



E-marketing As An Innovative Strategy For India's Rural Markets

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Abstract

Rural marketing is a developing concept, and the marketers have realized the opportunity of growth in the market recently. The Rural Marketing gained its attraction due to its potentials. Due to increase in rural income rural markets offer a great scope for a concentrated marketing effort in the rural incomes. Such incomes will increase faster because of better production and higher prices for agricultural commodities. Any strategy for these markets should focus on availability, accessibility and affordability. Focused attention needs to be paid to market research, key decision areas, problems and rural marketing environment, to reduce the uncertainty in dealing with these markets. The companies are focusing more on the needs and desires of people living in rural area and are taking every possible step to stimulate people to buy products and services and improve their livelihood. E-commerce is the word ruling the business.

Key Terms: Rural Marketing, E-marketing, E-commerce

Introduction

Rural Marketing refers to the activities associated with encouraging people in rural areas to convert their purchasing power into an effective demand for the goods and services and making these available in the rural areas with the intention to improve their standard of living and achieving the company's objective.

The Rural Marketing gained its attraction due to following potentials

Large Population: Still, the majority of the population in India resides in Villages and therefore, the marketers find more potential in the rural areas and direct their efforts to penetrate the rural market.

Increased Income: The income and the purchasing power of the rural people have increased. With the use of modern agricultural equipment and technology, the farmers can produce more and can get better returns for their agricultural products. The increased income motivates a farmer to improve his livelihood by purchasing a good quality product and thus, the marketer gets an opportunity to enter into the rural market.

Competition in Urban Market: There is a lot of competition in the urban market, where people are well aware of the

goods and services and have created a brand loyalty. Therefore, the marketers move to the rural market to escape the intense competition and generate revenues from the untapped areas.

Improved Infrastructure facilities: Today, many villages are well connected with the roads and transportation facilities that enables the marketer to access the rural market and promote his goods and services. With the growth in telecom services, the rural people can be reached easily via mobile phones.

Saturated Urban Market: Also, the marketers may move to the rural markets, when the urban market has reached the saturation point, the i.e. market is well stuffed with the products, and the consumers are not likely to make a frequent purchase due to the varied options available in the market.

Support of Financial Institutions: Several Co-operative banks and public sector banks offer the loan facility to the rural people at low-interest rates. With the loan, the purchasing power of an individual increases, thus resulting in a better standard of living.

New Employment Opportunities: The Government is

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running several employment opportunity programmes, with the intention to engage people in other activities apart from the agriculture occupation. The Integrated Rural Development Programme (IRDP), JawaharRozgarYojana (JRY), Training Rural Youth for self-Employment are the certain programmes, designed to increase the livelihood of rural people.

Due to so much potential in the rural areas, the companies are focusing more on the needs and desires of people living in here and are taking every possible step to stimulate people to buy products and services and improve their livelihood.

E-commerce is the word ruling the business since a few years. Thousands of businesses have moved online utilizing the potential of Internet for reaching a wide range of customers earning increased ROI with less investment cost and time. Today, e-commerce has enveloped our lives in such a way that it has become a necessity rather than a passion or striking the technology.

It is a win-win situation for both the consumers and the merchants. The consumers are spoilt with choices of brands, fashion, comfort, and all at competitive pricing too. If we consider the merchants, they are able to sell goods and earn more profit in less time with or without a warehouse, as they are able to get connected with the production center directly for shipping rather than making a warehouse of their own with manpower and labor cost investment. All these costs have been greatly reduced for them; they are able to get connected with more customers' as compared to their physical store.

Objectives

- ✍ To study the needs of rural marketing in India
- ✍ To study the present scenario of rural market in India.
- ✍ To study the trends in rural marketing
- ✍ To study the challenges and strategies in rural marketing India

Methodology of the Study

The study is a descriptive method. The Secondary data were collected from different sources such as, text books, magazines, articles and websites.

Findings of the Study

Recently, the technology has touched the rural parts effectively and has changed the general thinking that e-commerce companies may not reach the rural region of India.

People focused the internet only for the purpose of information gathering. But as the technology improves and the people started migration, they concentrated in e-Marketing.

