CHAPTER 9

CONCLUSIONS AND SUGGESTIONS
9.1 Introduction

The study enabled the researcher to come to the following conclusions.

9.2 Attributes of rural Consumer

Since 75 percent of rural income is generated through agricultural operation, which is seasonal, but the demand pattern is continuous. The demand for essential commodity items will be during the peak crop harvesting and marketing seasons. This is the time at which the rural people have substantial cash inflow.

The development in markets, growth in rural incomes due to the government’s investment in rural development programs, and corporate responsibilities include the development of agriculture for rural areas. Such continued investments in the rural development programs will further strengthen and sustain the growth in the coming decades. The region wise specific consumer profiles to understand the characteristics of target market have to be developed.

There is a strong need to build reassurance and trust about product quality, service support, and company credentials in the minds of rural consumers, this is best done through the face-to-face, below the line, touch, feel, and talk modes.

9.3 Rural consumers market awareness

Increasing awareness about food, health and hygiene in the rural consumer promises well for packaged good and cosmetic manufacturers. Product awareness is very important for the marketer to induce a trial. Rural consumers visit high congregation areas like haats, fairs etc. where product awareness can be created. While marketing to the rural consumer, it is important that positioning of the essential commodity have to connect with the rural consumers’ social status appreciation, it should give them psychological satisfaction and should motivate them to continue with the same brand

Almost all the respondents were aware of the availability of the products. They preferred quality over price and believed it customary to visit town for making purchase for marriages and social functions for it will help them to have better choice though they
were not sure about the service part. They wanted to be very sure about such buying
decisions because it involves their social status and social norms.

The Government should act more vigorously to lay down standard for producing
mass consumption articles and strengthen the enforcement machinery responsible for
checking various malpractices like adulteration, short weight, charging arbitrary prices,
etc.

9.4 Rural consumers’ consumption Pattern

Consumption expenditure increased considerably in rural market. Many new
commodities found place in the consumption basket of rural people. Most of them
are nontraditional and belongs to commodity groups listed above. Thus there is
qualitative and quantitative change in rural consumption pattern. Though
expenditure went on increasing with declining trends, this leads to the conclusion
that consumption stabilizes at a specific level after initial increase.

9.5 Buying Behavior

Rural markets are delicately powerful. Certain adaptations are required to cater to
the rural masses; they have an unique expectation and it necessitates changes in all four
parameters of product, price, promotion and distribution.

Regular surveys and analytical studies on rural marketing should be conducted, so
that appropriate policy adjustments and refinements whenever necessary.

Introduce social marketing concept in rural marketing for bringing about a change
in the behaviour and attitude through social advertising and social communication.

The distribution process can be effective and efficient only when consumer
exercises, his wisdom, alertness, awareness in the process of buying consumer is the
king. Therefore, the consumer should be very alert and effective and then efficiency will
follow in good shopping.

Over use of credit purchase is lowering the purchasing power of rural consumers
because of higher prices and sometimes, interest on dues. Therefore, consumers as far as
possible should try to purchase goods for cash only.
Consumer shopping behavior should not be without guidance. They should insist on information with regard to the product, price, quality, quantity, etc. the consumers should not purchase off-brands and inferior quality goods.

9.6 Customization of Marketing Mix for Rural Market

Product, Price, Place and Promotion constitute the four Ps of marketing mix. The strategic decisions taken by marketers on these elements of the marketing mix decide the commercial fate of the brands involved. In the context of Indian rural marketing these marketing mix could become more effective.

9.6 A Product

The essential commodities for the rural markets have to be simpler, easy to use and serviced or maintained. The product literature if required; has to be simple enough for the rural customer to understand and as far as possible have illustrations with pictures. This will help in faster information, awareness diffusion of the product in the rural society. Rural customized Products - Instead of scaling down the features of products sold in urban markets, marketers should evolve into developing completely new products to suit the rural conditions.

Larger pack sizes are out of reach for rural consumers because of their price and usage habits. This method has been tested by other products like shampoos, biscuits, pickles, vicks five gram tins, etc. In the strategy of keeping the low priced packed the objective is to keep the price low so that the entire rural community can try. This may not be possible in all types of products, but wherever this can be resorted to, the market is bound to expand. Hence small unit size and low priced packing is suitable in rural market.

Product development

Products required or demanded by the rural folks must be made available in smaller retailer outlets in villages. A close observation of rural essential commodities items indicates the importance of redesigning or modifying the products. The manufacturing and marketing men can think in terms of new product designs specially meant for rural areas keeping their lifestyles in view. Sturdiness of a product either in
terms of weight or appearance is an important fact for rural consumers. The product meant for rural areas should be sturdy enough to stand rough handling and storage. People in rural areas like bright flashy colours such as red, blue, green etc., and feel that products with such colours are sturdy but they are more concerned with the utility of the item also.

**Branding**

Even though Amitabh Bachaan is number one Ad celebrity as per the rural consumer, it is suggested to have at least regional celebrity for brand development. The extensive network of postal and medical workers throughout the country can be used as an alternative vehicle for brand promotion in the rural areas.

