1) Chapter 1- Introduction to the Study

1.1 Introduction
Organizations exist to attain certain mission for undefined period of time. In order to exist in the business for a long period of time, organizations must look for effective and efficient ways of doing business activities to achieve organizational objectives. At present due to environmental dynamism and competitiveness, the struggle for survival and succeeding in the business has become more difficult and challenging. The growth trend and nature of the consumer durable industry with the competitive environment brought several and special problems for services marketing. since service encounters are complex and multiple factors affect interactions, organizations have to adopt aggressive marketing approach to deal with these problems. Aggressive marketing approach for durable goods requires external marketing which deals with the interaction of the organization of the company as a whole with the customer in terms of company product, price, distribution channels and promotion activities.

Marketing is the process of engaging the support and commitment of employees and other organizational members for the goals and objectives of the company (Lancaster, 2004) and interactive marketing deals with interaction of frontline employees with customers in terms of understanding and solving customer's problems attentively. One of the four P's of marketing mix is promotion also known as marketing communication. Organizations have to communicate with their existing customers about what they are doing. Marketing communication is very important and at the same time challenging in the durable goods sector as the nature of this industry is complex when it implies in rural markets, where organization has to convince customers on the value of a product.

Marketing communication can be defined as all strategies, tactics and activities involved in getting the desired marketing message to intended target markets, regardless of the media use. Most marketers have access to numerous forms of communication, referred to collectively as the marketing communication mix.
The mix includes advertising, personal contact, publicity and public relations, sales promotion, instructional materials and corporate design (Lovelock, 2004). Marketing communication mix elements provide information and consultation that are important components to add value to a product. Customers need information about the features of the product or service, its price and how they can access it, to make informed purchase decision. Thus, if customers are able to get the necessary information about the product timely and adequately, they may feel that they are buying quality product or service. This means having good and effective communication channels adds value to the product or service of the company as customers have confidence on their purchase. Generally, taking into account the nature of the consumer durable industry, the challenges it brings to the organizations and the need to follow holistic marketing approach to effectively interact with customers highlights the importance and significance of marketing communication activities. In service setting, marketing communication tools are especially important because they help create powerful images and a sense of credibility, confidence and reassurance. Though it would be wise and important to evaluate the effectiveness of all the elements, the researchers assessed the effectiveness of only advertising and personal selling because of the intense usage of advertising and personal selling elements in the Nigerian service sector and also to reach different types of audience, investment requirement, audience coverage and efforts required.

Evaluating the effectiveness of a particular investment helps organizations to realize whether their investment is worthy or not. Investment on advertising campaign and sales force takes major share of organizations investment for marketing activities in general and advertising and sales force in particular helps to identify drawbacks of existing marketing practices and make necessary corrective actions to improve marketing activities effectiveness and efficiency as the whole efforts of organizations fruitfulness lies on marketing at the end of the day.

Generally, advertising has the potential to inform the masses, present and prospective consumers about the goods and services of a company and force
them to visit the company’s manufacturing and or distribution centers for further information and making purchase decisions. Advertisements for services should provide symbols or tangible cues, as concrete signals of the service’s abstract attributes (Lacobucci, 2001). Thus communicating and convincing customers to buy services products is by far more challenging than selling manufacturing products. Personal selling, in turn has the potential and opportunity to persuade those who can come to the company’s office with background information about the service from company advertisement by responding to customer’s questions and doubts about the service. Personal selling involves three basic sales tasks as order-getting, order-taking and supporting (Perreault, 2002). In this regard, the researcher can articulate strongly, advertising brings the horse and personal selling helps to ride it to the desired destination. The interactive nature of personal selling also makes it the most successful promotional method for building relationship with customers. So personal selling is the most useful communication tool at certain stages of the buying process, particularly in building up buyers trust, choices, certainly and proceedings. This is most imperative especially for consumer durable companies particularly in developing and underdeveloped countries.

Measuring advertising after broadcast evaluates how the ad affected consumer recall or product awareness, knowledge and preferences. In the same manner, sales person’s performance can also be measured by gathering information from different sources. These include sales report, personal observation, customer survey and talks with the other salespeople (Kotler). Both advertising and personal selling effectiveness can be measured in terms of communication and sales effects. Many companies measure the effectiveness of their advertising campaign in terms of its communication effects as how does the advertising create awareness, provide information, stimulate demand, enforce brand loyalty? In fact, there are companies that measure the effectiveness of their advertising in terms of its effect on company sales. However, most agree that measuring effectiveness of advertising in terms of sales effect is difficult as there are many things to affect buying decisions other than advertising. Likewise, effectiveness of personal selling activities most dominantly is measured in terms of sales effects. There are companies that measure
effectiveness of their sales force and personal selling activities in terms of communication effect like how willing are the sales people to solve customer’s problems? How competent are the sales people to provide adequate information about the product? And how are they approaching customer according to their individual needs?

Therefore, for the sake of simplicity and uniformity this research has concentrated on measuring the effectiveness of communication mix in rural areas of Maharashtra state particularly Satara district in terms of their communication effects by gathering primary data from customers.

