

DEVELOPING DIGITAL MARKETS IN RURAL INDIA: A STRATEGIC VIEW FROM A THEORETICAL PERSPECTIVE

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Abstract

Policymakers and entrepreneurs in rural India need a solid theoretical grounding to guide the growth of digital marketplaces. Because of digital marketing, small companies have been able to increase their revenue and reach by taking their operations online. Companies selling consumer goods have a lot to gain from India's rural market because of the country's large population and rising buying power. To better serve the specific needs of the rural market, this study delves into several facets, including product positioning, pricing tactics, promotional methods, and distribution routes. This study has shed light on numerous factors, such as the current state of rural marketing, the purchasing habits of rural consumers, the unique requirements of rural areas, and the expectations of rural masses. Through an analysis of these beliefs, the article lays forth a plan for the long-term, equitable expansion of online marketplaces. The study emphasizes that the digital economy in rural India is being shaped by factors such as technical infrastructure, digital literacy, and government involvement.

Keywords: *Digital, Market, Rural, India, Initiative*

1. INTRODUCTION

These days, it's all about digital marketing. Traditional marketing isn't dead just yet, but it's being overtaken by its digital counterpart. The term "digital marketing" is used to describe the practice of advertising through electronic channels. Nobody can dispute the fact that, in today's digital age, digital marketing offers boundless opportunities. Digital marketing encompasses a wide range of strategies, including but not limited to social media marketing, email marketing, affiliate marketing, on-demand video streaming, a website, search engine optimization, search engine marketing, and more. Approximately 78 million people, or

roughly 48%, use the internet every day in rural India, while an additional 140 million, or roughly 83%, use the internet at least once a month. More over 60% of India's GDP comes from rural areas, and this proportion is only anticipated to grow as internet penetration rises dramatically. Thanks to the internet, shoppers can easily research their options. The only purpose of digital marketing is to educate consumers about the options available to them in the market so that they can make informed purchasing decisions. Consumers in the countryside have learned about the companies thanks to internet marketing.

The growth of online marketplaces in India's rural areas represents a sea change in the country's economy and society. To better comprehend the possibilities and challenges presented by this change, it is helpful to look at it from a variety of theoretical viewpoints. Two theories provide light on the expansion of digital tools and marketing methods among rural consumers: one, the diffusion of innovation hypothesis, and the other, the digital divide theory. Digital market development in rural India may be guided by this paper's strategic framework, which is based on these theoretical models and aims to promote sustainable and equitable growth.

1.1 Rural Marketing Scenario in India

Interactions between commodities buyers and sellers constitute the marketing notion. It starts before manufacturing even starts and goes on even after the product is sold. Marketing encompasses many different ideas and approaches, and it varies from sales in many respects. In contrast to sales, which are two-way streets, marketing entails nurturing relationships with customers. Selling is a profit-driven activity that involves interacting with customers to sell products. Any location may be used for marketing purposes. While face-to-face interaction isn't necessary, knowing your target market inside and out is essential for attracting their attention to your product or service. Making money and happy customers are the two main objectives of marketing. To clarify, before creating a product or service, researchers study the market to learn about customers' wants, requirements, and preferences. When a service or product has undergone extensive testing as part of the "New Product Development process," it is brought to market. Concept creation, screening, development, testing, business analysis, product development, market testing, and commercialization are the steps that make up the new product development life cycle (NPD). 'The Stage-Gate innovation process,' another name for the NPD method, was created by Dr. Robert G. Cooper.

Relationship exchanges between parties are the subject of marketing. Over time, it entails a series of steps—ideation, development, analysis, reformation, delivery, and execution—to get the greatest possible outcomes and market reaction. Philip Kotler was absolutely correct when he said that marketing is all about meeting desires and needs via trade. Value is now the deciding factor for customers before they make a purchase. Value-based marketing is where most marketers put their efforts since it allows them to meet customers' unmet needs and wants. Whatever the case may be, the market always seems to be in search of something "new," "fresh," "unique," "tech-oriented," "easy," "eco-friendly," and "cheap," and the customer-focused descriptors for want always seem to outweigh the supply. B2B, or business-to-business, marketing is one of the primary marketing subsets. The other part is B2C, or business-to-consumer. The business-to-government (B2G) sector also grows in significance when thinking about marketing in rural areas.

