

# Gramodaya: Understanding the Marketing Implications of India's Evolving Rural Economic Structure

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## ABSTRACT

The current worldwide epidemic has exacerbated geopolitical tensions on a global scale. Historically, cities have consistently been regarded as the epitome of global cultural hubs. However, over a brief period in the early 2020s, many urban centres experienced a significant decline in activity, resembling desolate ghost towns in the virtual realm. The pandemic has led to a decline in activity in major global cities due to shifts in work habits. Markets are volatile, competitive, and characterised by changing consumer demands, skilled competition, and climate change threats. Marketers must proactively anticipate and respond to these changes, as waiting and reacting are financially unviable. Envisioning and preparing for the future has become increasingly complex and vital in today's global landscape.

The rise in lifestyle choices has led to a migration towards rural areas, resulting in a convergence of urban and rural cultures. This has led to a surge in local economies and a focus on diversity within organizations. Rural Bharat is poised to capitalize on this trend, with the Indian economy expanding due to rural consumption and increased disposable income. However, there are still opportunities for marketing innovation and the emergence of rural India as a significant investment theme. This study aims to delve deeper into areas exhibiting discernible patterns and prospects for opportunities and expansion & offers insights into strategies for enhancing the rural economy in India through collaborative efforts between industrial stakeholders and government interventions. The provided facilities offer an opportunity to enhance business, marketing, and distribution networks for the private sector in collaboration with rural entrepreneurs. Technological advancements and agricultural infrastructure improvements can significantly increase farmers' revenue. This paper argues that rural India's growth, income, consumption and marketing patterns are crucial for achieving an "AtmaNirbhar Bharat" in the "Amrit Kaal" era.

**Keywords:** Geopolitical, Self-reliance, Innovation, Marketing.

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## INTRODUCTION

Since almost two-thirds of Indians live in rural areas, rural India is a true representation of the nation as a whole. India's rural areas display a fusion of numerous cultural practices, linguistic variants, regional dialects, and ethnic identities, which helps explain India's unique position in the Globe. Rural economy in India accounts for more than fifty percent of the nation's GDP, the development and growth of rural areas are crucial for the country's overall growth and development. The results of the research show that, despite periods of economic stagnation, the rural sector of India has continually supported and increased the country's GDP. Appreciating the sizeable contribution that the rural sector makes to the Indian economy, it is positioned to play a crucial role in the creation of the new India

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i.e. "Ek Bharat Sherestha Bharat". The idea of "Ek Bharat Sherestha Bharat" includes both qualitative indicator expansion and improvement in addition to quantitative growth. The rural economy is in a good position to make substantial contributions to both areas. India's rural areas have become potential leaders in the post-

pandemic demand resurgence. The escalating standard of living among rural populations and the widespread use of contemporary skills have made this phenomenon more likely to occur. It's crucial to remember that there are still untapped opportunities for economic innovation. A five trillion-dollar economy is another goal of the Indian government by 2024-25. (Hindustan Times, 2018)

The Indian subcontinent underwent considerable changes between the years 1947 and 2022. The division of the area, the end of British rule, the establishment of a pluralist, sovereign, and democratic republic, as well as more recent shifts from an economy predominately dependent on agriculture to one driven by services, were all included in these changes. A noticeable transition from conventional physical infrastructure to a digital environment has also occurred. India has advanced significantly over the past 75 years, conquering many obstacles and changes. The country in question currently holds the title of the greatest democracy on the planet and exerts a substantial amount of influence over the general outlook of the international community.

India's current optimism may stand out from previous events, but it must overcome significant challenges to realize its potential. Factors such as supply and demand, demographic dividend, financial accessibility, and infrastructure improvements are advancing the nation. Policy reforms, strategic geopolitical stance, and the diaspora dividend facilitate these developments. However, challenges like uneven economic growth, untapped population potential, and underutilized business facilitation and innovation potential impede development. India has been viewed as a potential economic superpower, with China expected to overtake the US by 2075 and 30% more powerful than the US by 2050. (Vidhate & Ritesh) The Prime Minister has set a target to reach a \$5 trillion GDP by 2024-2025, known as "Amrit Kaal."

### Objective of the Study

Rural India has seen a considerable perspective change in the post-millennium era. It is now seen as a promising chance to increase and broaden marketing efforts rather than a burden on the economy or marketers. The tactics used by marketers to generate profits and penetrate markets have significantly changed in recent decades. Due to the stalemate in the historical relationship between marketers and their metropolitan customers, marketers have turned their focus to rural clients. A win-win situation resulted from the company

effectively targeting the rural Indian market. The fierce competition seen in urban markets and the enormous unmet prospects present in rural markets are the main drivers of this transformation.