1.2 Selection and Justification of topic

The topic selected for this study is related to communication Mix for Consumer Durables. The organized retail sector has maximum share of 39% from Clothing and Textile Industry. Followed by 11% from food and grocery and at 3rd place with 9% share comes the Consumer durables Sector. Although the central government has allowed 51% Foreign Direct Investment in organized retailing, the franchisee route of selling the consumer durable home appliances is not expecting any long term effects on their business. Some brands like Samsung, and LG prefer to strengthen their franchises. The Rs.1900 Crore Godrej and Boyce Manufacturing Company which is a leading home appliances company in India has recently appointed a Delhi based consultancy to streamline the work processes of its retail division for bringing the company run showrooms under one umbrella and showcasing its new face highlighted by a foray into the home segment.

This study is an attempt to redesign the communication strategies for retailers of Consumer Durables when the global retailers are bringing Modern Malls in India.

The area selected for this study is Satara District. The recent trends in rural India are showing positive signs for development in the living standards of the small town dwellers and rural masses also. Millions of upwardly mobile middle-class Indians in small town have shed the Spartan life style of previous generations and adopted a new attitude to spending. Everything from color TV’s
to Washing Machines are being lapped up by small towns. With majority of Indians residing in small towns, Marketers are pulling out all stops to ensure they do not miss out this opportunity. Retail Chain Pantaloon has opened Big Bazar in Cities like Sangli, Durgapur, Bhubneshwar, Nashik, and Vadodara which are alluring the rural masses to visit and purchase. So it is evident that the Districts like Satara will also be chained in by the superstores in near future.

Satara district is situated in the river basins of the Bhima and Krishna river. The physical settings of Satara shows a contrast of immense dimensions and reveals a variety of landscapes influenced by relief, climate and vegetation. The variation in relief ranges from the pinnacles and high plateaus of main Sahyadrians range having height over 4500 feet above mean sea level to the subdued basin of the Nira river in Phaltan tahasils with the average height of about 1700 feet above mean sea level. The climate ranges from the rainiest in the Mahabaleshwar region, which has an average annual all of over 6000 mm to the driest in Man tahsil where the average annual rainfall is about 500 mm. The vegetal cover too varies from the typical monsoon forest in the western parts to scrub and poor grass in the eastern parts. The adjacent areas comprise of mainly farming society and shows varied characteristics associated with different behaviors in consumers. In the north the modern city of Pune with a large industrial base is situated just 100 Kms. In the south rich district of Sangli and textile belt of Ichalkaranji, popularly known as Manchester of India with wealthy weavers is adding to the variety.

In the west a tribal area of Raigad District and in the East the Textile economy of Solapur District, because of this peripheral background and an age old market place this District shows mixed economic status with the people of mixed social background.

At present Satara district has 4 Sub-Divisions namely Satara, Wai, Karad and Phaltan, 11 Talukas and 1727 villages. The population of Satara District as per 2001 census is 27,96,906.

Agriculture being the major economic contributor of this district, having major Crops like Bajra, Jowar, Wheat, Rice, Ghewada, Gram, Sugarcane, Groundnut,
Potato, Soybean, and annual Crops like Sugarcane are bringing the total Area under cultivation of 1,81,700 Hectar of Irrigated nature and 6,12,000 Hectar in Non-Irrigated nature. The Forest is spread over as area of 1,42,000 Hectar.

The district has two major and nine medium sized irrigation projects. And there are 10 Major, 13 Medium and 80 minor projects (total - 103 ) are in progress by Krishna Valley Development Corporation. In future 2,43,392 Hectar land will be irrigated in near future.

Fisheries are another major sector in this district having total 753 numbers of tanks /Reservoirs. Total Water spread Area is 14,371 Hectares. Out of which the area Under Fish Culture is 14,000 Hectares. The total fish Production is 3,900 M.T. The total number of fishermen’s Co-op. Societies is 47 and total number of Fisher men is 5,000, The Government’s Fish Seed Farm is located at Dhom. There are two Fish Seed Rearing Centers.

Hon. Chatrapati Udayanraje Bhosale, Hon. Abhaysing raje Bhosale, Srimant Shivendraraje Bhosale, Hon. Yeshwantrao Chavan, Hon. Prithviraj Chavan have given this District a notable standing in economic and social status. Their ventures like Sugar Factories and Spinning Mills have contributed handsomely in the economic and social upliftment of the people in this region. The overall society comprises mostly an agrarian and service based industry structure. More than 5000 small scale industries are registered in Satara district.

The Bombay-Banglore Highway passes through this district. This has added another source of income for the natives of this area. The commuters rest here for refreshments and also for some repairs giving opportunity to hotel and garage industry. Notable hotels are

In the garage industry Maruti- Suzuki, Ford, General Motors, Hundai, and other Service Stations for four wheelers and in two wheelers there are Hero Honda Showroom, TVS Suzuki Showroom, Yamaha Showroom and Bajaj Kawasaki Showrooms.

