

## Villages are the key to sustainable marketing in India: An invitation to rural marketing education and to research on rural unorganized retailers

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### Abstract

The present study is three interknit objectives i. encouraging the spirit of lifelong learning, ii. encouraging students to pick up Rural Marketing as academic curricula, iii. encouraging researchers to choose Rural unorganized retailers as their research topic, that are decisive to the self-abundances of Rural India. The paper starts with a fare tale that motivates the essence of continued learning till the end of one's life. It takes a brief invitation to rural marketing. The article closes with another story, given the need for management education and research that focuses on fast-changing worlds and sustainable marketing in India. Such sustainable marketing will make the villages of India self-sufficient

**Keywords:** *Sustainable marketing, Rural marketing, Rural society, villages in India, Sustainability*

**Article Classification:** *Research paper*

### Introduction

Stories often form a significant element in good marketing articles (Woodside, Sood, & Miller, 2008). The present one starts with the story of a carpenter, of advanced years, who was due to be superannuated (loosely based upon, Poke, 2018). The carpenter met his employer and informed him of the decision to spend more time in building a home for his own family, and to spend the rest of his days in relative leisure. He would miss the regular wages, but he thought that the time was ripe to retire.

The employer was sad at the resignation, since the carpenter had been a committed worker for a score of years, and his exit would bring pain to the construction firm. The employer asked the carpenter to build one more house, for old time's sake. And he supplied a new kind of fiber-board as the building material in the hope that the carpenter would learn the latest in building technology ahead of superannuating.

Though the carpenter agreed to build the house, it was apparent that he was making a half-hearted effort. His attempt was marked by negligence and carelessness. He did not take the time to learn new building techniques that are used in case of fiber-board and, his endeavor was unenthusiastic. The finished house was disenchantment for the carpenter himself, and the half-hearted attempt was by no means a befitting conclusion to an illustrious career.

Subsequent to the completion of the work, the keys to the newly constructed house was handed over to the employer by the carpenter. After receiving and admiring the keys, the owner of the construction firm gave them back to his employee and remarked, "The house you have built is the construction firm's retirement gratuity for you". It goes without saying that the

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carpenter regretted his negligence and his inability to learn. He would have taken the time out to learn and build a good home, if he had realized that he was building his own retirement home. If the carpenter had known, he would have forced himself to learn the new skills required to build a remarkable home. Education is often claimed to be a progression of intellectual and societal transformation that spans over the lifetime of an individual (Sharples, 2000). Swami Vivekananda had said that education is the manifestation of the perfections present in man (Krishnacharya, 2015). It follows that a person has to learn and try out new avenues throughout the lifetime.

The process of transformation should never stop in the lifetime of a scholar or a student. Moses had transformed himself from a prince of Egypt, to a rebel, to a religious leader (Keren, 1988). Around 1945, Ray Kroc started working as a milkshake mixer salesman for Prince Castle, a foodservice equipment manufacturer (Kroc & Anderson, 1992). By 1954, Prince Castle started losing market share owing to the intense competition from the lower priced products being sold by Hamilton Beach products (Boas & Chain, 1976). Around that time, Kroc visited Richard and Maurice's McDonald's restaurant since that small chain had purchased eight of his Multi-Mixers (Boas & Chain, 1976). The business model of this insignificant group of fast food restaurants was appealing to Kroc because of its perceived potential for nationwide expansion (Kroc & Anderson, 1992). He bought the franchise for expanding the McDonalds chain and rest is history. Ray Kroc, a 54 year old salesman, decided to learn something new at an advanced age (Morgan & Dennehy, 1997). The story of Colonel Sanders is also similar (Ozersky, 2012). He chose to start

up Kentucky Fried Chicken at the age of 65 years, an age when most people retire rather than learn something new (Ozersky, 2012). It is never too late to learn and the present article is an invitation to students and researchers to learn the concepts of rural marketing and to conduct research on this subject.

