

An Assessment of the Prospects and Obstacles of Indian Rural Marketing

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Abstract

The marketplace for agricultural products has been more significant in recent years, and agencies' interest in it has increased to sixty-eight. 6,38,000 villages are home to 84% of India's population, and the country's enormous economic boom has greatly increased rural residents' ability to purchase energy. due to the urban market's saturation, the rural market is growing in significance. Due to the fierce rivalry in the urban market, most potential customers have been targeted by marketers, resulting in a certain level of market saturation. Since the rural market is untapped, marketers are lured to it if they want to expand their product lines. Rural marketplaces have become more significant in countries like China and India since the economic system's widespread expansion has significantly increased rural people's purchasing power.

Keywords: Significance, Opportunities, Rural Marketplace, Rural Marketing

Introduction

In growing economies, rural marketplaces are becoming more significant. Many organisations are concerned about the promotion of various items in India's rural areas and elsewhere. This program's primary goal is to give participants a solid foundation of practical knowledge, concepts, methods, and analytical abilities so they may successfully market services and goods to rural consumers.

Advertising and marketing

Determining the needs and preferences of customers, fulfilling those needs with services and goods, and creating environmentally responsible plans or structures to provide your product or service to the market at the time, location, and mode that customers want. These days, there are two methods for promoting in rural areas. There may also be an outflow of goods to urban areas and an inflow of goods into rural markets for manufacture or consumption. Agricultural inputs and fast-moving consumer goods (FMCG), such as textiles, soaps, detergents, cosmetics, and more, make up the town-to-rural slide. Cotton, rice, wheat, sugar, and other agricultural goods are migrated from farms to cities. Furthermore, rural products are transported for consumption inside rural regions.

Rural advertising in India: According to "Masters of Rural Markets: From Touch points to Trust points - triumphing over India's Aspiring Rural consumers," according to the third annual version of Accenture study, customers from rural areas are more motivated to purchase branded goods that are overly appealing. Businesses in India are therefore optimistic that their rural client markets would expand more quickly than their urban ones. The study highlights how rural consumers are more likely to actively seek out information from a range of sources and network in order to make better selections when making purchases. Importantly, media and telecommunication services have made it possible for rural Indian consumers to obtain more information, which is influencing their purchase decisions. According to current trends, rural consumers are shifting towards a more thorough comprehension of the value provided by products and services that considers attributes like application, aesthetics, and functionality in addition to low prices. There are roughly 650,000 towns in India's hinterlands. Nearly 850 million people live in these towns, accounting for over 70% of the country's population and roughly half of its GDP.



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Those rural communities' consumption habits are always evolving to more closely match urban ones. Many of the biggest consumer organisations in India service 0.33 percent of their rural Indian customers. Rural India offers private companies a substantial and alluring business opportunity because of a favourable conversion intake pattern as well as the market's potential length.

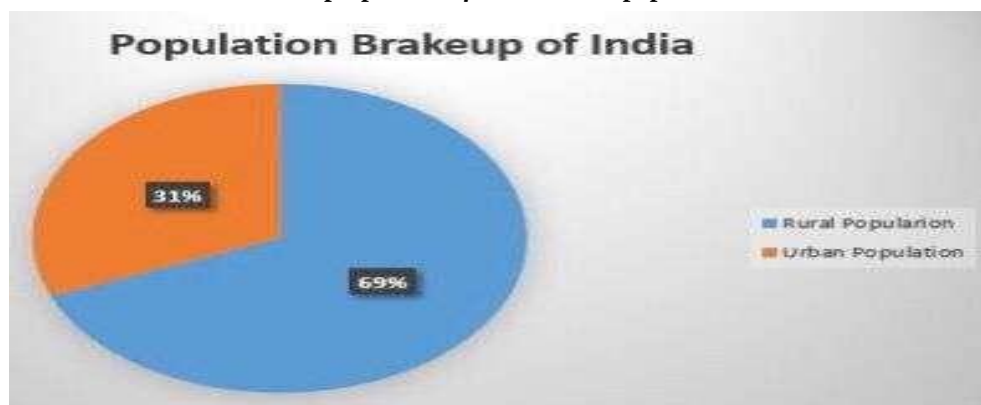
Goals

- To examine the current state of India's rural marketplace.
- To determine which rural market prospects are crucial.
- To identify the biggest challenges facing rural marketers.