A sizable untapped market exists among India's rural population, which makes up 12% of the global population. Nearly 66% of the population lives in rural areas, with poor per capita incomes, low literacy rates, insufficient infrastructure, and limited job opportunities. Rural areas have been neglected due to poor transportation systems, technical issues, and limited media access. However, modern firms are transforming their operations into profitable entities in rural India. Rural India's GDP has grown faster than urban India since the turn of the millennium, driven by improvements in business climate, better infrastructure, and a growing consumer base with more disposable income. This convergence is not a vacuum, and the research aims to target India's untapped rural markets to stay ahead of competitors. The study also aims to address the challenges and difficulties this initiative brings, emphasizing the need for re-evaluating current marketing tactics. (Shaik, M. B., Kethan, M., & Jaggaiah, T, Thomas, A. E. & Talwar, A., Popli, S., & Gupta, S.)

### Study Design

Present paper is based on secondary data, the researcher conducted a comprehensive literature review using various databases to assess the rural market and economy. They prioritized articles that evaluated dimensions within the context of the study. After screening over 200 books, articles, websites, papers, and guidelines, discrepancies were identified and fixed before reviewing the main group of about 100 papers. After excluding publications based on title, keywords, and abstract, a detailed analysis of the remaining articles was conducted. Important data regarding the research interest dimension was retrieved, and a thorough inventory of items was created for each study target or objective. The review process aimed to identify any probable omissions and ensure the study's objectives were met.

### Rural Economy

During the 2019-20 fiscal year, about two-thirds of India's population worked in the rural sector, with nearly 60% of them living in only six states. The highest rural population is found in Uttar Pradesh, where there are thought to be over 180 million people living there. Bihar comes in second with about 110 million people. Together, the states of Rajasthan, West

Bengal, Madhya Pradesh, and Maharashtra provide a sizable contribution to the rural economy. In states like Rajasthan, Uttar Pradesh, and Bihar, there has been a noticeable increasing trend in the rural workforce since 2017, with yearly growth rates ranging from 8% to 12%. Within the rural economy, agriculture makes up the majority of output (37%) by far. The trade, hospitality, transportation, and communication industries are the second-largest contributors, accounting for 16% of the total. Following closely behind with a 14% contribution is manufacturing. The rural economy has seen tremendous growth in the agricultural sector over the last five years, with a CAGR of 11%. (Srivastava, S. P. & Kumar, M., Baral, S., Shah, C. & Desai, R, Kale, B. S. & Chobe, C.)

India has had impressive economic growth over the past 20 years, solidifying its status as one of the world's top nations. The fact that 70% of the population lives in rural areas demonstrates that the country's economy is primarily rural. (Gulati, N. & Swati, Iyer, V.) Although it is vital to remember that rural India still plays a critical role in propelling its Gross Domestic Product (GDP) growth, India is currently witnessing increasing urbanisation. Rural areas make up about 46% of India's Gross National Income. Bharat's rural per capita gross domestic product has grown by 6.2% in the last 20 years, highlighting the importance of analysing growth, income, and consumption patterns in these areas to boost demand and maintain economic growth (NITI Aayog-2017). Furthermore, actual data show that India's rural sector displays resilience during times of economic distress on a national scale. Nearly 60% of India's population works in agriculture and related industries, demonstrating the agriculture sector's dominance in the country's economy. In 2020, the Indian Brand Equity Foundation (IBEF) predicts that the occupational landscape of rural India has undergone a noticeable shift recently, with a considerable shift from agricultural to non-agricultural employment. As a result, rural India has seen increased income from non-agricultural sources. Poor agricultural yields over several years, seasonal employment, a lack of adoption of modern agricultural techniques, and increased awareness and education among rural youth are the leading causes of this situation. With an estimated 50% of its population still living in rural areas, Bharat is predicted to continue to be a robust rural economy by the year 2050. Except for the agriculture industry, all significant sectors of the Indian economy saw severe effects, according to the NITI Aayog (2017). Labor-intensive industries like retail, real estate, transportation, construction, and

manufacturing were significantly impacted by the pandemic lockdown. Despite this, India's rural economy has proven to be very resilient, which is a plus for the country's faltering economy. The "MGNREGA" provided the most significant number of employment chances during this specific period, according to data compiled by the Indian government. In order to promote stability in the rural sector, the Prime Minister's Garib Kalyan Yojana economic rehabilitation programme has been put into effect. According to preliminary data, economic trends indicate that rural India's spending habits will significantly influence the country's economic revival.

