Rural Marketing (MK 226)

RURAL MARKETING
The discovery of an eighth of the world’s population as potential consumers by the organized sector is a recent one. With such a large untapped market potential, the rural marketer has to make a difficult choice from various decision making alternatives.

This course on Rural Marketing introduces students to the challenges and the opportunities of Rural Markets through exploring various issues that face these markets. There are three such challenges that needs to be understood in order to devise functional as well as overall business strategies.

The first of these is the challenge of reach – markets in rural India are small and scattered, making them inaccessible, unviable, or both. But this problem is not new, and many companies let it hamper them unduly even as others overcome it with innovation.

The next challenge is to ensure that consumers are aware of and want your brand. Large parts of rural India remain media-dark, and low literacy rates and the poor infrastructure are a limiting factor. But once again it is important to safeguard against an obsession with reach over content. Economic and technological progress is making it easier to communicate with a rural audience. The challenge is to communicate the right message – to engage with and understand rural consumers, their shopping and consumption behavior, and to develop communication that connects with them.

The third and by far the biggest challenge in rural marketing is that of influence. Across product categories, rural penetration and awareness remain low. Often, marketers need to build not just their brands but also the entire category. And the need is not just to reach or communicate but to actually influence consumption and buying behavior.

The course intends to focus on the following issues:

- Highlighting critical issues in rural markets
- Providing options for marketers
- Developing insights into the behavior of the rural consumer
- Understanding rural institutions of retailers, haats and melas (rural markets and fairs); and emerging rural retail
- Addressing these issues using insights into consumer behavior and rural institutions.

The objective of the course is to familiarize students to appreciate the difficulties of rural markets and be able to analyze strategic issues facing these markets.
Pre-requisites for the course

- Understanding of basic marketing and marketing strategy
- Macroeconomies
- Supply Chain Management

Session Details

1. Introduction to Rural Marketing
   a. Rural Marketing – Opportunities and Challenges
      Reading: Chapter 1 from the Textbook
   b. Rural Economic and Marketing Environment
      Reading:
      1. Chapter 2 from the Textbook
      2. “Fortune at the Bottom of the Pyramid” by C. K. Prahlad – in the handout.
      3. Changing Structure of the Rural Economy: Beyond Agriculture by Rama Bijapurkar (Pg: 226 – 229) from the handout

2. The Rural Consumer
   a. Unmasking the Real India
      Reading: Chapter 4 from the Textbook
   b. How India Earns, Spends and Saves by Rajesh Shukla – NCAER Publication, from the handout
      Reading and discussion: from the handout

3. Targeting, Segmenting and Positioning in Rural Markets
   Reading
   1. Chapter 6 from the Textbook
   2. From Market Segments to Strategic Segments by Nirmalya Kumar (pg: 27 – 54) from the handout
   3. Case Study: ICI Fertilizers – Strategic Segmentation from the handout

4. Product Strategy for Rural Marketing
   Reading:
   Chapter 7 from the Textbook
   “From Selling Products to Providing Solutions” by Nirmalya Kumar (pg: 55 – 86) from the handout

5. Rural Distribution Strategy and Evaluation
Reading:

a. Chapter 9 from the Textbook
   “From Declining to Growing Distribution Channels” by Nirmalya Kumar
   (pg: 87 - 114) from the handout

b. “Rethinking Rural Distribution” by Dr. Rakesh Singh in The Journal of Supply Chain Management Emerald, in the handout

Case Study:
   a. Mahindra Shubhlab Ltd. By Dr. Rakesh Singh and Prashant Mishra
   b. HLL Project Shakti
   c. Hariyali Kisan Kendra

6. Issues in Rural Supply Chain and its implication in marketing strategy
   An overview of existing distribution channel and evaluation of complexities
   Case Study: Rallis distribution system by Dr. V. N. Patankkar and Dr. Rakesh Singh, NMIMS Monograph, in the handout

