

RURAL MARKETING COMMUNICATIONS - OPPORTUNITIES & CHALLENGES



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Abstract

Rural marketing is an essential and dominant part of Indian marketing system. As a result of increase in urbanization, the rural population declined from 72.18% in 2001 to 68.84% in 2011. Still rural market offers potential opportunities to marketers because substantial portion of population live in rural areas. Economic liberalization has brought about unprecedented economic boom in the country. The disposable incomes of rural consumers increased substantially during the last two decades.

The changing life styles and consumption pattern of rural people with increase in literacy levels and education and penetration of mass media have exposed rural India to the world. In a partnership summit organized by Confederation of Indian Industries (CII) in 2001, the management expert C.K.Prahalad (who proposed the concept of Fortune at the Bottom of the Pyramid popularly known as BOP model) exhorted the Indian corporate world to wake up and help create a consumer market in the rural areas. In order to tap this vast potential rural market, companies need to develop, inter alia, effective marketing communication strategies taking all the challenges into account. Marketing in its broader sense, includes the creation, pricing and distribution of products and services as well as communications.

Marketing communication mix in recent times has been playing the important role to promote goods and services. It essentially includes advertising, sales promotion, publicity and personal selling. The dynamics of rural marketing communications is worth studying. But the way the products are marketed ought to be different. Marketers always look for innovative ways to make their presence felt, but what could be the possible communication strategy to reach this huge market. The rural environment is different from the urban and therefore communication to potential customers in a proper and effective manner is a major challenge for corporate marketers.

The majority of advertisements designed by urban marketers is largely urban-oriented and extend themselves to rural areas without any consideration to values and sensitivities of rural consumers. The selection of media is vital to reach the rural audience. The advertisers have to use a wide variety of media to convey their messages to rural customers. In addition to mass media, the options available to advertisers include various manifestations of non-conventional media.

Keywords: Rural Marketing, Rural Marketing Communications, Media for Rural Marketing, Rural Advertising.

Introduction

The advent of economic liberalization has brought about unprecedented economic boom in the country. The face of rural India has changed ever since the introduction of economic reforms in the country in 1991. The disposable incomes of rural consumers increased substantially during the last two decades. The changing lifestyles and consumption pattern of rural people have witnessed a sea change. Consumption in rural India is growing faster than in urban India for the first time in two decades, a new report by Credit Rating Agency CRISIL Ltd said between 2009-10 and 2011-12, additional spending by rural India was Rs.3750 billion significantly higher than Rs.2994 billion residents of urban areas. A 2011 news report in the Financial Express based on a study by Rural Marketing Association of India (RMAI) highlighted that the rural market accounts for over two-thirds of India's population, 56 percent of its income and 33 percent of its savings. It also accounts for 53 percent for FMCG and 59 percent for consumer durables. As a result of these changes, rural markets have caught the attention of many corporate companies. Rural marketing has become the latest mantra of most corporate companies like Pepsi, Coca-Cola, Philips, HUL, Godrej, ITC, LG

Electronics, Colgate Palmolive, LIC, ICICI, Telecom and Auto Companies and many more. In a partnership summit organized by Confederation of Indian Industries (CII) in 2001, the management expert C.K.Prahalad (who proposed the concept of Fortune at the Bottom of the Pyramid popularly known as BOP model) exhorted the Indian corporate world to wake up and help create a consumer market in the rural areas.

The BOP model aims at providing new opportunities for marketers to bridge the economic and developmental divide between rural and urban India. It argues that in the process of marketing to the poor consumers of the world, marketers can make a profit too: a win-win situation for both marketers and consumers. The dynamics of rural marketing communications is worth studying. But the way the products are marketed ought to be different. Marketers always look for innovative ways to make their presence felt, but what could be the possible communication strategy to reach this huge market. The rural environment is different from the urban and therefore communication to potential customers in a proper and effective manner is major challenge for corporate marketers.

The majority of advertisements designed by urban marketers are largely urban oriented and extend themselves to rural areas without any consideration to values and sensitivities of rural consumers. The selection of media is vital to reach the rural audience. The advertisers have to use a wide variety of media to convey their messages to rural customers. Rural advertising goes beyond mass communication; advertisers have to unveil a complex mix of media forms to tackle the problem of how to reach the unreachable. In addition to mass media, the options available to advertisers include various manifestations of nonconventional media. In order to tap this vast potential rural market, companies need to develop, inter alia, effective marketing communication strategies taking all the challenges into account.