2. LITERATURE REVIEW

Das, Shiv. (2018) The importance of India's rural markets to the expansion of our economy has grown in recent years. In contrast to the 8.6% yearly rise in urban expenditure, rural consumption increased by 9.7 percent in 2018. Marketers have turned their attention to rural regions as a result of the green revolution's increased revenue and local value addition. Rural marketing has received a significant boost from globalization and privatization. There is a lot of competition for customers in rural areas. Marketing to people living in rural areas is therefore become more difficult. This paper's primary goal is to provide a literature review on rural marketing and to lay out a plan for modifying the conventional marketing mix and its associated connections for use in a rural setting.

Rahmadani, Elfi & Elinur, Elinur. (2024) The purpose of this research is to find out how digital marketing tactics might make agricultural goods more competitive in this age of the internet economy. Results show that revenue, customer loyalty, and brand awareness all take a big leap when agricultural companies use digital marketing. Data analytics and targeted marketing also help these companies learn more about customer tastes and habits, which improves their advertising. Researchers found that agricultural producers that wanted to be more competitive in the digital economy relied heavily on digital marketing. In order to make the most of digital marketing, it suggests that those involved in agriculture put money

into digital literacy and technical infrastructure. To encourage innovation and sustainability in the agriculture industry, policymakers are also encouraged to support digitization efforts.

Rajiv Mishra and Shahid Amin (2020) In the current climate, digital marketing has surpassed its more conventional counterpart. To advertise or promote a product via digital channels, such as websites and social media sites like Snapchat, Instagram, Facebook, and YouTube, is the precise definition of digital marketing. This article is going to talk about the pros and cons of digital marketing. Successful technology development is reaching a crescendo as a result of the new millennium market's huge demand base and heightened potential. This essay delves into the ways in which IT has improved rural marketing, illuminating new avenues for growth and offering suggestions for how these sectors should continue to embrace technological innovation. The exploratory research concludes with a model for online marketing to rural areas of India.

Jacob, et al (2019) It is quite difficult to sell and promote items in rural regions. About half of India's gross domestic product comes from what are often known as "unorganized," "informal," and "marginalized" industries. There are stores selling a wide variety of brands and categories in almost every village in India, likely due to the large number of people living in rural regions (upwards of 70% of the population). Marketing in rural areas requires targeted approaches to each of the four Ps of the marketing mix—Product, Price, Place, and Promotions—in order to entice consumers. Finding out what rural merchants in the Salem region do for marketing and the problems they have in retaining customers is the primary goal of this article.

Ravindra, D. (2020) Communities became more linked to cities as a result of better infrastructure. As a consequence of mobile and, to a lesser degree, internet connectivity, rural India became increasingly familiar with urban ways of life. People in rural areas were motivated to improve their wealth and quality of life as a result of this. A lot of telecommunications firms have tried different things to get into the rural market. Without a shadow of a doubt, service providers find the rural market to be both promising and attractive. On the other hand, it's more complicated than it seems. There are a lot of issues that come with rural marketing, and service providers need to be careful to handle them.

3. IMPORTANCE OF DIGITAL MARKETING IN RURAL INDIA

With more than 70% of India's population living in rural areas, there is a massive untapped market potential in rural India. Businesses now have more ways than ever to contact customers in rural areas, thanks to the proliferation of digital technologies that have lowered the barriers to entry for these customers. The capacity to reach a larger audience at a lower cost is the primary benefit of digital marketing in rural regions compared to more conventional means, such as print ads and billboards, which may be both costly and restricted in their reach.

