

An Exploratory Study to Analyze Rural Marketing Strategies of a Few FMCG Brands



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INTRODUCTION

India's vast rural market offers a huge potential for a marketer facing stiff competition in the urban markets. The rural market environment is very different from the familiar surroundings of the urban market. Rural consumers have customs and behaviors that the marketers may find difficult to contend with. The opportunities in the rural market are demonstrated by comparing consumption levels in urban and rural market for different product categories. Their volumes and growth show the importance of the market. Understanding demographic profile of consumers and their response to brand offering is a useful approach to analyse the rural market. The use of an existing network of channels in the rural market is the key to connecting with the rural heartland. Haats and Melas that are unique to rural markets, supplement the retailer route to the rural market. The interactions between consumers and these unique institutions provide information for use in marketing decision.

Corporate Interest In Rural Marketing

When rural customers discover the new and exiting choice of brands available in urban markets, a demand for these brands is created in rural areas. When Titan found rural consumers purchasing their Sonata brand of quartz watches, they formulated a marketing strategy tailored to the requirement of the large rural market.

Reasons for Interest in rural market:

• Untapped Potential:

Rural markets offer a great potential for marketing branded goods and services for two reasons. First one is the large number of consumers. A pointer to this is the larger volume of sales of certain products in rural areas as compared to the sales of the same products in urban areas. The second one is large untapped market which is yet to be discovered.

• Market size and penetration:

The estimated size of India's rural Market stated as the percentage of world population is 12.2

percentage. This means 12.2 percentage of the world's consumers live in rural India. In numbers this works out to about 120 million households. In India the rural households form about 72 percentages of the total households.

• Increasing income and purchasing power:

The agricultural development programs of the government have helped to increase income in the agriculture sector. This in turn has created greater purchasing power in rural markets. The road network has facilitates a systemized product distribution system to village.

Channel Variants In Rural Market

The distribution in rural markets is different from urban markets for multiple reasons. One of the main reasons is that the cost of reaching the outlets is higher for rural markets because of the geographical spread. There is also a difference due to the type of channel available to the marketer. A distinct feature of the rural market is the presence of haats and rural fairs.

HAAT:

Haats are periodic markets. Periodic markets mean that people assemble at a particular place at least once a week in order to buy and sell products. Haats operate in a weekly cycle. They may vary in the intensity of their transactions depending upon the season but they seem to have a fairly stable periodicity. They serve the village in which it is located and also the surrounding village. Each haat caters to the needs of a minimum of 10 to maximum of 50 villages from where an average of 4000 persons come to buy a range of daily necessity and services Consumers and traders who form a major part so the population attending these markets do not necessarily attach much importance to the population of the village in which the market is held. In their view. The importance of a market is based on the number of stalls it haats specially the number of stalls selling urban consumer goods.

Competition in Rural Market

Competition in rural markets is varied in nature

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and a marketer faces competition not only from other brands but also from substitutes, especially in places where the product is new to the consumer. Such situations are quite common in rural markets. Competition for existing brands can be from other brands, from new player's small unorganized sectors, duplicates and imitation. The task for a new player entering in the market is difficult given the advantage that entrenched brands have in rural markets.

Entry strategy for a new player

The entry of a new brand in the rural market is a difficult proposition. This is because in rural markets the pioneer creates a lasting impression and loyalty to such brands is higher. In the case of the organization entering in the rural market for the first time the sheer size of the market in geographic terms poses a formidable challenge in accessing retailers. Entry strategy in such situation includes, • Efforts to create shelf space for the product • To establish a symbiotic relationship with an existing marketer. Consumer pull creates a space for the brand on the retail shelf that is difficult to replace. In such a situation competitive efforts that rely on positioning alone are unlikely to create a sufficient impact. Rural markets are for marketers with perseverance and creativity. The market is extremely attractive with its vast potential but also provides challenges. It is a classic case of risk return situation. It is a high risk area but with the promise of a large customer following as the prize for those who succeed. The key to reducing the risk is to understand the market, the consumer need and behaviors.

Review of Literature

CSG Krishnamacharyulu & Lalita Ramakrishnan have nicely described rural branding decisions in the book Rural Marketing published by Pearson Education. They have provided wonderful analysis regarding rural brands & consumer perception. IGNOU study material has provided magnificent exploration regarding rural retail.

