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Fortunes In Rural India

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Abstract:

Over the past few years rural India has witnessed an increase in the buying power of consumers, accompanied by their desire to upgrade their standard of living. Promotion of brands in rural markets requires some special measures. Due to the social and backward conditions the personal selling efforts have a challenging role to play in this regard. Promotion of brands in rural markets requires some special measures.

Despite the irregular buying capacity of rural markets, due to its low income level, low literacy rate, improper infrastructural facilities and low awareness levels of the population, when the urban markets started to show stagnation the need for exploring new markets became evident.

Present paper is about the tools which companies are using to make their presence felt in the rural markets and it also to find the modern ways for marketing their product propositions.

INTRODUCTION

The consumer in India shows wide variation in size and potential of various consumer market segments. These differences can be seen in terms of geographical difference, urban – rural consumer (there style of living consumption pattern etc.), age and family life cycle, income level, education level, linguistic and religion diversity, food habit; festival etc. Revolution in communication technologies are forcing marketers to look beyond time tested concepts such as brand loyalty and mass marketing.

India has almost 6,30,000 villages, 80% of which has population less than 1000 and about 77% of whose population are dependent on land based activities. Rural areas are scattered and it is next to impossible to ensure the availability of a brand all over the country. Villages can be segmented in different parameters such as literacy levels, accessibility, distribution networks, income levels, market penetration, distances from nearest towns, etc.

The recent liberalization of economic policies in India has brought about profound changes in the rural market scenario. One of the obvious repercussions of the reforms in policies has been the appearance of advertisements whose development has been assisted by the revolution in communication first by TV and now by colonies of cyber cafes colonizing in the remotest of rural India.

This is without any doubt that rural markets can bring the prosperity to the companies. If the picture of the rural markets is so glossy then why are failures faced by most of companies which are otherwise quite successful in urban markets? Many marketers mistakenly assume the rural markets to be the replica of the urban markets. They apply the urban market strategies in the rural markets. This leads to their collapse and their growth sees a trough in the rural markets.

Marketers are forever seeking fresh challenges and exploring for more and more clientele to be drawn into their sphere of influence. They are coming in a big way to attract this large and relatively untapped market. Newer variety of products specially designed for these markets, price cuts, lucrative schemes, appealing advertisements and logistical support by way of e-choupals and rural malls have affected rural consumers in ways difficult to measure. For example, An Indian farmer in jeans while going through daily chores is no more a surprise now. The recent upsurge in rural demand has its genesis in people's recognition of their otherwise latent needs brought to their consciousness largely by the marketers' efforts, and their own increased interaction riding on the growing reach of media, of course apart from increased purchasing power.

All said and done, while there is a bridging of gap in the consumption patterns of urban and rural India, there is still a wide divide in the rural and urban psyche. While their ethos may be the same, their behavior, habits and language is quite different. Therefore, the marketers need to develop a completely different set of marketing mix strategies to win the rural market. Communication has to vary from region to region, using diverse languages. Companies should focus on areas with high population concentration and use non-conventional methods/medium of advertising. There is a need to carry intensive studies in targeted rural areas and then to make communication strategies specific to that area.

Objectives of the Study

Here are the objectives of the study.

- To find out the attitude of rural consumers towards various non-conventional media.
- To find out the reach of major conventional media (television and radio) in the rural market.
- To find out the significance of customized communication strategy in the rural market.

- Impact of the advertisements on consumers' attitude and brand choice.
- Impact of marketers' efforts in building aspirations regarding future products and brands;

'The' Rural Consumer – A Profile

The urban population of India is concentrated in 3200 cities and towns and the rural population is scattered over 6,38,365 villages. Statistics shows that out of the 6,38,365 villages have populations of more than 5000 persons each. About 55% of the villages have population in the range of 500 people or less. The influence is clear, rural demand is scattered over a large area, unlike the urban demand, which is highly concentrated.