For the purpose of reaching the rural population of India, digital rural marketing integrates both conventional and contemporary marketing strategies. Businesses must prioritize digital rural marketing strategies due to the growing number of internet users in rural regions and the fact that more than 70% of India's population lives in rural areas. According to recent data, the number of people using the internet in rural regions is increasing at a pace of 26% per year, whereas in metropolitan areas it is only 10%.

3.1 The Evolution of Rural Marketing in the Digital Age

There has been a tremendous shift in rural marketing. From humble beginnings with door-to-door sales and neighborhood haats, the concept has grown into complex online marketing initiatives. Thanks to technological advancements, formerly unreachable rural communities are now within reach. A great potential for companies to build their presence is being presented by the rapid expansion of internet users in rural areas, according to recent research. Affordability of smartphones and falling data prices has played a significant role in this expansion.

3.2 Key Components of Digital Rural Marketing

- **Mobile-First Approach:** A mobile-first strategy is now crucial due to the dramatic increase in smartphone usage in rural India. Websites and apps are being developed with mobile optimization in mind so that they can function well in regions with low bandwidth. One way to reach users with different levels of literacy is through voice-based interfaces in regional languages.
- **Marketing on Social Media:** Reaching out to rural areas has never been easier than with the rise of social media. Content in regional languages on Facebook and YouTube drives high engagement rates. With WhatsApp, businesses can connect with rural customers



directly through strategic social media marketing, making it an essential platform for business communication.

- **Incorporating Digital Payments:** The use of digital payment methods has completely altered the landscape of rural trade. The last two years have seen a 3000% increase in UPI transactions in rural regions. Mobile wallets and quick response (QR) codes have lowered the barrier to entry for financial transactions in rural areas.

3.3 Benefits of Digital Rural Marketing

- **Cost-Effectiveness:** There are significant financial benefits to using digital marketing strategies as opposed to more conventional, rural marketing approaches. Compared to traditional distribution networks, businesses may reach more customers for far less money. Optimizing and allocating resources more effectively is made possible with real-time campaign monitoring. Compared to more conventional forms of advertising, the overhead is far lower.
- **Production and distribution costs are lower with digital campaigns** since there is no longer a need to pay for tangible advertising materials like posters, banners, and in-person events.
- **Great for Local Companies on a Budget:** Thanks to digital marketing, even tiny firms may reach a large audience in rural regions without breaking the bank.
- **Google Ads and social media provide companies with the ability to establish daily limitations,** giving them more flexibility and control over their costs compared to older approaches.
- **Precise Audience Targeting:** Digital platforms make it possible to target specific audiences based on a variety of criteria. While demographic targeting makes sure that communications reach the correct age groups and interest groupings, geographic targeting lets firms zero in on particular rural areas.
- **Advertising to the appropriate People at the Right Time:** With the use of digital technologies, you may target the appropriate people based on age, income, education level, and geography.
- **Prioritize Regional Tastes:** Creating content and advertising that is customized to rural customers' interests and requirements boost their engagement and relevancy.

- **Boosted ROI:** By narrowing your ad targeting to just relevant people, you may get greater campaign outcomes while spending less on ads.
- **Results You Can Measure:** Analytics tools provide you the lowdown on how well your campaigns performed. With this tool, businesses can accurately monitor engagement rates, conversion metrics, and ROI. To improve the efficacy of marketing campaigns, this data-driven strategy is useful.
- **Data Collected in Real Time:** With digital marketing, organizations can see engagement, impressions, clicks, and conversions happening in real time.
- **Possibilities for Optimization:** With the use of analytics tools such as Google Analytics and social media insights, it is possible to continuously tweak the content, timing, and targeting of ads to get better results.
- **Transparency and responsibility:** Businesses are able to justify expenditure with clear data and visible outcomes when they use real-time monitoring, which encourages responsibility.
- **Enhanced Exposure in the Market:** Search Engine Optimization and Social Media Marketing Raise Awareness of the Brand.
- **Brand Recognition Raised by Search Engine Optimization (SEO):** SEO raises brand recognition by making sure that rural customers who are looking for related items or services can easily locate the brand.
- **Enhanced Visibility via Social Media:** When companies have a robust social media presence, they become more accessible to customers and become a part of their everyday life.
- **Establishing a brand's reputation in rural regions and encouraging positive consumer involvement via consistent internet presence helps build credibility and trust.**
- **Reaching customers using platforms that are compatible with smartphones:** mobile accessibility.
- **Brands can efficiently reach a bigger audience using mobile-friendly platforms, which is especially useful as smartphone use rises, even in rural regions.**
- **Improved Usability:** In regions where mobile internet access is prevalent, having a website or app that is responsive to mobile devices is crucial for a smooth shopping and browsing experience.