Research Methodology

Nature and Scope of the study

This is an exploratory study and research work is based on the survey technique. Few brands like Thums Up, Himani Boro Plus, Minto fresh have been chosen to conduct the research work. The Village areas of Jaisalmer & Bikaner have been selected on random basis from the list of available Villages. The five villages have been short-listed and 20 respondents have been selected in each village so the total sample size N = 100.

Research Objectives Following objectives will

guide this paper • To study the present promotion strategy of few brands in rural markets. • To explore and measure the success of rural marketing campaign of few brands in terms of consumer preference. • To evaluate the effects of adopting the specific brand ambassadors in the rural marketing context. The respondents were organized in a group and asked about their views on following advertisement actions and theme. 1) In case of Thums Up, how does the role of Akshay Kumar affect the rural consumers? 2) In case of Himani Boro Plus how does Amitabh Bachchan give the impression about the Brand? 3) How does the advertisement of Minto fresh with the Slogan "Laila ko karna ho impress" influence the rural consumers?

Conceptual Framework

Given the Literacy scenario in to consideration the promotion of Brands in rural markets requires the special measures. Due to the social and backward condition the personal selling efforts have a challenging role to play in this regard. The word of mouth is an important message carrier in rural areas. Infact the opinion leaders are the most influencing part of promotion strategy of rural promotion efforts. The experience of agricultural input industry can act as a guideline for the marketing efforts of consumer durable and non-durable companies. Relevance of Mass Media is also a very important factor. Door Darshan had already acquired high penetration in rural households. Now the cable and other Channels have also penetrated in rural households. The newspapers and other printed Media are also gaining strategy but their role is still secondary in this regard.

Results and Discussions

The field exercise has given the various inputs about the rural consumers. This experience was unique from a marketer's point of view that the companies must have a proper understanding of rural marketing environment at a region wise basis. The data has tabulated in following manner. Amitabh Bachchan is a leading player in the ad feature. The Ad plays an important role for giving boost to rural consumers feeling. The feeling plays very important role. The Language and content (70%) and expression style of Akshay Kumar (90%) play significant role. The style of Amitabh Bachchan is a very delighted factor for rural Consumers. Secondly, Kareena Kapoor is liked by rural customers. Style of presentation plays an important role. 70% is a high figure as this affects the whole creativity aspect of any ad. The total concept and the punch line is a strong factor for this ad.

Advertisement of Thums up

Contents	Favor	Non-Favor	No Comment
Language and content of Ad.	70%	20%	10%
Back ground effect of Ad.	50%	20%	30%
Expressions and communication styles of Akshay Kumar	90%	10%	-
Himani Boro Plus advertisement			
Contents	Favor	Non-Favor	No Comment
Amitabh Bachchan & Kareena Kapoor as brand Ambassadors	73%	20%	7%
The style of Amitabh Bachchan & Kareena Kapoor	60%	30%	10%
The language of Ad	60%	20%	20%
Minto fresh advertisement:			
Contents	Favor	Non-Favor	No Comment
Style of Presentation	70%	20%	10%
The concept of ad.	65%	20%	15%
Interesting and delightful Ad.	63%	17%	20%
Different Modes of promotions in rural market.			
Modes	Favor	Non-Favor	No Comment
Haats	80%	15%	5%
Wall Paintings	40%	55%	5%
Melas	65%	20%	15%

Hats and Melas play a very important role in this regard. The 65% response in favor of this is an indicator of this.

Suggestions

1) Rural consumer environment must be understood before the creation of ad. 2) Rural mindset accepts the brands easily, which are close to their culture. This point must be reflected in ad for rural markets. 3) Sponsorships to the Melas and Hats must be considered in a significant manner. 4) Selection of brand ambassadors, lyrics must not be ignored in this

regard They have a special liking for folk culture so this can be taken in an effective utilization of brand promotions.

Conclusions

The following conclusions could be drawn:

1. The Language and content must be according to the suitability of rural environment. 2. Background figures are also a deterministic factor. 3. Admissibility of brand ambassadors plays an important role in this regard. 4. Special promotion measures are the strong applicable factors in this regard.

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