Impact of Digital Marketing on Rural Marketing

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Abstract: In recent years, marketers see an untapped potential in the rural segment of the country due to the economic shifts which in turn leaded to rise in purchasing power of the rural community. Lately, introductions of schemes by major telecom players such as cutting down cost of data packs have resulted in significant rise in number of internet users in the rural segments. Also in-situ, launching of cheap range smart phones has contributed to the cause. In a way now this untapped potential in rural markets can also be targeted via digital means. This paper focuses on what digital mediums of marketing can be used, and which type of products can use these digital mediums to expand their consumer base to the less emerged segment of consumers.

1. Introduction

Rural Marketing means to develop, promote and create awareness about goods and distributions to the rural customers. This is done to identify and meet the needs of rural customers. And extend the outreach of the company to complete the objective of organization.

In the early 90's rural market was quite the unexplored area of Indian market, which was seen as too much scope and untapped potential. And markets are trying to salvage the opportunity for a long time. Many strategies have been developed and are being developed. Since then rural market has been an important part of Indian economy. Nowadays the mindset of people are not same as 20 years before. In rural areas people are not being seduced by the low price strategies they are aware about the brand value of the product. Rural lifestyle and consumption has also changed a lot in past 20 years, it's becoming closer to urban lifestyle in term of facilities, habits, exposure and consumption also. For ex- it was thought that TATA NANO would be huge success because all the middle and rural group will be able afford. It could have been a huge success if it would have been 30 years before but now customers were not satisfied with features and decided to go for the higher price products.

2. Digital Marketing

Digital Marketing means to promote the products and services offered by the use of digital technologies. Most common platform is the internet, mobile and televisions are also the prime platform examples.

10 years ago televisions were the primary source of digital advertising. Currently digital marketing is referred as the online marketing because of techniques like search engine optimization (SEO), search engine marketing (SEM), pop up advertisements, e-commerce, email marketing etc.

Techniques of Digital Marketing

1. Online tracking: - This includes keeping the tabs on the user behavior to collect information about his preference and interests and provide him advertisements based on that. This helps in tempting the customer towards its need.

2. Social Media: - Social media has become quite popular in the current days as it provide a platform for the company to promote its product freely or in an economic way. Consumers are also encouraged to share their views about the products and their experiences.

3. E-commerce: - These type of website/ platforms performs the data driven advertising. User has to provide data on to the website like their email ids and contact numbers. The privacy of consumer is maintained and their personal information are used to communicate to create awareness about the current offers and trends. Customers receive the text or emails about the offers of particular brand.

4. Remarketing: - This has pivotal role in the marketing and it helps in segregating the interested customers direct them to the website by placing the ads in front of him. In this system people search for something or visit a particular website and based on that the specified ad is placed in front of him.

3. Literature Review

Erda CV (2008) studied the comparative buying behavior of rural and urban customers on mobile phones. The study highlighted the difference in terms of consciousness about price, quality, style, function and brand. It was concluded that rural segments pay less attention towards the quality, function, and brand and are more conscious about price and style. It was concluded that minor modification or extrapolation of urban marketing strategies might fail in rural marketing.

Pooja and Neha (2014) in their study examined the scope of rural marketing in India. They concluded in
their findings that there exists a large scope of marketing, provided that improvement in infrastructures is carried out. It also stated that the rural market is yet to be exploited.

Saroj Kumar Verma (2013) examined the challenges and opportunities of rural marketing in India. One of the major challenges identified in the study were the non-homogenous and scattered nature of the market. Other challenges included seasonal marketing, low per capita income, transportation, and warehousing. On the other hand, a huge population seen as huge consumer base in rural segment is admired as an opportunity for the marketers to channelize their efforts. Increase in purchasing power, as reported by Rural Marketing Association of India (RMAI) is another conclusion of the study which highlights that there indeed exists an untapped market in this segment.

Edward J. Malecki (2003) worked on the potential and pitfalls of digital development in rural areas. Clearly there are potential benefits of the digitalization in rural area which increases the efficiency of the work but it also has downfalls like it would be the cause of shortage of human capital. As there is increase in technology the goods and services are available at a click away from people and that has reduced the human interaction. Internet and mobile have become integral part of our life, whether in case of telecommunication, entertainment or marketing. The increase in the digital economy also.

In current days scenario the social interaction of rural has also increased due to the numerous social networking apps. In rural area word of mouth and feedback is prime source of information for any product in the market. Now all of them share a common platform where they can share their views and take feedback. This takes the form of remarketing and whatsapp does have feature to award the user who has maximum publicized the agenda of any company or product.

4. Method and Material

The study is descriptive in nature. Secondary data collection technique was implemented. The data used in this study has been collected from different websites and published papers.