7. Researching and Forecasting Rural Markets
   Reading:
      a. Chapter 5 from the Textbook
      b. Operational forecasting for Rural Markets
   Case Study: Operational cost cutting exercises of HLL and Jan Irrigation by Dr. V. N. Patankkar and Dr. Rakesh Singh, NMIMS Monograph # 2, in the handout

8. Pricing Strategy in Rural Markets
   A comparison of various marketing initiatives and their pricing
   Reading: Chapter 8 from the Textbook

   Reading: “Rural Marketing” by Sanal Kumar Velayudhan, in the handout
   Case Study: Communication asymmetry in Rural Markets by M.V. Rajan, Anugraha Madison, Working paper

10. A Competitive Strategy for Rural Markets
    Reading: Rural Marketing” by Sanal Kumar Velayudhan, in the handout
    Case Study: A comparison of rural retail initiatives like ITC e-Chaupal, Hariyali Kisan Bazar and Tata Kisan Sansar

**Recommended Textbook**: The Rural Marketing Book by Pradeep Kashyap & Siddhartha Raut
Reference Books:
1. Rural Marketing by Sanal Kumar Velayudhan
2. Marketing as Strategy by Nirmalya Kumar
3. We are like that only – Understanding the Logic of Consumer India by Rama Bijapurkar
4. How India Earns, Spends and Saves - Unmasking the Real India by Rajesh Shukla

Course Requirements:

Students are requested to come prepared with the reading material and the cases. Whenever there is a submission required for the case study, it must be done on time. No late submission would be accepted. Attendance is compulsory in the class as there will be continuous evaluation throughout the course period.

Evaluation

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<tr>
<th>Description</th>
<th>Allocation</th>
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<tbody>
<tr>
<td>Project Work</td>
<td>30%</td>
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<td>Each group has to take up an initiative in Rural India, analyse it and submit it as a term paper. All the rules of ethical practices in research have to be followed. Any group violating this will be disqualified from the course.</td>
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<tr>
<td>Case Study and presentation</td>
<td>30%</td>
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<tr>
<td>Final End Term Examination</td>
<td>40%</td>
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Instructor: Dr. Rakesh Singh

Dr. Rakesh Singh is the Director of Durgadevi Saraf Institute of Management Studies. Prior to joining DSIMS, he was Dean of School of Economics at NMIMS University and Director of Union Bank Center for Banking Excellence at Great Lakes Institute of Management. He is also the Founder and Chairman of Institute of Supply Chain Management, Mumbai. He has worked with reputed institutions like Great Lakes Institute of Management-Chennai, NMIMS, SPJIMR, IGIIDR, MBS, The Economists and SPJCM Singapore.

Dr. Singh is a Gold Medalist in MA (Economics) and winner of coveted Asha L. Datar gold medal from University of Mumbai. He earned his Ph.D. in Supply Chain Management from University of North Gujarat. Dr. Singh specializes in Supply Chain Management, Business Forecasting and Economics of Strategy.

He was responsible for setting up the ‘Union Bank’ Centre for Banking Excellence at Great Lakes Institute of Management. At NMIMS, he was pioneer in starting Post
Graduate program in family business and first executive MBA program in the city of Mumbai. He also was the Founder Director of Executive MBA program at Great Lakes Institute of Management. At NMIMS, he was founding Dean, School of Economics and successfully launched B.Sc. Economics program.

Dr. Singh has widely published in both national and international journals. He is on the editorial board of numerous academic journals. He writes a column in Log India and is a frequent contributor to national dailies.

Dr. Singh’s Training and Consulting assignments are with Government of Uttar Pradesh, Syngenta, Sical Logistics, Nivea and many others. He speaks at public forums regularly organized by CII, FICCI and Marcus Evans. He was invited as Indian Keynote speaker at Global Investment Conference, Canada, organized by Rogers Publishing and Sauder School of Business. He is a visiting faculty with Athens University of Economics and Business, SPJCM Singapore, IIM Kolkata and MANAGE. He lectures at Singapore Economic Development Board regularly.

Dr. Singh is passionate about rural India and most of his research is geared towards this sector of the economy.

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