

Product Branding in Rural Markets : The Outline of Marketing

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ABSTRACT

A Hindi poet has rightly said, “Bharat mata gram vasini” which means Mother India lives in her villages. In country like India, where 70% of the people lives in rural area, the rural market holds a lot of marketing potential. There is a wide spread difference in the standard living between urban and rural India. In order to launch products and develop advertising for rural market there is a need to understand both the rural context and also the consumer very well. Promotion of brands in rural markets requires the special measures. Due to the social and backward condition the personal selling efforts have a challenging role to play in this regard. Good branding strikes a chord with viewers help them relate will the product and reflect their aspirations. The studies suggest that there has been extra ordinary growth in this sector and the trend is likely to continue over a period of tie as the market is in the very initial stages of the life cycle.

The purpose and objective of this paper is to find out the where the rural market does offer a vast untapped potential, it should also be recognized that it is not that easy to operate in the rural market because of several attendant problems. Rural marketing is thus time consuming affair and requires considerable investment in terms of evolving appropriate strategies with a view to tackle the problems.

Keywords: marketing potential, personal selling, word of mouth.

Branding strategies in rural place

(a) Rural Product Development

The rural market is a fast growing one and has a huge population with a great level of disposable income. To in cash this, products have to be specifically developed to meet the needs of rural markets. Sometimes, existing products might have to be modified to suit these markets too accordingly.

Rural product development has the strong edifice on a great deal of research like feasibility studies, rural aspiration, rural profiling and so on. This paves way for a great deal of infrastructure and expertise in this area.

(b) Rural branding

Rural branding bears quite different stand from urban branding. The first step towards rural branding is to research and gain insight into the working of rural markets. Based on this communication campaigns have to be developed with a lot of rural sensitivity. Rural branding is attained by way of opting to a greater percentage of local media and a smaller percentage of the mass media. Rural gatherings temple festivals, melas, cinema halls and so on can be used as ventures to promote brands.

(c) Rural market research

Rural markets behave most differently from urban markets. While many marketers have tried to market their products in rural areas, just a handful of the same only has succeeded. A strong insight into rural consumer behavior and sensitivity to their values and beliefs is essential; to upgrade the rural market rural market research encompasses not just gathering data but analyzing them and linking the findings to promote products.

(d) Rural communication campaigns

Communication for rural markets calls for a different kind of outlook. There must be a strong accent on helping the target relate to the message.

The entire communications and media strategy has to devise a system based on research findings .these have to be developed in the regional vernacular languages and set in the local culture for easier acceptance and reach. Unlike communication campaigns in urban areas that rely greatly on the mass media, the strategy will be of crying in the wilderness in rural areas. Besides mass and outdoor media, rural extravaganza like temple festivals, melas and other events where the villagers come together can be used for promotions.

(e) Rural events

In the rural contexts, one of the best ways to capture the attention of the audience is through Event- Management. Since rural areas have limited venues for entertainment, conducting an event in rural areas can bring a good response. A well-planned event can get the product the mileage that we want. Some of the interesting events that can be conducted are Road Shows, Melas, Street- Theatre, Film-Shows and so on. These make a visually strong impact and build long

term brand recall. Rural public are the target audience and hence the portfolio of event management has to be handled professionally with diligent care and broad prospective.

(f) Rural Direct Marketing Campaigns

Direct Marketing is one of the most powerful ways to meet the target on their turf and build product awareness as well as promotion. The success of any Direct Marketing, rural team has to be trained, to be sensitive to rural culture and beliefs. They can handle activities like door-to-door sampling, marketing and product promotion. These activities can also be carried out innovatively at places like local cinema halls, melas and festivals, in the midst of cross- cultural gatherings and conglomerations.

Realities before the Marketers

70% of India's population lives in 627000 villages in rural areas. 90% of the rural population is concentrated in villages with a population to less than 2000, with agriculture being the main business. This simply shows the great potentiality rural India has to bring the much needed volume- driven growth. This brings a boon in disguise for the FMCG Company who has already reached the plateau of their business urban India.