Close to 70% of India's population resides in villages, and are in the rural segment. With India truly on the path of global IT leadership, it first needs to look into itself and consider that does this progress include rural population or not. With the advent of E-commerce, one area where progress of India is consistently slow is its backbone which is rural India. One reason for the same is that urban businesses have all the advantages of technology, while rural businesses fail in the same. Rural India has not been able to take advantage of ICT (Information and Communication Technology). In this paper, we will discuss the benefits rural population can derive from E-commerce. We will also take up cases in India and other countries where e-commerce has made considerable difference in the way people live. Lastly, we will also discuss steps which need to be taken by India to become a true global powerhouse, wherein progress will be evident even in its remotest part.

Let us see how this is happening. It is a known fact that the postal service has the power to connect every corner of the world. Evidently, it has reached all the villages and remote locations successfully. Moreover, the last two years has witnessed a dramatic change in the Indian Postal service as it is getting collaborated with more than 400 e-commerce websites. Mention not to say, the Amazon and the Flip kart are included in the list.

Today, more than 1,55,000 post offices of remote areas are connected to deliver the goods to the customers. It is a welcoming scenario where e-commerce industries are involved in helping our country to become digital through logistics channel. The e-commerce stores have their own delivery system for these locations or they are using the third party services like the postal services & other small agencies.

The e-commerce giants like Myntra, Jabong, Voonik, Amazon, Shopclues, Flip Kart and others' revenue coverage from the villages are appreciably notable. The villagers are gaining benefits of online delivery system. And with the penetration of the Internet and the smartphones, most of the villagers are using mobile applications and computers to order their goods. These companies say that the products like electronic items, utensils, grinders, baby products, mixers, and, etc., are the main goods in demand.



And, the fascinating thing about the orders is that there are less likely returns of the goods as they order only the most essential goods. This is saving cost on logistics for the company, as they are less investing for taking the delivered goods back. Certain companies like Ipay, Storeking, eDabba and, etc., are completely working for rural locations and they have innovative web design and development and work in view of the Internet connectivity limitations of the rural areas.

Certainly, it is high time for the retailers to achieve profit in their online business by tapping the rural population. We, at Orange Mantra excel in Web design and development as per the internet range limitations and other shortfalls to reach the rural India. Get in touch with us for e-commerce website development and mobile application development and explore the untapped region for your online business.

E-Marketing can be defined in broader terms as not only trade in goods and services across internet but also new ways of conducting business and communicating with customers, suppliers and colleagues. One of the motivators for doing business in urban areas is greater commercial variety and access to technology. Moreover, the hindrance in choosing rural areas for doing business is distance e.g. proximity to the nearest airport or dock which can be necessary for some companies, location constraints e.g. skilled labor, and ready availability of information.

Basic strategy to be followed in e-marketing is the creating awareness of the product or services. It is not easy to create the awareness of the Product. If the Segment is Very Niche, It is so tedious to penetrate the people's mind. It requires lot of creativity and data regarding the product or service.

Scope in e-Marketing

Easy way of pitching the people - The E-Marketing which targets the Right people based upon the criteria. Here the e-Marketing through e-mail which helps very much and a lot in this Scenario.

While an organization is Targeting for the customer through e-marketing, they will collect the data (e-Mail Addresses) from the resource factor and they filter based on their desire product or services. Finally they pitch the Customer.

Interested people Response:

Another way of e-Marketing is through providing the advertisements in the popular websites or placing banners in such sites.

This creates the awareness among the People.

By Clicking the Advertisement the customer can respond to the e-Marketing, they both will get mutually beneficial.

Inter Continental:

Its Not necessary to place the marketing agency in all the countries.

Just the Organizations gathertheir customers through electronic data processing.

Even a Small village and every corner of the globe will be getting marketed by the marketer.

Easy Service-Oriented Marketing:

Both tangible and in tangible products get marketed through e-marketing.

Many Universities from Abroad , Marketing based on this Service-Oriented Criteria.

Through the e-Marketing they can capture the Students easily from the Rural Area.

Why E-Marketing?

