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1. Discuss ten place strategies for rural marketing.

Given below are the strategies to ensure effective distribution for the rural areas:

* Segmentation:

Number of villages in India is large and it is not viable to contact and serve all the villages directly. Therefore, companies or distributors can carefully examine the market potential of different villages and target the villages that can be severed in a financially viable manner through an organised distribution effort.

* Coverage of villages with population of 2000m and above:

By organising distribution up to third level, the percentage of villages covered, comes to only 10% of all the villages, but the rural population covered will be substantial, to the extent of about 40-45%. With the distribution network in about 55,000 villages, which has a population of 2000 persons and above each, one can cover about 25 crores rural consumers. This strategy is good to begin with then subsequently, villages with lesser populations can be added in phrases.

* Distribution up to Feeder Markets/Mandi Towns:

The rural consumers visit these towns at regular intervals, not only for selling their agriculture product but also for purpose of cloth, jewellery, hardware, radios, torch cells and other durables and consumer products.

* Joint Distribution by Non-competing companies:

Different non-competing companies can come together to jointly operate distribution vans for the rural market. This will enable them to share the cost of operating the vans and so on account of the sharing of the cost by four or five companies, the entire operation can become financially viable for all the players.

* Direct Contact with Rural Retail:

Along with the efforts of wholesaler and dealers, companies need to have “direct points of contact” with retailers and sub-retailers in the rural areas if they want to have a string network. There is no substitute for stretching direct communication to the village level.

* Shandies/Hoats:

These are the places where the rural consumers congregate periodically. The distributors in the area can utilise mobile traders to sell the products in hoats and shandies.

* Use of Cooperative societies:

There is at least one cooperative society of one form or the other, for every two to three villages. These societies are linked with higher-level societies at the ***taluk***, district or state level. An agreement can be reached by the corporate sector with these cooperatives, for centralised procurement and distribution through their respective state level federations.

* Utilisation of Public Distribution System:

The companies can use the PDS to make their products available in remote villages, which are difficult or unviable to reach otherwise.

* Personal selling network:

It is another very successful distribution channel being developed by companies HLL. It adds a personal touch to the marketing, as the salesman is residents of the village or community itself, making it easier to sell the product and maximise sales for the company.

* E-marketing:

Information technology provides an excellent opportunity to establish direct contact with the rural consumer.

1. Discuss five pricing and five promotional strategies for rural marketing.

Given below are some of the pricing and some of the promotional strategies for rural strategies:

1. Price strategy:
2. Large volume-low price strategy:

This strategy of reducing prices by reducing, the package size in order to make it appear more affordable is delivering very good results for a large number of FMCG production categories in the rural market of India.

1. Low cost value for value for money product:

These follows from the production strategy, the price can be kept low by smaller packaging or re-engineering. No frill function products at a low cost are perceived to have better.

1. Ensuring price compromise:

Rural retailers most of the time change more of the time change more than the MRP. The manufacture has to ensure price compliance either through promotional campaign or by ensuring the availability of products in the retail outlets directly.

1. Rapid or slow penetration strategy:

Marketers have to focus on generating large volumes and not big profit margins on individual products. If they price their product at a level which can lead to good volume

then they can still generate good return on capital employ.

1. Promotional strategy:
2. Mandis:

These are agricultural markets known by different names as terminal markets, primary or secondary wholesale market and are set up by the state government to procure agriculture produce from farmers.

1. Haats:

This is the country’s oldest tradition that holds the key to solve the promotion problems of the corporate world. Rural people have evolved this selling and communication which have served them well for centuries.

1. Swang:

It is an outdoor media requiring no stage and loudspeaker which is popular in Haryana.

1. Schools:

Young children are emerging as the change urgent in rural areas. Organisations like HLL and Colgate are targeting the schools. They are not only educating them about the product benefits but are also demonstrating the benefits offered by their brands.

1. Melas:

They provide a platform for communication with rural masses. Organisations have an opportunity to present brand stories and exposures can be provided at a low cost par contact and relatively larger retention time.