On education front also this District is not far behind. There are many Arts, Science and Commerce Colleges, College of Education, Law College, Dental
College, Medical College, Ayurved College, Engineering College, Polytechnic, Industrial Training Institutes, Management Institutes, English Medium Schools, Many Marathi Medium Schools, College of Drawing and Many Private Classes and Training Institutes are catering to the educational needs of the local as well as national students.

In this scenario the district is cultivating a peculiar culture. Notable characteristic is sound economic, Social and educational condition. The citizens despite of having a rural background are embracing a city like lifestyle and number of working couples is growing very fast. The life is gaining speed here and the hurries and worries associated with this kind of life style are increasing. The service sector that should grow with this kind of development is not seen and as a result Citizens are showing dissatisfaction for availability of inputs that can add value to their life style.

A pilot survey has put light on a fact that the motivation to buy the consumer durables is offered by the marketing stimuli. Most of the customers of Consumer durables are showing interest in purchasing the consumer durables so as to make their life comfortable.

The main Market place in most of the towns in Satara District is popularly known as Bazar Peth which has a narrow Street. Not much Parking place available. Modern Show rooms are rarely found. The Sales staff does not have proper knowledge of the appliance. In this scenario it is need of the time to influence the opinion of the consumers, which is posing as a major competitor in front of the marketers. This Research is undertaken for this very purpose of suggesting Marketing communication Strategies for the Consumer Durables market in Satara District, so that they can offer better motivation to buy durables to rural market.

Communication and Consumer Behaviour Perspective: Social scientists and communication experts all over the world have developed many theories of consumer behaviour to explain the process involved in purchase decisions. We can look at this information from the viewpoint of the marketing communicators. Communication's primary goal is to reach respective
customers and influence their awareness, attitudes, and buying behaviour." For doing this, an

advertiser must focus on the marketing communications process. The basic consumer decision process comprises a set of fundamental steps that the consumer experiences during and after the purchase process. Communication can affect the consumer's attitude at any point in this process. As soon as a medium delivers a communication message to us, our mind set runs towards a rapid evaluation program called the consumer decision-making process. This involves a series of sub-processes that are all affected by many influences. The conceptual model shown in Exhibit 1.1 clearly provides a look over the fundamental building blocks in the consumer decision-making process. We can easily observe that in the first box those three personal

processes control the way we apprehend raw information (stimuli) and translate them into feelings, thoughts beliefs, and actions. These are the perception, the learning, and the motivation processes. Secondly, our mental processes and behaviour are affected by two important sets of influences. Interpersonal influences include our family, society, and culture. Non-personal influences - factors are often outside the buyer's control - namely time factors, place factors and environmental factors. These influences further affect the personal processes of perception, learning and motivation. After dealing with these processes and influences, we have to take the crucial decision - to buy or not to buy. But by this time the final step typically requires yet another process, the evaluation of alternatives, in which we choose brands, sizes, styles, and colours. If we do decide to buy, our post-purchase evaluation will dramatically be affected by all our subsequent purchase decisions. Like the marketing communications process, the decision-making process is circular in nature. The advertiser who understands this process can develop messages more likely to reach and make sensible understanding in the minds of consumers.

The process of consumer buying decisions facilitates in which a consumer decides whether the product or service will meet a particular need or want well enough to warrant purchasing and using it, when, where and how to make purchase and determines satisfaction obtained from the purchase. Many
researchers and experts have conceptualized "stage" models of the buying process. Philip Kotler (1997) has given 5 stages of buying process - (i) Recognition of Problem - The buying process starts when the buyer recognizes a problem or need. The need can be triggered by internal or external stimuli. Marketers need to identify the circumstances that trigger a particular need.

This has lead to the present study and we decided to focus on Marketing Mix & Consumer behavior of Rural Markets & Rural areas in particular.

This chapter begins with looking to changes in the definition of marketing. Definitions of Marketing. The modern shape of marketing has the exchange process and the transactions that make up that process as its focus. Phillip Kotler (BAGOZZI, 2002) (Kotler P. a., 1999) states that exchange is the defining concept underlying marketing. He defines exchange as "the art of obtaining a desired product from someone by offering something in return".

1.3 Marketing Mix
To offer the best in the market the concept of marketing mix, is being used. The marketing Mix is 'a series of interconnected and interdependent marketing issues that need to be considered together. It was first developed by marketing academicians Neil Borden, in the 1950s. In the 1960s, Jerome McCarthy, Professor, Harvard Business School, elaborated the concept of the four P’s. (McCarthy, 1960).

'Marketing mix' refers to the set of actions, tactics, tools or variables that a company uses to promote and sell its brand or product in a market. It is a set of marketing tools that a firm uses to accomplish its objectives in the target market by aligning the company's offering with the competitive environment as well as with the consumer needs and behavior. (Agrawal M. , 2006).

