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### **A study on opportunities and challenges of rural marketing at Dalani Juria in Nagaon district of Assam**

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#### **ABSTRACT**

Rural marketing means selling and fulfilling the demand of essential goods to people in the rural areas. Mainly, it refers to the activities undertaken by the marketers to encourage the people, living in rural areas to convert their purchasing power into an effective demand for the goods and services. Marketers make the products available in the rural areas with the intention to improve their standard of living of the people and achieving the company's objective. In terms of number of people, the Indian rural market is arguably almost three times larger than its urban counter parts and possibly the largest untapped market in the world. The rural economy contributes nearly half of the country's GDP which is mainly agriculture driven and monsoon dependant. More than 50 percent of the sales FMCG and Durable companies come from the rural areas. In Assam around 86 per cent of Assam's population live in the countryside, whereas just 14 per cent live in urban areas, revealed in 2011 census. So there lies immense necessity to study and find out the challenges and opportunities of marketing in rural areas. Thus the present study intends to find out the various opportunities and challenges faced by the rural marketers as well as the consumers in Dalani Juria area of Nagaon district of Assam.

**KEY WORDS:** Development trend, Rural Marketing, Source of income, Standard of living, Opportunities

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## **INTRODUCTION**

Marketing refers to promotion and selling of goods and services to the ultimate customer. Every company's main objective is to increase the market share by advertising about the product. Thus, to increase the market share the company has to know about the consumer behaviour, mindset of people, need, and scarcity of essential products etc. Knowledge and information about consumer behaviour plays a significant role to achieve the marketing goals of a company. The study of consumer behaviour helps to set different strategies for different markets like for urban market and rural market separately.

The rural marketing and related activities started showing its potential in late 1960s. Many companies like Hindustan Uniliver, Philips, Asian Paints, Dabur, etc., took initiative to share their products with the rural India. In the recent times we can see many other companies of national and international repute selling goods and services in rural India. Even the local firms are in the race. Rural development greatly influences the rural marketing. There is a direct relationship amongst the two. The Government of India launched many schemes to develop the rural areas but most of the time it is unable to reach to the targeted areas and people. This problem is due to the negligence of authority and many other anomalies at the ground level. The Government of India has planned various initiatives to provide and improve the infrastructure in rural areas which can have a multiplier effect in increasing movements of goods, services and thereby improve earning potential of rural areas subsequently improving consumption.

The Government has introduced various reforms in the Union Budget 2017-18 to uplift the rural markets. Some of the key highlights of the budget were:

- Rs 187,223 crore has been allocated towards rural, agriculture and allied sectors.
- The pace of roads construction under Pradhan Mantri Gram Sadak Yojana (PMGSY) has been accelerated to 133 kms per day as against an average of 73 kms per day during the years 2011-14.
- The allocation to the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been Rs 48,000 crore in the year 2017-18, which is the highest ever allocated amount.
- The Government of India is looking to install Wi-Fi hotspots at more than 1,000 gram panchayats across India, under its ambitious project called Digital Village, in order to provide internet connectivity for mass use, as well as to enable delivery of services like health and education in far-flung areas.

The Government of India has sought Parliament's approval for an additional expenditure of Rs. 59,978.29 crore which will be used to support the government's rural jobs scheme, building rural infrastructure, urban development and farm insurance.

In Assam, the growth of rural marketing is very slow despite several efforts from the government. This developmental growth rate is not encouraging the growth of rural marketing. In the rural market of Assam people prefer small quantity product than the big quantity. Government cannot do everything if people do not want to take any step improve their standard of living. For making the rural marketing campaign successful people have to aware of the product.