Marketing in its broader sense includes the creation, pricing and distribution of products and services as well as communications. Marketing Communications Mix in recent times has been playing the important role to promote goods and services. It essentially includes advertising, sales promotion, publicity and personal selling.

Objectives of the Study

The main aim of this article is to present various issues relating to marketing communications in the rural context.

However, the specific objectives of the study are:

1. To present the general communication platforms available for rural marketers.
2. To examine the issues relating to design of rural advertisement.
3. To analyse the strategies relating to rural positioning and rural segmentation of various products.
4. To evaluate different media available for rural marketers including the rural specific media.
5. To discuss about various opportunities and challenges in the Indian rural market context.

Communication Platforms in Rural Areas

A General Picture of Communication Platforms available for Rural Marketers

1. Advertising

- Newspaper and Magazines (though reach is low, secondary readership is common)
- Television Channels (Channels in the local language including cable TV and Doordarshan. Godrej brand No.1 preferring Govt. owned television network and All India Radio)
- Cinema (a favorite entertainment for rural folks in south India. HUL & Godrej uses this medium to promote their personal care products)
- Radio (the advent of FM Channels increases the scope to reach rural audience. Philips uses Radio to

<ul style="list-style-type: none"> drive its growth in rural areas) • Packaging (attractive colour, memorable logo, size and local language communication) • Poster, leaflet (pictorial demonstration of product use in local language) • Outdoor Print (Constantly remind the rural consumers about brand names and logos Ex: wall paintings, well paintings) • Point Of Purchase (POP) display • Mobile vans with projectors and video-on-wheels(HUL & Nippo batteries uses Cinema Vans to advertise their products) • Internet/Electronic Kiosks (ITC's e-choupal network, EID Parry's India) • Stickers on the hand pumps, walls of the wells, tin plates on the trees surrounding ponds (used by HLL for LUX, Lifebuoy, Rin, Wheel, the idea was to advertise at the point of consumption)
2. Sales Promotion <ul style="list-style-type: none"> • Price-Offs (HUL and Godrej introduced large no. of variants of their brands with low price specifically for rural markets) • Gift Schemes (very strong incentive for rural buyers) • Sampling (Small Sample Sachets of tooth paste, fairness cream, shampoo and talcum powder were handed over by HUL to 2 million households) • Rebates • Trade oriented Sales Promotions • Tie-in with other company products • Exchange offer-new for old (for example: agro machinery, consumer durables)
3. Publicity <ul style="list-style-type: none"> • Endorsement by leading rural luminaries • Speeches by socially respectable persons linked with companies (use of local idioms and lingo) • Sponsorships of rural sports events • Puppet Shows and Folk theatres • Demonstrations in Villages and Fairs (Asian Paints paint the village sarpanch house to demonstrate the colour of the paint) • Development of Road and other Infrastructure, Charitable programmes (Example: Bima Gram of LIC) • Rural Art Forms- Dance, Bhajans, Hari katha • Decorated Elephants, Bullocks, Buffalo and Camel carts • Magic Shows, Skits (Example: BBLIL uses these) • Circuses
4. Personal Communication <ul style="list-style-type: none"> • Presentation by Sales Person • Modes of Personal communication: • Door-to-door or village gathering specially arranged in a place in village (Marico uses door-to-door campaign to bring awareness about packed coconut oil) • Opinion leaders such as Panchayat heads, socially respectable persons in villages (the composition of opinion leaders is changed. The successful farmers for agro inputs, youth migrating to cities for education and employment have become opinion leaders for life style products) • Rural Self-Help Groups (SHGs), NGOs, Cooperatives, Post offices (HLL shakti project uses rural SHGs for selling HLL brands; Reckitt & Coleman uses NGOs to educate customers about product benefits) • Icon retailers influencing purchase • Company retail shop or branch office in rural hinterlands helps in brand building through trust and emotional bond • Pre and after sales service (customer care camps; company designated service providers; mobile service centers by Hero Honda).
5. Direct Marketing <ul style="list-style-type: none"> • Network Marketing (Example: Amway) • Interactive Communication (ITC e-choupal: LIC has a partnership with ITC e-choupal network for educating and selling insurance in rural markets.)

