



Indian Rural Market and Marketing Strategies

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I. INTRODUCTION

Despite seventy years of independence of India the villages, except a green revolution here and there, largely bypassed growth. Government is focussing on developing infrastructure and also thanks to good monsoon in the last few years, rural India is flush with hard earned money. Rural Indians are changing and so is the rural India. Rural Indians are changing and so is the rural India. Rural consumers are fundamentally different from their urban counterparts. The lower levels of literacy and limited exposure to product and services are well-known, but there are also differences in occupation options, with a direct impact on income levels and income flows, and a high level of inter-dependency affecting the dynamics of rural community behaviour. All contribute to make rural consumer behaviour starkly distinct from the urban. Noted Scholar Lin Bao had said, “If North America and Western Europe can be called the ‘cities of the world’, then Asia, Africa and Latin America constitute the rural areas of the world. With rural incomes now increasing rapidly and fast electrification of rural homes under ‘Bharat Nirman’ scheme, the opportunity for marketers is immense. Each company has to find its own rural solution as there is no standard ‘one fit all’ to marketer’s woes. But, with over 50 percent of villagers being in media dark areas, 16 official languages and 40 percent illiteracy, creating brand awareness will be critical to sell more for marketers.

OBJECTIVES: The objective of the study is to get an in-depth knowledge about rural market, rural market research and how marketers are using innovative marketing strategies to exploit the opportunities present in rural India. The study also encompasses the requirement of communication and promotion strategies in rural India.

METHODOLOGY: The study is Exploratory and based on secondary data and case studies of different industry and organisations as FMCG, Automobile, Telecom, Electronics, and ITC-Echaupal, Melas and many more.

Opportunities in Rural Market: India has largest market in the world with 700 million rural folks with growing purchasing power and increasing aspiration levels.

Myths about Rural Market: Some myths associated with rural markets are as follows-

- The rural market is a homogeneous mass
- Individual decide about the purchase
- Urban communication style is suitable for rural
- Disposable income in rural is low.
- Marketing research methodology is universal for urban and rural
- Television has a wide reach

Challenges in Rural Market: Most of the rural India remains a mystery.

- 15 major languages & over 1300 dialects
- Diversity in Tradition & cultures
- Lack of distribution channel
- Poor understanding of Rural customer

Solution

- Understanding the rural realities and perception
- Untangling rural beliefs and value system
- Communicating in an environment of low literacy
- Looking beyond conventional India



Rural Market Research

Looking at the present scenario a company requires rural market research to understand the consumers to make its innovative strategy. It is done as follows:

- Consumer behaviour research which consist of Qualitative and Quantitative Research studies in consumer behaviour research such as brand awareness, behaviour, usage and attitude studies, advertising and media research in rural media habits, media reach and its impact.
- Brand image and brand positioning in rural market and customer satisfaction.
- New product Development Research, concept testing, market segmentation and Pricing research in rural market.

II. MARKETING STRATEGIES

Altering Quality Perception by Communication

Companies are coming up with new technology and they are properly communicating it to the customer. There is a trade-off between Quality a customer perceives and a company wants to communicate. Thus, this positioning of technology is very crucial. Now they know the difference between the products and the utilities derived out of it. As a rural Indian customer always wanted value for money.

I. Messaging In Local Language

The companies have realized the importance of proper communication in local language for promoting their products. They have started selling the concept of quality with proper communication. Their main focus is to change the Indian customer outlook about quality. With their promotion, rural customer started asking for value for money.

II. Considering Cultural and Social Values

Companies have recognized that social and cultural values have a very strong hold on the people. Cultural values play major role in deciding what to buy. Moreover, rural people are emotional and sensitive. Thus, to promote their brands, they are exploiting social and cultural values.

III. Providing What Customer Want

The customers want value for money. They do not see any value in frills associated with the products. They aim for the basic functionality. However, if the seller provides frills free of cost they are happy with that. They are happy with such a high technology that can fulfil their need.

IV. Evolving Rural-Specific Products

Many companies are developing rural-specific products. Keeping into consideration the requirements, a firm develops these products. Electrolux is working on a made-for India fridge designed to serve basic purposes: chill drinking water, keep cooked food fresh, and to withstand long power cuts.

V. Practicing Of Indian Words for Branding

Companies use Indian words for brands. Like LG has used India brand name "Sampoorna" for its newly launched TV. The word is a part of the Bengali, Hindi, Marathi and Tamil tongue. In the past one year, LG has sold one lakh 20-inch Sampoorna TVs, all in towns with a population of around 10,000.