At this juncture, it is pertinent to extend an invitation to students and researchers to the relatively new field of rural marketing. Mahatma Gandhi had said, "India resides in rural areas". Despite seven decades of government policies, which encouraged industrialization and urbanization, the majority of Indians still live in rural areas. Gandhi (1963) had asserted that true self-sufficiency can be attained in India only if the villages of India become self-sufficient. Hence, the present article endeavors to present certain facets of rural marketing, rural retailing, and their importance in sustainable marketing in India, especially for multi-national corporations (MNCs) that enter India with a western mindset.

### **Changing focus of MNCs**

The promise of a billion consumers had attracted MNCs to India in the last two decades of the twentieth century (Pralhad & Hart, 2002). However, the MNCs soon realized that nearly seventy percent of the consumers live in rural India, with the "4 A challenges" of Affordability, Awareness, Acceptability and Availability (Preeti, 2011). Though the subject of rural marketing was introduced by Jha (1988), MNCs continued to focus on urban markets, through conventional distribution structures, till the clairvoyant article by Pralhad and Hart (2002). This eye-opening era was combined with the struggles faces by MNCs in penetrating rural India: a) Hindustan Unilever Limited, HUL (then Hindustan Lever Limited) was losing the rural battle to Nirma in the detergents category; b) HUL was also

losing the rural battle to Cavin Care in the shampoo category; c) Rural India was still using locally produced soaps, that were basically lumps of lards, since MNC soap majors like P&G and HUL were yet to reach rural India in strength. On the other hand, Indian organizations had learnt to use the wholesale to wholesale hub and spoke networks, as well as rural retailers to reach rural consumers (Sarkar & Pareek, 2012).

The focus of MNCs changed with project streamline of HUL, which focused on building Hub and Spoke networks of rural sub-distributors (named spokes) who took stocks from super distributors (named hubs) to reach interior villages (Sarkar & Pareek, 2012). Such a distribution network used rural unorganized retailers to address the challenges of rural marketing: a) the rural unorganized retailer would make the goods and services “Available” to rural consumers; b) the retailers were trained by itinerant trainers and would, in turn, create awareness about goods and services among the villagers; c) the retailers would act as the first level filter by stocking only those goods and services that are “Acceptable” and “Affordable” to the consumers in the village that they are located in (Sarkar & Pareek, 2012). The focus of MNCs, thus, changed to paying the requisite attention to rural marketing and rural unorganized retailers. Many organizations focused on innovative methods of rural distribution, all focused on reaching rural consumers through rural unorganized retailers: a) “Shakti Ammas”, using rural self-help groups, by HUL; b) “Sagar-Chaupal” rural shops by ITC; c) “Pappu”, network of rural cycle salesmen, by Tata Sky; d) Rural cycle salesmen, from Nehru Youth Centre for Sports (NYCS), by Colgate Palmolive; e) Rural Mobile Peddler activation by Emami. The engagement of rural denizens seems to be an underlying theme in sustainable

marketing nowadays (Bhattacharya, Kerketta, & Dangi, 2018). In turn, such socially responsible marketing enhances brand equity (Bhattacharya, 2017). The needs and motivations of corporate strategic thought is often the precursor to the development of academic thought.

### **Aim of the research article**

The concept of marketing mix, which suggested that marketing managers should be mixers of ingredients, was propounded by Borden (1964), in the form of a popular article that could be understood by both researchers and practitioners. This article (Borden, 1964) led to the popularity of the 4 P’s concept of marketing. In a similar vein, Jha (1988) wrote the first conceptual paper that defined the new field of rural marketing. The aforementioned paper on rural marketing was published in a popular journal rather than a core research publication. The present study also attempts such an approach of combining a simple approach with an invitation for conducting enquiries in the field of rural marketing.

Rural marketing appears to be a discipline which is becoming a compulsory subject in management education. Focusing on a sustainable rural marketing is the key to sustainable marketing in India, as well as in many other developing countries. The present article studies the pivotal role played by rural marketing, as well as rural unorganized retailers, through a qualitative study of extant literature.

### **Methodology**

Marketing articles are often written in interesting and storytelling formats (Woodside, Sood, & Miller, 2008). Belk (1988) has professed to actively base his studies on overarching stories, and literature reviews of specific and compelling articles, to convince his audience of certain inferences. The present article follows such a method of stories, as

well as reviews of a few compelling pieces of literature.