It is estimated that there are 23% literate in rural India as compared with 36% of whole country. The rural literacy in the rural area is on an increase. Among the rural population Kerala tops with 77%.

The literacy rate has its implication in communication with the rural population. It appears that communication should not prove a hurdle, provided appropriate means are chosen.

An analysis of the rural income pattern reveals that nearly 60% of the rural income is from agriculture. Rural prosperity and the discretionary income with rural consumers are directly tied up with agricultural prosperity. The pre-dominance of agriculture in the income pattern has one more significance-rural demand is more seasonal.

The rural consumers have been drawn into the saving habit in a big way. The commercial banks and the co-operative have been marketing the saving habit in the rural areas for quite some years. Today nearly 70% of the rural households are saving a part of their income.

The habit is particularly widespread among salary earners and self-employed non-farmers. It can be seen in general sense low purchasing power, low standard of living, low per capita income, low literacy level and overall low social and economic positions are the traits of the rural consumers.

By and large, the rural consumers of India are a tradition bound community; religion, culture and even superstition strongly influence their consumption habits.

Changing Rural Consumer:

Rural markets are the living markets; they are growing and ever changing. The marketers who want the effective penetration and reach in the rural markets need to understand the ever-changing nature of the rural markets. Rural markets are in the phase of paradigm shifts. The superficial understanding of the rural markets is the cause of the majority of the problems for the companies. Rural market differs by geography, occupation, social and cultural factors. This in turn influences the product design, promotion, pricing and use of channels. There is need to develop positioning and product variant according to geography and social grouping. The product offering in rural market needs to reflect the product use-situation. The changing behavior of a segment of rural market suggests an initial entry strategy of mimicking the urban marketing programme. The product and packaging are to be creatively used for developing and delivering value. The product attribute and feature should reflect the environment of that consumer.

Even the level of infrastructure provided in different regions varies a lot. The diversity in terrain adds to the already varied lifestyle and livelihood of people there. Therefore no marketer can follow a uniform marketing strategy through out India. Indian rural customer is marred largely by illiteracy and poverty. Illiteracy leads to an inability to identify brand differences and read the basic text on packages. Poverty and dependence on vagaries of monsoon result into a low and unpredictable purchasing power. Moreover products are sold loose, giving high competition to branded sealed products. Ignorance and illiteracy are accompanied by strong influence leaders like the local panchayat members, caste and religious leaders etc

Small Coke worth Rs 5, Chick shampoo sachets have been successful in the past. Since rural population does not have the concept of storing goods and blocking too much capital into it is important for rural marketers to provide products in small quantities as well as good credit or EMI systems for larger products. It is also important to induce first time purchase and trials so that customer is able to experience products he never has. Credit facility also needs to be extended to the wholesalers. There is hardly any brand stickiness in rural consumption. Nirma is simply referred to as the 'pila' powder and Rin as the 'nila' powder. Because of illiteracy the packaging of products plays an important role. It is also easy for spurious products to find a foothold in rural markets. RC Cola packaged as Pepsi and Hello Chips a copy of Lays are widely

sold. Therefore it is important that companies give their products shorter names in the local languages and educate the customer about the significance of their brands.

The Mantra of success in a rural Market!!!

Rural Communication

Apart from the Ps of marketing (Product, Price, Place and Promotion), communication plays a very crucial role. The communication for selling any product must be in a language that rural people understand and relate to. A long term outlook towards rural communication for the product is important. Further, the communication strategies that work well for urban consumers, generally do not work for rural consumers.

Communication in Local dialect

Messages should be such that they can be easily understood and should meet rural requirements. The culture and sub-cultures vary from region to region. So, what works in the north might not work in the south. At times, even dubbing commercials in local linguistics does not work if the rural consumer's mind does not agree with the ideology of the advertisement.

