKETING – AN OVERVIEW

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### Abstract

Indian rural market has a vast size and demand base. Rural India comprises all places that are not urban. The government of India only defines a non-urban market. An urban market is the one which has a population density of 400 people per sq/km. 7% of its population has to be involved in non-agricultural activities and there is a municipal body. If we go by statistics, roughly around 70% of the Indian population lives in the rural areas. That's almost 12% of the world population. Rural marketing involves the process of developing, pricing, promoting, distributing rural specific product and a service leading to exchange between rural and urban market which satisfies consumer demand and also achieves organizational objectives. It is a two-way marketing process wherein the transactions can be 1. Urban to Rural- It involves the selling of products and services by urban marketers in rural areas. The researcher frame the objectives are to analyze the production and marketing support services of extension, input supply and marketing and to analyze the structure of Rural Marketing Infrastructure. The success of farmers' markets depends crucially on their marketing committees, which take decisions regarding prices, infrastructure development and support services. Thus, the second recommendation is that these markets should have permanent structures, which are also dynamic at the same time.

**Key Words:** Rural marketing, development, population, demand, consumer.

### INTRODUCTION

India is a land of diversity and about 70% of the Indian population lives in villages. These villages contribute in the economic development of the nation through the production of food grains, vegetables, fruits, etc. Export of these agricultural commodities result in the generation of capital and earnings of foreign exchange. There are 600,000 villages in India 25% of all villages account for 65% of the total rural population. So we can contact 65% of 680 million or 700 million population by simply contacting 150000 villages which shows the huge potential of this market. Indian rural market has a vast size and demand base. Rural India comprises all places that are not urban. The government of India only defines a non-urban market. An urban market is the one which has a population density of 400 people per sq/km. 7% of its population has to be involved in non-agricultural activities and there is a municipal body. If we go by statistics, roughly around 70% of the Indian population lives in the rural areas. That's almost 12% of the world population.

In recent years, rural markets have acquired significance in country India, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. On account of the green revolution in India, the rural areas are consuming a large quantity of industrial and urban manufactured products. In this context, a special marketing strategy, namely, rural marketing has taken shape.

Sometimes, rural marketing is confused with agricultural marketing – the later denotes marketing of produce of the rural areas to the urban consumers or industrial consumers, whereas rural marketing involves delivering manufactured or processed inputs or services to rural producers or consumers. Also, when we consider the scenario of India and China, there is a picture that comes out, huge market for the developed products as well as the labor support. This has led to the change in the mindset of the marketers to move to these parts of the world. To expand the market by tapping the countryside, more and more MNCs are foraying into India's rural markets. Among those that have made some headway are Hindustan Lever, Coca-Cola, LG Electronics, Britannia, Standard Life, Philips, Colgate Palmolive and the foreign-invested telecom companies.

### RURAL MARKETING

Rural marketing involves the process of developing, pricing, promoting, distributing rural specific product and a service leading to exchange between rural and urban market which satisfies consumer demand and also achieves organizational objectives. It is a two-way marketing process wherein the transactions can be 1. Urban to Rural- It involves the selling of products and services by urban marketers in rural areas. These include Pesticides, FMCG Products, Consumer durables, etc. 2. Rural to Urban- Here, a rural producer (involved in agriculture) sells his produce in urban market. This may not be direct. There generally are middlemen, agencies, government co-operatives, etc who sell fruits, vegetables, grains, pulses and others. 3. Rural to rural- These include selling of agricultural tools, cattle, carts and others to another village in its proximity

### **OBJECTIVES OF THE STUDY**

1. To analyze the production and marketing support services of extension, input supply and marketing
2. To analyze the structure of Rural Marketing Infrastructure.
3. To analyze the determinants of marketable supply
4. To analyze the market structure, conduct and performance
5. To identify major constraints, opportunities of Marketing and supply

### **STATEMENT OF THE PROBLEM**

The nature of the product on the one hand and the lack of organized market system on the other have resulted in low producers price. There are production and marketing problems challenging fruit and vegetable development in the District. These are input supply, pest and disease, low productivity, production seasonality from the production side and lack of transport, storage, post handling facilities, organized market system from the marketing side.

### **SCOPE OF THE STUDY**

The area coverage of this study is Thanjavur District in Tigray national regional state with specific focus on Fruits and Vegetables. These crops account for the major proportion of fruit and vegetable production in the District and pass through a number of marketing stages.

### **SIGNIFICANCE OF THE STUDY**

This study might generate important information useful to formulate fruit and vegetable marketing development programs and guidelines for interventions that would improve efficiency of the fruit and vegetable marketing system. The potential users of the results of this study would be farmers, traders, policy makers, governmental and non-governmental organization, who want to introduce interventions in fruit and vegetable marketing system. Further more, this study could be used as source material for further study.

### **RESEARCH METHODOLOGY**

#### **Introduction:**

The research methodology is a way to solve the research problems systematically. In this, we study the various steps, that are one rally adopted by the researcher in studying his research problems along with the logic behind them. It is necessary for the researcher to know not only the research but also the methodology.

### **METHODS OF DATA COLLECTION**

Data were collected from primary and secondary sources. Primary data sources incorporated the entire situations of the marketing system from the producing farmer up to the retailers through structured questionnaire. The most important data types collected consist of production, buying and selling, pricing, input delivery, determinants of market supply, production and marketing problem and, characteristics. The secondary data have been collected from the text books, journals and websites etc.

#### **Sampling procedure**

A multi-stage random sampling technique was employed. The sampling covered farmers and retailers to probability proportional to sample size.

### **SUGGESTION OF THE STUDY**

The study found out that only 7 wholesaler abide private loan. Various banks are now implementing the micro credit scheme to help the small traders. The vegetable traders can utilize this facility without approaching moneylenders. This scheme is very easy to obtain, charges low interest and has convenient repayment system. The street vendors face various financial and marketing problem. This is more acute for women vendors. Hence they could form themselves into self help groups which would help them solve their problems.

The supply of vegetables to the wholesalers also comes only from other states especially Karnataka. This increases the price due to transport cost. This could be solved if more vegetables are procured from nearby districts.

Prices of vegetables are fixed by wholesalers/retailers. Since most of the traders on want members of the merchant association. If all the traders joined the association and fix the price collectively along with the market committees the prices could be stable and reasonable.

### CONCLUSION

The district is essentially a deltaic terrain and greater part of its consists of an undulating plain bisected by the valley of Cauvery. The climate of the district is basically tropical and the district falls under the category of medium and high rainfall region with annual average rainfall of 1053 mm. Major part of precipitation is received through North East Monsoon (October to early December). The soils in the district range from fine alluvial in Cauvery Delta to sandy soils in coastal areas. The farmers' markets provide farmers with instant cash and fair prices and also provide a place to the consumers wherein they can buy vegetables and fruits cheaper than the retailer market. These can also enable farmers to withstand the forces of globalisation that have already crept in the forms of contract farming and corporate farming, which is fast gaining ground in India. The success of farmers' markets depends crucially on their marketing committees, which take decisions regarding prices, infrastructure development and support services. Thus, the second recommendation is that these markets should have permanent structures, which are also dynamic at the same time.

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