Dalani Juria is situated in Nagaon district. The village is having population of 4705 people of which 2461 are males while 2244 are females with 64.83% literacy rate as per the Census of 2011. People of this village live in harmony and peace. The main profession of the people here are agriculture and its related activities, a good chunk of people are also working outside Assam as bricklayer, carpenter and sales boy in shops. Very few people could take up professions like doctor, teacher, advocate, block development officer etc., but most of them stay in town areas of different district. Still this village is waiting for industrial development as there is dearth of growth of entrepreneurs. Education, Road and Electricity are the main concern of the village. Medical and health services are not available inside the village in a proper manner as there is a sub-centre inside the village but usually doctor is not available there only one nurse is there who comes on wednesday or any other day as per the schedule set by the authority. Juria Primary health centre is at a distance of 4 km but it has no proper facility for the medical care and treatment. The distance from this place to the town is just 11 kms, still it lacks in so many basic perspectives of healthy living. People of this village prefer to study in schools and colleges situated outside the village as there are only 3 lower primary schools which is at times insufficient to accommodate all. There is a huge opportunity to generate income by opening shops because there is comparatively lesser number of shops selling the basic essential items amongst the people. Off late many shops have opened up and formed a small market which has become a great help to the villagers as they can now buy essential goods from the village itself. Otherwise it was tough for them to procure items from the town. The products of companies like Hindustan Uniliver, Phillips, Procter & Gamble and other local firms are usually sold by the shops. They are not aware of brand and they just want to purchase products to meet the daily needs. Here the concept of "caveat vendor" applies very well. As the villagers do not feel the need to check any product specification like expiry date, quantity, company, ingredients, etc. They rely on the shopkeeper a lot. There are 7 grocery shops, 5 garment shops, 4 hardware shops and 3 Photostat centres in the village. The shopkeeper imports maximum stock from the town area and very less quantity is purchased from the Juria Bazaar due to lack of sufficient distributors and high

price. While importing goods from town the retailers face a lot of difficulties. The company / agency vehicle does not want to come for delivery of products to the village due to poor road condition. The prices of the product become high due to bad connectivity to the proper market. Overall it is seen that the dearth of growth of business is due to the poor roads and improper transport and communication system. Lack of awareness about brand, price, ingredients, etc. is also a reason to contribute in the slow growth of market. That is lack of education is the prime contributor to hinder growth in the village. Because of less education people are not aware of product specification and expiry date of product and for bad roads, importing products from outside becomes quite difficult. The government authorities can help a lot in pacing up the growth and development process of the village.

### **OBJECTIVE OF THE STUDY**

The present study intends to find out the opportunities and challenges faced by the rural marketers and consumers in Dalani Juria area of Nagaon district of Assam.

### **METHODOLOGY**

The present study is primary in nature. The data for the study is collected from Dalani Juria of Nagaon district. The sample size is 35. The sampling method is convenience sampling. The collected data has been analysed by using charts and figures. Pie diagram and bar diagram is used to analyse the primary data. The study includes both primary and secondary sources of data. The primary data has been collected by administering questionnaires to the respondents and through unstructured interview method. Data were collected from the retailer as well as consumer by distributing questionnaires. The secondary data has been collected from books and internet. The respondents were taken from various parts of Dalani Juria village.

### **DATA ANALYSIS AND INTERPRETATION**

#### **FROM RETAILERS POINT OF VIEW**

1) Opportunities identified by retailers in the area

<b>Responses</b>	<b>Responses in nos</b>	<b>Responses in %</b>
Increasing number of consumers	04	27%
Awareness about the products among young population	05	33%
Growth of income	06	40%
Total	15	100%

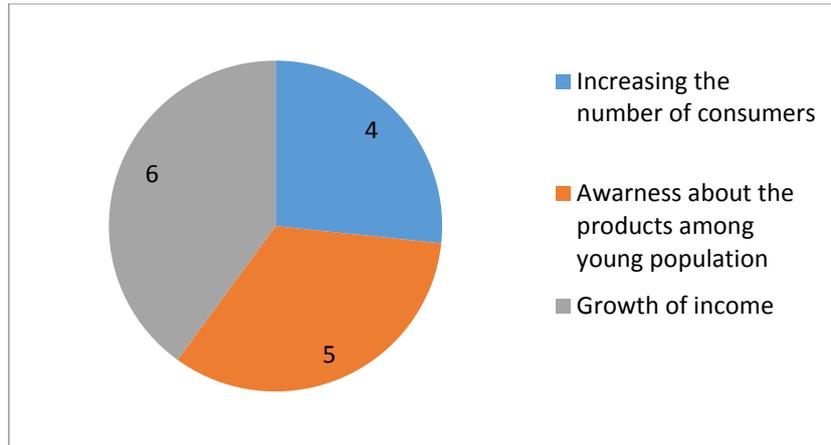


FIGURE NO 1: OPPORTUNITIES OF RETAILERS

**Interpretation:** From the above pie chart it is found that growth of income is one of the factors which has influenced the sales. But awareness in youth as well as increasing number of consumers is also not lagging behind while contributing to increase the sales as 27% and 33% respondents opted for increasing number of consumers and awareness about the products amongst youth.