Given that a sizeable portion of the Indian population depends on the agricultural sector, as shown by the Economic Survey of 2021–22, the importance of the rural economy becomes apparent. In India, the rural sector generates almost 50% of the country's GDP, and over 67% of employment prospects are concentrated there, according to a report by Niti Aayog (2017). The Aayog also emphasizes the finding that more than 50% of the manufacturing sector's value is generated in India's rural areas. Over the past two years, the agricultural sector has grown significantly. In the fiscal year 2021–2022, it will provide a considerable 18.8% contribution to the country's Gross Value Added (GVA). According to the Economic Survey of 2021–2022, this rise is represented in the 3.6% growth in GVA during 2020–2021 and a further 3.9% growth in 2021–2022. Additionally, as noted in the Economic Survey of 2021–22, it has been noted that a number of agriculturally related industries are increasingly emerging as critical contributors to the total growth and development of the agricultural sector. The agricultural sector is mostly responsible for the considerable rise of the Indian economy. (Nadarajan, S. & Rangith, M. J., EY-2022, & Pradhan, J. & Misra, D. P.)

The Indian Council of Food and Agriculture (ICFA) did research in 2018 that looks at the improvements made in the agricultural industry and how they have affected Indian farmers over the past seven decades since independence. The study highlights the rural economy's value and agriculture's contribution to creating jobs in the agricultural sector. The most recent Situation Assessment Survey (SAS), carried out in 2022, indicates that net crop revenues have increased by 22.6% since the SAS Report 2014. One of the significant discoveries is that. India's rural per capita GDP has grown by 6.2% in the last 20 years, highlighting the importance of analysing growth, income, and consumption patterns in these areas to boost demand and maintain economic growth. Bharat's rural sector has shown resilience during economic downturns, with a 23.9 percent contraction in



Q2 FY2020-21, the most significant decline in 15 years, attributed to the COVID-19 epidemic's effects, according to sufficient data. (IBEF, PWC & RBI, EY analysis )

### Rural India: Driver of Consumption

Disposable income growth has significantly contributed to India's recent success, and rural consumption has become increasingly important. India also occupies a prominent position as the world's top exporter of agricultural goods. The avian, aquaculture, fisheries, and animal husbandry industries have all shown noticeable increases over time. Rural India has been positioned as a significant area for investment and a vital driver of the Indian economy due to the agricultural sector's resilience in the face of the epidemic, particularly concerning self-sufficiency in the Indian economy, known as "AtmaNirbharta." However, it was observed that only the agricultural sector experienced growth during the COVID-19 outbreak, growing by 3.4%, while all other sectors had significant declines, producing an overall negative aggregate rate of 28%. This phenomenon can be ascribed to the fiscal year 2021's extraordinarily good monsoon season, marked by the highest recorded levels in the six years prior. The Indian rural economy has shown resilience and potential for investment due to factors such as abundant water, increased cultivation during the kharif season, and successful implementation of welfare programs like the 'Mahatma Gandhi National Rural Employment Guarantee Scheme'. (Chand, S., Kishore, P., Pandey, S.K., and Srivastava S.K. ) The Covid-19 lockdown significantly impacted all sectors but the rural economy has shown remarkable capacity to survive challenging circumstances. India's rural marketplaces are increasingly acting as significant engines of economic expansion. Politicians and businesses are excited about these sectors' exponential development prospects. There is strong evidence that the expanding consumer purchasing power is a primary driver of expansion across many industries and significantly impacts rural markets. The rural population's reliance on agricultural income has decreased due to increased remittance income from emigrated residents and the growth of non-farm industries in rural areas.

The price increase for government purchases has increased agricultural earnings, increasing rural residents' purchasing power. According to preliminary estimations, agriculture revenue is estimated to increase by around 9% in 2020 (The Print, 2020)—the expansion of government spending in rural areas. The 'Mahatma Gandhi National Rural Employment Guarantee Scheme' (MGNREGS), which accounts for half of the Ministry of

Rural Development's budget, has had a compound annual growth rate of 10.5 percent over the past five years. The expansion of job prospects resulted from the 'Mahatma Gandhi National Rural Employment Guarantee Act's' (MGNREGA) implementation in 2020.

