

THE MARKETING STRATEGY OF THE RURAL MARKET IN THE INFORMATION AGE

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Abstract: With the approach of the information age and the fast development of the communication enterprises in the countryside, the rural consumer market also develops in the direction of "informatization". However, these enterprises have to deal with the... market. intense competition and the saturated situation of the city market, Therefore one of the important goal of these enterprises is to utilize the rural market's information platform effectively and tap fully the potential of the rural market. After analyzing the main characteristics and the consumer potential of the current rural market, the article proposes some useful marketing strategies for the development of the rural market in information age, which have the practical significance for the enterprise development in the rural market.

Key words: Information age, Rural consumer market, Marketing strategy

1. INTRODUCTION

The research of rural market derives from the West. From the ending of the 19th century to the beginning of the 20th century, the American city and countryside market scale expanded rapidly, which means both sides of business no longer mutually understood like past; the information, the promotion and so on are more and more important; The industrial production rapidly developed. The industrial products surpassed the market demand, which transformed the market into a buyer market. Distribution system changed, and the function of middleman was day by day obvious. The judgment that the traditional free competition inevitably collects the effect in the market started fluctuation. The market grew from bud stage to its full development, marketing theory schools about market analysis and, marketing research are various, such as the macroscopic market marketing school, the consumer principle school, the system approach school, the buyer behavior theory school, the behavior organization school, the strategic planning school and so on Moreover the market theory in the West witnesses rapid dissemination, Europe, Japan and so on. the economically powerful countries also all started the market research, application and development. both of the national and the local rural market research are also brought into the theory and control section's vision. The rural market research mainly includes the concrete market marketing plan, countryside consumer behavior research, supplier's behaviors and marketing organization behaviors.

Our country started the market research before 1949, the founding of the People's Republic of China, At that time it was called "the marketing", but was basically restricted the Institutions of higher

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education equipped with the commercial courses or the management specialties. From 1949 to 1978, except academic circles and enterprise's widespread research and application in Taiwan, Hong Kong and Macao areas, in the entire mainland China, affected by planned economy, the market research was once extinct. After the Party's 11th plenary session, the Central Party Committee proposed the general policy of opening up to the outside world and revival of the domestic economy, which created the advantageous environment for the reintroduction and research of the marketing in our country. In 1978, scholars and experts from Beijing, Shanghai and Guangzhou started the introduction research work of the marketing. With the introduction, application and expansion of the marketing theory, at present, the teaching, research and application of the market and the market marketing all had the enormous development, and have already become an applied science which received huge attention. Now the study of the market condition, the consumer behavior, the establishment and distribution of marketing organizations have been promoted in many domains from consumable to producer goods, from practicality product to various services. About the rural market research, the academic circles and the administration section have given the very big attention. Party's 16th session of The 5th CCP plenary conference proposed "the construction of socialist new countryside", which provides the new chance for the enterprise to further develop the countryside consumer market. The subjects of "marketing in China" and "marketing in countryside" should be studied, and developed.

2. THE PRESENT SITUATION AND CHARACTERISTICS OF RURAL MARKET

With the increasing of rural people's income and the enhancement of farmer's purchasing power, the rural market economy is facing a new opportunity of development. Our present market has the huge development potential, compared with the traditional rural market marketing channel, and it becomes convenient and quick. The enterprises must have the keen insight, makes the effective subdivision of rural market, earnestly studies the characteristics of detailed goal market, then they can effectively utilize the marketing strategy and develop the rural market.

2.1 The gradual increasing of farmers' income and the multi-level demand urge the countryside consumer pattern to change, and the change of farmer's consumer idea is remarkable

According to the related statistical data, in 2006, in some rural areas of our country, inhabitants' averaged governable income is 7,556 RMB, a growth of 2.4 times compared to 1996. The special difficult family also basically escaped from poverty. Wages accounted for 64% of the family gross income, compared to 1996, which is a decrease of 3.6 percentages. Moreover, the property income and the shift income grew with steady steps. Along with the gradual enhancement of income level, our country inhabitant's quality of life had the comprehensive improvement. According to the related statistical data, in 2005, the cities inhabitant average consumer disbursement achieved 7,943 RMB, the countryside inhabitant average life consumer disbursement amounted to 2,555 ¥. According to the consumer classification, the countryside inhabitant's demand appears multi-level, the demand structure has the remarkable change, and the farmer's consumer idea is also gradually change. The disbursement proportion of "food, clothing and basic utilities" gradually drops but the disbursement proportion of the transportation communication, the medical health care, the culture and education entertainment and the housing rapidly rise. At the same time, the countryside inhabitant's consumer idea and the consumer customs are changing, the city and countryside inhabitants become rational and mature, with consumer idea also developing from self-accumulation to the appropriate consumption and credit consumption.