2) Challenges faced by retailers

Responses	Responses in nos
Transportation and poor road condition	07
Long distance to the market	03
Excessive lead time	05
Total	15

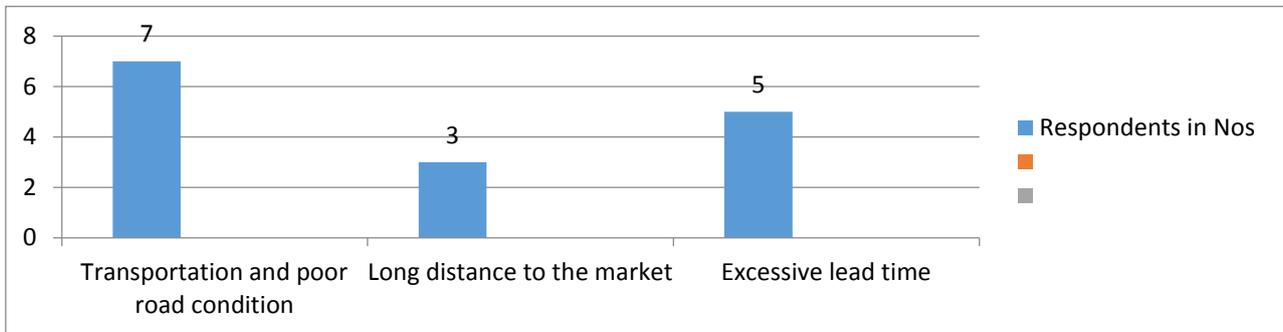


FIGURE NO 2: CHALLENGES OF IMPORTING GOODS

**Interpretation:** From the above bar diagram it is seen poor road and proper transportation facility is the main contributing factor in hindering the growth process of business in the village. As importing items from the urban areas is quite costly. The retailers have to use their own vehicles which increase the cost of products.

3) Sales to the customers

Responses	Responses in nos	Responses in %
Cash sale	06	40%
Credit sale	09	60%
Total	15	100%

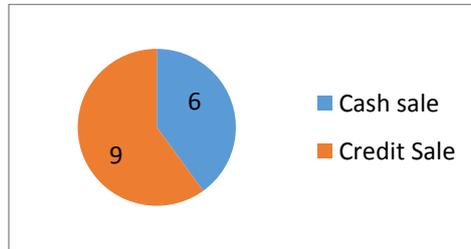


FIGURE NO 3: MODE OF SALES

**Interpretation:** From the above pie chart it is found that credit sales are higher than the cash sales. According to the 60% respondents credit sales retard the growth of their business. Because when there is a credit sales capital goes off.

**From Consumers Point Of View**

1) Opportunities from consumers view point

Responses	Responses in numbers
Credit purchase	6
Variety available	2
Qualitative products available	4
Nearness to home	8
Total	20

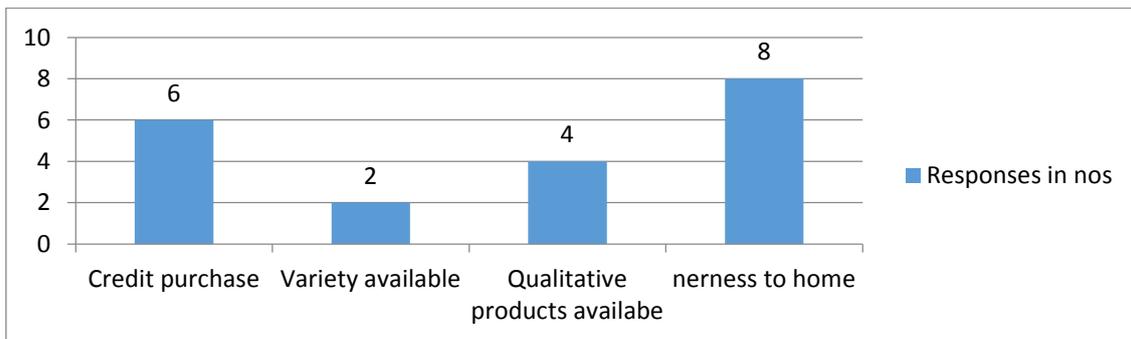


FIGURE NO 4: OPPORTUNITIES FOR CONSUMERS

**Interpretation:** From the above bar diagram we have found that according to most of the respondents, shops nearness to the home are giving the facility of purchasing of essential items instead of going outside the area.