Design Unique Promotions

There is a need for one to one selling. For promoting Annapurna Salt, Hindustan Unilever Limited (HUL) sent their selling staff to rural customer to educate them on the benefits of iodized salt and distributed free samples. Companies like Star TV, HUL, LG and Britannia have used postal stationery (inland letters, envelopes and postcards), vans and letterboxes for brand communication.

Simplicity of the Message

- It is more effective to use a simple language as the rural consumer will be able to relate to it in a much better way. The marketers should use a technique that can touch the emotions of rural folk through communication— something that they can relate their life with. Commercials that use gimmicks, hi-tech stories or are fast-paced do not gain any success in the rural areas.
- Message should be utilitarian and narrative.
- Rural dwellers relate more to colors, symbols, logos, etc.
- Use local icons and idols.

Use of Unconventional Media

Conventional media such as press and satellite television still do not have good reach in rural areas compared to the urban areas.

Besides, televisions and radios also have a poor reach because of lack of infrastructural facilities. The basic problem with conventional media is that they fail to generate the desired change in attitudes of the rural consumer in most cases. This may be because of the problem of identification with oneself. The non-conventional media that can be used to trap the rural psyche are as follows:

- **Drama (folk theater):** Folk Theater or drama is more popular than movies in rural areas. It also has the advantage of reaching the local audience in their local (more easily comprehensible) vocabulary.

But, use of folk theater as an effective medium is largely dependent on the talent and skills of the members of the troupe. They should be able to reach out to the audience effectively in order to implement the campaign. Tracking the troupes and training them also requires considerable time and money to be spent on it.

- **Messages on Moving Objects:** They create interest in people because of their dynamic nature it is advisable to advertise the product on moving objects like truck. When Castrol entered in rural West Bengal, it painted the Castrol logo on both sides of motorized launches which used to ferry people across the distributaries of the Ganges. Khaitan fans used bullock and horse carts to advertise their products.

- **Giant Posters:** Giant posters of particular products may be able to create the interest of the consumers, provided it is placed in a proper place. HUL (Hindustan Unilever Limited) used giant cutouts of Lifebuoy during the boat race in Kerala which is held as part of the Onam festival.

- **Paintings on Walls:** It is the longest lasting effective medium that can be used for advertising in the rural market. It is considered a status symbol in rural India to get ones shop and house painted. The medium is most effective around festivals and post harvest season. It helps in creating awareness about the product and rousing interest among the masses. The concept of wall painting was successfully utilized by HUL to promote its brands such as Lifebuoy and Wheel.

- **Direct Communication with the village head:** In most of the rural areas in India, there are some people such as a *mukhiya* or the *panchayat head* (village head), whose ideas and opinions are respected by the villagers and are considered to be backed by great experience of the head. In

such a case, direct mail to those people may lead to the attention of the general consumers through the opinion leaders.

• **Audio-Visual Chariots/Video Raths**

Because it helps in delivering customized messages these can be used as adaptable tools for rural communication. A van can demonstrate a product, induce trial/ sampling, do on-the-spot sales and establish a direct contact and rapport with the consumer. A company can also run interactive games around the van. But there are two disadvantages using a van:

- (i) it is not a very cost-effective medium; and
- (ii) more children gather around vans than the target segment as a van or a car is a very rare sighting in rural areas.

• **Community Gatherings or Melas** : As quoted by Chandran (2003) in her article, “A Case for the Specialists”, there are 500 *melas* (fairs) in India, visited by 15-20 crore visitors, with a total purchasing power of about Rs. 500 cr. Some of them are the *Kumbh melas* at Haridwar, Ujjain, Allahabad and Nasik; Korgaon Bullock Cart Race, Nehru Boat Race of Kerala, Nauchandi of Uttar Pradesh, Sonapur Mela in Bihar, and *Ashtaateerthadham Mahotsavam* in Mumbai.

