

FMCG companies should recognise the 'new rural India' to stay relevant: Study

OUR BUREAU

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From a price conscious and conservative buyer to a value-seeking and brand sensitive consumer, the Indian rural consumer has evolved over the last few decades. For corporates to stay relevant, they must recognise this 'new rural consumer', according to a recent report titled 'Indian Rural Market'.

"The 21st century rural consumers are no longer entirely rural in the true sense of the term and marketers need to focus on educating themselves about the new rural India rather than educating the rural customers," said the report published by the Great Lakes Institute of Management, Gurgaon, in partnership with Mart Global Management Solutions LLC.

The report focussed on understanding the convergence between rural and urban areas, evolution of rural areas over the

last few decades, current priorities and challenges, and their implication on regulators, businesses, marketers, developmental agencies and other stakeholders engaging with rural India.

4D model

Tracing the evolution of rural India in a chronological order, Pradeep Kashyap, Founder, MART, conceptualised a 4D model that divided the growth of the rural market into four decades starting from 1990 and leading up to 2030.

Kashyap terms the period from 1990 to 2000 as 'the decade of denial' when most FMCG companies, except Hindustan Unilever & ITC, stayed away from rural India.

In the next decade (2000 to 2010), the disposable income in rural India grew exponentially due to schemes like Mahatma Gandhi National Rural Employment Guarantee Act

(MGNREGA) and Kisan credit cards. However, corporates did not reinvent their business models to be in step with the new rural realities, which Kashyap terms as 'the decade of doubt'.

He calls the 2010-2020 period as 'the decade of demand' when nearly half of the total construction in the country happened in rural India while 70 per cent of the new factories were established in small towns.

The next ten years (2020-2030), Kashyap terms them, as 'the decade of digital', when new ways of accessing and engaging with consumers, new price points and product ideas would emerge.

Laying the roadmap for the future, the report urges rural marketers to take into account the rising aspirations of rural consumers and the changing demographic patterns which has resulted in 'rurban' geographies.

The story can be read online [here](#).