The brand names of the products sold in rural markets should be easy to remember and pronounce.

The rural consumers are more concerned with the utility of the products. The brand name awareness in the rural areas is fairly high. A brand name and/or logo is very essential for rural consumers for it can be easily remembered.

**Creating brands for rural India**

It is emphasized on adapting the product and price in terms of packaging, flavoring, etc and in sachets, priced to suit the economic status of the rural India in sizes like Rs.5 packs and Re.1 packs that are perceived to be of value for money. This is a typical penetration strategy that promises to convert the first time customers to repeated customers.

The method of brand promotion needs to be tailored to suit the expectations of the market. Techniques that have proved to be successful are van campaigns, edutainment films, generating word of mouth publicity through opinion leaders, colorful wall paintings and weekly hats. The wide reach of television has exposed the other wise conservative audience to westernization. Panchayat televisions in villages carries messages that are well received and contribute to worlds the community development.
In order to reap the benefits of, the economies of the scale a rural marketer has to resort to bundling of inputs. ‘Bundling of Inputs’ is the process by which the marketer could provide a bundle of products to the retailer so that he can meet the requirements of the rural customer at one place.

Product life cycles (PLC) are becoming shorter and these are having their impact on company life cycles. Thus for any company desirable to develop its product portfolio, allegiance to the classic Principle of Partnership - Alliances - Linkages (PAL) is a basis for its survival.

**Packaging**

The product should be dispensable in single units. Reusable packaging is observed a major aid in promoting sales for products in the rural market. Product packaging needs to be functional and capable of dispensing smaller units of the product. Sachet packaging is one alternative which has to use by essential, convenience and consumable product manufacturers to penetrate rural markets. The package of the product should be strong and able to withstand the rough handling durability of product is of special interest of rural consumer.

**9.6 B Price**

The right price can be determined through pricing research and by adopting the test market techniques. A price policy is the ultimate answer of the firm to meet the recurring problems of pricing. It provides guidelines to the marketers to evolve appropriate pricing decisions.

The sale at rural market price is desirable under free competition as a traditional or customary price level exists. It is preferable as product differentiation through branding is minimum, buyers and sellers are well-informed, and we have a free market economy.

In the long run, the best pricing policy in a competitive market is the market based method of pricing. It is safer to follow the prices of important competitors who dominate the market. Such a price policy will prevent price war, and assure normal profits.

The seller should rely more on non-price factors to capture the consumer demand. With or without price competition, increasing emphasis is being given on the various
weapons of non-price competition.

The marketer can also consider indirect price competition when a seller offers certain benefits in the form of indirect price concession e.g., advertising allowance, free merchandising services, dealer training programme and so on.

Discounts and allowances or price concessions offered to traders or buyers in the form of deductions from the list price or from the amount of a bill or invoice. They are forms of indirect price competition.

Essential commodity goods sold in rural markets should be focused on pricing rather than brand building and positioning as done in urban markets. Price is the criteria for the purchasing decision, as it should be in their budget limits. Rural consumers are not guided by brands that have low functionality and high on image. The rural buyer is still unwilling to pay for value additions. Low price products will be more successful in rural areas because of low per capita income of majority rural consumers.

9.6 C Place

Rural marketers have to plan transactional marketing to relationship marketing is most evident in the village market. A strong bond needs to be created with every consumer even in the remotest village and the smallest town.

Direct distribution to village settlements less than specific population or number of retail outlets would not be viable. Yet for future payoffs, systematized distribution efforts are imperative to consolidate brand shares and monitor product movement in a high growth market segment. Marketer has to evaluate plans to cover the villages by vans and participation in that market. Differential development of infrastructure, divergent geoclimatic conditions and variations in location density of village settlements preclude the application of uniform approach across rural markets. Pockets of similarity need to be identified and strategies by determined in consonance with individual pockets. Further refinements would be necessitated by local conditions and unique improvements.

Efforts should be made to use the distribution channels more effectively to reach in the deeper pockets of the rural market. Thus availability of the product is very important as rural consumers are not loyal to one brand.
In terms of total reach the companies can gain significant competitive advantages as the rural market is highly fragmented and a brand needs to be on the shop shelf before it can be sold. Companies should also make sure that the prices of their products are not pushed up because of a channel of middlemen who are neither required nor add any value to the product.

To reach across a wide range in rural market, the marketers have to understand and unleash the power of the small entrepreneurs in and around village communities. They should make use of the individual’s entrepreneurial ability and get him to be an active part of the business model, rather than build a full-scale wholly-owned network.

A design framework for information technology based Rural Marketing Network to be developed for that purpose; a distribution system comprises of village-level shopkeeper, Mandal/ Taluka- level wholesaler or preferred dealer, distributor or stockiest at district level and company-owned depot or consignment distribution at state level. The presence of too many tiers in the distribution system increases the cost of distribution.