5. Inferences

Rural marketing is an emerging opportunity for marketers to invest. With its large consumers, a company can successfully generate optimum ROI. Many companies have already begun to market their products in the rural markets. But till now the techniques used are usually on ground marketing techniques. These techniques face their own challenges such as scattered markets, nonhomogeneous behavior of consumers, preference for local products and shopkeepers, and increased cost of travel and transportation. Thus, shifting from on ground marketing to digital marketing can prove to be rewarding in the segment.

Digital marketing has got an enormous scope to exploit the rural marketing in its nascent stage in India. With the increase in number of internet users and increased sign up on social networks, we are witnessing a heavy penetration of digital media into the earlier unexplored segment of population. This opportunity is not yet realized to its full extent but definitely in the coming years it will be one of the popular medium of marketing. With the fact that urban markets responded very well to the digital marketing techniques it can be safely assumed that rural markets will follow. Also, the urban markets are now saturated, thus, marketers need a new place to channelize their resources and energy.

Digital marketing have many advantages over on-ground marketing such as follows:

1. Wider outreach to customers: No barriers in terms of poor connectivity, scattered geography, or terrain. A product can be advertised in any remote locations using digital media for marketing. Thus, giving it more number of consumers to target with the available pool of resources.

2. Quick Feedback: On ground marketing has a major drawback in terms of feedback to marketing strategy implemented. To analyze the customer’s response to the product, more number of man hours are invested and most of the time it becomes tedious task to carry out the response surveys. In contrast, digital marketing can easily keep a track of consumers who are interested or partially interested in product only by counting the number of clicks on the advertisements. Also, with use of modern software anyone can easily analyze the data and behavior patterns. Further, number of bouncers can also be recorded and other techniques can be implemented to bring them on platform too.

3. Low cost of transportation: The features that needs to be put up at strategic locations needs to be transported from the head branches to the target location. Due to bad roads and distant placements of rural villages it results in a very high cost of transportations. In case of digital marketing this cost is cut down substantially. All the features can be projected on respective media through digital means which means no travelling involved.
4. More lucrative options: Digital marketing methods are not limited space or time. Marketers can deploy lucrative means such as videos, audios, teasers, real-time analysis, etc. to capture the attention of the consumers in the segment. Compared to on-ground marketing where only few options are available, these methods have significantly more number of options to expand customers.

Digital marketing is not limited to identify needs only, but also is a useful tool to identify the innate needs of the consumers. It can be an effective tool to implement push marketing for the market expansion of any product. At the same time, marketers must realize that the scope of the product that should be pushed into rural segment is limited. Any product which has physical form should be examined before being promoted in the rural segment. The cost of physically delivering the product must be realized prior to promotion to avoid any waste of money and effort. The few types of product that could find digital marketing helpful:

1. Social Networking: Increasing craze of connecting to friends and staying in touch 24*7 have given these networks an immense market already waiting for them. With digital marketing promoting these networks, they can easily penetrate into the new market and gain a lion’s share.
2. Online educational courses: These products have a high scope of market expansion in rural segment. With the increasing literacy rate and realization towards importance of education in the youth, these apps can easily build promising consumer base.
3. Ticket booking systems: Ticket booking websites and agents dealing in booking of railway tickets, parcels, airline tickets, hotel booking etc. can find a substantial number of customers looking for easy means to get their bookings. Thus, these products can also have a positive response from digital marketing in rural areas.
4. E-Commerce in low cost products: Apps and websites dealing in low cost product such as FMCG and others might find it useless to invest in the rural segments. This is because the cost of physically delivering an ordered good might compromise their profits. Thus, these products should thoroughly examine their overall costs involved before taking a step forward.
5. Games: With the youth becoming more addicted to online gaming, these apps already have customers waiting for them. Many apps might find it cake walk to enter these markets and gain a share. Further, these platforms can themselves serve as a media of marketing, hence improving on their earnings.
6. Music and Video Apps: Apps dealing in music and movies have a great untapped opportunity in the rural market. On-ground marketing techniques might be almost useless whereas digital marketing might help them reach right set of customers in the rural market.
7. Informatory apps: With the technology penetrating the world at an unprecedented speed, apps providing services like news, GK, current affairs, etc. might make their physical counterparts obsolete in coming years. They have high scope of gaining existing customers who are already involved in their physical commodities.

All these means discussed above can themselves act as a carrier of marketing techniques. This is another advantage of digital marketing. The media used as channel for digital marketing can themselves be a product. Thus, companies can have mutual associations to promote products of each other, thus saving cost of marketing.

6. Conclusion

Digital marketing in rural area is quite untouched area and has lot of untapped potential but the techniques are yet being devised to explore this area. Being the time efficient, largely impacted and easy availability, there are certain benefits of digital marketing. The increase in technology diversification also increase the exposure to the people, and it opens up the possibility of social networking, online courses, ticket booking system and various much more. Up until now rural market is product driven not the service driven, with information of product available beforehand to the consumers lets the company to predict behaviour of actual product before launching it, which helps in planning for the outcomes.

7. References