Marketing mix has also been classified as 4Ps of marketing to develop an appropriate action plan. This model is explained below:
By far, the most important decisions, and indeed the essence of the marketing manager's task within a company, are decisions about the controllable marketing variables: decisions about what E. Jerome McCarthy termed the four Ps of: Product, Price, Promotion and Place (or distribution) (McCarthy, 1960)

The 4Ps make up a typical marketing mix, but these days, the marketing mix increasingly includes several other Ps suggested by different experts, like Packaging, Positioning, People, Pace, Passion, Publics and even Politics as well.

Each element of the four Ps requires that decisions be taken after assigning a value to each variable under it. (J., Marketing : An introductory Text 6th Edition , 1996)Some such variables could be:

**Product:** features, packaging, quality and range.

**Price:** price level, credit terms, price changes and discounts.

**Promotion:** advertising, publicity, sales promotion and personal selling.

**Place:** inventory, distribution channels and number of intermediaries.

Taken together, these four variables, plus the chosen market segments, comprise what is termed as the marketing mix-a concept which is central to modern marketing practice. A marketer has three optional levels for every product category and the same is also true for each of the other three variables because all the 4Ps are interlinked. By choosing the appropriate levels, the right marketing mix can be developed. The marketing tools and the possible variations are: top end luxury model, medium range product; and value for money low end product. All the elements of the marketing mix are explained in brief as following:

**Product**

'Product' refers to anything that is capable of or can be offered to satisfy a need or wants. The term product includes both tangible goods and intangible services. It involves a decision on the number of variants, sizes, packaging,
color, logo and the brand name. However, a product must deliver a minimum level of performance; otherwise even the best work on the other elements of the marketing mix won't do any good in the long run.

SKU: SKU is an abbreviation for 'Stock Keeping Unit'. There may be one brand with a hundred SKUs. Each variant of a product and each pack size are considered to be a separate SKU. Each pack size has its own economics, packing, marketing and promotions. Different SKUs may experience different levels of consumer acceptance as pack size is intricately linked to consumption patterns; so each SKU might have to be advertised differently.

**Price**

Price refers to the amount the customer has to pay in order to acquire a product or service. It depends on a host of factors that include: cost of production, segment targeted ability of the market to pay, demand and supply of competing products and substitutes, pricing objective of the firm and a host of other direct and indirect factors.

Pricing involves not only a decision on the retail price, but also decisions on dealer and retailer margins that need to be provided to the channel partners. There can be several types of pricing strategies, each tied in with an overall business plan. Pricing can also be used as a tool to promote, differentiate and enhance the image of a product or service.

**Pricing Objectives**

Pricing objectives or goals give direction to the whole pricing process. Determining the pricing objectives is one of the first steps in pricing. Some of the more common pricing objectives are: To maximise long-run profit, To maximise short-run profit, To increase sales volume, To increase sales in value terms, To increase market share, To obtain a target rate of return on investment (RGI), etc
Place

Place refers to the point of sale. It is a manifestation of the strategy of an organisation about how and in what manner it wants its products and services to be made available to the customers so that a profitable exchange can be instituted with the customer.

In every industry, catching the eye of the consumer and making it easy for her to buy a product or service is the main aim of a good distribution or 'place' strategy. But with the increase of customer convenience, there is usually an associated additional cost. Therefore, organizations have to strike an ideal balance between the cost to the organization and the consequent convenience to the customer. Retailers also pay a premium for the right location. In fact, the mantra of a successful retail business is 'location, location and location'. Distribution means ensuring the spread of the product throughout the market place so that a large number of people can buy it.

Distribution Channels

A distribution channel is defined by the sequence and flow of products from the site of manufacture to the point of sale. Distribution channels consist of sets of independent but interdependent organizations, involved in the process of carrying a product or service from the point of production to the user at the point of consumption".

By this definition, there can be the conventional channel: factory- C&F-distributors- retailers. This is the most common channel for most goods, consumer or industrial. But organisations can also adopt unconventional channels like Internet portals or a network of salespersons.

The need for a distribution channel arises because the product has to move to the customer in the right quantity, at a specific time and at the particular place. These intermediaries can perform these functions in a more efficient and cheaper way than the manufacturer.
Promotion

This refers to all the activities undertaken to make the product or service known to and preferred amongst the user and trade. This can include advertising, word of mouth, press reports, incentives, commissions and awards to the traders; it can also include consumer schemes, direct marketing, contests and prizes. Advertising, a paid form of non-personal communication from an identified sponsor, using mass media, to persuade or influence an audience, is generally the most important element of the promotion mix.

The 1990s and 2000s brought the concept of 'integrated marketing communication' (IMC). IMC is the practice of unifying and synergizing all marketing communication tools so that they send a consistent and persuasive message promoting the company's goals to its target audiences.

Sales Promotion

It refers to increasing the value provided by the product or service by offering an extra incentive to purchase a brand or product", Conventionally, the glamour in promotion is stolen by advertising. Advertising expenses so far, accounted for more than 60% of the total promotional budget. Sales Promotion got a little share. Today, sales promotion is attracting more and more of the promotional budget. The annual expenditure for sales promotion is rising rapidly.

1.4 Marketing Communication Mix

A company's total marketing communications mix, or promotion mix, consists of the specific blend of advertising, personal selling, sales promotion, and public relations tools that the company uses to pursue its advertising and marketing objectives.