It is essential to formulate specific strategies for distribution in rural areas, the characteristics of the product, its shelf life and other factors have to be kept in mind. The distribution strategies that are specifically designed for rural areas are through co-operative societies, public distribution system, multi-purpose distribution centres, distribution up to feeder markets/mandi towns shanties/hat/jathras/melas, agricultural input dealers etc. Maintaining centralized depots for stocking the inventory at satellite villages reduces the retailing costs. There can be a cooperative effort on the part of manufacturers of consumer goods in rural areas in the matter of their distribution in terms of channels of distribution and physical distribution.

The entire size, design, image and layout should contribute to attain the retailing goals, layout of the shop, placement of the goods, the manner of display, the décor, the lighting arrangements, etc. should be made to suit the rural requirements.

Proper disclosure of the terms of credit and price information will go along way in building up confidence on the retailers and ultimately lead to good customer – retailer relationships.
Retailers should take step to minimize the amount of consumer dissatisfaction. They should solicit customer suggestion for improvements in products and service. Speedy and courteous redressal of customer complaints and grievances will create confidence of consumers in retailing.

They should run a school for educating retailers in the techniques of salesmanship and gathering market data relating to consumer needs and tastes and reactions at the retailers’ level. Manufacturers and traders should adopt a code of fair trade practices.

The malpractice of the rural retailers is the greatest constraints in the development of rural markets. Rural retailers should try to improve their fair business practices. They should insist that the products they purchase should be of a standard quality and producers offer guarantee to the customers.

**Channel of Distribution**

The retailers are the company's "unpaid" sales force. It is essential to educate and involve him as he is the local company representative and is the only member in the channel of distribution who is in direct contact with the final consumer. The dealers' feedback needs to be obtained as the directions for future strategy originate here.

Discount schemes should be targeted at retailers in rural markets as they are usually ineffective in interior markets.

**Reducing supply chain costs by reducing intermediaries** – Rural distribution chains have to set up systems for inventory management and quick servicing, thereby offering the opportunity for a company/supplier to reduce distribution cost by reducing intermediaries such as wholesalers/distributors and supplying directly to the warehouse of retailers.

To build volumes in rural market is need to invest in frequent distribution visits to rural villages, high cost make it unviable. The ‘distribution cost volume’ cycle requires substantial marketing efforts to reach the retail shelf. An entry into rural markets requires a long term perspective rather than a short-term gain; in other words, the cost is to be treated as investment and not expenditure.

The marketers may plan to deliver the product at the retailer’s doorstep; for the prompt acceptance retailers cost reduction. The average value of stocks per product
category in the villages is very less. The monthly off-take for packed products in feeder villages was only slightly higher than in interior villages. The marketer has to ensure that his product and brand is on the shelf as otherwise the competitor’s brand will occupy that space. This will require a combination of larger credit and servicing than of the competitor.

The marketers may build the rural distribution system through the van operators. The distribution cost in the initial year may be high because of low volumes, but this cost is to be treated as investment and not expenditure.

The village level co-operatives and other agencies can play an effective role in the distribution of commodities. Establishing linkages with financial agencies and other input sellers can help greatly as the bank credit plays an important role by making the purchase possible.

**Need for Rural Marketing Organisation**

There is a need of rural marketing needs collaboration. The traditional command/military structure must change at strategic, executive and operational decision-making levels. Most important is the need for a shift from a competitive to a collaborative culture and, for that, several market participants have to take this approach. New technological developments translate both the above insights into business models.

**9.6 D Promotion**

Promotional strategies should be according to the age group factor of buying decision in rural market. Use of NGO's in rural areas to educate customers about product benefits which establishes one to one communication channels. The promotional strategies of gathering, hats, jatras, melas and occasions are equally important. There is a need to explore local markets such as haats, weekly bazaars shandies, stalls and demonstration, melas, ets, and to improve them slowly in rural areas. In village haats, Jatra essential commodity goods should be promoted through product demonstration and samples. Point of purchase (POP) display that retailers heavily rely on pictorial presentation will prove very effective. It is essential that the sales representative of the manufacturers make regular visits to rural stores. The Radio and TV should devote time for talks and pictures on various consumer problems, consumer protection laws and
consumer education in goods.

Toiletries and cosmetic advertisements make various claims about the product they advertise. However, it was found that such claims are not genuine in toto. The product characteristics do not match with those mentioned in the advertisements. On the basis of age, sex and income there was a slight difference in reporting the product characteristics it is therefore suggested that the claims about the product should not be exaggerated.

For the improvement and development of rural marketing, a holistic approach aiming at the removal of all weak links of the marketing chain is essential. Marketing research programs should be oriented towards; developing an orderly and efficient marketing system.

They often tend to form the consumption basket only after a certain level of income the projection of consumption patterns suggests that the proportionate share of these items in the total budget would go up the scale with the total expenditure. Hence it is clear that the consumption patterns would tend to shift away from essential to semi – essential and non-essential items with increase in the household incomes.