Design of Rural Advertisement

The rural advertisement should clearly state what the product is, its benefits, directions for use, purpose served etc. Rural customers relate brands with colours, logos and symbols. Use of

idioms, expressions, words in the rural accent in relation to product category would prove effective. For Ex: Escorts punch line *Shandar Sawari* and Coca-Cola's *Thanda Matlab Coca Cola* popularized the brands. The use of local icons and idols is appropriate in designing advertisement messages. Companies do well to use regional stars for regional languages or featuring religious festivals for more effective penetration of brands in rural areas. Advertisements touching the emotions of the rural folk would hit the sales. Education with entertainment is a good route to take when targeting rural audience.

Rural Positioning and Segmentation

Advertising in the rural areas is expensive as the villages are far flung, mostly inaccessible and the target audience is mostly illiterate. Hence the Ad strategy message and media differ with respect of positioning of the product and the segment targeted. In India, if the segmentation of population is done based on income, the very rich constitute nearly 6 million people, the consuming class about 150 million, the new market segment of climbers 275 million and the aspirants another 275 million. The trend here is an increase in population of the consuming class and climbers.

The ORG population breakdown indicates there are 3 different classes in the rural market as follows:

1. Class I population over 5,000
2. Class II population over 1000 and 5000 and
3. Class III population over below 1000

Mainly the consumer goods and durable product marketers today are targeting Class I villages for their products. The changes that the rural market has undergone are to be kept in mind while taking decisions regarding the communication strategy for rural markets. For example, in segmentation based on age, let us consider the rural youth in the villages. They no longer wear traditional Indian attire. Their dress code is made up of trousers, shirts and T-shirts. Jeans is another upcoming favourite. They prefer sober shades of color. The youth do not play marbles, gillidanda or kho-kho. Cricket is the craze of every age group. A large number of them consume cold drinks and chew gum (big babool and center fresh). Pepsi, Thums up, Coke and Miranda have replaced lassie and nimboo pani. Tooth paste is purchased by youth from local stationary more.

The traditional datun and tooth powder are replaced fast by Pepsodent and Colgate pastes. Brand choices for motor cycles and scooters depend on durability, speed, and style and fuel efficiency. Youngsters play a vital role in purchase decision of motor vehicles. The rural population also knows about the various brands of TV such as BPL, PHILIPS, ONIDA, AKAI etc. Hence if the marketers are to target this segment of rural youth his positioning of the product has to satisfy this brand savvy young consumer who is very much like his urban counterpart. Rural women are also playing vital role in purchasing decision of many consumer goods.

Rural Media

In the transmission of a message, the media plays an important role. The rural media can be broadly classified into two groups: non-conventional (personal) and conventional (impersonal or mass). Rural advertising goes beyond mass communication. Advertisers have to unveil a complex mix of media forms to tackle the problem of how to reach the unreachable. In addition to mass media (Television, radio and print), the options available to advertisers include various

manifestations of non-conventional media. In short, the media for rural advertising are diverse than urban advertising on both qualitative (information processing) and quantitative grounds.

Reach of Mass Media in Rural India-2012

	Urban (in Percent)	Rural (in Percent)	All India (in Percent)
Press	35	13	20
TV	82	45	57
Satellite	77	38	51
Radio	17	13	14
Cinema	5	2	3
Internet	10	2	4
All Media*	87	53	64
Estimated Individuals(Million)	290	611	901