As a result of the increased funding of MGNREGS, the country saw a drop-in unemployment rates and an increase in income. More specifically, from INR 32,477 crore in 2014–15 to INR 44,599 crore in 2018–19, MGNREGS funding increased. (MoRD, GOI) Increased access to credit and financial resources has increased cash flow for rural families. India's strong rural economy, driven by increased consumption, presents a promising investment opportunity, with government involvement in various industries being a key focus.

### Government Initiatives Since 2014

The National Democratic Alliance (NDA) Government has launched various programmes to promote job development and improve essential services. Increased government spending on infrastructure and transportation could create jobs quickly, increasing private business competitiveness. However, long-lasting improvements require continuous execution and outcome monitoring. Realizing the people's demand for higher living standards could lead to significant economic and social progress in India (Table 1).

### Agriculture

Agriculture is a crucial pillar of India's economy, contributing 16% to the GDP and employing 41.49% of the workforce. However, the sector's contribution to GDP decreased from 18.2% in FY15 to 16.5% in FY20 due to the rise of non-agricultural sectors. Despite this, the agriculture sector showed a growth rate of 3.4% during the COVID-19 outbreak, compared to the negative rate of 28% for all other sectors. The good monsoon season in fiscal year 2021, along with the abundance of water in irrigation reservoirs and the implementation of government programs like the 'Mahatma Gandhi National Rural Employment Guarantee Scheme' (MGNREGS), contributed to this growth. The government's free distribution of food grains under the 'PM Garib Kalyan Anna Yojana' also contributed to the decrease in unemployment and inflation rates in rural areas.

There was a consistent continuation of trends showing rising spending levels by the rural population during the COVID-19 shutdown period. This can be directly related to the effect of rising disposable income. A poll was taken in September 2020, producing findings



**Table 1: Government Initiatives for Gramodaya**

<i>Objective</i>	<i>Key Initiatives</i>	<i>Government Interventions</i>
Creating new non- farm jobs	Improving infrastructure and logistics to support jobs	The plan includes Sagarmala for port modernisation, 100% FDI in high-speed trains, Make in India, Smart Cities, and UDAY's financial turnaround package for DISCOMs
	Removing land and labour-market barriers	The policy aims to enable states like Rajasthan to unlock land markets and reform labor markets, reducing the power of labor inspectors.
	Removing barriers to allocation of capital and resources	The government is implementing several measures to improve capital flow and recapitalize public sector banks, including the creation of a National Infrastructure Investment Fund.
	Creating skills and entrepreneurship	Skill India is enhancing employability through vocational training, while Startup India, Standup India, and MUDRA are promoting bank financing for startups and small entrepreneurs to boost entrepreneurship and job creation.
Increasing farm Productivity Increasing farm Productivity	Easing administrative burden and making India more investment-friendly	The Companies (Amendment) Act aims to enhance business ease, promote India as an investment destination, and streamline the national tax system.
	Farm productivity	The Pradhan Mantri Krishi Sinchai Yojana aims to improve irrigation levels, while the Soil Health Card Scheme provides farmers with information to boost farm output.
	Market access	e-NAM to create a digital national agricultural market
	Rationalised pricing	Minimum Support Price introduced for pulses to rationalise incentives for farm production
	Income protection	Pradhan Mantri Fasal Bima Yojana aims to reduce farmers' risk and secure incomes, while MGNREGA is retained and amended to link with irrigation, animal husbandry, and roads programs.
	Financial and digital inclusion	Direct Benefits Transfer and Digital India aim to promote financial benefits transfers to beneficiaries' bank accounts and provide universal internet access for government and social services in India.
Improving the effectiveness of public spending on basic services	Food	The digitization of Fair Price Shops and the Public Distribution System aims to minimize leakages in subsidised food and fuel distribution to beneficiaries.
	Health, water, sanitation	Swachh Bharat, a mass movement for improved sanitation, water, and waste management, has been launched in India, while the National Health Assurance Mission has expanded to 500 million people.
	Energy	Pradhan Mantri Ujjwala Yojana and GiveltUp to provide poor rural families access to clean cooking fuels, Deen Dayal Upadhyaya Gram Jyoti Yojana to implement 24/7 electricity in villages
	Housing	Pradhan Mantri Awaas Yojana (target was Housing for All by 2022) , Pradhan Mantri Awaas Yojana – Grameen (Rural)(under Housing for All initiative)
	Education	"Beti Bachao and Beti Padhao" Yojana to promote girls' education
	Social security	The Atal Pension Yojana provides pensions to un-organised sectors, while Pradhan Mantri Jeevan Jyoti Bima Yojana, and Pradhan Mantri Suraksha Bima Yojana offer life insurance. Sukanya Samridhi Yojna and Prdhan Mantri Garib Kalyan Yojna