Internet is fast becoming the way of life. With the mantra of "anywhere/anytime" and convergence of mobility and intelligence e-commerce happens to be the thing which can provide all this. Moreover, four things are needed to drive rural growth

- i) Vision / Policy
- ii) Technology
- iii) Awareness
- iv) Services

From the above four, policy is something which is needed to be formed by the government and some immediate steps need to be taken in that direction, while the other three are something which can be provided by e-commerce.

E-commerce is the technology of the present. It can provide services which is beneficial to both rural community and corporate world. Moreover, it used in a right way, it can also be used to create awareness and teaching people as illustrated in case of ITC's e-choupal below. It is used to make farmers improve the quality of their yield, with better technique and give them more power.

Business

One of the major benefits of e-commerce is that it can provide a cost-effective way to expand into the global



arena and run ones own business. It can lower transaction cost by interacting directly with overseas supplier and customers and streamlines ones business. Not only that, it can help in removing the intermediaries and traders in the supply chain of global giants. This, along with higher responsiveness and speed at which business takes place has helped in reducing transaction cost, and increase profit margins. This is especially true in case of agricultural commodities. A very good example of this would be e-choupal by ITC. The case below will explain it in more details.

Employment

Employment is not a direct benefit from e-commerce but comes from the point mentioned previously. As and when, companies move to rural areas, they create job opportunities for a large number of people.

One of the reasons for a company to do the same is gain access to lower transaction cost as mentioned earlier. Another reason is to narrow its supply chain and move closer to its main raw material producers, removing intermediaries. This is evident from the e-choupal initiative of ITC. Lastly, companies move to rural areas to get access to specific skilled labor or cheap labor in general. All the above mentioned reason directly of indirectly create a number of jobs for rural populations. All this has been made easier for companies by the means of e-commerce and internet.

Services to Public

E-Marketing can cause a profound change in rural India in key service areas such as government services, banking, education and health. It promises to provide faster, better, cheaper and more flexible service delivery and this is irrespective of where the customer resides.

Online education is a new channel for delivering traditional distance education services, with the bonus of immediacy, interactivity, and easy access to a wealth of online information resources, including bibliographic databases. Discussion groups allow students to share information and debate ideas with each other, enhancing the learning process through peer-support and active engagement with the material. This is particularly important for geographically isolated students who are unlikely to have anyone physically available who is studying the same subject.

Telemedicine promises to give rural and remote

communities a new way of accessing high-quality, real-time interactive health advice and assistance. Potential services include consultations with specialists via videoconferencing, electronic exchange of medical records and diagnostic tests, and general community access to an extensive range of online health information. The rurally-based GP can also benefit in terms of a reduction in professional isolation: via access to current "best practice" information.

Challenges:

The major challenges of E-marketing for rural marketing in India are

- ✎ Poor literacy rate - low use of textual information
- ✎ Remote village locations - physical distances compounding problems of lack of proper price information and habitual dependence on middlemen.
- ✎ Absence of alternate media for dissemination of info.
- ✎ Absence of info in vernacular languages and multiplicity of languages.
- ✎ Cash crunch of farmers, immediate cash transaction system and reluctance of banks to provide soft loans to farmers.
- ✎ Economic, low-cost solutions - any technology solution aimed at benefiting the masses in rural India must be affordable and low-cost so that the perceived economic benefits of such an endeavor are much more than the cost of switching over to a different technological solution.
- ✎ In the absence of timely and correct information about prices, arrivals and market trends, compounded with the problems of low cash-at-hand and proper advice, farmers are forced to sell their produce at lower-than-expected rates. The result is that the benefits of the 'green revolution' have not really percolated down to the farmers.

The Road Ahead

The road ahead is not going to be very easy. Of course, if handled very well, this can lead to a very high growth rate in the rural regions and the country on the whole. It needs to garner its strength in rural areas in a very well devised manner.

Strategy #1

One of the main problems currently in rural India, as highlighted earlier is the lack of infrastructure. The basic



telecom infrastructure is not present in major part of the rural India. The government on its part is trying to lay down this infrastructure, but the process need to be speeded up. Moreover, with the advent of technology, V-SAT can be used in places with laying physical cable is tough or impossible as used by ITC. Access to internet should be given to as soon as possible.