The existing literature, on rural marketing and rural unorganized retailers, is qualitatively studied. The inferences from the qualitative study are presented as arguments in favor of developing an understanding of rural marketing and rural unorganized retailers. Such an understanding would help students in becoming better managers in the Indian scenario, as well as, enable MNCs to build effective rural marketing channels.

### **Invitation to rural marketing as an academic subject for students**

After an exhaustive and statistical review of more than a score of definitions of rural marketing, Sarkar, Kundu and Roy Chaudhuri (2016a) defined rural marketing as the identification of the targetable clusters of rural consumers, and the consequent development and execution of a custom-made mixture of marketing components, with the intention of encouraging and satiating rural consumer requirements through developmental marketing, thus, fulfilling an organization's holistic marketing intents. The developmental aspect fulfilled by rural marketing is stressed in the above definition. Rural marketing activities may go a long way in ensuring self-sufficiency in Indian villages. Sarkar, Kundu and Roy Chaudhuri (2016a) analyzed the functions of rural marketing, and argued that the development of rural denizens may be a significant purpose of this discipline. The aforementioned study found that developmental marketing is often instrumental in generating demand for goods and services in rural India. Consequently, endeavors towards the advancement of the rural inhabitants should go hand in hand with the efforts to sell goods and services to them. Such a step-lock approach to demand generation and fulfilment seems to be the strategic

focus that is suggested by the scholars. Villagers may be appointed as the distribution channel associates, or may be employed in below-the-line marketing activities, or in supplying raw materials to the company, or in network marketing to the households in the village.

### **Invitation for research on rural unorganized retailers**

In Hindu tradition, the Goddess Lakshmi is the patron god of wealth and economic activity. There are myriad stories that trace the advent of her worship. One of the stories is about a landlord who wanted to encourage local commerce in his lands by setting up a *Haat*, a periodic market. After some time, the landlord discovered that not many sellers were coming to sell their wares in the periodic market. In order to encourage sellers to patronize his periodic market, he announced that he would buy all leftover goods every evening at their asking prices. One such trader-artisan brought an idol to the market to sell, and this idol led to one of the myriad stories about the Goddess of wealth. The aforementioned story has come down over generations by word-of-mouth and highlights the need for local market structures and economic systems even in an age that is lost in the mists of time.

Unorganized retailers are the key to such self-sufficiency since such rural shopkeepers play a pivotal role in rural to rural marketing in the Indian context (Sarkar & Kundu, 2016). Sarkar and Kundu's (2016) suggested that the traditional village shopkeepers are important for the rural communities of India because of their economic and social roles. The economic significance of rural shopkeepers result from their capacity to control supplies and encourage demand; because of their capacity to afford livelihoods for more than ten million villagers in India; and owing to their enablement of local farm markets.

Moreover, traditional rural retailers fulfill certain social roles by allowing credit; through the dissemination of new and beneficial products and services; through the shaping of the purchase decisions of the villagers; and through the provision of a storehouse of buffer stocks, that prove to be useful during environmental disasters, which often cut off approach roads to the villages. Traditional rural retailers influence the rural inhabitants to a great extent. Consequently, a rural retailer also performs the gear of the Indian rural economy, and is an essential component of the village community.

Rural retailers appear to be key influencers of rural sales and scholars and marketers feel the need to better understand this entity

Rural retailers consider as the key influencer of rural sales and scholars and marketers believe better the need to recognize this thing (Sarkar, Kundu, & Roy Chaudhuri, 2016c). The developing economies of Latin America and Asia have realized the beneficial effects of encouraging and sustaining the small village shops. Applying the theory of embeddedness, which illustrates the nodal character of these entities in the rural social networks, may vindicate the importance of such rural shops (Sarkar & Kundu, 2017). Because of their influence in a village, the shopkeeper is able to influence his fellow villagers to buy or to shun any particular product or service (Sarkar & Kundu, 2017). Sarkar and Kundu (2017) suggested that the rural shopkeepers are often able to sell whichever products they stock because of their influence over their fellow rural denizens, despite stocking a limited range of products.