With enhancement of inhabitant consumption level and speeding up of life rhythm, countryside inhabitant's service consuming demand grows rapidly. The concrete manifestations are: (1) the inhabitants' domestic electric appliances renewal step speeds up. The family appliances of

comparatively high technology, high quality and low price (colorful television, washer, air conditioning and so on) can be found in the common families, which becomes the hot spot of consumption in present stage. (2) The health care disbursement rises in ceaselessly. Along with the increase of the inhabitant living standard, they also pay more attention to their own health, health care consciousness strengthen increasingly, health care disbursement also corresponding ly increasing. (3)The transportation communication expends is fast growing. Along with quick change of the transportation infrastructure construction, the travel conditions of countryside inhabitant have remarkable improvement; Moreover, along with the popularization of countryside fixed telephone and mobile phone, the countryside communication enterprise also obtains the opportunity of the swift development.

2.2 The rural consumer market is progressing toward "informatization", which has presented "the buyer market "characteristics

With the advent of the information age and the rapid development of the rural communications, the rural consumer market is moving toward "information". According to the survey investigations, in recent years, for the fixed telephone, mobile phone, TV channels, networks and other modern communication facilities in rural areas, the coverage population is rapidly increasing: In 2006, China's administrative villages with fixed phones have already reached more than 98%, the radio and television network nearly covered all the administrative villages.

We can see that the rural market's information channel is being gradually unimpeded, the information transmission speed is also gradually speeding up, in certain countryside, its information propagation velocity already corresponds to city market . At present, the rural market is nearly the same as the city market. Commodity is various, and the source of goods is abundant. Nearly all the daily necessities, the manufactured item for daily use, the durable consumable and so on, the farmers all can nearby buy. Along with further enhancement of the income, compared with the traditional big city, the rural market has relatively high scale of new "latent wealthy community". This community is younger than the traditional wealthy community, which is more thoughtful and more open. To some degree, in the rural market, the supply and demand relation has presented the buyer market characteristics.

3. CONSUMER POTENTIAL ANALYSIS OF CURRENT RURAL MARKET

3.1 The guidance of national policies further improves the countryside consumer environment

Since the 16th National Party Congress, the government has focused on "the people's livelihood", and proposed to build a new socialist countryside as a major historic task. Therefore, the central government has set up a series of policies and measures to bring new development opportunities to the rural economy, such as the promotion of farmer's income, reduction of agricultural tax, and raising the comprehensive production capacity of the agriculture, promoting the building of a new socialist countryside, and so on. As can be seen, in the next few years, particularly with the upcoming "The 17th National People's Congress", the government will further investment in rural areas to change the conditions of rural infrastructure, to improve the rural consumption environment and to increase the income of farmers and to improve their purchasing power. With the continuous increase in the purchasing power of farmers, the rural consumption will subsequently be constantly expanding. That is to say, China's rural areas have the enormous market potential.

3.2 The future countryside consumer market demanding space is huge

With inceasing enhancement of our country inhabitant's income level, purchasing power is enhanced

remarkably. But in our country countryside besides the partial economical developed area, the satisfied degree of market demand is still very low. According to the investigation done by State Council R&D center and China Household Electrical Appliances Association (CHEAA) in 14 provinces, in the coming several years, our country family's demand of electrical appliances will be quite considerable, such as: television, VCD, washer, telephone and so on, the farmer's purchase intention of the electrical appliances will be 14% to 33%. From the year of 2000 to 2005, according to the Chinese countryside electrical appliances market diagnosis report, the country families' purchase intention of television, VCD, the electric refrigerator, the washer, the telephone respectively achieves 32.9%, 19.6%, 21.1%, 17.6%, 14.2%; additional demand respectively achieves 7570, 4,500, 4,850, 4,050 and 32.7 million. At the same time, the farmer immediate consumption also demonstrates strong demand, the building material, farm machinery, the upscale durable consumable, convenience food, the large and middle scale agricultural tools, the vehicle for agriculture purpose and so on will be the consuming emphases.

According to the above analysis, the development potential of our rural market is extremely broad, so the enterprise should promptly grasp the opportunity, adjust marketing strategy, extend business to the broad rural market, thus occupy the advantage in the intense market competition.

4. MARKETING STRATEGIES FOR RURAL MARKET IN THE INFORMATION AGE

4.1 Product strategy

Our country rural market is relatively special, which has the different consumer community in the different physiographic region, and the different consumer community has the difference consumer demand. Therefore, when the enterprise launches product to the rural market they should pay great attention to meet the country consumer's need, emphasizing difference research. The enterprise needs to take meet farmer's expense demand as the guidance, then adjust product structure, increasingly improves product quality, ameliorates product function and develops practicable, solid which are suitable for the rural market. At the same time, product packing and brand also should conform to farmer's consume psychology and the consumer custom.

Here what need to be emphasized is that the enterprise must base on the enhancement of product's basic function and the reduction of unpractical accessional function, which can not only reduce the product cost and price, but also can help the dissemination of enterprise's brand effect. Although the enterprise also invest the product advertisement in the countryside, the present stage countryside information mainly depends on the oral dissemination, and in the short-term dissemination surface is very big. Regarding the product's quality, the inhabitant favors vicinage's approval rather than the advertisement effect. If the good quality product obtains the vicinage's approval, it will quickly get the approval from the wider region.