As per the National Council for Applied Economic Research (NCAER) study, there are in the urban areas. There are almost twice as many lower middle income households in the rural areas as in the urban areas. At the highest income level there are 2.3 million urban households as against 1.6 million households in rural areas. According to the NCAER projections, the number of middle and high- income households in rural India is expected to grow from 80 million to 111 million by 2007. In urban India, the same is expected to grow from 46 million to 59 million. Thus, the absolute size India is expected to be doubled that of urban India.

HUL chairman MS Banga says, "This exercise may not pay in the immediate future, but will definitely give long- term dividends. Incidentally, over 50 percent of the sales of HUL's fabric wash, personal wash and beverages are in rural areas. And we see a future in going rural in major way".

Industry's Role in Building Linkages

To make an effective market linkage, industries have to play as an engine of market, which can generate brand image of the rural products. This initiative of industries will also strengthen the backward and forward linkages of the rural market, besides, accelerating the innovations of the rural products. Definitely, these strategies will also a remarkable dividend to the industries and profit making companies. In micro level, it is observed that to create a sustainable market linkage for rural products, industries can develop an ecosystem of Self Help Group (SHGs) by involving the local communities through village level empowerment. It is nothing less than the next phase in the democratization of commerce. Under this paradigm, industries can create a network with viable marketing channels covering all the linkages from villages to the global level. This architecture provides the right value of procurement centre's and rural entrepreneurs can sell their products faster with better price realization. This model is also capable of generating a consumer business and an output business in a win-win scenario, where rural producers can get a wide marketing horizon and the industries shall get a new lower cost sales force.

Rural marketing challenges

- Poor infrastructure
- Non availability of shops
- High level of poverty
- Unemployment
- Poor literacy rate
- Poor media penetration
- Skeptical customers
- Rigid social customers

Rural marketing strategies

Rural marketing concept is a customer centric 'sense and response' philosophy. The following section deals with how MNCs and local companies have successfully established themselves in the market.

(1)Product Strategy

The rural consumer is very conscious about getting 'value for money'. Low price, high quality and multiple uses is basic principles rural product design.

(2) Price Strategy

Rural markets are low price high volume growth markets. The rural markets being intensely price- sensitive in comparison to urban markets, reaching at a lower cost is a major challenge.

(3)Promotion Strategy

The challenge is to create communication that would help the rural consumer in recognizing brands, logos visuals and colors. To effectively tap the rural markets, a brand must associate with their culture and personality.

(4)Distribution Strategy

Planning Physical distribution, managing logistics and controlling marketing communication are major impediments for entering rural markets. The distribution structure involves stock points in feeder towns to service these retail outlets at the village levels.

SUGGESTIONS

Best solution for enter into the rural markets, that is the company should start the production in rural areas. Then it is easy to distribute and also its increase the local spirit.

Tie up with public distribution system (Fair Price Shop). In our country, the public distribution system is fairly organized. The revamped PDS places more emphasis on reaching remote rural areas of hills and tribal. So FMCG companies collaborated with the PDS to utilize its well- established sales and distribution network in the rural markets. Develop rural shopping malls. Rural shopping malls act as a two- way supply chain. While selling goods to the farmers and also buy their farm produce.

Use a combination of wholesalers and retailers to penetrate every nook and corner of rural market.

CONCLUSIONS

Branding as a phenomenon is getting established in the rural market. But the response of consumers towards brands varies from one region to another, from developed to the developing and underdeveloped districts. Different age groups with different socio- economic profile approach the branding phenomenon very differently in the rural market across different products categories. But the basic underline for preference for brands in rural areas is the functional and not psychological benefit.

All companies usually claim that they provide the right product at the right place at right price with right kind of promotion. Yet there are differences in the opinions and beliefs of rural people. There is something missing in the marketing strategies of the companies while serving the rural markets. Otherwise, the results should have been more astonishing where the sales turnover or the balance sheet would have shown much more than what is presently achieved. Though, only few products were used by the consumers in this way, that use might be the result of the accidental or wrongfully application by the rural consumers. The marketer's planning about the product and the communication with the target customers should be perfect that produces the desired results. Thus it is important to understand the nature and behavior of the consumers and to communicate them through the right set of modes. It is only promotion that matter a lot for generation of sales at these levels.

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