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School of Business
Bachelor of Business Administration
Semester End Examination - May 2024

Duration : 180 Minutes
Max Marks : 100

Sem VI - D1UA605T - Rural Marketing

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Identify two products each in the successful and failed categories in rural markets, and discuss the factors that contributed to their success and failure. K3 (6)
- 2) An international processed food manufacturing company has come up with its new fortified products (biscuits and snacks) which it wants to promote in iron-deficient rural areas of India. Develop a communication plan for the company to help it to effectively communicate its message. K3 (9)
- 3) You are a consultant tasked with evaluating the role of non-governmental organizations (NGOs) in facilitating rural marketing initiatives. You have been hired by a government agency that aims to improve economic conditions in rural areas through various marketing efforts. As part of your assessment, Analyze how NGOs contribute to these initiatives and the impact of their involvement on rural communities. K4 (4)
- 4) Analyze the psychological factors influencing purchase decisions among rural consumers and propose marketing strategies for a local clothing brand. K4 (8)
- 5) A leading consumer goods company is seeking to enhance its understanding of rural consumers in India to better tailor its marketing strategies and product offerings. Analyze the effectiveness of focus group discussions conducted in rural settings, allowing researchers to gather insights directly from rural consumers in a group setting. K4 (8)
- 6) Suppose you are a consultant conducting a study on the role of mass media in influencing rural consumers' perceptions and preferences for Airtel services. Evaluate the effectiveness of different advertising methods in shaping consumer attitudes and behaviors towards Airtel products and offerings. K5 (10)
- 7) Evaluate the effectiveness of utilizing rural marketing intelligence to understand the buying behavior of rural consumers when purchasing agricultural machinery, and recommend strategies for a farm equipment dealership to enhance their market penetration in rural areas. K5 (10)

- 8) Innovations in the field of out-of-home (OOH) advertising are being witnessed year after year. The Indian consumer is bombarded with 100,000 advertisements a day displayed on more than 250 channels plus innumerable advertisements on billboards. A novel concept in outdoor advertising, the "adrick-shaw" was reported in 2009. Suyash Trivedi, a management graduate from Narsee Monjee Institute of Management Studies in Mumbai launched AdScoot, an OOH venture in Mumbai. As a result of interactions with entrepreneurs and marketing professionals, he came up with the idea of offering advertising space on two-wheeler scooters. So far, rickshaws were being used to carry backlit ad displays. The backlit flex displays of the size 24"X 48"X30" will be mounted on the scooters re-modelled to meet the specific requirements of the clients with the help of a bike-designing company. Riders wearing uniforms will not only distribute promotional material but, also interact with prospective buyers. The ad scooter is targeted at the small-and medium enterprise (SME) segment that has few cost effective advertising options available. The scooter can move easily from one locality to another, advertising products and distributing sample, even in rural areas. The scooters are monitored with the help of the global positioning systems (GPS) , fitted to the scooter. A beginning has been made by mainly targeting the rural markets in gujarat and maharashtra. According to mangesh borse, director ,Symbiosis Advertising , maintenance can be a big problem . The Ad display will be exposed to heat and dust and keeping it clean will be a tough challenges in rural areas connected by dusty roads . Another problem is related to creativity in advertisements .Raj Mohanty , senior business director , poster publicity , remember seeing ad scooters at an exhibition in china . He observed , In terms of display , ad scooters look promosing -though there is a need to rework the pricing of the media.His advice is based on theoptimistic view that rural india is growing at a great opportunities .pricing is critical to success beacuse a mobile van is available for Rs0.1 million for a month and an advertisiar will obviously go for a cheaper option .
- Q-1 Explain how the AdScoot advertising concept addresses the advertising needs of small and medium-sized enterprises (SMEs) compared to traditional out-of-home (OOH) advertising methods such as billboards and mobile vans.. (8 Marks)
- Q-2 Suggest the guideline for the usage of this media vehicle by SMEs .(7 Marks)

- 9) "Imagine you're a marketing executive tasked with conducting a thorough comparison of your company's newly launched instant noodles with the existing options available in the rural market of India. Q- (a) Develop a comprehensive evaluation framework to assess factors such as taste, packaging, pricing, distribution and brand perception? (6 marks)
- Q- (b)As per your understanding, develop a unique selling proposition (USP) that highlights your product's advantages as compared to other existing options. (6 marks)

10) "Liquefied Petroleum Gas (LPG) is marketed majorly by public sector undertakings (PSUs) in India. With nearly 60 per cent LPG penetration (NFHS survey 2005–06) in urban households, the companies necessarily needed new markets to grow. HP Gas, one of the PSUs, wanted to explore for new markets to grow. Rural markets were sighted as the new market since the LPG penetration was still around eight per cent in 2005. The company, through one of its research studies, found that there were certain challenges in the adoption of LPG by rural consumers:

- Due to lack of product awareness, many rural consumers perceived LPG to be unsafe and difficult to handle (by illiterate women). Food cooked on gas stove was thought to affect digestion.

The non-availability of LPG locally made it a difficult product to procure. The higher socio-economic consumer segments, which owned LPG as one of their multiple cooking mediums, used it more as an emergency cooking medium so that the LPG cylinder lasted longer.

- The purchase of the product necessarily included the purchase of a stove, a gas regulator, and an installation fee (under safety guidelines), making the total acquisition cost of the product around INR 1,600 and hence less affordable. The cost of refilling the cylinder was INR 270, which was a recurring cost.

The product acceptability was low as consumers found it difficult to change their habit of cooking on the floor. LPG cooking required a raised platform for cooking. Strategies were developed to remedy the 4As of the marketing mix. To address the affordability issue, HP Gas introduced a new product, a 5-kg cylinder at INR 95 for a refill and an initial connection cost of INR 800. Simultaneously, company dealers were advised to open extension counters in larger villages to make the product available closer to the villagers and the new product was promoted in haats to create awareness. To improve product acceptability and lower the cost of access and use of LPG, HP Gas and MART co-created an innovative product concept of a community kitchen—Rasoi Ghar, where rural women could experience the benefits of safe, clean and convenient cooking on LPG without having to invest in a new LPG connection. Rasoi Ghars were set up in participation with the village panchayat, HP Gas and the women self-help groups (low-income consumer segment) that managed the facility. The panchayat donated a small room accessible to the socially and economically backward classes, HPCL contributed gas stoves, LPG cylinders and cooking utensils and the SHG appointed a woman caretaker. The product idea was to introduce rural households to this clean, efficient alternate fuel to firewood and expand its usage. Women brought their raw material, cooked on the gas stove and took back the cooked food, paying a small fee of INR 2. The money collected was used to refill cylinders and pay an honorarium to the

caretaker. Thus, this new product concept became a huge success in more than 1,600 villages across four states where it was rolled out and implemented. As women understood the safety aspects of LPG, they got hooked to easy looking. SHGs also set up 'kitty' schemes to help women acquire their own 5-kg LPG cylinders. HPCL uproots its fixed assets and moves to the next village once all the women switch from firewood to LPG.

Q-1 Discuss two innovative product development ideas for the next generation of improved cookstoves, keeping in mind user needs, affordability, acceptability, and potential for market adaptation in rural contexts. (6 Marks)

Q-2 What challenges did HPCL face in getting rural women to adopt LPG? (6 Marks)

Q-3 What were the key success factors that brought about the desired behaviour change ? How did HPCL benefit from this model ? (6 Marks)