Evaluation of writings:

Rural India is home to 83.3 crore people and 6,38,000 towns. The distribution percentages for agricultural cities are currently 31.16% and 68.84%, respectively.

FIG. 1: The proportion of rural to total population



Over the past few years, there has also been a notable increase in the rural GDP per capita. Since 2000, its accumulated annual rate of growth (CAGR) has exceeded the urban GDP per capita by 6.2% as contrasted to 4.7%. Between 2009 and 2012, regional intake increased by 19% yearly, two percentage points more quickly than urban consumption. During those years, rural India spent \$69 billion at one time, significantly more than city people' \$55 billion. As affluence increases in rural regions, spending shifts from essentials to luxuries like TVs, cell phones, and two-wheelers. Over 42% of rural homes owned a television in 2009–2010, up from 26% five years prior.

Because the urban market is saturated, rural markets are becoming more and more significant. Because most potential clients have been targeted by marketers due to the fierce competition in the urban market, there may be some level of market saturation. As a result, entrepreneurs are attempting to diversify their product lines into the uncharted territory of agriculture. In regions like China and India, where the banking system's quick expansion has greatly raised rural residents' purchasing power, rural marketplaces have grown in significance. India's rural areas now consume massive volumes of produced goods from the concrete and economic sectors as a result of the country's green revolution.

The mood of the chic rural bazaar is evolving quickly. People in rural areas are becoming more and more dissatisfied with branded items due to their greater abundance of knowledge and disposable cash. Rural households are not in favour of cutting building, consuming, wedding, and non-secular tour expenses. Rural consumers are more willing to spend a reasonable price for high-quality goods and consume a greater range of products, both durable and short-lasting, due to their higher standards. According to Pardeep Kashyap, CEO of MART, the majority of our people live in tier III and tier IV cities and towns. "Debts and emis do not limit the availability of coins in rural India. The greatest moment to enter the rural market is right now.

An analysis of relevant literature has been done to help you understand the problems and difficulties rural markets encounter. Understanding the proper instruments and processes that can be employed to assess the numerous pieces of evidence that have been collected and the approved policy recommendations is essential. In this regard, it has been helpful to evaluate research publications in the relevant field. A substantial weakness in the behavioural attitude of devaluing an absolutely helpful source, such as rural advertising, has been exposed by numerous studies on rural marketing and advertising conducted in India.

What Does India's Rural Population Buy?

- goods more frequently (usually weekly);
- Several companies, such as those selling shampoo, soap, talcum powder, and cosmetic cream, are establishing substantial rural presences without much marketing support.
- Fewer logo options; half as many FMCG makers are found in rural as in metropolitan areas;
- Buys little packets, paying less per unit than the banking system;
- Buys high-end goods rather than less costly ones.

- Given the steadily expanding rural economies in India, rural marketing is crucial. The agriculture marketplaces for FMCG (worth \$65,000 bn), durables (\$5,000 billion), and clothing and shoes (\$35,000 bn) were all as big as \$1.0 billion in 2008, according to a Nielsen survey.

The size has undoubtedly increased. By 2025, Nielsen predicts that rural FMCG sales would rise from the current \$12 billion to \$100 billion. In India's rural areas, there is room for growth due to strong sales and profitability. These days, there are more businesses in rural India than in urban regions, and these businesses significantly boost non-farm productivity. The expansion of rural advertising has been spurred by the following factors:

- Opportunities for employment;
- the Agricultural Revolution; and
- beneficial policies from authorities
- Growing literacy
- Earnings that are disposable

What makes the local market desirable?

The rural marketplace has the following traits and details: There are about 377 million people living in cities and 833 million in rural areas. 53% of all FMCGs and 59% of all substantial consumer items came from the farm sector. The expected annual duration of the agriculture market:

- \$65,000 billion for FMCG and \$5,000 billion for durables
- 45,000 crores for agricultural inputs and tractors
- Two four-wheelers cost Eight thousand crores of rupees. .
- There are forty-two million more people live in remote households using economic services than urban ones.
- The size of India's rural market is almost twice that of the combined US and Russian markets.
- Forty-six percent of tender drink sales occur in rural areas.
- Forty-nine percent of bike revenue comes from rural areas.
- In rural India, 59% of cigarettes are sold.
- In two decades, the rural Indian market will surpass customer markets in countries like Canada and South Korea, and it will be nearly four times larger than the current metropolitan market.
- Rural areas account for about 10% of Maruti Suzuki's sales.
- About half of the cell connections in small towns and cities are owned by BSNL.

