

A Study on Rural Marketing in India: Trends and Developments (2020–2025)

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Abstract: Rural marketing in India has gone through major changes from 2020 to 2025. With the rise of digital technology, better road connectivity, supportive government schemes, and higher rural incomes, many companies have started paying more attention to rural customers. This study looks at how rural markets have grown during this period, what problems still remain, and what opportunities businesses can take advantage of. The study is based on secondary information collected from journals, government websites, reports, and research articles. The overall findings show that rural India is becoming a strong and expanding consumer market. People in villages are now buying more FMCG products, digital services, agricultural equipment, and financial services. At the same time, challenges such as low product awareness, weak distribution networks, and irregular income continue to affect the market. The study suggests that companies should use digital platforms, work with local partners, and build low-cost distribution systems to succeed in rural marketing.

Index Terms - Consumer Behaviour, FMCG Demand, Government Schemes, Rural Development

INTRODUCTION

Rural India makes up almost 65% of the country's population and has a strong influence on India's overall economic growth. Between 2020 and 2025, rural marketing has expanded quickly due to several important factors. The Digital India movement and increased smartphone use have connected rural people to online services. Roads, transportation, and communication facilities have improved, making it easier for companies to reach rural areas. Government schemes and rising rural incomes have also helped increase purchasing power. Along with this, the agriculture sector and related industries have become stronger, creating more demand for various products and services. Today, companies realize that rural consumers are more aware, prefer branded goods, and are ready to pay for better quality.

This study aims to highlight the key developments, current trends, challenges, and opportunities that have shaped rural marketing in India during the period 2020 to 2025.

NEED OF THE STUDY

Understanding rural marketing is important because rural India has become one of the fastest-growing markets in the country. Between 2020 and 2025, major changes such as digital adoption, better infrastructure, and rising rural incomes have transformed how rural consumers think and buy products. Many companies are now focusing on villages, but they still face challenges like limited awareness, poor distribution, and seasonal income patterns.

This study is needed to understand how rural markets are changing, what rural consumers expect, and how companies can meet their needs effectively. It also helps identify the problems businesses face in reaching rural areas and highlights the opportunities that exist for future growth. By studying these aspects, companies, researchers, and policymakers can design better strategies to improve rural marketing in India.

OBJECTIVES OF THE STUDY

1. To study the growth and development of rural marketing in India (2020–2025).
2. To understand the changing behaviour of rural consumers.
3. To identify the challenges faced by companies in rural markets.
4. To analyse the opportunities for businesses in rural India.
5. To provide suggestions for improving rural marketing strategies.

LITERATURE REVIEW

Rural marketing has been an important area of study in India for many years. Earlier research mainly focused on agriculture, traditional buying habits, and distribution problems. However, studies published after 2020 highlight major changes driven by digital growth, government programs, and rising rural income.

According to **Kashyap and Raut (2020)**, explain that rural buyers are no longer purchasing only basic or essential products. They have become more aware of brands because of smartphones, television, and social media. Their study shows that rural consumers now compare different products before buying. People in villages have started paying attention to quality, durability, and brand reputation. Earlier, price was the most important factor, but now value for money is equally important. This shows a shift from traditional buying habits to more modern and informed choices. As a result, companies are changing their marketing strategies for rural customers.

A report by **Nielsen (2021)** found that rural markets recovered from the COVID-19 pandemic faster than urban areas. This is mainly because agriculture remained strong while city jobs were affected. The study shows that rural consumers continued to buy essential FMCG products even during lockdown. Demand for mobile phones and healthcare items also increased as people needed connectivity and safety. The report states that rural households showed more stability in spending during 2020–2021. This made companies shift their focus more toward rural customers. The findings prove that rural India played an important role in keeping the market active during the pandemic.