The five major types of promotion are:

• Advertising: Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
• Personal selling: Personal presentation by the firm’s sales force to make sales and build customer relationships.
• Sales promotion: Short-term incentives to encourage the purchase or sale of a product or service.
• Public relations: Building good relations with the company’s publics by obtaining favourable publicity, building up a good “corporate image,” and handling or heading off unfavourable rumours, stories, and events.
• Direct marketing: Direct communications with carefully targeted individual consumers to obtain an immediate response the use of mail, telephone, fax, e-mail, and other non-personal tools to communicate directly with specific consumers or to solicit a direct response. Each type of promotion has its own tools. Advertising includes print, broadcast, outdoor, and other forms. Personal selling includes sales presentations, trade shows, and incentive programs. Sales promotion includes point-of-purchase displays, premiums, discounts, coupons, specialty advertising, and demonstrations. Direct marketing includes catalogues, telemarketing, fax transmissions, and the Internet. Thanks to technological breakthroughs, marketers can now communicate through traditional media (newspapers, radio, telephone, and television), as well as its newer forms (fax machines, cellular phones, pagers, and computers). These new technologies have encouraged more companies to move from mass communication to more targeted communication and one-on-one dialogue. At the same time, communication goes beyond these specific promotion tools. The product’s design, its price, the shape and colour of its package, and the stores that sell it all communicate something to buyers. Thus, although the promotion mix is the company’s primary communication activity, the entire marketing mix - promotion and product, price, and place must be coordinated for greatest communication impact.

In this chapter, we begin by examining the rapidly changing marketing communications environment, the concept of integrated marketing communications, and the marketing communication process. Next, we discuss the factors that marketing communicators must consider in shaping an overall
communication mix. Finally, we summarize the legal, ethical, and social responsibility issues in marketing communications.

The Need for Integrated Marketing Communications: The shift from mass marketing to targeted marketing, with its corresponding use of a richer mixture of communication channels and promotion tools, poses a problem for marketers. Consumers are being exposed to a greater variety of marketing communications from and about the company from an array of sources. However, customers don't distinguish between message sources the way marketers do. In the consumer’s mind, advertising messages from different media such as television, magazines, or online sources blur into one. Messages delivered via different promotional approaches such as advertising, personal selling, sales promotion, public relations, or direct marketing all become part of a single message about the company. Conflicting messages from these different sources can result in confused company images and brand positions.

All too often, companies fail to integrate their various communications channels. The result is a hodgepodge of communications to consumers. Mass advertisements say one thing, a price promotion sends a different signal, a product label creates still another message, company sales literature says something altogether different, and the company’s Web site seems out of sync with everything else. The problem is that these communications often come from different company sources. The advertising department or advertising agency plans and implements advertising messages. Sales management develops personal selling communications.

Other functional specialists are responsible for public relations, sales promotion, direct marketing, online sites, and other forms of marketing communications. Such functional separation has recently become a major problem for many companies and their Internet communications activities, which are often split off into separate organizational units. “These new, forward-looking, high-tech functional groups, whether they exist as part of an established organization or as a separate new business operation, commonly are located in separate space, apart from the traditional operation,” observes
one integrated marketing communications expert. “They generally are populated by young, enthusiastic, technologically proficient people with a burning desire to ‘change the world,’” he adds, but “the separation and the lack of cooperation and cohesion” can be a disintegrating force in marketing communications.

In the past, no one person was responsible for thinking through the communication roles of the various promotion tools and coordinating the promotion mix. Today, however, many companies are adopting the concept of integrated marketing communications (IMC). Under this concept, as illustrated in Figure 13-1, the company carefully integrates and coordinates its many communications channels to deliver a clear, consistent, and compelling message about the organization and its products. As one marketing executive puts it, “IMC builds a strong brand identity in the marketplace by tying together and reinforcing all your images and

Steps in Developing Effective Communication

We now examine the steps in developing an effective integrated communications and promotion program. The marketing communicator must: identify the target audience; determine the response sought; choose a message; choose the media through which to send the message; select the message source; and collect feedback.

Identifying the Target Audience

A marketing communicator starts with a clear target audience in mind. The audience may be potential buyers or current users, those who make the buying decision or those who influence it. The audience may be individuals, groups, special publics, or the general public. The target audience will affect the communicator’s decisions on what will be said, how it will be said, when it will be said, where it will be said, and who will say it.

Determining the Desired Response

After defining the target audience, the marketing communicator must decide what response is desired. In most cases, the final response is purchase. But
purchase is the result of a long process of consumer decision making. The target audience may be in any of six buyer readiness stages, the stages that consumers typically pass through on their way to making a purchase. These stages are awareness, knowledge, liking, preference, conviction, and purchase. The marketing communicator needs to know where the target audience is now and to what stage it needs to be moved.

The marketing communicator’s target market may be totally unaware of the product, know only its name, or know little about it. The communicator must first build awareness and knowledge.