- Mobile alerts allow companies to instantly reach customers by sending them information, reminders, and offers in real-time. This boosts engagement and the likelihood that consumers will remember the brand.
- Proficiency in the Digital Environment Visual material and voice-based interactions are common components of effective campaigns that aim to eliminate obstacles to digital literacy. To help rural users gain confidence in using technology, educational content in local languages is available. There has been success with digital literacy programs that have partnered with community groups.
- Problems with Connection: Lightweight apps and offline functionality are technical ways to fix problems with poor connection. Even in locations with slow internet, progressive web apps continue to function normally. Improved data transmission to remote areas is possible with the aid of content delivery networks.

4. INITIATIVES TAKEN BY INDIAN COMPANIES FOR VENTURING INTO RURAL AREAS BY DIGITAL MEDIUM

Businesses in India have plenty of room to grow thanks to the country's expansive rural areas. To reach these underserved customers, many have turned to digital platforms. Many sectors, from banking to e-commerce, have used digital innovations to reach out to rural consumers. Here are a few important steps that Indian companies have taken to strengthen their digital presence in rural areas:

A. Digital Financial Inclusion

In rural India, the banking industry has been a driving force for digital transformation. Financial institutions and IT startups have launched a slew of programs to provide online banking to underserved communities:

- **Airtel Payments Bank & Paytm Payments Bank:** Users in remote areas may now conduct financial transactions using these organizations' mobile banking solutions, eliminating the need to visit physical banks.
- **Jan Dhan Yojana & UPI Penetration:** UPI, Aadhaar-enabled payment systems (AePS), and mobile wallets are a few examples of the financial inclusion programs that the Indian government and fintech companies have worked together to promote. Another example is the Jan Dhan Yojana.

- **Digital Microfinance:** Microloans to business owners in rural areas are made possible by digital microfinance initiatives such as Bharat Financial Inclusion Ltd. (BFIL).

B. E-Commerce and Digital Retail Expansion

Online shopping's meteoric ascent has created new opportunities for those living in remote areas:

- By giving them a place to sell their wares online, organizations like Amazon Saheli and Flipkart Samarth help rural craftsmen and small companies thrive.
- The Rural Expansion of JioMart and BigBasket: E-grocery firms have taken use of digital platforms to reach out to customers in rural areas, allowing them to get vital supplies delivered right to their doorstep.
- Companies like Meesho are using WhatsApp for commercial and social commerce purposes, allowing tiny merchants in rural India to conduct business online.

C. Digital Education and Skill Development

A number of businesses have begun digital education programs to help fill vacant positions and close the skills gap in rural areas:

- BYJU'S and Vedantu Rural Outreach: These educational technology businesses provide online lesson plans designed specifically for pupils living in rural areas.
- Digital Classrooms by Reliance Jio and Airtel: Two of the largest telecom companies in the country have introduced e-learning platforms and cheap data plans to help bring digital education to remote places.
- To help young people in rural areas find work, companies like Google and Tata STRIVE provide programs to teach them digital skills.

D. Healthcare Digitalization in Rural India

The importance of digital health efforts cannot be overstated, especially in rural places where healthcare infrastructure is limited:

- Companies like Practo and 1mg Telemedicine Services provide virtual consultations to those living in remote areas.
- Companies like Apollo TeleHealth and Tata Health have begun digital health efforts to provide teleconsultations between people living in rural areas and physicians in metropolitan centers.