2) Challenges of shopping from consumers view point

Responses	Responses in nos
Limited no. Of shops	2
Limited quantity	5
Cheap quality of products	4
Lack of proper shop	9
Total	20

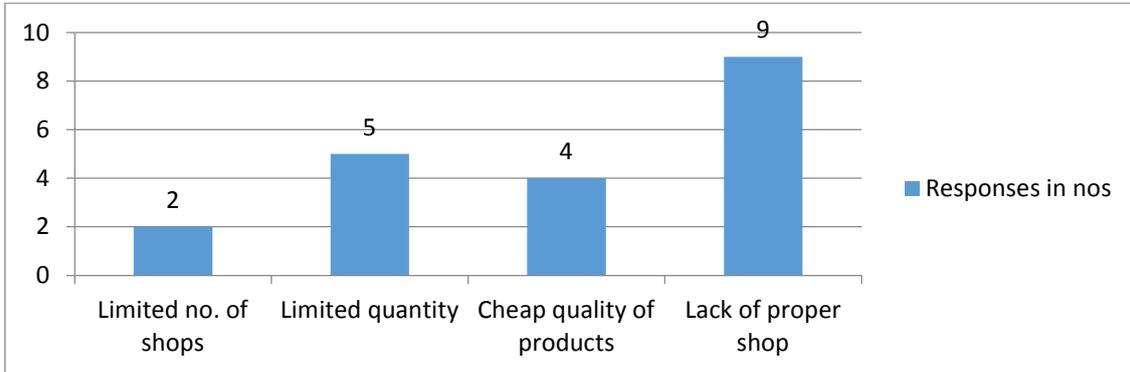


FIGURE NO 5: CHALLENGES FOR CONSUMERS

**Interpretation:** From the above bar diagram we have found that many of the respondents opted for lack of proper shop. According to them sometimes they don't find some of the essential product in their area for the lack of proper shop. For medicine with doctor recommendation they have to visit the other which is situated in other areas.

**FINDINGS**

- 1) The study was conducted among the retailers and consumers of Dalani Juria. They are very familiar with the problems of marketing.
- 2) According to most of the retailers growth of income will create opportunities for increasing the sales.
- 3) According to the retailers, as the number of school and college goes are increasing there can be a positive growth in awareness about products and services.
- 4) According to most of the consumers, proximity of shops to their homes saves their time, energy and money which was not like this before.
- 5) Credit sale is one of the weaknesses from retailers point of view. According to most of the retailers, for increasing of credit sale sometimes creates difficulties to purchase new stocks.
- 6) According to most of the respondents poor road condition is the main deterring factor in hindering the growth of business.
- 7) Irregularity of electricity in the area badly impacts the Photostat centres and rice mill. Sometimes if the transformer is damaged than it takes a long time to repair it due to the lack of proper experts of electricity department in the area.

- 8) Transportation cost increases the price of the products.
- 9) Most of the respondents from consumers are not well educated, that's why most of are not aware of the product specification and expiry date, etc.
- 10) Delivery vehicles of companies or agencies do not come to the village.
- 11) Most of respondents prefer purchasing in small quantities.
- 12) The villagers have radio and television sets. Televisions are less used due to frequent power cuts. But still television ads influence the people the most although they don't understand the Hindi language properly but they identify the products by seeing the graphics. For news villagers prefer radio as that gives specific region related news and no issue of power failure is there.

## **SUGGESTIONS**

- 1) Government can take initiative for improving poor road condition and must conduct investigation for the corruption at the ground level.
- 2) Initiative can also be taken by Panchayat, clubs or the government for conducting awareness programmes in the village to educate them regarding the product specification and expiry date or other issues of social importance.
- 3) NGOs should come up with the awareness programmes but more of such programmes are required.
- 4) Government assistance can also be provided to the interested persons engaged in agricultural activities as well as business related acts.

## **CONCLUSION**

Marketing in rural areas is challenging for consumers as well as retailers. To have a rapid growth of marketing we need rural development. Rural development is widely connected with the rapid growth of marketing. To increase the sources of income and improve the rural market condition there is a need of rural development which will enhance the number of different kinds of shop. Apparently government and the private NGOs should conduct awareness programme to educate the rural consumers regarding product specifications and expiry dates. They have the mindset of most knowledgeable person though they have no educational knowledge as well as marketing knowledge those have this mindset. The people who have taken bit knowledge of marketing as well as educational knowledge shall have to try to give them a brief knowledge to survive the life as well mannered.

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