1.5 Rural Marketing & Marketing Mix for Rural Areas:
Rural marketing, in simple words, is planning and implementation of marketing function for the rural areas. It is a two-way marketing process which encompasses the discharge of business activities that direct the flow of goods from urban to rural areas (for manufactured goods) and vice-versa (for agriculture produce), as also within the rural areas.

Rural marketing has also been defined as the process of developing, pricing, promoting, distributing rural-specific goods and services leading to exchange between urban and rural markets, which satisfies consumer demand and also achieves organizational objectives.

As per the National Commission on Agriculture, "Rural marketing is a process which starts with a decision to produce a saleable farm commodity and involves all aspects of market structure or system, functional and institutional, based on technical and economic considerations, and includes pre- and post-harvest operations, assembling, grading, storage, transportation and distribution."

But, rural marketing amounts to dealing with various inputs, projects and services meant for the rural market. In this sense, it is different from agricultural marketing which means marketing of rural products / output to the urban consumer or institutional market.

When we integrate these perspectives to have a holistic view. then on the basis of the scope of activities performed, rural marketing can be defined in a tabular
form as follows: Therefore, rural marketing is a distinct specialized field of the marketing discipline which encompasses a customized application of the marketing tools and strategies to understand the psyche of the rural consumer in terms of needs, tailoring the products to meet such needs and effectively delivering them to enable a profitable exchange of goods and services to and from the rural market.

In application terms, rural marketing is both the marketer's fondest dream and worst nightmare. It is actually a bit like swimming—one can have as much information on swimming as one likes, but, he/she has to get into the water to fully understand it. Therefore, the key for succeeding in the rural market lies in comprehending the rural psyche and what the rural consumer is. (sridhar, 2009)

1.6 Phased Evolution of Rural Marketing

Rural marketing as it exists today is a result of evolution over many decades. Different patterns of flow of goods and services were dominating the rural marketing spectrum at different times. These time spans were long enough to be called as different phases which are described below.

• Phase I (from Independence to Green Revolution): Before the advent of the Green Revolution, the nature of rural market was altogether different. Rural marketing then referred to marketing of rural products in rural and urban areas. Most of the literature on rural marketing of that time relates to agricultural produce. Therefore, in Phase I, it can be considered to be synonymous with agricultural marketing

• Phase II (Green Revolution to Pre-liberalization period): During these times, due to the advent and spread of the Green Revolution, rural marketing represented marketing of agricultural inputs in rural markets and marketing of rural produce in urban areas.

• Phase III (Post-liberalization period of the 20th century): The third phase of rural marketing started after the liberalization of the Indian economy. In this period, rural marketing represented the emerging, distinct activity of attracting and serving rural markets to fulfil the needs and wants of rural households, people and their occupations.
• Phase IV (21st Century): Learning from its rural marketing experiences after the Independence, the corporate world has finally realized that quick-fix solutions and piecemeal approaches will deliver only limited results in the rural market. And, if an organization wants to tap the real potential of the rural market, it needs to make a long-term commitment with this market. Its approach and strategies must not focus on just selling products and services, but they should also aim at creating an environment for this to happen. This approach has been demonstrated successfully by HLL’s Project Shakti, ITC’s e-choupal or Sunehra Kal, TARAhaat, AMARON Batteries’ Amaragaon.

The objective of rural marketing in the current phase is the improvement of the quality of life by satisfying the needs and wants of customers, not through stand-alone products or services, but by presenting comprehensive and integrated solutions which might involve a set of inter-related products and services. In a rural-dominated country like India, where nearly 40% of the population is poor, the concept of rural marketing must be developmental in nature. Business organizations must consider how to integrate rural areas into their business model to create a win-win situation.

Delivering a better standard of living and enhancing the quality of life in an efficient manner will be the new role of rural marketing in the 21st century. The rural salesperson is much more than a mere order taker as he is the carrier of the development message to the less informed rural population (Singh, Singh, Badal, Singh, Kushwaha, & Sen, 2008).

1.7 Rural Marketing Model

The different steps for implementation of the rural marketing model are described below:

Segmentation: A key factor of the rural market is that it is a mosaic of distinct and unique markets. Each of these markets has rural consumers with quite different lifestyles, socio-cultural, economic and demographic backgrounds. The typical socio-economic classification employed for market segmentation in urban areas, may not be sufficient in the rural market. Therefore, the first step for implementing
any rural marketing effort is to segment the rural market on the basis of select parameters that influence the demand for certain product categories.

*Lifestyle Analysis:* An organisation contemplating to serve the rural market has to develop an understanding of the lifestyle of the consumers in different rural market segments. On the basis of this understanding, it will be possible to know whether a particular product or service would be needed in a rural market segment. It will also help in devising a strategy to market that product.

Lifestyle analysis is important because it broadly defines and prioritises the consumer needs in a market segment. As, in some cases, it may not be the buying capacity but the lifestyle of the consumers that influences the demand for a given product. For example, washing of clothes at a canal, well or pond almost rules out the use of detergent powder even if the consumers want to use it and also has the capacity to buy it. Similarly, the availability of running water and an assured supply of electricity, not just the consumer's buying capacity, determine whether a particular market will buy a washing machine or not.