Source- Authors compilation from Govt. reports, records & press news

in seven states. Blogs of The World Bank

- The area set aside for kharif planting grew by 13.9%, while the amount of land used for kharif crops increased by 7%.
- Farm households saw a 7 percent decrease in the amount they spent on fertilisers compared to the prior year. The survey's results also showed a 19 percent drop in agricultural borrowing, which was not linked to either sowing area or fertiliser use.
- Since the lockdown measures have been lifted, the jobless rates have decreased.
- Since they have experienced less stringent adherence to lockdown laws, rural entrepreneurs in the non-agricultural sector have been able to continue their operations, notably in smaller ration stores and companies.

The COVID-19 pandemic has significantly increased disposable income and influenced rural spending patterns, allowing businesses to expand into India's rural communities. Agriculture, which accounts for 58%



of Indians, has been given priority by the government, with projected growth reaching INR 88.2 Lakh Crore by 2023. The government aims to double farmers' income by 2022 by implementing progressive policies and programs, such as the 'PM -AASHA Yojana -Gramin' Agriculture Markets, and e-NAM. The Agriculture Export Policy, introduced in 2018, aims to boost agricultural exports from INR 210 Crore Mn to INR 420 Crore by 2022, promoting rural investment and supporting new Farmer Producer Organizations, according to a report released by KPMG in August 2019—FPOs (February 19th 2020). There have been several notable cases where well-known non-agricultural businesses have entered the agriculture sector. Therefore, farm and non-farm private sector organisations are recognising the agronomy sector's enormous potential to boost Bharat's rural economy.

### FMCG Growth & Pattern

With a workforce of around 3 million people, Fast-Moving Consumer Goods industry ranks the 4th-largest contributor to the country's Gross Domestic Product (GDP). Three major categories, namely food and beverages, health care, and personal care, make up this industry in general. 2019 saw an 8 percent growth rate in the urban FMCG sector and a 5 percent growth rate in the rural FMCG market. (IBEF, October 2020.) Bharat's rural markets are growing due to many causes, including the growth of the rural population, the rising aspirations of rural residents coupled with expanding purchasing power, and the enhanced brand awareness brought on by media exposure. Currently, it is thought that almost 70% of Bharat's population lives in rural areas. According to the World Population Prospects 2019-Highlights published in 2019, the 2011 Indian Census indicates that by the year 2050, India's population will have grown by 273 million people. In India, half of the population is expected to reside in rural areas by the end of 2019.

Bharat's rural fast-moving consumer goods (FMCG) market has regularly shown a compound annual growth rate (CAGR) of 11.3 percent over the previous ten years, contributing to a 75 percent rise in the FMCG industry. The Fast-Moving Consumer Goods (FMCG) sector is expected to develop significantly, reaching a value of INR 16.34 lakh billion by 2025, according to a report released in October 2020. The Indian Brand Equity Foundation has demonstrated how existing and emerging market players can work together to satisfy rural areas' needs. According to historical data, there is a 50% recurrence rate (2019, December). According to The Economic Times, fast-moving consumer goods (FMCG)

purchases account for a sizeable amount of household income in rural areas. Rural customers will continue to prioritise essential staple foods over other products.

Government interventions are the steps a governing body takes to influence or regulate many facets of society, such as the economy and the public. Several government initiatives have been crucial in fostering growth in particular industries. One such initiative is the January 2018 implementation of the full approval of 100 percent foreign direct investment (FDI) in single-brand retail. The Press Information Bureau is the information's source. There is a provision for 51% foreign direct investment (FDI) in multi-brand retail, according to a report released in July 2019. Due to the Goods and Services Tax (GST) implementation, the government has enacted a lower tax regime for fast-moving consumer goods (FMCG) products, which has had a substantial impact on logistics and storage facilities. According to a 2019 story in the Economic Times, the government has also installed Wi-Fi hotspots in 1,000-gramin panchayats.

Additionally, the 'Prime Minister's Gramin Sadak Yojna' is now building roads. The improved connectivity and better information accessibility made possible by technology have significantly changed consumer behaviour in the FMCG sector in rural India. According to a KPMG report in India, the number of rural internet users has significantly increased year over year by 35%. Additionally, from 9 percent in 2015 to 25 percent in 2018, the penetration of smartphones in India's rural areas increased.