Marketers can effectively use these *melas* for promotion of their products. For example, Fair & Lovely used *Kumbh mela* at Allahabad for sampling and promotions. The wheel of fortune game at the Nauchandi *mela* in Meerut sported different brands of tractors at every number. This was Escort’s effort at brand differentiation.

Haats or Markets

Haat is the oldest marketing channel of India. Sunday markets are more popular than midweek markets. The average time spent on each stall is less because the villagers are in buying mood in *haats*. *Haats* make better opportunity for sales and promotions after brand building has been done at *melas*.

Nautanki

Any marketer may use *nautanki* as a tool for promotion to promote its products in rural areas. *Nautanki* enjoys immense popularity because of its narrative style and rustic humor. The audience includes people of all ages. Children are the first to gather at the spot and grab the best seats available during any performance.

Most of the time, audiences pay attention and believe in whatever the performers have to convey. They are more than willing to take their advice on everything. Hence, marketers can use

this medium for advertising their products. For example, in the *nautanki* promoted by Eveready Battery, in between a *nautanki* (drama) performance, the lights went out. An artiste carrying a torch appeared. The ray of light was so bright that it disturbed actors on stage and one man in the background said, “Who is there? What is it that is shining so brightly? The answer was “This is Eveready trying to make its mark ...” (Mehra, 2003).

Puppetry

Puppetry acts as a very entertaining and inexpensive medium for communication. There are the string puppets of Rajasthan and Orissa; rod puppets of West Bengal, Chennai and Andhra Pradesh; and the shadow puppets of Orissa, Kerala, Andhra Pradesh and Karnataka. It is also a very effective medium of social expression. This visual art form is very popular and different types of puppets have been used in different states. Marketers can use this medium for narrating product messages. Many popular folk stories are available which can be adjusted to suit the product message. To make rural consumers aware of its fertilizers the idea of promoting a product through puppetry shows was taken up by Badan Aniline and Soda Factory (BASF).

Semi-religious metrical plays

These plays are referred to by the name of ‘swang’. This is very popular art form in Haryana. *Swang* is performed outdoors and does not require a stage. The artists are all male and they do not use loudspeakers. However, the popularity of *Swang* has dipped with the advent of electronic media.

Success Stories in rural India

In 2001 HLL (Now HUL) initiated Project Shakti in Nalgonda district, Andhra Pradesh, to provide microcredit and to train women to become direct-to-home distributors through self-help groups in rural areas. As an extension of this project, HLL set up Internet kiosks—commonly referred to as “iShakti”—in these rural areas to disseminate information in local languages, including material on health education.

Today Project Shakti has spread to 15 Indian states, reaching 85,000 villages in 385 districts through 20,000 female entrepreneurs, or “Shakti ammas.” The distribution network formed by these female entrepreneurs could in the future distribute condoms in rural areas. It is not only helping their company attain some revenue but also helping the poor women of the village to attain some money which is surely going to increase their purchasing power.

ITC E-Chaupal,

It was started by the international division of ITC. E-choupal was the largest e market initiative taken by any corporation in India. The word 'Chaupal' means *Village meeting place*. It places computers with internet access in rural farming villages and serves as a place of exchange of information and an e commerce hub. It created a system to reduce rural isolation which is helping the poor farmers get all the information about the weather as well as the market price of the food grains they are producing.

Coca-Cola India

Coca-Cola, which considers rural India as a future growth driver, has evolved a hub and spoke distribution model to reach the villages. Coca-Cola has addressed the affordability issue by introducing the returnable 200-ml glass bottle priced at Rs.5. The initiative has paid off: Eighty per cent of new drinkers for coke now come from the rural markets. Coca-Cola provides low-cost ice boxes — a tin box for new outlets and thermocol box for seasonal outlets. Coca Cola India doubled the number of outlets in rural areas from 80,000 in 2001 to 160,000 in 2003, which increased market penetration from 13 per cent to 25 per cent. It also tapped local forms of entertainment like annual haats and fairs and made huge investments in infrastructure for distribution and marketing. Result: the rural market accounts for 80 per cent of new Coke drinkers and 30 per cent of its volumes.