Advertising

In rural market advertisers have to sense the potential of traditional folk media such as puppetry, dance and drama in presenting commercial messages in a non-commercial and interesting way. Characters and situations should weave into the storyline so that a brand message could be sneaked in. Familiarity with and enjoyment by the local people of such media have slowly leveraged by advertisers in various product categories. Magic shows can be added to these media, to project brand features. The above mentioned media offers the advantage of using local language and talent, so that receptivity and high interest levels.

Advertisement language and content must be according to the suitability of rural environment. Rural consumer environment must be understood before the creation of ad. Marketers may plan communication programme to draw children’s attention through various means like TV, Magazines, Stickers, etc.
The promotion strategies and distribution strategies are of paramount importance. Ad makers have to learn leverage the benefits of improved infrastructure and media reach. The television airs advertisements to lure rural masses, and they are sure it reaches the target audience, because rural markets possesses and is glued to TV sets.

**Media for rural marketing**

Rural marketing may use both kinds of media i.e. the traditional media as well as the modern media. The traditional media includes puppetry, drama, folk theatre e.g. tamsaha, nautanki, street plays, folk songs, wall paintings and proverbs. The marketer uses traditional media because it more accessible, personalized, familiar and carries a high potential for change. The modern media includes the print media, the television and the radio

**Mural Advertising**

Mural or outdoor advertising has long life. It has a general and wide appeal. It can attract attention of numerous people. It is good to remind prospects. An advertiser has ample scope to use his skill and art in advertising.

**Film Advertising**

Film advertisement has a wide appeal. It can overcome language barriers. Audio-visual (sound and sight) technique has maximum impact on audiences. Sound and sight both are employed for communicating our message. Repeat advertising is possible. However, both cost of production as well as cost of distribution of slides and films are quite high. Selective advertising is not possible. Effectiveness cannot be measured.

**Radio Advertisement**

Although radio uses only an audio (sound) signal; announcements can be made very quickly. It can secure dealer support. It has a very wide appeal. It is suitable even for illiterate people. Repeat message is quite common. Spoken word has greater impact than written word. With the entry of FM radio programme ranging from all-talk to Indian and Western Music, certain target markets can be easily approached.
Television Advertisement

The Television is a unique combination of vision, motion and sound. Products can be demonstrated and also described. Television combines all of the elements of communication—Illustration, Music, Spoken words, and written words. Marketers can have short commercials as well as sponsored programmes combining entertainment with advertisement. It represents typical combination of salesmanship and advertising.

Transit Advertising

Transit advertising consists of card advertising, which is located within buses, subways, railways and outside displays, which appear on the fronts, sides, and backs of buses or other public transport and at transportation terminals. Transit advertising is the lowest-cost media. It gives geographic selectivity and seasonal selectivity. It has high readership. It can reach pedestrians and traveling public. However, non-riders are not exposed to car-cards located inside the vehicle.

Promotional Strategy

Firms must be very careful in choosing the vehicle to be used for communication. Only 16% of the rural population has access to a vernacular newspaper. So, the audio visuals must be planned to convey the right message to the rural folk. The rich, traditional media forms like folk dances, puppet shows, etc., with which the rural consumers are familiar and comfortable, can be used for high impact product campaigns. The advertisement has to be done in the local languages. This gives a powerful impact on the minds of rural people. The marketer needs to first grab their heart share by inducing local elements and flavors to the product so that they have some emotional attachment to it, then their mind share by advertising in the local medium that is easily accessible, and ultimately, the market share by being available abundantly in the rural market so that a competitor finds it difficult to penetrate.

Communicating and changing quality perception

Companies are coming up with new technology and they are properly communicating it to the customer. Thus, this positioning of technology is very crucial. The perception of the rural about the desired product is changing. Now they know the difference between the products and the utilities derived out of it. As a rural customer
always wanted value for money with the changed perception, one can notice difference in current market scenario.

**Communication in local or regional 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.

**Target changing perception**

The villagers are constantly looking forward for new branded products. What can one infer from these incidents, is the paradigm changing and customer no longer price sensitive? Indian customer was never price sensitive, but they want value for money. They are ready to pay premium for the product if the product is offering some extra utility for the premium.

**Understanding cultural and social values**

Companies have to recognize 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.

**Providing what customer wants**

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 full fill their need.

**Sales Strategy**

Personal selling is also important in rural markets. But it doesn’t have to be through a flashy, flamboyant and aggressive sales person. Research shows that a simple but subtle salesman can deliver better results here. Hence many companies use local young boys and girls to sell the product.

The leadership challenges for rural marketing are radically different. Given the hardy lifestyle of those working in fields, a tough and energetic executive is required to handle the challenges of the job. He has to be action-oriented and capable of thinking on
his feet. The executive must be able to motivate people by emphasizing that they are
making a major difference to someone else.