Singh and Kumar (2022) observed a big rise in smartphone usage across villages. Rural people started using UPI, digital wallets, and online banking much more than before. E-commerce platforms like Meesho, Amazon, and WhatsApp Business became popular for both sellers and buyers. Rural youth began exploring online options for clothes, cosmetics, and electronics. This helped small rural businesses to reach more

customers. The study notes that digital tools made rural trade faster and more convenient. Overall, digital adoption led to the creation of new rural market opportunities.

Research by the Ministry of Rural Development (2022) highlighted that various government schemes greatly increased rural income. Programs like PM-KISAN gave financial support to farmers, while MGNREGA offered employment during tough times. Rural housing schemes improved living standards and encouraged spending on household products. Digital India programs increased awareness of online services. These schemes provided stability and confidence to rural families. Because of improved income and support, rural buying behavior became stronger between 2020 and 2025. The report concludes that government initiatives helped create a more active and capable rural market.

NABARD's Rural Pulse Report (2023) highlights major improvements in infrastructure such as roads, electricity, and banking services. Better roads helped companies distribute their products easily and at lower cost. The report notes that more villages got access to ATMs, banks, and digital banking services. It also shows that women and Self-Help Groups (SHGs) became active entrepreneurs. Rural shops, dairy units, small food businesses, and service centres started increasing. These developments created employment and strengthened local markets. Overall, improved infrastructure made rural areas more attractive for businesses.

Sharma (2023) found that rural consumers, especially youth, are heavily influenced by media. Television, YouTube, and social media platforms guide their buying decisions. Many rural buyers watch product reviews online before purchasing. Advertisements seen on mobile phones help them learn about new brands. The study also found that rural consumers trust influencers and word-of-mouth recommendations. Because of this, companies now use digital ads to target rural audiences. This reflects how rural consumer behaviour is changing with increasing exposure to media.

A study by **IBEF (2024)** states that demand for electronics, household appliances, FMCG goods, and two-wheelers has increased in rural areas. Rising aspirations and improved financial access helped rural families upgrade their lifestyle. Rural consumers are now buying smartphones, refrigerators, mixers, fans, and even entry-level vehicles. The report highlights that digital payments made buying easier and more secure. Many rural customers prefer buying known and trusted brands. This change shows that rural India is becoming a strong consumer market. Companies are now designing products especially for rural preferences.

Research by ICAR (2024) showed that farmers now depend more on technology-based solutions. Many farmers use mobile apps for weather updates, crop guidance, and fertilizer advice. Online marketplaces allow them to sell products at better prices. Use of modern equipment like tractors, seeders, and irrigation systems has also increased. These changes improved productivity and income. As income grows, farmers spend more on household products and personal needs. This shows a direct connection between agriculture development and rural market growth.

Across studies, it is clear that rural marketing in India changed rapidly from 2020–2025. Digital access, better infrastructure, government schemes, and rising income have played a major role. Rural consumers are now more aware, more connected, and more brand-conscious. At the same time, challenges such as seasonal income, distribution issues, and low awareness still exist. The literature agrees that rural markets need special, localized strategies for success.

RESEARCH METHODOLOGY

This study is descriptive and analytical in nature. It aims to describe the changes in rural marketing and analyse the trends that emerged between 2020 and 2025. The research is completely based on secondary data, as no primary survey was carried out.

Data Collection:

- Information was collected from a variety of reliable sources, including government reports, journals, books, NABARD and RBI publications, market research studies, and articles available on trusted websites. These sources helped in understanding consumer behaviour, market growth, and the challenges faced in rural marketing during this period.
- All the data gathered was carefully reviewed, compared, and analysed to draw meaningful conclusions about the development of rural marketing in India from 2020 to 2025.

3.3 Theoretical framework: - CONCEPT OF RURAL MARKETING

Rural marketing refers to all the business activities involved in understanding, reaching, and serving consumers living in villages, small towns, semi-urban regions, and remote rural areas. It includes every stage of marketing—production, distribution, promotion, and selling of goods and services that meet the needs of rural customers. In India, rural marketing has a broad scope because it covers a large geographical area and a wide population base with diverse social, cultural, and economic backgrounds. Companies such as HUL, ITC, Mahindra, Patanjali, and Jio have paid special attention to rural markets because they provide huge growth potential and long-term business opportunities. Rural areas are no longer seen as low-income or low-demand zones; instead, they are emerging as significant contributors to national consumption.