### Consumer Durables

The Indian consumer durable industry was projected to be worth INR 76,400 crore in 2019. Consumer durables, also known as "Brown Goods," include products like televisions, computers, laptops, and digital cameras, and consumer electronics, also known as "White Goods," which include items like air conditioners, washing machines, and microwaves, can be used to categorise the industry. In this case, 23 is the topic of conversation. By 2050, the applied and consumer electronics market for consumer durables is anticipated to reach a value of INR 1.48 lakh crore. Additionally, it is predicted that between 2020 and 2025, the electronics manufacturing industry will contribute an extra output value of INR 11.5 lakh crore. The specified time is October 2020. IBEF, or the India Brand Equity Foundation

Due to the government's expenditures in rural electrification, which would ease first-time purchases, India is predicted to become one of the top markets for

consumer goods, including refrigerators and consumer electronics. This development has also demonstrated the market potential for consumer durables, which has yet to be wholly harnessed or explored. The rise in disposable income, the development of organised and online retail platforms, the facilitation of consumer financing, and government-led attempts to electrify rural areas are all driving factors in the growth of the consumer durable sector.

Government initiatives are any of the numerous policies and plans put into place by the government to address specific problems or accomplish particular goals. These programmes, The growth in rural demand for consumer durable goods results from direct or indirect government intervention. Due to the government's investment in rural electrification, the industry saw a surge in demand for products like refrigerators and consumer electronics, which led to an increase in first-time purchases. This breakthrough has also shown an immense market opportunity for consumer durables that needs to be adequately harnessed or investigated. There are important insights and analyses accessible, according to the sector pack, on the consumer durable market in India (Consumer in India ;Sector Pack, 2018).

Similar to the above, programmes like 'Pradhan Mantri Awas Yojana – Gramin', which aimed to provide housing to rural residents, have increased the number of nuclear families living in rural areas, creating a demand for inexpensive housing alternatives in various categories. Fully automatic washing machines have seen a noticeable increase in demand recently in rural markets. This is because more jobs are available for rural women in the industrial sector.

The government incentivises domestic businesses to produce consumer durable products locally under its "Make in India" campaign. Increased work prospects and discretionary earnings due to this strategy have increased non-food consumption in rural areas. The lower prices of consumer durables, which can be described to the shift in manufacturing and sourcing practises towards local production, support the consumer's propensity to make purchases.

### Banking

People in rural India must have access to financial markets, a concept known as financial inclusion. Similarly, the availability of credit and access to financial services is crucial for boosting consumer spending, opening up fresh opportunities for business endeavours, and improving prospects for economic growth. Early in the 1990s, the Indian government recognised that a

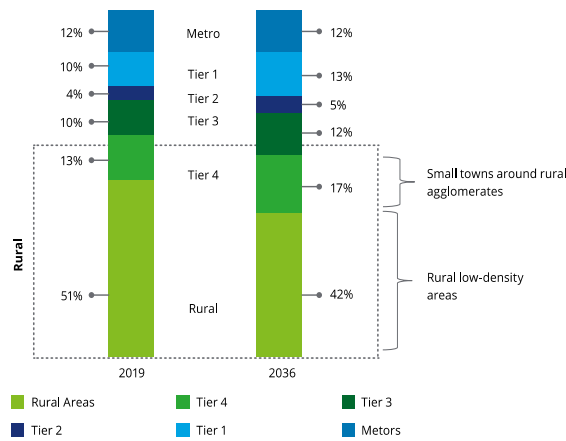
sizable portion of the rural population relied heavily on unofficial credit sources. As a result, efforts were made to encourage the creation and expansion of Self Help Groups (SHGs) and Micro-finance Institutions (MFIs) in the Bharat. The National Mission for Financial Inclusion launched the 'Pradhan Mantri Jan Dhan Yojana' (PMJDY) in 2014, intending to make it easier for every household in the country to open a bank account. Rural financial institutions have already undergone a radical change due to the 'Pradhan Mantri Jan Dhan Yojana' (PMJDY), Aadhar, and increasing smartphone usage, collectively known as the JAM trinity. These programmes offer prospective opportunities for industrial investment, too. (Birthal, P.S., Negi, D.S., Khan, M.T., and Agarwal)