Rural sales strategy should include hiring employees who genuinely like spending
time in the rural areas and who are comfortable with the local language. Marketers can
continuously assess all aspects of the business by interacting with people and their family
members personally, evaluating product choices for popularity, and keeping favorites on
the list so that the marketer rotates the pumping of products weekly and seasonally.

Operational talent requirements for rural market are different from that in non
rural markets. The sales staff has to have the passionate vision that will take his people
along with him; to convince them that they are making a difference is a challenging job.

The salesman in rural markets should be selected from the educated unemployed
villagers, trained well and appointed as salesmen. The town-to-villages shuttling
salesmen are to be replaced by stationary salesman in villages.

**Pricing**

The dynamics of rural markets differ from other market types, and similarly rural
marketing strategies are also significantly different from the marketing strategies aimed
at an urban or industrial consumer. Pricing strategies are very much linked to product
strategies. Some of these strategies are mentioned here.

1. Low cost/cheap products

   This is a common strategy being adopted widely by many manufacturing and
   marketing men. Price can be kept low by small unit packing.

2. Avoid sophisticated packing

   Simple package can be adopted which can bring down the cost as it is presently
   being done in the case of biscuits. Some innovation in packing technology is very
   necessary for rural markets.

3. Refill packs/reusable packaging

   Such measures have a significant impact on the rural market. By such technology
   also the price can be reduced. In addition the packaging material used should preferably
   lend itself for reuse in rural areas.
4. Application of value engineering

This is a technique which can be tried to evolve cheaper products by substituting the costly raw material with the cheaper one, without sacrificing the quality or functional efficiency of the product. This technique yields itself for application in many engineering or product designed areas so that the price can be kept at an affordable level. These areas have to be explored by manufacturing and marketing men in the context of rural markets. The pricing strategy for rural market will depend upon the scope for reducing the price of the product to suit the rural incomes and at the same time not compromising with the utility and sturdiness of the product.

**Impact of urban proximity on consumption pattern of rural people**

The urban proximity contributes in shaping consumption pattern of rural households. Urban proximity provides an opportunities to interact with urban people, broadens consumers outlook through exposure to modern living styles. Statistical evidences provided in relevant chapters shows that villages having urban proximity.

a. Recorded more expenditure on commodities under consideration, than other villages.
b. They were first to accept new product and new ideas.
c. They were keen to adopt living style akin to their urban neighbors.

Facts stated above lead to a conclusion that, urban proximity influences consumption pattern of rural people. In turn villages situated near urban centers may influence consumption pattern of villages in interior.

**Commodity wise consumption**

The change in an overall consumption pattern may be attributed to Consumption of new commodities, increased consumption of commodities already consumed as well as new commodities and Consumption of superior commodities.

As regard to packed food commodities, readymade chilly-powder, Milk are new entrants in consumption basket. Hygienic commodities entered rural household recently. Items like toilet soap and Washing Soap/ Detergent and Tooth paste/powder occupied stable position in a consumption list. And tendency to shift for better quality product was clearly seen. Cosmetic commodities are also entered very recently in rural market. Items like Snow/ cream, Face powder had also occupied stable position in households. And tendency to shift for superior product and high cost product was
seen. In the readymade garment commodities tendency to shift for high cost product was seen. The facts discussed above lead to a conclusion that consumption of the commodities under study has become a regular feature resulting in continued response to these commodities. Further, after initialization because of need and available substitute, it tends to stabilized and shift with superior quality products. With changes in economic condition of rural buyers’ change in consumption pattern may be a continuous process as mentioned above.

**Promotion strategies**

Mass media is a powerful medium of communication. It could be television, cinema, print media, radio and so on. The other means of mass media available are hoardings/wall paintings, hats/ melas, non-price competition, special campaigns etc. Besides these, other mass media like hand bills and booklets, posters, stickers, banners of the schemes etc.

For disseminating the information, related to convenience commodity, the government should circulate pamphlets either to panchayati raj office or to schools where it can be documented for the reference. Joint or co-operative promotion strategy involves participation between the rural marketing agencies and social group.

In making media decision, we have to consider the following factors 1. The financial allocation for advertising. 2. The nature of the product and the demand for it. 3. The type of prospects, their location and other characteristics. 4. The nature of competition and the extent of coverage required. 5. Cost of media, co-operation and promotional aids offered by media, media circulation. Right media of advertisement will enable the advertiser to deliver the message effectively to the intended markets or prospects.

Media, both traditional as well as the modern media, is used as a marketing strategy. Unique Selling Propositions (USP) involves presenting a theme with the product to attract the client to buy that particular product; which they display along with the products, to attract the target customer i.e. farmers.
Other Federal, State and Local Policies can be applied

1. Tax exemption to essential commodity items and using procedure for education about healthy food in rural market.
2. Eliminating advertising to protect rural culture within a certain distance from school.
3. Establishing media literacy and nutrition curricula.
4. Monitoring the media by establishing best practices guidelines for broadcast advertisement to rural markets.
5. The Government should encourage rural marketing by giving tax relief and providing Storage and warehousing facilities at concessional rates, keeping in view the higher costs of distributions in rural
6. The Government’s role lies primarily in developing the infrastructure of a network of roads in the rural areas, financing and technical assistance in setting up of retail outlets and distribution of consumer goods.
7. The Government ‘s role equally important in conducting rural market surveys, compilation of statistics and their publication for the benefit of industry, business and the public.