4.2 Price strategy

Presently, this article believes the low price strategy is the key factor when developing the rural market. Generally speaking, our country inhabitant's income level is still very low, the country inhabitant consumption still take thrifty as primary matter. When purchase product, the product price is the most important consideration factor to the country inhabitant. Therefore, when entering the market, the enterprise should consider adopting low price, although the short-term benefit is lower, once seizes the market, the countryside huge consume potential will be able to bring the long-term high profit to the enterprise. In brief, when the enterprise develops the rural market, fixing a product price is a very essential problem. They must consider the countryside consumer characteristics, and measure the enterprise's own benefit, competitor and market demand and so on, finally fix the most reasonable

product price.

4.3 Channel strategy

When choosing marketing channel, we should fully consider the differences between the rural market and the city market. Because the rural market's region is broad, the consumption is separate, its marketing channel is comparatively sole, namely top-down supply relations, once forms the quite stable supply relations, the loyalty of the downstream dealer to the upstream is quite high. Therefore, to some degree, the selection of dealer determines whether the enterprise will develop the rural market successfully or not. When choosing the dealer the enterprise must not only inspect its fund strength, but also must inspect its construction of sales network, the storage and transportation facility, the oral traditions in the local and so on, then enables it to play the positive role in the rural market.

In addition, the enterprise may through the chain store or alliance shop of the brand retail merchant extends the city sales point to the countryside. Besides it, the enterprise can utilize the unique superiority of Supply and Marketing Cooperative Society, such as: massive sales points and broad distribution, To expand the sales network. The enterprise through the cooperative society retails the product to the farmer and establishes the post-sale service station in the centralized region, then may save the massive cost, strives for initiative. Like WUHAN ZHONGBAI GROUP CO.,LTD, which opens the chain store in prefectural-level city of Hubei province, simultaneously builds the alliance shops in its subordinate's county town to establish own direct sale system and the agent system.

4.4 Promotion and service strategy

The traditional promotion means mainly includes the selling personnel, the advertisement, and business promotion. Because the rural market is comparatively dispersed, the local difference is big, the cost of the traditional selling personnel is too high. Moreover the result is very poor. Therefore the selling personnel is not suitable for the development of the rural market.

4.4.1 Advertisement promotion

Along with the rapid development of the country communication enterprise, the influence of the television advertisement on the farmers is also big. In view of this kind of situation, the well-known enterprise needs to focus on the most basic unit, such as: the county seat's news and the villages and towns' news, then use it to propagandize, obtains farmer's attention and the trust. In addition, "the wall advertisement" is one unique marketing method of the rural market: Its form is simple, the cost is low, pointed is strong, and operates simply, the maintenance time is long, and the dissemination scope is broad. For example: the enterprise may brush the product advertisement slogan on the peasant household's wall, causes it everywhere obviously, through this lastingly, repeatedly and latent marketing means, the countryside consumer all accept the marketing information regardless of active or passive. Here what must be paid attention to is the choice of advertisement content must have pointed, moreover must be melt with the countryside social culture environment, the difference between the advertisement slogan and the acceptable scope of the country inhabitant cannot be too large. The advertisement must put the emphasis on the topic which the farmer pays attention, lets the country consumer think this kind of product is essential to their life.

4.4.2 Business promotion

Although business promotion belongs to the short-term behavior, it can stimulate the consumer massive purchases products. Regarding the rural market, one quite effective way is the selling on credit. Because the countryside consumer has relatively thick competitive psychology and blindly conformable psychology, simultaneously the countryside housing characteristic causes the neighbor and the relatives and friends frequently drop around, consequently the information is extremely open, and the oral dissemination is the main dissemination way. Therefore, if some has sold any good thing on credit, it will spread very quickly, and it can lead the large quantities of people to purchase or tick, then forms the good

demonstration effect. Looking from the marketing angle, this demonstrativeness is the good strategy enterprise can utilize.

4.4.3 Building up the service principle

The post-sale service is one of the weakest links in present countryside marketing, compared with the city, which is insufficient in any aspect; and this cannot ensure the farmer's purchase benefit. But the farmer has psychology of, simultaneously; the countryside housing characteristic had decided the oral traditions are the main mode of information transmission. In view of this characteristic, the enterprise should strengthen the terminal construction, when sells and post-sale provides high quality service such as: consultation, explanation, operation and so on, then forms the good oral traditions, that is forms the free advertisement dissemination net.

5. CONCLUSIONS

In conclusion, the current degree of "informatization" in rural market is not so high. If the enterprises want to seize the rural market, they must first carry on the detailed and earnest analysis of the countryside goal market, aiming at the particular characteristics of the rural market, and utilizing different marketing strategy according to concrete situations. In addition, along with the state economy developing, in the rural market the degree of "informatization" will certainly become more and more high. Therefore the enterprise should consider how effectively uses the countryside's information resource, then successfully seizes the rural market.

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