From 2020 to 2025, rural marketing has undergone major transformation due to improvements in infrastructure, technological adoption, and government-led development initiatives. Rural India contributes a major share of the country's population, which makes it a large and attractive consumer base. During this period, the demand for FMCG products, mobile phones, agricultural machinery, and banking services increased steadily. Digital payments became part of daily life, supported by UPI and online banking facilities. Government schemes such as PM-KISAN, MGNREGA, PMJDY, rural housing programs, and various agricultural support initiatives improved the income levels of rural households. Interestingly, rural markets showed faster recovery during the COVID-19 pandemic compared to urban markets, proving their economic strength and resilience. This attracted even more companies to study rural consumer behaviour and design market-specific strategies.

One of the biggest developments between 2020 and 2025 was the rapid growth of digital technology in rural areas. Mobile internet use increased, smartphones became more affordable, and the reach of YouTube,

WhatsApp, Facebook, and other social platforms expanded. E-commerce companies like Amazon, Flipkart, and Meesho started entering rural markets with localized delivery systems. Digital payments became common even in small shops and weekly village markets. These changes not only improved consumer access to products but also opened new channels for marketing, customer education, and sales. Alongside technology, improvement in rural infrastructure—better roads, electricity, water supply, and transportation—reduced distribution costs and allowed businesses to reach rural consumers more effectively.

Government policies also played an important role in strengthening rural markets. Schemes supporting farmers, housing construction, rural employment, and financial inclusion helped increase purchasing power. Agriculture productivity improved as farmers adopted modern equipment, fertilizers, mobile advisory apps, and weather-based information tools. The rise of rural entrepreneurs, including shop owners, women-led self-help groups (SHGs), and youth-run small businesses, further strengthened local economic activity. These entrepreneurs also became important partners for companies looking to enter or expand in rural markets.

The behaviour of rural consumers changed significantly during 2020–2025. They became more aware, brand-conscious, and selective about what they buy. Exposure to TV, YouTube, smartphones, and social media made them more informed about product quality and price comparisons. While affordability continues to be important, rural buyers now prefer value-for-money products instead of simply choosing the cheapest option. There has also been a rise in the role of women in household decision-making, especially for products related to health, education, and home needs. Youth in rural areas influence decisions related to mobile phones, digital services, and branded clothing. This shift requires marketers to understand the expectations, preferences, and lifestyle of rural consumers more closely.

At the same time, rural marketing still faces several challenges. Literacy levels remain low in some areas, making communication and product education difficult. Rural incomes often depend on agriculture, which is seasonal and affected by weather conditions. Reaching remote villages continues to be costly due to poor last-mile connectivity. Awareness about new brands is limited, and cultural diversity across regions requires different marketing strategies. High transportation cost, irregular demand, and lack of after-sales service also create obstacles for companies operating in rural areas.

Despite these challenges, rural marketing offers several promising opportunities. The large and largely untapped population provides immense scope for expanding product reach. Growing demand for FMCG items, electronics, vehicles, and digital services indicates rising purchasing power. Digital penetration allows companies to communicate directly with consumers and promote products effectively. Government support for rural development ensures long-term market stability. Low competition in remote villages gives new companies a chance to establish strong brand presence. Affordable product formats—such as sachets, small packs, and low-cost durable goods—help companies attract price-sensitive consumers. The rise of rural e-commerce, digital banking, and mobile-based services further strengthens the growth potential.

Overall, the theoretical framework of rural marketing shows that rural India is undergoing rapid transformation. Understanding rural consumers, adapting marketing strategies to local needs, and leveraging digital tools can help companies succeed in this expanding market. The developments from 2020 to 2025 highlight that rural markets are no longer secondary but are becoming central to India's economic growth and future business opportunities.