9.7 Direction for future research

Further research can be conducted on a single product while taking into consideration the more variables. At the same time study can be conducted by considering consumable durable products or Households electrical products.

This study is conducted only in Ahmednagar district of Maharashtra state in India. For comprehensive and detailed understanding of rural market, studies should be conducted at national level by taking larger sample size.

The success of a brand in the Indian rural market is as unpredictable as rain. Many brands, which should have been successful, have failed miserably. Therefore, marketers need to understand the social dynamics and attitude variations within each village though nationally it follows a consistent pattern.

As far as organisations are concerned, the key change to support business models serving rural India have to do with structural modification. Marketing organisation sketch parallels from the way networks changed the power of IT by facilitating decoupling
(storage, processing and display) and reconfiguring (by quickly mobilizing them when and where they are needed).

The enterprise architecture, through its core of specialised and scaleable knowledge in areas such as customer segmentation, distribution logistics, etc. must support the front-end rural customer service teams that are highly contextual and manage relationships. Another important organisational intervention lies in how the knowledge is managed. People and the databases must be networked to address customer needs effectively.

Corporate communication should be studied to develop means and media for simpler communication and had a regional flavor. The strategy to tap the rural market has to be more customised, simpler and based on one-to-one communication. One has to reach the doorstep of the rural consumer to educate him on brands. It is said that brand loyalty is higher in the rural customer. S/he might not be able to read but would ask Parle cha glucose biscuit dya or would recognise the pack by colour and steeps on it.

9.8 Guidelines for planning rural marketing

9.8. A. Market Segmentation

Rural market can be segmented using the concept of urban orientation i.e. the degree of which a rural consumer would like to replicate the urban lifestyle. The higher the urban orientation, the higher will be the requirements for goods and services consumed. Urban orientation will be influenced by connectivity and social links. Villages closer to the urban center will be higher on urban orientation as compared to far off villages.

Similarly, villages connected by public transport will be higher on urban orientation as compared to villages not connected by public transport.

Based on connectivity, villages can be divided into three groups-
  a. Close to the urban center.
  b. Villages connected by public transport.
  c. Remote

Social links are high when-
  a. High income.
  b. Many/Close relatives staying in cities.
  c. Children/next generations are in cities for education, service or business.
Table 9.1 Rural Market Segmentation by urban orientation

<table>
<thead>
<tr>
<th>Physical Connectivity</th>
<th>Villages connected by Local Transport Rickshaw, auto, city bus, Seat Rickshaw</th>
<th>Villages connected by Public Transport System (bus)</th>
<th>Not Connected by Public Transport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Links</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Super Premium goods (HIGHEST)</td>
<td>Premium and Value for money goods (HIGH)</td>
<td>Value for money goods (HIGH)</td>
</tr>
<tr>
<td>Medium</td>
<td>Premium and Value for money goods (HIGH)</td>
<td>Value for money goods (HIGH)</td>
<td>Duplicate/Substandard (LOW)</td>
</tr>
<tr>
<td>Low</td>
<td>Value for money goods (HIGH)</td>
<td>Duplicate/Substandard (LOW)</td>
<td>Not a Market (LOWEST)</td>
</tr>
</tbody>
</table>

9.8. B. Product Planning

Product Planning includes all activities involved in introduction of new products, improvement in existing product and elimination of unprofitable product. In a broader sense, it refers to a set of decisions regarding a product to be offered. Market characteristics and consumer characteristics guide product planning process. It is clear from the study that good potential is exist in rural market for commodities under consideration. It does not mean that grafting urban oriented policy on rural market will work.

The following guidelines may help product planning process-

1. Packed food commodities and hygienic products have gathered strong roots in rural market. Quantitative as well as qualitative shifts are occurring in respect of these products. Marketers interested in operating in rural area should consider these product lines on a priority basis.

2. Consumption of cosmetic is also increasing. Similarly, rural market is shifting in favor of readymade garments. But mostly these products are purchase in urban markets. It would be advisable to design products especially for rural buyers on the basis of their individual as well as social characteristic and design marketing strategy keeping in view that shopping is done in urban area.
3. Considering the purchase pattern,’ which has its origin in economics conditions and flow of income of majority of rural population, small packages capable of satisfying daily or weekly needs would be a strategy leading towards success.

4. Preference for national brands indicates brand awareness. However, level of literacy of rural people suggests that, brand names, symbols etc. familiar to the rural environment may work well. In that also appropriate use of symbols, colors, and number may lead to success. Brand awareness also implies that, systematic efforts on the part of regional manufacturer may help them in getting their brand established in rural market.