*Press+ TV+ Satellite+ Radio+ Cinema

Source: *Indian Readership Survey, 2012*

- 1. Print Media:** The reach of the print medium is very low in rural India due to the high percentage of illiteracy. Kerala is only exception with over half the rural population (64%) exposed to press. Secondary readership is the common scene with household press subscription virtually non-existent. Newspapers subscribers are the banks, grocery shops or tea shops. A pattern of group readership is seen in banks, tea stalls and grocery shops. Usually one person reads while the rest listen and discuss. Readership of magazines is hardly found in the rural areas.
- 2. Radio:** Though the Radio is considered to be one of the cheapest mass media to reach masses, the reach of radio in rural areas is limited in recent times. However, the advent of FM channels has increased the scope for Radio to reach more villages in the years to come. Radio is being used by many consumer goods companies to promote their brands.
- 3. Television:** Rapid expansion of Television in the last decade has significantly increased the awareness levels regarding availability of convenience products to the rural customers. Since TV as a medium has greater reach (45 percent) in rural India, Advertising on TV gives maximum exposure to product/brand. This is being used by manufacturers of most of the FMCG products, consumer durables and even the agricultural inputs. The reach of cable and satellite channels to rural areas is significant. The rural consumers are exposed to a no. of TV channels especially the Regional language channels like ETV, Gemini TV etc. Film and film based programmes are the most preferred programmers in rural India. Godrej advertises its brands through cable TV channels in rural areas. The rural youth are exposed to cricket matches. The advertisements during cricket events also attract a significant no. of rural population.
- 4. Cinema:** Though Cinema is most popular among the rural masses of south India, It does not seem to dominate life in the rest of rural India. In Andhra Pradesh, Tamilnadu and Pondicherry, cinema seems to be an integral part of their life and is next only to TV. The frequency of cinema viewing is also high, 60 percent of the cinema going population do so at least once in a month. Cinema halls present an exciting audio visual media option for the rural market. Advertisements served before the movie starts and those during intervals are enjoyed by the rural population.
- 5. Publicity and Word-Of-Mouth Communication:** The advertisement campaigns should lead to some discussion among the villagers and this gives word-of-mouth publicity. Rural people

depend substantially on the recommendations and views of their friends, neighbors, relatives and retailers in deciding which product or brand to buy. An ideal advertisement should generate positive word-of-mouth publicity among the villagers. Opinion leaders are the key persons of the village like village Sarpanch, the Gram Sevek or other prominent villagers like school teacher or doctor. These people on account of urban exposure get information about urban products and brands and through their advice influence the village people to buy products. So these people should be taken into account to spread Ad message in villages. An 'appeal advertisement' aimed at the rural consumers can generate a lot of positive discussion about the product which increase the chances of a trial. The Ad for TVS 50 moped shows the vehicle, bouncing over rough roads moving easily through shallow, water bodies, carrying large, heavy loads, by educated village youth.

6. **Wall Paintings:** Traveling by train or bus through suburban and rural areas, one is sure to come across colorful paintings on walls of buildings, compound walls, railway staircases, tanks, flyovers, public walls etc. They advertise a whole lot of products from detergents, soft drinks, and biscuits to electronic goods like TV, Washing Machine, and Fridge etc. Wall paintings are important because they constantly remind rural people about name and logos. Dabur India has exploited this medium resulting in high coverage through wall paintings. HUL is promoting its new tooth paste to rural areas. The general characteristic of wall paintings is that they are loud and colorful increasing recall levels.
7. **Mobile Vans:** Mobile/Publicity vans fitted with audio-visual gadgets should be used to reach rural people especially people living in remote tribal and hilly areas. These vans help in delivering customized messages. A van can demonstrative a product, induce trial/sampling, do spot sales, and establish a direct contact and rapport with the consumer. A company can even run interactive games around a van. HUL had early success with video vans, which also doubled its video van and mobile retail outlets. GIC's Suraksha policy was promoted by sending vans and mobiles into the hinterland to the Taluka level. Recently, mobile companies using this medium as most appropriate to reach rural people. The companies like Airtel, Idea, and Vodafone are sending vans to the rural areas where the mobile network is available.

Rural Specific Media

1. **Melas:** Melas are a prominent feature of Indian rural life, held periodically or annually to commemorate important events or honour a deity. According to Research done by Indian Marketing Research Bureau (IMRB) around 25,000 melas are held in rural India every year and can last from anywhere between one day to 45 days. The Maha Khumb Mela at Allahabad which is held once in 12 years. FMCG and consumer durable companies compete for space in this mela. Melas can be classified on the basis of their nature into commodity fairs, cattle fairs, combination of the exhibition and religious fairs and on the basis of their periodicity. Melas work best for fast moving consumer goods, as buyers are more favorably disposed towards new brands of non-durables, especially like more women and children are present. An important aspect of mela is that it gives the opportunity for the company to demonstrate its products which gives great confidence to villagers to buy the products. The advantages of mixer-grinder, pressure cooker etc. can be demonstrated. The stalls are required to be richly, brightly, colorfully decorated with banners, Posters, dummies, danglers, mannequins etc, and attractive enough to pull maximum crowd especially women and children.