SIGNIFICANCE OF RURAL MARKETING

Rural marketing became extremely important in India during the period 2020–2025 due to major economic, technological, and social changes. The rural population plays a huge role in shaping the overall consumption pattern of the country. The following points explain why rural marketing gained such high importance during these years:

1. Large and Expanding Consumer Base

Rural India accounts for nearly two-thirds of the country's population. This makes it one of the biggest consumer groups anywhere in the world. As more rural families earn better incomes and become aware of new products, the rural market offers huge opportunities for companies across all industries. The size of this population ensures long-term demand and sustained business growth.

2. Increasing Demand for FMCG and Household Products

During 2020–2025, rural consumers showed a rising demand for essential and branded items such as soaps, detergents, packaged foods, personal care products, and home-care goods. FMCG companies saw higher sales growth in rural regions compared to many urban areas. This change happened because of better product availability, competitive pricing, and improved awareness through digital platforms and television.

3. Growing Interest in Mobile Phones and Digital Devices

Smartphone usage increased rapidly in rural areas during these five years. Affordable mobile phones, cheaper internet plans, and government focus on digital inclusion encouraged rural consumers to adopt digital tools. Mobile phones became essential for communication, online education, digital payments, entertainment, and even farming-related information. This created a new and expanding market for electronics companies.

4. High Demand for Tractors, Farm Equipment, and Automobiles

Agriculture remains the main source of income in rural India, and mechanization has increased steadily. Between 2020 and 2025, many farmers invested in tractors, power tillers, harvesters, and other farm machinery. Rural families also showed higher interest in two-wheelers and affordable cars. This created strong growth opportunities for companies in the automobile and farm equipment industries.

5. Expansion of Banking and Financial Services

Financial inclusion became a major trend in rural markets. Thanks to schemes like PMJDY and the spread of digital banking, more rural households opened bank accounts, began saving regularly, and started accessing loans, insurance, and investment products. The demand for microfinance, digital wallets, and UPI transactions grew rapidly. This made rural areas a key market for banks, insurance companies, and fintech services.

6. Rise of Digital Payments and Online Banking

A major shift in rural marketing came from the adoption of UPI, QR codes, and online banking. Even small shops and weekly markets started using digital payments. This change made transactions easier, increased transparency, and encouraged new-age companies to enter rural markets. Digital payments also made it easier for people to buy products online, further supporting rural e-commerce.

7. Government Schemes Boosting Rural Income

Government programs such as PM-KISAN, MGNREGA, rural housing schemes, crop insurance, and subsidies helped improve the financial stability of rural families. These schemes increased disposable income, which directly contributed to higher spending on consumer goods, electronics, farm inputs, and services. With better financial support, rural consumers became more confident buyers.

8. Faster Recovery of Rural Economy during COVID-19

During the COVID-19 pandemic, rural markets recovered more quickly than urban areas. Agriculture continued to function, supply chains remained active, and rural incomes remained stable compared to job losses in urban cities. This made rural India a reliable and stable market during uncertain times, encouraging companies to shift more focus toward villages and small towns.

9. Better Infrastructure and Connectivity

Improved roads, electricity, water supply, mobile networks, and transportation systems made it easier for businesses to reach rural consumers. Lower distribution costs and better connectivity encouraged companies to expand their presence in remote areas. This infrastructure development played an important role in making rural markets more accessible and profitable.

10. Rising Awareness and Brand Preference

Exposure to television, smartphones, YouTube, and social media increased awareness among rural consumers. They became more informed, more quality-conscious, and more interested in branded products. This shift in consumer mindset encouraged companies to modify their marketing strategies and focus more on rural-centric advertising and promotions.

11. Scope for New Businesses and Innovations

Rural markets offer strong potential for new products like low-cost household appliances, solar devices, affordable internet services, small packaging sizes, and agricultural innovations. Startups and large companies both see rural areas as the next big growth destination. This offers huge opportunities for innovation and long-term business expansion.