5. Women buyers are quality conscious. They attach importance to quality. Since most purchases are made by women’s, adjustment with quality is never advisable. Assurance and maintenance of quality may lead to loyal class of costumers.

6. As regards packaging, besides attractiveness and ease, in carrying concept of reusable packages would be additional points for successful operation in rural market.

**Strategies for Companies in Rural Marketing (to kill fake brands)**

Fake products create damage to leading companies' sales and brand image. Fake products also create problems to consumers on their health. Hence, leading companies’ brands that are worse affected by fake brands have to prevent their footage by adopting various strategies as discussed. The 4 P’s of the marketing mix have to be redesigned by the marketers in attracting and attacking the rural markets. When rural consumers come across such fake brands they also have to take the issue to the companies and/or legal authorities; such consumers’ awareness has to be developed in consumer.

**Product**- Without Pack size has to match the rural demand.

**Pricing**- As the rural consumers are bothered about economy pricing the leading companies can follow the strategy of "penetration pricing"

**Promotion**- Through ad campaigns, the companies can also create awareness among consumers regarding the evils of fake products. A portion of the ad budget can be allocated for retailers' margin
**Physical Distribution** - Sales professionals of the local region who have familiarity in the local (regional) language can be appointed to look after the sales of rural areas, so that they can easily converse with the retailers and can build goodwill.

**9.8. C. Pricing for rural markets**

A majority of potential buyers from rural areas represents low income group. Further, they are highly ‘price sensitive’ and firm believers in bargaining. Most purchases of commodities under consideration are made by women, who seek maximum return for the money they spend. These factors should guide pricing policies. In view of this a flexible approach, allowing psychological satisfaction resulting from ‘bargaining’ has to be an essential complement of pricing policy. Taking into consideration general characteristics of rural buyers, and their economic conditions, ‘Low-price-high-volume’ strategy is recommended.

**9.8. D. Distribution strategies**

Product, market and buyers’ characteristics affect distribution decisions— including physical distribution decisions. Scattered nature of villages, potential in individual village and villagers’ relations with rural retailers suggest distribution through middlemen. Nature of goods under consideration and purchase practices demand ‘intensive distribution strategy’ aiming at ‘purchasing products’ in rural market which can be conveniently done with the help of rural retailers. In view of this intensification of retail distribution channel is recommended for rural market. At the same time it must be remembered that success in rural market depends upon efficient physical distribution management. Unfavorable infrastructure acts as a major constraint in this connection. It would be advisable to adopt policy of ‘decentralization’ for efficient physical distribution management.

**Distribution Strategies for Rural Market**

**Delivery Vans**

Distribution is the key to penetrating rural markets. The firm has to deploy a mobile van for distribution. This is crucial because, today, a firm can no longer afford to wait for the rural buyer to come to the city to buy their requirements. Competition driving
firms have to reach out to the buyer. One single village can’t consume the entire van load of products the firm can derive economies by covering several villages in a single van cycle route.

One of the ways could be to use company delivery vans, which can serve two purposes it can take the products to the customers in every nook and corner of the market, and it also enables the firm to establish direct contact with them, and thereby facilitates sales promotion. However, only the big-wigs can adopt this channel. The companies with relatively fewer resources can go in for syndicated distribution where a tie-up between non-competitive marketers can be established to facilitate distribution.

**Joint Distribution by Non-Competing Companies**

Companies having lesser distribution reach in rural areas can collaborate with companies already having wide network in rural market. This type of tie-up can prove to be beneficial as one can reach to large number of retail outlets by utilising the network and the other one can earn better revenue. Also, this type of joint collaboration can help both companies to reduce distribution costs and can convert operation which seems to be unviable into financially viable operation.

**Distribution up to Feeder Towns/ Mandis**

Companies can cater to the needs of rural consumers by making their products available up to feeder towns or mandis. Feeder markets or mandis provide excellent scope for distribution of products. The rural consumers visit these towns at regular intervals not only for selling their agricultural produce but also to purchase all essential commodity products.

**Haats**

A large number of retailers also buy products from haats for their village stores. About 90% of sales on haats are on cash basis. The participation fees at haats are a flat Re. 1 to Rs. 5 per stall which is very low.

Targeting haats for distribution purpose can prove to be beneficial for companies. Companies can tap the rural consumers for all essential commodities, at these haats. Leading manufacturers are to introduce sachets in these haats to create a demand and then meet the demand in affordable packages.
Melas

Annual "melas" organized are quite popular and provide a very good platform for
distribution because people visit them to make several purchases. If marketing managers
use these feeder towns, they will easily be able to cover a large section of the rural
population. A large part of the visitors in these melas are women and children, which is
significant because rural women are restricted to leave village often. Melas are generally
used to high-priced items and new products launched.

Post and Telegraph Department Infrastructure

India has the largest postal network in the world with 1, 55,618 Post Offices at the
financial year ending 2003, including 1, 39,081 Post Offices in rural areas. Marketers can
use this postal network to make their products available to rural consumers.

