

Study Material

Class - B. Com Hons Sem VI

Subject Code – BCH- 6.2

Subject – Principles of Marketing

Topic – Rural Marketing - Part 1

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Learning outcome from this lecture note:

- Definition of Rural Marketing
 - Nature and Characteristics of Rural Marketing
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There are various experts who have defined rural marketing.

Some of the definitions of experts have given below:

Thomsen defined rural marketing as,” The study of Rural marketing comprises of all the operations, and the agencies conducting them, involved in the movement of farm produced food, raw materials and their derivatives, such as textiles, from the farms to the final consumers, and the effects of such operations on producers, middlemen and consumers.”

According to G.N. Murthy – “Rural marketing is the study of all the activity, agency and policy involved in the procurement of farm inputs by the farmers and the movement of rural products from farmers to consumers”.

According to T.P Gopalaswamy – “Rural Marketing is a two-way process which encompasses the discharge of business activities that direct the flow of goods from urban to rural area (manufactured goods) and vice versa (agriculture products) as also with in the rural areas”.

According to National Commission on Agriculture are – “Rural Marketing is a process which starts with a decision to produce a saleable farm commodity and it involves all the aspects of market structure or system, both functional & institutional, based on technical and economic considerations and includes pre

and post-harvest operations, assembling, grading, storage, transportation and distribution”.

So we conclude that rural marketing in simple words is planning and implementation of marketing function for rural areas.

Nature and Characteristics of Rural Markets

With the rapid pace of technological improvement and increase in peoples buying capacity, more and better goods and services now are in continuous demand. The liberalization and globalization of the Indian economy have given an added advantage to sophisticated production, proliferation and mass distribution of goods and services. Taking these into consideration, the question may arise whether marketers should concentrate their activities in urban India consisting of metros, district headquarters and large industrial townships only, or extend their activities to rural India. Rural India is the real India. The bulk of India's population lives in villages. In terms of the number of people, the Indian rural market is almost twice as large as the entire market of the USA or that of the USSR. The nature and characteristics of rural market is as below:

- Agriculture is main source of income.
- The income is seasonal in nature. It is fluctuating also as it depends on crop production.
- Though large, the rural market is geographically scattered.
- It shows linguistic, religious and cultural diversities and economic disparities.
- The market is undeveloped, as the people who constitute it still lack adequate purchasing power.
- It is largely agricultural oriented, with poor standard of living, low-per capital income, and socio-cultural backwardness.
- It exhibits sharper and varied regional preferences with distinct predilections, habit patterns and behavioural characteristics.
- Rural marketing process is both a catalyst as well as an outcome of the general rural development process.

Initiation and management of social and economic change in the rural sector is the core of the rural marketing process. It becomes in this process both benefactor and beneficiary.