2. **Haats:** Haats are periodic markets and offer a major rural marketing infrastructure in India. In spite of the development of permanent shops, these temporary markets play a vital role in the rural economy. It is estimated that 47,000 haats are held annually. It is the oldest trading institution in existence. These markets provide an opportunity not only to sell consumer goods, but also to sell surplus agricultural and allied products. They play a vital role in the lives of villagers, as they provide a first contact point for villagers with markets, a means for distributing local products and exchanging rural surplus, an opportunity for buying daily necessities, supplies and equipment and a place for socio-political-cultural contact.
3. **Puppetry:** Puppetry is the indigenous theater of India. For long period it has been the most popular form and well-appreciated form of entertainment available to the village people. It is an inexpensive activity. The marketers use the puppets as a medium to express and communicate ideas, values and social messages. Thus in rural India puppetry is a source of livelihood, avenue for entertainment and creative expression which is ritually sacred and meaningful as a means of social communication and vehicle for social transformation. LIC of India used puppets to educate rural masses about life insurance. The number of inquiries at local life insurance companies during the period immediately following the performance was compared with normal frequency and found to be considerable high. The field staff of the corporation also reported a definite impact on the business.

Types of puppet theatre in India		
Place	Type	Content
Rajasthan	String puppets (or) Kathputtis	Heroic deeds of Vikramaditya, Prithviraj Chawhan, Amar Singh Rathore
Orissa	String puppets	Radhakrishna
Bengal	Road puppets	Mahabharat, Manas, Radhakrishna
South	String and Road puppets	Kath kali
	Shadow puppets	Ramayana

Source: Singh.S, Marketing Rural India, www.mediatreks.com/rural2.htm.

4. Folk Theatre

Folk theatres are mainly short and rhythmic in form. The simple tunes help in informing and educating the people in informal and interesting manner. It has been used as an effective medium for social protest against injustice, exploitation and oppression. Folk songs have been effectively used during results of Telangana and Naxalbari and nowadays its best exploiters are political parties. Govt. has used this media for popularizing improved variety of seeds, agricultural implements, fertilizer etc. BB LIL used magic shows quite effectively for launch of *Kadakchap* tea.

Folk Theatre/Song forms in India	
Place	Name of the folk form
Andhra Pradesh	Yakshaganam, Veedinatakam, Kuchipudi, Burrakatha
Assam	Ankiya nat, Kirtania natak, Ojapali
Bihar	Bidesia, Serikala chhau, Jatjati bidpada, Ramkelia
Gujarath	Bhavai
Haryana	Swang, Naqqal

Place	Name of the folk form
Himachal Pradesh	Kariyala, Bhaqat, Ras, Jhanki, Harnatra Haran or Harin
Jammu & Kashmir	Bhand Pathar or Bhand jashna, Vetal Dhamaji
Karnataka	Yakshaganam, sanata, Doddada-Bayalata, Talamaddale or Prasang, Dasorata, Radhna
Kerala	Kodiyattam, Mudiattam, Therayattam, Chavittu, natakam, Chakiyar kooth, Kathakali
Madhya Pradesh	Tamasha, Lalit Bharud, Goudha, Dashavatar
Orissa	Pala jatra, Daskathia, Chhau mayur bhanj, Manqal Ras, Sowang

Punjab	Nautanki, Naqaal, Swang
Rajasthan	Khyal, Rasdhari, Rammat, Turra kilangi, Gauri, Nautanki, Jhamatara
Tamilnadu	Therukuttu, Veedhinatakam, Bhagwat mela natakam, Kurvaanji, Paqal vasham, Kavadi chindu

Source: Singh. S, Marketing Rural India, www.mediatreks.com/rural2.htm.

Conclusion

The field of Rural Marketing has been witnessing lot of change during the last two decades with the entry of corporate giants and manufacturers of FMCG and Consumer Durables. Rural market is not just any emerging market. It is a market approximately 2.5 times the US population. The changing lifestyles and consumption pattern of rural people with the increase in literacy levels an education and penetration of mass media has exposed rural India to the world. On the other hand, increase in stiff competition and saturated urban market led the companies to search for new markets. Modern marketing calls for more than developing a good product, pricing it attractively and making it accessible to the consumers, companies must also communicate effectively to its target customers. Marketing communications in the rural context demands design of advertising message that suits the sensitivities of rural markets. Rural market environment is different from the urban and therefore communication to potential customers in a proper and effective manner is a major challenge for corporate companies. The selection of media is vital to reach rural audience. The advertisers have to use a wide variety of media both conventional and non-conventional to convey their messages.

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