**1.8 Profiling of Rural Consumer**

The lifestyle analysis enables a business organization to develop a generic profile of the consumers in a rural market segment. This profile should be considered while designing or modifying the marketing mix for that market. Here the regional and local organizations are in an advantageous position as they are fully aware of the consumers' profile in a rural market segment, and they can design an appropriate marketing mix to make a mark in that segment.

Need Profile: Analysis of the generic profile of the consumers of a rural area or market segment helps business organizations identify the needs of those consumers in general terms. A marketer can then
translate these broadly defined needs in more specific terms, from the perspective of different product categories.

Selection of Target Market: After undertaking the preceding steps, a business organization can evaluate whether it could serve the needs of a particular market segment effectively and efficiently with its present or modified marketing mix.

If the organisation finds compatibility between the consumer needs and its marketing mix in a rural market segment, then that segment can be identified and selected as its target market. It can also analyze what modifications would be required in the marketing mix if a particular market segment has to be targeted. And lastly, whether it would be feasible to modify the marketing mix to serve a particular market segment. Market research is needed to identify and select rural market segments that an organisation can cater to, and to devise a marketing mix for them. For, it might be nearly impossible to cater to the entire rural market of India in an optimum manner with the same marketing mix. (A.B., 2009 June 15)

1.9 Designing & Modifying Marketing Mix for Rural Areas
An organisation needs to consider modifications in different elements of its marketing mix to serve the highly heterogeneous rural market of India. It might be in the organisation’s interest to vary the promotional campaigns or packaging across different territories to suit variations in tastes and preferences of consumers.

Implementation: Most experts agree that rural marketing is an implementation problem. Serving such a huge, widely scattered and highly heterogeneous territory could be a mammoth task for any organization. The retail channel plays a very significant role in providing the last mile connectivity with the rural consumers. The strategy to manage the rural retail channel is very important—not only from the planning point of view but also from the implementation perspective.
Rural marketing plans cannot be implemented with an urban mindset. Therefore, an organisation needs to make a comprehensive effort and ruralise its strategy in a real sense to make significant inroads in the rural market. Those organisations which make half-hearted and superfluous exertions to implement rural marketing plans, are likely to have limited success. To have a meaningful success in the rural market an organisation has to be as passionate in implementation as it is in planning.

The rural consumer is quite different from his urban counterpart on a good number of demographic variables. The differences are so significant that the rural market potential can be tapped effectively only by treating it as a distinct market. The differences in the rural consumer behaviour as compared to the urban buyer behaviour can be understood on the basis of the following parameters.

Need-based Buyer Behaviour: When compared to the Indian urban society, which is turning towards consumerism: the rural consumer is likely to remain driven by his needs first. He will therefore be cost-conscious and thrifty in his spending habits. The rural and urban consumers stand apart as two different markets as is evident from their current consumption baskets and their attitude towards essential and luxury items. In addition, although the evolution is towards a better lifestyle in both the markets, their rate of evolution is significantly different. The product offered to the rural market must serve a distinct need and should provide a solution to a long-standing problem. Such products are likely to find ready acceptance with the rural population.

Conscious Decision-making: The urban consumer may be an impulse buyer, but the rural consumer is more discerning because of income limitations. The rural consumer is very suspect of being fooled and does not make the decision very fast. Decision-making is conscious and deliberate among the rural community especially for the consumer durables. The type of product which a rural consumer intends to buy or has potential to buy depends upon his needs, purchasing capacity and his attitude towards the product category. It involves a
consciously performed cost-benefit analysis before deciding to purchase the product.

Value for Money: Although all the four Ps apply in the rural market, price is an important determining factor. Therefore, the challenge for the marketer in the hinterland is to develop the right product proposition and to ensure that it is available at those places where the rural consumer actually buys it.

Today sachets of shampoos, toothpastes, hair oils, and several other products are making it possible to tap the vast rural market. Companies came up with special rural packaging’s like Chic shampoo sachets @ Re 1, Parle G Tikki Packs @ Rs 2, customized TVs by LG, Shanti Amla Oil by Marico, etc. All these brought positive results for them.

The major factor differentiating the rural and urban markets is price-sensitiveness, which is the result of the age-old urban-rural divide. With relatively fewer earning opportunities and significant dependence on agriculture, the rural consumer behaviour is different from that of the urban consumer. On the one hand, the farmer's earnings are seasonal, linked with the harvest, which is once in six or four months; on the other, the rural daily-wager earns on daily basis in small amounts in comparison to monthly salaries earned by urbanites.

Promotion in the rural context has to be a bit like education where the benefits of products are highlighted and demonstrated so that the value-conscious rural consumer perceives he is getting value for his money. (Hawkins, 1998)

1.10 Different Lifestyle and Product Usage Environment
Consensus Decision Making: The urban buyer's behaviour is individual or at the most family-driven, whereas in rural areas the decision- making is a collective process. The rural buyer has to ensure social acceptance of his decision and the products he is purchasing. Therefore, he prefers consensus decisions. Parties involved in influencing or making a decision can be opinion leaders, retailers and family members.
If one customer has a bad experience then the marketer can presume that he has not only lost that customer but may be the whole village itself. On the other hand, with good experience the entire village can be won over with no additional promotional spending.