Village shopkeepers are the key influencers of purchase decisions in emerging economies and past researchers have argued in favor of enhancing our

appreciation of such shopkeepers (Sarkar, Kundu, & Roy Chaudhuri, 2016d). Sarkar, Kundu and Roy Chaudhuri (2016d) affirmed that extant literature on marketing, economics, and sociology has only peripheral inferences about unorganized retailers in emerging economies. There is a pertinent need for specific and more broad-based studies on rural unorganized retailers. Filling the aforementioned research gap, Sarkar, Kundu and Roy Chaudhuri (2016d) studied the scant inferences on the influencers of the buying behavior of rural retailers. Observing the rural unorganized retailers from a network standpoint, they have been claimed as being embedded in the socio-economic fabric of Indian villages since a time immemorial. The retailers, therefore, may be studied from the viewpoint of the theory of economic embeddedness, forwarded by Granovetter (1985), while understanding the influencers of such shopkeepers' buying decisions. Viswanathan, Sridharan and Ritchie (2010) suggested that shopkeepers operating in subsistence markets, which are marked by BoP living, reveal accentuated embeddedness characteristics. Consequently, studies on rural unorganized retailers may employ network theory and the theory of embeddedness for appropriate results.

Fictional literary works often reflect the realities of contemporary society. In this context, a review of existing fictional literary works have also yielded certain indications of the importance of rural unorganized retailers, and the reasons thereof. Sarkar, Kundu and Mazumdar (2017) scrutinized the fictional works authored by renowned Bengali writers, over a century of such novels and stories. Village shopkeepers are exhibited in literary works as socio-economically important beings in the socio-cultural region of Bengal, an illustrative geographical area in the Indian



subcontinent. Repeatedly, their contributions to the propagation of village lives and livelihoods have figured in the fictional writings in the past hundred years.

In a seminal analysis of rural unorganized retailers, Sarkar, Kundu and Roy Chaudhuri (2016b) argued that the following may influence a small rural shopkeeper in her purchase decisions: a) provision of higher credit, for a longer tenure than to urban retailers; b) at the same time, the margins provided to rural unorganized retailers may be lower than for their urban counterparts; c) A lesser known consumer goods company may survive on lower credit to such retailers, but their relative margins would have to be higher; d) Characteristics like the need for ready-stock delivery, service frequency etc., would determine the distribution channel structure and the background of the distribution partner.

It is hoped that the preceding discussions will help researchers take up relevant studies in the sphere of rural unorganized retailing, with a specific focus on developmental marketing and on the self-sufficiency of Indian villages.

## Conclusion

The film, *Another Cinderella Story*, is a modern take on the original Grimm and Grimm's (2016) folklore, albeit in a modern setting. A high schooler, Mary Santiago, has dreams of becoming a singer cum dancer. She is our modern-day Cinderella. Mary's schoolmate and confidante, Tami, is depicted as her fairy godmother. Dominique Blatt, a fading singer, who has seen better days, corresponds to the dominating, unkind, self-centered, and arrogant step-mother. Mary's mother was just a dancer in Dominique's dance troupe and is depicted as her legal guardian. Dominique, effectively, turns Mary into a full-time servant at her household. The two

daughters of Dominique, Britt and Bree, serve as the untalented, fanatical, arrogant, and morose step-sisters. A former student of Mary's school, Joey Parker, comes back to the school to complete his senior year. Joey is a teenage prodigy, who has made a name for himself in pop singing. He corresponds to the Prince Charming in the fairy tale. A prom dance serves as the alternative to the fairy tale ball dance and the glass slipper is replaced with an mp3 music player, where the key to the actual princess lies in her knowing the exact sequence of songs in the player. Cinderella (Mary Santiago) convinces the prince (Joey Parker) about her identity (obscured by a mask earlier during the school dance) by correctly enumerating the sequence of songs on her lost Zune music player, which was in possession of the prince since the school dance.

The aforesaid story highlights the rapidly changing situations in our world and the need to learn new things to remain competitive. Indeed, if Facebook is compared to the countries of this world, it would occupy the position of the third most populous country in the world. It accentuates the need to learn rural marketing and conduct research in rural marketing, of which rural unorganized retailing is a pivotal element for the self-sufficiency of Indian villages.

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