

Emergence of Rural Markets in India; Opportunities, Threats and Innovations

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Rural India, which was earlier ignored by marketers, is now attracting more and more companies towards it. Marketers now see a need to tap this segment of the population where they see a huge scope for marketing. But only those companies that understand the rural psyche of the masses can win over the rural consumers and bring out innovative products, which serve their needs. And, in the changing business environment, the rural customer is very active and quality conscious. Urban markets are becoming competitive increasingly and, perhaps, getting saturated. The rural market in India is not a separate entity in itself and it is highly influenced by the sociological and behavioral factors operating in the country. About 285 million live in urban India whereas 741.6 million reside in rural areas, constituting 72.22 per cent of India's population resides in its 6, 27,000 villages. Size of rural market is estimated to be 42 million households and rural market has been growing at five times the pace of the urban market.

The core of a scientific approach is to understand the market opportunities for rural products along with the country's development priorities and to chalk out a strategy where rural industries have an important role to play. While rural products are forced to increasingly become part of global supply chains, these products need to adapt themselves, not only according to the changing tastes of the national market, but also according to changes in tastes in the international market. Therefore, a process is essential to explore the market linkages and capacity building for SHGs through a bottom up approach and continuous dialogue with stakeholders of rural enterprise. This process should ensure the participation of rural people as consumers and producers in the globalization mechanism, with better livelihoods and global access to markets. The real challenge of building a sustainable market linkage starts here.

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