Figure 2: shows the magnitude of India's rapidly expanding consumer goods sector from 2011 to 2020, with forecasts for 2025.

Year	The size of the FCG market in billions US \$
2011	31.7
2012	33.4
2013	35.8
2014	38.9
2015	43.3
2016	48
2017	52.9
2018	68.9
2019	83.4
2020	111
2025	221

Figure 3: Rural Markets' Access To Results Predicted Annual Capacity

FMCG	650,000 million Indian rupees
Sturdiness	500000 million Indian rupees
Farming supplies	450000 million Indian rupees
Two or four-wheelers	800000 million Indian rupees
Total	12300000 million Indian rupees

Final outcome and conversation-demanding circumstances in local marketing:

Undeveloped consumers in addition to undeveloped markets:

Most rural residents are underdeveloped, have little product knowledge, and are unable to adjust to changing conditions. The marketplace in rural areas is underdeveloped as a result. Because people are less aware of technology, products that rely only on it cannot flourish in local areas.

Limited coverage in the press for rural connectivity:

People who live in rural regions are less familiar with the items since there is little press coverage for rural communication. In rural areas, the absence of technology results in insufficient coverage of advertisements.

Absence of physical devices for communication and electricity:

The majority of the villagers are ignorant of roads and verbal communication. The majority of the villages become inaccessible at some point during the rainy season.

Many Languages and Dialects:

India is the United States of America, whose languages vary depending on the place. Even when using any kind of advertising strategy, language manipulation is quite difficult.

Challenging circumstances of natural disasters:

Inadequate market knowledge, a shortage of printer parking centres, a peek at rain or drought, and diseases are the most frequent problems that marketers have when implementing any strategy.

Advice:

Develop new products for the rural market; there is a chance to completely revamp a product. It won't work to make minor changes to an already-existing product. Among other things, the device should be able to operate under difficult conditions including dirt, noise, and power outages.

Transmission chain: it should be constructed to access geographically dispersed rural markets rather than concentrating on crowded urban markets.

Improved communication: To reach the hearts of the rural populace, the appropriate media should be identified. This is crucial since the rural people cannot be reached by any kind of media, including print, radio, television, and so on.

Conclusion

The study concluded that there are enormous opportunities for groups to grow and thrive in rural India. Groups must overcome many obstacles in order to compete in India's rural marketplaces. There are many unrealised opportunities in India, where 833 million people live in rural areas and 377 million in urban areas. However, marketers have no way to take advantage of those chances because of a lack of infrastructure. People in remote areas are unable to distinguish between manufacturers because of the low literacy rate. Now that fashion has evolved, literacy is becoming more and more important in rural communities. In rural India, the number of middle-class and wealthy families is predicted to increase from 80 million to 111 million. Multinational corporations (mncs) and entrepreneurs who understand the dynamics of local marketplaces may have a promising future. A number of opportunities and challenges may encourage business owners to increase the share of the market in small towns. Marketers should create tactics that consider the traits and clientele of rural locations. Customers in urban and rural marketplaces have different needs and expectations. Therefore, marketers wish to develop a variety of methods by understanding the characteristics of rural marketplaces. Teachers and experts must assist in addressing the contentious subject, which encompasses marketing and promotion. The majority of destination marketplaces are located in remote locales. In urban marketplaces, opposition to many products is growing. They may even be soaked in some circumstances. However, there is potential for rural markets to expand. The agriculture market is the one of the new millennium. Business owners must ascertain what customers desire before venturing into the farming sector. The market in rural areas is rapidly expanding in size. The market for agricultural products is both intriguing and difficult. Because of its length, it offers a considerable variety. It's a prevalent belief that markets are produced rather than determined; this is particularly true in India's rural markets. It may be a wise decision because it benefits the markets. The vast majority of people are excluded from the nation's financial boom plans because they are not exposed to financial services and banks. The main cause of slow inclusion is the loss of suitable delivery systems and products that satisfy the financial needs of low-income households.

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