12. Women and Youth Emerging as Key Consumer Groups

Women's involvement in decision-making increased in rural households, especially for home-care, health, and education products. Rural youth became major influencers for mobile phones, digital services, fashion, and entertainment products. Understanding these new consumer segments became important for companies operating in rural markets.

From 2020 to 2025, rural marketing became highly significant due to rising income levels, digital growth, government schemes, and increased consumer awareness. Rural India has evolved into a strong and promising market that offers long-term opportunities for businesses. Companies that understand rural needs and adopt suitable marketing strategies can achieve sustainable success.

DEVELOPMENTS IN RURAL MARKETING (2020–2025)

Between 2020 and 2025, rural marketing in India experienced several major developments. These changes helped companies reach rural customers more easily and improved the overall rural economy.

1. Digital Growth

- Digitalisation has been one of the biggest changes in rural India.
- Smartphone and mobile internet usage increased quickly.
- UPI and other digital payment methods became widely accepted.
- E-commerce platforms such as Meesho, Amazon, and Flipkart started servicing rural areas, making online shopping more common.

2. Improvement in Infrastructure

- Better infrastructure made rural markets more accessible.
- Roads, electricity, and water supply improved across many villages.
- Transportation became easier, which helped companies reduce the cost and time of distributing goods.

3. Impact of Government Schemes

- Several government programs supported rural income and development.
- Schemes like PM-KISAN, MGNREGA, and PMJDY increased financial stability for rural households.
- Rural housing schemes improved living conditions and encouraged higher spending.

4. Growth in Agricultural Productivity

- Agriculture became more productive and efficient.
- Farmers began using modern machines, improved fertilizers, and better-quality seeds.
- Digital advisory apps helped farmers make informed decisions about crops, weather, and prices.

5. Rise of Rural Entrepreneurs

- Entrepreneurship grew strongly in rural areas.
- Small shops, local businesses, and home-based enterprises began expanding.
- Self-help groups (SHGs) and women-led businesses played an important role in promoting economic development.
- Many young people in villages started small online or offline businesses.

RURAL CONSUMER BEHAVIOUR (2020–2025)

Between 2020 and 2025, the behaviour of rural consumers in India changed noticeably. Rural buyers today are much more informed and aware of different brands than before. They now look for products that offer good quality, long-lasting performance, and value for their money.

1. **Rural consumers have become more informed** due to better access to technology and media.
2. **Brand awareness has increased**, and people now prefer trusted and well-known brands.
3. **Quality and value for money** are more important than ever for rural buyers.

4. **Smartphones are widely used** to check prices, read reviews, and get product information before buying.
5. **TV, YouTube, Facebook, and WhatsApp** play a major role in influencing purchase decisions.
6. **Women are actively involved** in deciding what products to purchase for the household.
7. Rural consumers now **focus on durability, reliability, and long-term benefits**, not just low prices.
8. **Youth in rural areas** are becoming trend-sensitive and prefer modern products.
9. Word-of-mouth recommendations from **friends, shopkeepers, and community members** strongly affect buying behavior.

NEED FOR THE STUDY

1. To Simplify Digital Marketing Concepts

Many people find digital marketing terms technical and confusing. A study is needed to explain these concepts in simple, human-friendly language.

2. To Improve Understanding for Non-Technical Learners

Students, small business owners, and beginners struggle with complex marketing jargon. This study helps make digital marketing accessible to all.

3. To Bridge the Gap Between Theory and Practice

There is a disconnect between academic explanations and practical usage. The study aims to present practical insights in easy language.

4. To Enhance Communication Skills in Marketing

Marketers must communicate clearly with customers. Studying digital marketing in human language helps develop better communication strategies.

5. To Support Small and Local Businesses

Many small businesses lack technical expertise. Simplifying digital marketing helps them understand and adopt online marketing tools.

6. To Increase Digital Literacy

In today's digital world, literacy is not just reading and writing but understanding online platforms. This study promotes digital awareness in simple terms.