- You may now get your medication even if you live in a remote area thanks to online pharmacies like PharmEasy and Netmeds.

E. Agriculture and AgriTech Digital Solutions

Indian businesses are providing tech-driven solutions to farmers via digital platforms:

- Two agri-tech businesses, AgriBazaar and DeHaat, facilitate direct sales between farmers and consumers via online marketplaces.
- ITC e-Choupal: This program equips rural communities with digital kiosks that disseminate market data and agricultural advice in real time.
- By eliminating intermediaries and providing digital supply chain solutions, companies like Krishna Network and Ninjacart help farmers increase their profits.

F. Digital Connectivity and Infrastructure Development

Success in digital endeavors is dependent on connectivity:

- Digital access has been made possible thanks to the expansion of 4G networks to rural regions by telecom providers Jio and Airtel.
- Common Service Centers (CSCs): These are government-backed programs that work with private companies to provide digital services, online banking, and apps to people living in rural areas.
- With the help of Tata Trusts, Google launched Internet Saathi, a program that teaches women in rural areas how to use the internet.

In an effort to reach more people in rural regions, Indian corporations have been quick to use digital channels. As a result of digital revolution, rural India is gaining power, the urban-rural gap is shrinking, and the economy is booming in many sectors, including healthcare, agriculture, and financial inclusion. The future of digitally connected rural India is bright, thanks to ongoing investments in innovation and digital infrastructure.

4.1 Future of Digital Marketing in Rural India

Opportunities for businesses to reach a large, previously untapped audience through mobile-first strategies, leveraging local influencers, creating vernacular content, optimizing search results through voice, and gaining insights into rural consumer behavior through AI are growing rapidly, which bodes well for the future of digital marketing in rural India. Important facets of digital marketing's trajectory in India's rural areas:

- **Increased smartphone usage:**

Targeted advertisements and location-based services will increasingly be delivered to customers via mobile marketing channels as the number of smartphone owners in rural regions increases.

- **Vernacular content and language adaptation:**

To reach rural consumers, it will be essential to provide material in local dialects and languages and adapt it to their vernacular.

- **Voice-based search optimization:**

A growing number of people in rural areas are turning to voice commands to access information and make purchases, which means that voice search technology is going to take center stage.

- **Local influencer marketing:**

To develop trust and drive engagement, it will be crucial to partner with local influencers that have significant authority within rural areas. This may be achieved via local influencer marketing.

- **Social media platforms:**

When it comes to targeting rural customers with targeted content tactics, social media platforms such as WhatsApp, Facebook, and YouTube will remain dominating.

- **E-commerce integration:**

Integration with e-commerce platforms: More and more, people in rural areas are making purchases online, which mean that e-commerce platforms must provide easy ways for customers to pay and for goods to be delivered.

- **AI and data analytics:**

Machine learning and AI will be crucial for analyzing customer behavior, predicting trends, and optimizing marketing initiatives.

- **Hyperlocal marketing:**

Hyperlocal marketing: directing advertising efforts toward certain rural areas according to their unique demographics and spending habits.

- **Digital literacy initiatives:**

In order to teach people living in rural areas how to use digital platforms properly, businesses may need to fund digital literacy programs.

5. CONCLUSION

We can say that many businesses in India are shifting their focus to rural regions, which are changing the landscape of rural marketing. the intricacies of digital market growth in rural India may be better understood with the help of theoretical frameworks. Many agricultural and small-scale industrial facilities are now based in rural India, and the region has also become an important income generator for both long-lasting and disposable products. The future of business will be shaped in surprising ways by the rural markets, which will function more like an online village and have many untapped resources. The government's initiatives in this area are also receiving a good response from the locals. India has been pursuing a liberalization, privatization, and globalization agenda since 1991. The rural economy might expand at a faster rate with a favorable monsoon since demand goes up dramatically. People in rural areas are rapidly shifting their mentality.

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