Strategy #2

While infrastructure is a problem, another problem at the other end of the chain is the lack of knowledge about computers. Unless computer literacy is imparted, all the infrastructure and online services are going to be of no use. So, government should take initiatives to start campaign to provide basic computer literacy. In this whole transaction phase, care and patience needs to be taken, because this process would take a lot of time.

Strategy #3

We need to use e-commerce to create awareness among the industries and companies. We need to convey the benefits like narrow supply chain, cheap labor, and lower transaction costs to the companies. At the same time we need to maintain the regions own strengths and highlight them to the companies. This can be done by creating web-portals, giving details about the place and its strengths. We also need to give the right image about rural people, not as slow moving but smart and intelligent people. This needs to be done by highlighting examples of the people from the same regions and what they have done. Also, some examples highlighting the use of e-commerce and success stories associated with the same need to be shown.

Strategy #4

Government should also provide incentives to the companies to come and perform business in the rural areas. Specific subsidies can be devised for the same. Even though, such subsidies are available in India, its specific association has not been made. A specific cord between e-commerce and incentives to work on the same should be shown.

Strategy #5

Apart from attracting outside companies, steps need to be taken to create local awareness of e-commerce and hence create small entrepreneurs locally. Not only that, farmers should be made aware of the benefits such as removal of intermediaries and increasing their profit margin.

This in turn would result in internal growth in the rural areas.

Conclusion

The power of e-Marketing for regional communities is that it alleviates the constraints of distance and isolation on business, employment and access to services. In order to successfully confront the challenges posed by e-commerce, regional communities will need to muster strategic vision and leadership, foster initiative and enthusiasm, and take a proactive approach to ensuring that they have all the resources they need to take maximum advantage of the information economy. We also need to make sure that appropriate support is provided to the corporate for such initiatives. ITC's e-choupal, as illustrated is one of the best example in this area.

More such initiatives are needed to be taken, not only by corporate but also by government as the next stepping stone to the success of India is the growth of rural economy and to make its dream come true of growing at 10% rate, this is the thing which is of utmost important. There is immense potential in terms of the services that can be provided to rural India as shown above but it needs to be seen as to how far this potential is realized. A road map is now laid for us to progress and it is in our hands whether to follow or not.

How to Make Digital Marketing Work in Rural India

A huge number of villages in India are what you might call 'media dark'. There is no reliable electricity source and therefore no TV. Literacy levels are low, which rules out print. Smartphones are extremely rare. The only media channels people can use are AM and FM radio or basic feature phones.

What is the secret to building a successful strategy in emerging markets like these? How do you deliver engaging digital content when your consumer's ability to access it is so severely constrained?

I have spent the last few years working on that problem with Unilever. I'm currently Markets Implementation Lead for our global digital transformation programme but, to show you how you can drive digital acceleration in media dark areas, I'd like to go back to my time as an IT Business Partner in Hindustan Unilever's marketing team.

You don't need a smartphone to be smart

My first piece of advice would be to listen to your market,



and build your strategy around its consumers' behaviour. If you travel to rural India, you'll notice people adopting a smart money-saving practice: instead of spending phone credit on actual calls, they communicate by giving each other missed calls. This ingenious solution inspired missed call-oriented business solutions of our own, which we're now deploying to support some of our biggest brands.

KKT (KanKhajuraTesan), for example, is an entire mobile-based radio channel that users access via missed calls. The 'ear worm radio channel,' is the first fully advertiser-funded mobile-based entertainment-on-demand initiative

in India. Offering listeners a variety of Bollywood music and celebrity news, the channel has amassed 42 million registered subscribers, each of who our brands can now directly and natively advertise to.

Our aim is for it to become the largest provider of content in rural India. To date, KKT has secured four Cannes Lions (three gold; one bronze), including a first ever gold for Unilever in the mobile space. By thinking about how you can use consumer insight to create and deploy a win-win solution for both your consumers and your company, you could be just as successful.

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