VI. Effective Media Communication

Media Rural marketing is being used by companies. They can either go for the traditional media or the modern media. The traditional media include melas, puppetry, folk theatre etc. while the modern media includes TV, radio, e-chaupal. LIC uses puppets to educate rural masses about its insurance policies. Govt of India uses puppetry in its campaigns to press ahead social issues. Brook Bond Lipton India ltd used magicians effectively for launch of KadakChhap Tea in Etawah district.

VII. Melas and Paintings

Melas are places where villagers gather once in a while for shopping. Companies take advantage of such events to market their products. Dabur uses these events to sell products like JANAM GHUTI (Gripe water). NCAER estimates that around half of items sold in these melas are FMCG products and consumer durables. Escorts also display its products like tractors and motorcycles in such melas. A picture is worth thousand words. The message is simple and clean. Rural people like the sight of bright colours. COKE, PEPSI and TATA traders advertise their products through paintings.



III. NOVEL MARKETING STRATEGIES APPLIED BY SOME RENOWNED COMPANIES IN INDIA

HINDUSTAN UNILEVER LIMITED (HUL): HUL promotes Surf Excel, Wheel detergent, Lifebuoy, Fair & Lovely, Breeze soaps, Clinic Plus Shampoo, Pepsodent toothpaste in rural India. To overcome the distribution challenge and increase hinterland penetration, HUL launched the Project Shakti campaign in 2001. Rural women from existing self-help groups work as “direct-to-home” distributors for HUL products. The country’s largest FMCG conglomerate runs this hugely popular rural initiative in more than 15 states in the country. Today the scheme benefits over 45000 rural entrepreneurs. It also launched popular brand-specific strategies for Lifebuoy soap, Clinic Plus shampoo, and Annapurna salt. The Lifebuoy SwasthyaChetna (LBSC) is a rural health and hygiene initiative in media dark villages of UP, MP, Bihar and West Bengal to spread awareness about self-hygiene. Similarly it launched ‘Clinic PlusJatra’ in West Bengal to create brand salience.

STRATEGY

- **Access:** Besides the largest distribution chain, it also has first mover advantage
- **Orientation:** Has created niche campaigns around popular brands like Lifebuoy to create ToM recall in rural areas.

ITC Choupal Business: ITC thinks that Rural India has a high potential market for future. ITC emerged as FMCG and packaged foods business part and it got overwhelming recognition by its well-etched-out rural foray with E-Choupal and Choupal Sagar. ITC e-Choupal is based on a synergistic business model that raises rural incomes while sourcing agri-raw material cost effectively. ITC’s various rural initiatives consist of physical engagement through presence of Rural Haat to build awareness and excitement around E-Choupal products and services.

STRATEGY

- **Customization:** Due to the heterogeneous nature of the rural landscape, ITC did product & service customisation.
- **Communication:** ITC ensured its presence at ‘Rural Haat’ to build awareness around e-Choupal products and services.
- **Local partnership:** Leverages complementary strengths to shrink learning curve.

VIDEOCON: Videocon in India believes that Rural Market is geared for rapid growth as Indian rural market is need driven; It adopts ‘Think Global Act Local’ strategy. It tries to understand ground realities about rural marketing before venturing. It is marketing its product keeping in mind the lifestyle requirements of Indians and the income constraints.

STRATEGY

- **Distribution:** It uses ‘Think Global Act Local Strategy’. Think locally in terms of distribution, products, communication and services.
- **Communication:** Taking inspiration from a lot of rural campaigns, aggressive marketing campaign and adopted the upcountry marketing route.

IV. FINDINGS AND CONCLUSION

The key challenges in reaching out to rural consumers are the basic understanding of the rural consumer. Apart from this infrastructure, shortage in electricity, water and sanitation, poor logistics support, illiteracy, local consuming habit and distribution network poses challenge for the marketers. But with rural income now rising rapidly the opportunity for marketers is immense. It’s not about exploiting the market; it’s about creating and sustaining a market in a low income, poverty-ridden scenario. Companies are entering with innovative strategies in rural market to face the challenges which are unique in it. Rural consumers are not different from any other consumer elsewhere. Marketers have to have a campaign approach rather than one need to develop end-end solution collaboratively. One has to have a dedicated long term rural strategy to reap the harvest. Companies have to adopt a ‘think global, act local’ strategy in order to capture and sustain in the rural markets of India.

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