

THE COMPLETE MAGAZINE FOR MARKETING COMMUNICATION PROFESSIONALS

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♦♦



photofeature
**WHEN IMAGES
COMES ALIVE**
♦♦

rural marketing
RUSTIC REALITY
♦♦

database marketing
A SHARP FOCUS
♦♦

USP | **AGE**

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The Great Car Race Who Will Win ?



RUSTIC REALITY

Don't believe everything you hear about rural markets — many are myths

A rural market is a complex thing. The government of India defines only an urban area — one that has a minimum population of 5,000 people and density of at least 400 people per square km.

At least 75 per cent of its male working population is involved in non-agricultural activity and there is a municipal body or military cantonment. For most marketers "rural starts when distribution ends". And to top it, what is rural for FMCG may not be rural for consumer durables.

Myth There is an urban-rural divide

REALITY From a marketer's perspective the urban-rural divide is melting away. With the advancement of transport and communications, mobility has increased. Increased interaction, interchange and intermigration between rural and urban folk are contributing to a common culture.



Myth Rural consumers are laggards

REALITY Every product that is successful in cities might not take off in villages. But this does not mean villagers are laggards. The fact is that Indian villagers are innovative and leaders too, though in areas of their interest or concern. The famous Banarasi saris made headlines recently because the weavers, those finely skilled men of Varanasi who produce the delicate silk fabric, were featured in the US and Europe. That's because they discovered they could use condoms to lubricate bobbins on their handlooms — it made the threads move more smoothly between bobbins and increased output.



Myth Smaller the better

Many rural buyers tend to have little stock of money, only a flow. Consequently they tend to buy goods only to meet their daily needs and have little capacity to build inventory.

REALITY Villagers buy in small quantities because they do not have the capacity to store much food. Colgate wisely capped its sachets as well as larger sized toothpaste tubes. One needs to understand the buyer.



Myth Bigger the better. Rural buyers like heavy products

REALITY The *choolah* or stove that villager's use is made of mud and fashioned by hand. Wood and cow dung are used as fuel. The units are larger than normal so that they can accommodate large utensils.



Myth Rural people buy low-priced products, which accounts for the success of brands such as Nirma

REALITY Indian villagers are known to use mobile phones. The only condition for a product to succeed with village dwellers is that it must suit their culture. It must offer value for money. The product must also prove to be easy to use. The use of a cellular phone calls neither for a woman to go out of her house nor for a villager to have to spend money. The caller pays. At the same time there is no dependence on a landline.



Myth One family one brand. Marketers often see rural households as being homogenous in consumption

REALITY Rural households are not homogenous. A family would be willing to try new brands if they do not cost too much.



Myth Rural consumers will take what is given to them. Marketers often believe if they have solid sales in rural areas then they are secure
REALITY Nirma did it to Surf and then Ghadi did a Nirma to Nirma



Myth Villagers are not quality conscious
REALITY They prefer to buy branded packaged product even if it is local compared to open packaging.



Myth Villagers are uncomfortable with technology
REALITY In Punjab villagers use washing machines to make lassi and lack of power points for mosquito repellent was overcome by heating the repellent mat over a bulb.



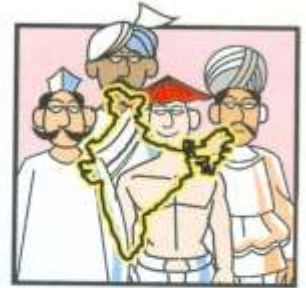
Myth Rural folk do not know what they want
REALITY Ever heard of the kittanal? It's a hollow PVC tube, 75mm in diameter and less than a foot long, with one end slightly broadened and the other end cut at 45 degrees to its axis. This is used to scoop and fill soil in small polythene bags for planting saplings in nurseries. It's a simple object based on a simple idea, and is our genius.



But what's so special about it? Kittanal was devised by Khimjibhai Kanadia from Gadha village in Gujarat's Sabarkantha district after observing the slow and labourious process of filling plastic bags with soil. Besides a slow turnover, it meant lower wages for workers since they were paid on a piece rate basis. The kittanal (cost Rs15) has been a boon to thousands of rural workers. It has increased productivity by 2,000 per cent because the bags can now be filled with just a single scoop.

An IIM class was asked to design an easy-to-make and cost effective solution to a problem of nursery workers. The students, most of who were from IITs, were stumped. They could not match the kittanal for sheer simplicity.

Myth Land holding is an indicator of income
REALITY In urban areas consumers are often grouped based on income, which helps to target certain income groups. But the same cannot be said of rural areas, where the mere size of a landholding may not accurately indicate income. A farmer in Punjab or Haryana with one or two acres of land will be better off than a farmer in Rajasthan with 20 acres of land.



Myth Rural markets consist of human beings only
REALITY In villages cattle are considered part of a household. Buffaloes are coated with hair dye to make them more presentable, balms are rubbed on cattle after a hard day's work to relieve them of muscular pain and horns are painted for identification.



Myth Internet technology cannot be used in rural markets Interrupted power supply, poor access to information and insufficient knowledge to use a computer and the Internet pose significant barriers.
REALITY ITC solved each difficulty independently. Solar panels ensured adequate power supply, VSAT fixed Internet connections and users were trained along with the custodian of computers. The rest is history. One needs to understand that the Internet is a medium, not a message or a method.



Myth One can understand rural markets by writing or reading about them
REALITY Interrupted power supply, poor access to information and insufficient knowledge to use a computer and the Internet pose significant barriers.



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