Government interventions are the steps a governing body takes to influence or regulate many facets of society, such as the economy and the public. The creation of tools to ensure the safety and security of banking operations in rural areas and the provision of universal banking services received significant attention between 2010 and 2015. Through many technologies, notably Direct Benefit Transfer (DBT), financial services were made available in rural India between 2016 and 2018. Through programmes like the 'Pradhan Mantri Jan Dhan Yojana' (PMJDY), Direct Benefit Transfer (DBT), and the issuing of RuPay cards, the government has focused the growth and endorsement of a cashless economy in rural India since 2019. These initiatives have improved rural communities' financial inclusion and accessibility to banking services. The infrastructure for financial inclusion in rural areas has been dramatically improved through the integration of Self-Help Groups (SHGs) with banking institutions and the availability of 'Kisan Credit' Cards (KCC).

### The Development of Financial Services In India's Rural Areas

With over 350 million beneficiaries as of March 2020, the Jan Dhan system has seen a tremendous increase in popularity. Mobile phone use is widespread, which reduces the problems caused by weak infrastructure and restricted access. Technology can also be used to improve how affluence for individuals and small businesses is assessed. Since 2014, the indices for rural India's financial inclusion have steadily risen. From 33% in 2011 to 79% in 2017, the percentage of people living in rural areas who are at least 15 years old and have an account with a financial institution has increased significantly. Similarly, the percentage of rural residents aged 15 and over who deposit money with financial institutions has increased noticeably, from 11% in 2011





Source: World bank, MORD, GOI, Deloitte analysis

Figure 1: Rural extents

	Rural	Urban	
Internet penetration	25%	66%	47% As a percent of total Net Domestic Product
Mobile as primary device for accessing internet	90%	75%	71% As a percent of total workforce
Growth (in %) in internet user base (2017 to 2018)	35%	7%	40-45% As a percent of total FMCG sales
Mobile internet users under 25 years of age	57%	46%	45% As a percent of total telecom revenues
Smartphone penetration	12.5%	46%	

Source: Planning the route to growth in rural markets, Nielsen, 2018; Govt. of India Census 2011; IBEF; Media articles

Figure 2: The rural consumer

to 18% in 2017. The 2017 Global Findex Database. 2017, Increased demand for benefit creation, shorter-term loans, finance for both agricultural and non-agricultural undertakings, and assistance for small-scale commercial activities has been brought on by the upward trend in growth. Private and foreign banks’ market share in rural areas is growing, despite challenges like geographic coverage, lower lending limits, and collateral lack, according to RBI Annual Report 2018-19. non-banking financial organisations (NBFOs), self-help groups (SHGs), promoting a paperless economy, auxiliary services, and promoting rural entrepreneurship through core banking services are gaining focus (Figure 1).

### The Rural Consumer

The rural consumer market in the Bharat has a considerable amount of unrealised potential. Around 66 percent of the country’s population resides in rural areas, which is crucial to the national economy. The development of the rural sector will be made easier with improved access to infrastructure and data (Figure 2). Around two-thirds of India’s population live in rural

Table 2: Marketing approach

Traditional rural consumer	Modern rural consumer	Marketing approach
The traditional purchasing system prioritizes basic needs, relies on conventional channels, and is primarily based on agricultural output, monsoons, and government subsidies.	The modern lifestyle is more aspirational, connected, and value-driven, with a greater focus on health, education, and comfort. It reduces reliance on agricultural income and diversifies income sources. Women play a more significant role in household purchases, and technology advancements include smartphones and electric vehicles.	Considering Acceptability, Accessibility, Affordability, Awareness the marketers are leveraging Omni channel engagement, promoting brands through live events and social campaigns, and partnering with local distributors for last-mile delivery. Customize experiences, redefine customer segmentation, enhance digital engagement, establish micro-influencers, and introduce smaller packaging.

areas, which significantly impacts the country’s rising consumption. The considerable potential in rural areas, which may be linked to rising accessibility, affordability, and awareness, drives the growth in discretionary expenditure. Rural customers have quickly changed as a result of a number of variables, such as the extensive use of social media, smartphones and the internet, as well as a greater readiness to experiment with and adopt new goods and services. Due to the changing needs of rural consumers and the rise of rural markets, businesses must think about aligning their strategies to access these markets successfully. From 2012 to 2016, the annual income in rural areas grew at a compound annual growth rate (CAGR) of 8%, improving the quality of living in these places. The middle or higher middle-class make up about 35% of the population in rural areas, which shows an improvement in their standard of life and spending power. Consumption in rural areas is being driven by increased purchasing power. Consumption expenditures in rural India grew at a faster rate than in cities.