Partnership with NGOs

A number of Non-Government Organisations (NGOs) are working in the rural
areas for the upliftment of rural people. They generally form personal level of
relationship with rural people. Marketers can effectively use this network for making the
products available to the rural consumers particularly for products which requires high
level of personal relationship and involvement.

Alternate Distribution Channels

Some alternate distribution channels that can be used by companies to make their
products available to rural consumers are -
The milk man who delivers milk to urban house-holds can be employed to sell products
when they return back to their respective villages.
Vegetable vendors, Paan-beedi shops and Telephone booths can be used as alternate
distribution channel.

Utilization of Women's Self-Help Groups

Women's Self Help Group (SHG) in rural villagers can be effectively used by
marketers for making their products available to villagers.

Channel Management

The manufactures can not open and manage all the retail outlets necessary to form
the forward links of the distribution chain right up to the village point because it is an
expensive population. He has no option but to tap the services of middle men. The
retailers are needed at the village level, the semi-wholesaler or authorized dealers at the block level, and the wholesaler or stockiest at the feeder town level.

The rural retailer is a dominant player to service the rural consumers. This can be achieved by a system to cover village shops. Thus the tasks before marketers

1. To ensure that the product reaches the rural retail outlet.
2. To motivate retailer to stock the product or the brand.
3. To ensure that sufficient stocks are available at the retailers end so that the needs of rural consumer fully met.
4. To understand the rural purchaser’s requirements.
5. To draw up a comprehensive profile of retailers.
6. To thoroughly study the retail system in channel management.

9.8. E. Retail Strategies

1. Rural retailers should pay closer attention to shoppers’ needs to remain competitive with larger markets. They need to do a better job of educating consumers on price, quality and service. Consumer education has to take place within the store itself.
2. Rural retailers market their products and improve customer service to prevent economic losses to larger stores and communities of urban market. Attention to quality and service also offers competitive advantages for smaller retailers.
3. Garments and clothing items people don't know what is available locally or what specific items a store might carry. Readymade garments and clothing items are continued to buy out of town regardless of local availability, retailers sometimes have to accept that they can't do, instead focus on their strengths. Those strengths are not always evident to consumers; so rural retailers need to be more aggressive in marketing those strengths. A small clothing store can't afford to make an investment in the inventory required to compete with larger retailers, but it can attract consumers with a clothing niche that emphasizes high quality and customer service
4. Rural retailers need to be more aggressive in marketing not just the products but also the convenience and service aspects of buying locally.
9.8. F. Promotional Strategies

It is observed that rural people believe more in ‘experience’ than ‘assurance’. They cannot be considered as ‘risk-takers’. Low level of education coupled with limited exposure to external world is some of the factors affecting Promotional Strategies for rural markets.

‘Advertising has a major role in developing rural markets as basic task is creating awareness. However, advertising strategy must reflect requirements of rural culture. 73% of respondents of different age groups are listening radio and see TV programme. The popular radio programmes are Aapali Aavad, Shotanchya Prashnanchi Uttare, Aapale shivae and all songs programme and TV programme Sahyadri Marathi News, Amachi mati Aamachi Manasa, Om Namah Shivai, Jay Hanuman and Chitrageet. They are not interested in advertisements. Many times they minimize, mute sound or close it as of radio well as TV because of vulgar ad. in between, vulgar for two reasons, one girls are used I the ads., second they are not at all culture based (there is cultural contradiction between the TV serial Om Namah Shivai, Jay Hanuman and ad like Liril soap and Lux Suprime.) Any communication through their culture will be easily acceptable because they can understand it well. Advertisement with rural culture and regional / local language would definitely attract audience. The entire respondent believed that the westernized style of communication is spoiling young generation and is responsible for stress and strain in their families.

In future print media may also be effective. Instead of solely depending on externally controlled media like radio or TV, it would be advisable to approach rural markets with the help of videos, Lok-naty, folk dances, fairs, weekly market, and exhibition and demonstration camp. Advertising message, contents, form, and presentation must reflect rural environment and use of rural language. Use of ‘opinion Leader’ and demonstration technique may create desired effect. Point of purchase is also worth trying.

In sum, rural markets are passing through the stage of transition. Changing economic, educational and social environment present a number of challenges coupled with considerable opportunities to innovative marketers. Adoption of ‘Development-oriented Marketing Strategies’ present a variable alternative to meet these challenges effectively.
Promotional Strategy for MNC’s in rural market

1. **Promoting products with Indian models and actors** MNC’s must pick up Indian models, actors for advertisements as this helps them to show themselves as an Indian company.

2. **Associating with India** MNCs have to associate themselves with India by talking about India, by explicitly saying that they are Indian.

3. **Promoting Indian sports team** MNCs can promote Indian sports teams so that they can associate themselves with India. With this, they influence Indian mindset.

4. **Talking about a normal Indian** Companies are to talk about normal India. It is a normal tendency of an Indian to try to associate him / her with the product. If he/she can visualize himself/herself with the product, he /she become loyal to it.