Teaching people how to wash utensils!!

In the year 2002, HUL, FMCG Company undertook a promotional exercise in the streets of the rural areas of Madhya Pradesh, Bihar and Orissa for its utensil cleansing bar, 'Vim'. A part of their TV campaign, 'Vim Ghar Ghar Challenge', the promotion drive involved their officials to visit rural towns and demonstrate how to clean utensils with Vim.

Marico Industries - Parachute Coconut Oil Pouches

With the objective of creating awareness for Parachute Coconut Oil pouches in towns with less than 20,000 populations in Tamil Nadu, and in order to convert loose oil buyers into Parachute pouch customers, Marico Industries launched a van campaign.

The communication Strategy focused on getting women out of their homes to participate in the van campaign, which was aimed exclusively for them and for the first time conducted by women.

Using Brand Ambassadors

Philips radio appointed actor Rajnikant as its brand ambassador for radios that run without battery; a full winding can run the radio for an hour. Philips adopted different punch lines for different states. While in Andhra Pradesh, the punch line went as, “Megastar of my family—Philips”, in Tamil Nadu, it had the line, “Superstar of my home—Philips”. This was because the reigning actor in Tamil movies is called a ‘superstar’, but in Andhra Pradesh, he is known as a ‘megastar’ (Warrior, 1999, para 8, 9 and 10).

Conclusion:

As Paul Mazur defines, 'Marketing's role is delivery of a higher standard of living to people in the society.'

Urban market has become congested with too many competitors. Fallacy in Marketing is that you cannot reach to market unless you have access to conventional expensive means. It is Very tempting to position an offering as serving many needs, but it is hard to communicate so many benefits on a limited budget during a downturn. The only way for existence is application of Darwin Principal: survival of the fittest. The time to prepare tomorrow is today.

The next big revolution could happen in the rural sector. When it happens the marketers should have already studied the lay of land and thought of the strategies and tactics for victory. The market potential is huge in rural areas. It is this market strength in rural area that needs to be tapped. Now days even the educational Institutions are concentrating on rural marketing, have developed special management programmes to cater to rural marketing and are doing market research in rural places.

There are nearly 42,000 rural haats (markets) in India. LIC sells more than 50 percent of its policies in rural India. Of the 20 millions who have signed up for Rediff mail, 60 percent are from small towns The 30 million Kisan Credit Cards (KCC) issued so far exceed the 25 million credit-plus-debit cards issued in urban. These statistics clearly show a trend where the rural consumers are not only buying to fulfil their bare necessities but are also taking care of higher needs of comfort and socialization. Moreover they have turned highly technology savvy as demonstrated through the success of ITCs echaupals and Rediff"s rural success.

Rural Marketing in India Economy has always played an influential role in the lives of people. In India, leaving out a few metropolitan cities, all the districts and industrial townships are connected with rural markets. India has a population that is large, heterogeneous, largely English

speaking and a cultural heritage that runs back to thousands of years. The common binding factor being the historical background, over two hundred years of subjugation and the democratic republic it has developed into. Yet the most common factor is the lives of more than seventy percent of its population that lives in the rural areas and has similar economic and social circumstances. The major segmentation of mass population is located in rural area. Thinking Narrow is a simple logic you have a finite resources to market your services and your customer has a finite capacity to access and analyze data. As such, your best bet is to reach out through one single message. Rural markets are rapidly growing in India but have often been ignored by marketers. The following statistics is enough to throw light on the relevance of rural markets: forty six percent of soft drinks are sold in rural markets, forty nine percent of motorcycles and fifty nine percent of cigarettes are also consumed by rural and small town consumers. Apart from this fifty three percent of Fast Moving Consumer Goods and fifty nine percent of consumer durables have market in the rural belts.

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