Brands must adopt a consistent strategy in terms of their product offers and branding strategies to successfully serve urban, rural, and rural consumers. Companies are developing alliances with neighbourhood retail stores to deliver goods and increase their market share in rural areas. Companies are developing alliances with neighbourhood retail stores to deliver goods and increase their market share in rural areas. In addition, the construction of retail complexes in tier 2 and tier 3 cities has increased significantly.



## Marketing Pattern in Rural India

Indian enterprises are adopting a customized business model due to the country's contradictions, aspirational consumer base, and complex regulatory environment. The government can improve transparency and expedite decision-making. India requires a reduced cost structure, agile management teams, and adaptable production and distribution plans. Companies must surpass national averages and gain regional market knowledge, targeting cities or states with highly valued local features. To establish prosperous enterprises in India, companies must understand the potential advantages of the base of the pyramid following the concept of *'think local act local'*. Policymakers must facilitate the effective utilization of growth factors by all parties involved, with deliberate efforts potentially expediting the nation's rise as a prominent global economic power (GOI, CH.L) (Table 2).

## CONCLUSION

India has advanced significantly in the past 75 years, conquering numerous difficulties and barriers. The country in issue currently enjoys the title of the largest democracy globally, and its position as a significant player in the international community's collective consciousness is well-established. There is no denying that the country has advanced significantly in several areas. The Indian Constitution's drafting demonstrates the country's dedication to secularism. Beginning with the Green Revolution, India began to become self-sufficient. The Indian economy's liberalisation has made it possible for a vibrant country full of opportunities to flourish. Additionally, India has joined a small group of countries with these capabilities thanks to the successful launch of its first domestic satellite and the subsequent progress of its nuclear programme. The Indian economy is establishing the groundwork for increased economic activity, prioritising inclusive and equitable growth. The increased participation of foreign corporations and investors to take advantage of the growing potential in numerous fields also marks a positive trend for domestic businesses. Therefore, to enhance earnings and create beneficial business outcomes, it is essential to use socioeconomic advantages, technical breakthroughs, and political support.

India is moving closer to realizing *Atmanirbhar Bharat* due to local capabilities, legislation, and digitalisation. The country is pursuing industrial self-sufficiency, enhancing export capacities, attracting foreign investments, and encouraging global cooperation. Government initiatives are enhancing India's reputation

as a hub for start-up companies in sectors like technology, healthcare, fintech, and education. Rural India is experiencing increased interest due to reverse migration, increased technology adoption, and higher disposable income. The marketing industry is transitioning to a new paradigm marked by digitisation, with customers demanding quick and practical answers. The digital world provides an upgraded buying experience, allowing marketers to explore innovative models and gain a competitive advantage. Rural customers are increasingly seeking affiliation with socially and ecologically responsible businesses, and values like openness, bravery, creativity, and corporate ethics are important. Marketers must focus on penetrating rural minds and adopting cutting-edge technologies and business strategies to succeed in the future.

The study of development is concerned with achieving a higher standard of living. Its main goal is to cover all of the elements that go into the kind of life that people can successfully lead. The phrase "quantitative and qualitative changes in the economy" refers to modifications that take place in an economic system's quantitative and qualitative components. The rate of rural development determines the level of economic growth. This initiative's main goal is to solve the interrelated problems of unemployment, inequality, and poverty. Efforts are being made to foster collaboration among stakeholders from the governmental, corporate, and non-profit sectors to devise novel strategies for implementing connection infrastructure. The primary objective of this collaborative endeavour is to tackle the obstacles presented by return on investment (ROI) and capacity constraints in rural areas. Improved communication and collaboration between rural communities and lawmakers can lead to significant change, benefiting education, economy, mobility, public safety, sustainability, and quality of life, while promoting creative work practices and productivity. India, a vibrant market with a strong entrepreneurial spirit, has shown exceptional growth despite challenges like infrastructure and administrative roadblocks. Technology plays a crucial role in promoting national prosperity, but enterprises must navigate the complexities of the economy. Indian government agencies must strengthen their capabilities and adopt an outcome-driven approach to turn the aspirations of a billion people into tangible results. Implementing the Prime Minister's vision would substantially contribute to addressing the concerns and well-being of farmers and consumers alike. In the era of *"Amrit kaal"*, the



Bharat must emphasise the attainment of “*Sarvodaya*” with a concentrated concentration on the principle of “*Gramodaya*”.

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