The rural buyers take a long time to decide on a particular brand, but once they are convinced, they are more brand loyal than their urban counterparts. That is why we have Nirma villages, Wheel villages, Escorts villages and M&M villages." It's an indication that the majority respects the consensus decision. (Al Rasheed, 2004)

Innate Resistance to Change: Sociological distinctiveness and innate resistance to change make the rural consumers suspicious of all change as they have a strong fear of ridicule from others. The rural people are wary of being fooled or laughed at. Therefore they try to avoid any type of unnecessary risk in their purchase behaviour. The urban consumer likes to try new things and appear different, whereas the rural consumer is happy with his conformance. (BALAJI, 1992)

The product-usage environment shapes the wants of consumers. Thus, solutions to the different needs of consumer are different in many cases for the urban and rural markets. And, understanding of this product use situation, which could be different in urban and rural settings, will unravel lot of opportunities for the marketer, but the lack of it will pose a serious challenge. Convenience and comfort may be the key requirement for the comfort seeking working couples in urban areas while making a purchase decision. But, these are not the requirements for the rural people who take pride in their hard work.

Different Perceptions with Regard to Marketing Stimuli: Culture influences the perceptions and behavior; therefore preferences for colour, size, shapes and taste lead to a situation where the same product/promotion is perceived differently in different socio-cultural settings. Behaviorally, if the urban consumer looks for light colors, the rural one goes for bold and primary colours. If cotton and denims are
the in-things in urban India, synthetics are favoured in the rural areas. Culturally, if red means trendy and danger in the urban areas, it is seen as associated with happiness and considered auspicious in the rural areas. (Aaker, 1992)

Brand Consciousness: The Bottom of the Pyramid (BoP) Market is brand-conscious too. The dominant assumption is that the poor are not brand conscious. On the contrary, the poor are quite brand conscious and along with that they are also extremely value conscious by necessity. (BATRA, 2004), (AJ, 1993)

1.11 Rural Marketing Related to Consumer Durables

Issues related to Marketing of Consumer Durables in Rural Market

Lesser Penetration: Despite the enhanced rural marketing focus of consumer durable companies since late 1990s and improvement in access to electricity, only about 26 per cent rural household have television sets, this figure was just 13 per cent in 1993 and less than 4 per cent have refrigerators, washing machines are owned by less than 1 per cent of rural homes and air coolers by about 2.5 per cent; possession of radio and transistor has increased to 67 per cent from 29 per cent in 1993.

As per National Council for Applied Economic Research (NCAER) study, urban families on an average owned at least three durables whereas rural families owned just one. There are many and varied reasons for this low penetration of consumer durables in rural India. Income is only one of the factors, but not the only one. As there are many infrastructural, socio-cultural issues, along with the fact that the lifestyle and the needs of rural market are very different from the one of the urban consumers.

The lower penetration of consumer durables in rural market signifies both the opportunities as well as challenges in the marketing of consumer durables in the rural areas.

Lack of Infrastructure: More than half of the rural houses had access to electricity for lighting whereas 46 per cent used kerosene. As per 58th round of
survey conducted between July-December 2002, NSSO has estimated that only 10 per cent of rural households had access to viewing channels beamed down by satellites on television.

Purchase Priorities:

Villagers very often feel that an investment of Rs 20,000 on a washing machine is not worthwhile as they can employ a maid to wash the clothes for Rs 200 per month. Besides, there are no other recurring charges such as electricity or repairs on hiring a maid. The same maid can do many more things with the same money. Again, a washing machine requires assured electric supply and piped water supply, which is a big

**Summary**

The majority of the sales of the consumer durables are happening in the urban centres but majority of the consumers are from the villages and even those living in the semi-urban centres have a rural mindset. Therefore, it is imperative for organisations to study the need profile and the consumer behaviour of the rural consumers and accordingly develop the marketing mix for a product meant for rural market. Instead of a marketing general, a developmental leader is needed who can involve and integrate different stakeholder in the marketing mix. This developmental approach is more likely to be successful in the rural markets. As rural markets are evolving and there are no frameworks to understand rural consumer behaviour, marketer needs to conduct thorough research to have consumer insight.

Instead of Ivory Tower approach, managers need to visit rural areas quite periodically to have the direct feel of the market in which an organisation is operating. The patchy once or twice a year promotional effort can only bring results to a limited extent. There also must be a shift in the marketing mindset of selling products made for urban areas to the rural population with urbane promotional campaigns. The focus needs to be changed from high value to high volume sales from "one size fits all" to creative thinking.
A strategic, committed and integrated approach to rural market can pay rich dividends. Therefore, there must not only be unwavering commitment from the CEO but the similar sentiment in the frontline sales staff that has to actually implement the vision.