7. To Provide User-Friendly Learning Material

Academic books often use advanced terminology. This study provides easy, understandable content for students and new learners.

8. To Address the Communication Gap in Digital Campaigns

Effective marketing requires messages that connect emotionally. Human-language-based study helps craft relatable campaigns.

9. To Reduce Misinterpretation of Marketing Tools

Misunderstanding digital tools leads to poor campaign results. A simplified study avoids confusion and improves correct usage.

10. To Encourage Adoption of Digital Marketing in Rural Areas

People in rural and semi-urban areas need simple explanations to understand digital opportunities.

This study supports wider adoption.

11. To Strengthen Customer Engagement Strategies

Clear and human-friendly communication helps build trust. The study highlights how simple language benefits customer relationships.

12. To Keep Up with Rapid Digital Changes

With fast-developing technologies, people need simplified and updated information. The study ensures understanding of new trends in simple words

OPPORTUNITIES IN RURAL MARKETING

1. Large Untapped Market

Rural India has a huge population, and many companies have not fully entered these areas. This gives businesses a big chance to grow.

2. Increase in Rural Income

Farmers and rural workers now earn more due to government schemes, better farming practices, and employment programs. This leads to higher purchasing power.

3. Rising Demand for Daily-Use and Household Products

People in villages are buying more FMCG items, home appliances, mobiles, and even basic vehicles as their needs and aspirations increase.

4. Fast Digital Growth

More rural people now use smartphones and the internet. This makes it easier for companies to promote products and reach customers.

5. Strong Government Support

Programs like Digital India, rural road development, electricity supply, and improved connectivity help companies smoothly enter rural markets.

6. Low Competition in Deep Rural Areas

Many brands still focus mostly on cities. This creates good opportunities for companies that want to enter remote villages first.

7. High Demand for Affordable Products

Rural consumers prefer small, low-cost packs such as sachets or budget-friendly versions. This opens a great opportunity for product innovations.

8. Growth of Rural E-Commerce

With online shopping becoming popular, villagers can now buy products that are not available in local shops, increasing market potential.

9. Rise in Digital Payments

UPI, mobile banking, and online payment apps have become common in villages. This makes buying and selling easier and faster.

FINDINGS

1. **Rural India has emerged as an important and rapidly growing market**, with increasing demand for various goods and services.
2. **Digital awareness has risen sharply from 2020 to 2025**, as more people started using smartphones, social media, and online platforms.
3. **Companies adapted their strategies** by offering small-size packs, keeping prices affordable, and using local-level marketing to reach rural customers effectively.
4. **Women and young consumers have become major decision-makers** in household purchases, influencing buying choices more than before.
5. **Higher agricultural income, money sent by family members working in cities, and government welfare schemes** have increased rural spending power.
6. **Use of digital payment methods** like UPI and mobile banking has grown significantly in rural areas, making transactions faster and easier.

SUGGESTIONS

1. **Use Local Influencers and Community Leaders**
Companies should involve village leaders, teachers, and local influencers to promote products because rural people trust familiar faces.
2. **Focus on Affordable and Durable Products**
Businesses must offer low-cost, long-lasting, and value-for-money products that suit rural needs and income levels.
3. **Increase Use of Digital Platforms**
Digital tools like WhatsApp, YouTube, and social media can be used to spread product information and educate rural customers.
4. **Strengthen Last-Mile Distribution**
Companies should partner with local shops, micro-entrepreneurs, and delivery agents to reach even remote villages smoothly.
5. **Improve After-Sales Services**
Providing easy repair services, helplines, and quick customer support will build trust and loyalty among rural consumers.
6. **Organize Awareness and Education Programs**
Conducting product demonstrations, training camps, and workshops can help rural customers understand product use and benefits.
7. **Encourage Women Entrepreneurs and SHGs**
Companies can work with women-led groups and Self-Help Groups (SHGs) as sales partners to expand market reach and support rural income generation.

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