

**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**POST GRADUATE DIPLOMA IN MANAGEMENT**

**SIXTH TRIMESTER (Batch 2019-21)**

**END TERM EXAMINATIONS**

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| Course Name | Rural Marketing | Course Code | MKT603 |
| Max. Time | 2 hours | Max. Marks | 40 |

Instructions: All the questions are compulsory

1. Prestige, India’s leading pressure cooker brand, over the last few years was faced with the problem of stagnant sales and reduced realizations. Urban markets were getting saturated. Prestige Popular, in larger sizes, was launched in 1999, and since then the sales were on the decline. However, rural markets were growing at almost five times the growth of the category. Thus, company decided that rural market is going to be a thrust area of marketing. A pilot project in the rural Mahboobnagar district of Andhra Pradesh with the help of MART was initiated. The women’s Self Help Group (SHG’s) movement had been very strong in Andhra Pradesh. MART and the company organized meetings of the women of SHG’s explaining the concept of pressure cooking, giving them details on the company, the brand and what they stand to gain by selling Prestige pressure cookers. For enlisting dealers, the help of animators, who are paid a stipend by the Government for propagating/implementing developmental activities of the state government among the rural population, was enlisted. All those who became dealers were given a demo pressure cooker. Meetings were organized by the dealers for potential customers, where the concept of pressure cooking was explained. These meetings were attended by company personnel so that the dealers got trained on the concept of pressure cookers. To take the initiative forward the company got in touch with the Department of Women Empowerment. The TTK group was asked to make a proposal on how it could work with the government on improving the lot of the rural women. After prolonged discussions with the Department, TTK gave a proposal which was a three pronged strategy:
* Appointing women as dealers of ‘Prestige’;
* Setting up an assembly plant in Andhra Pradesh with land and building provided by the government using women of the rural areas;
* Setting up a ready to fry snacks conversion units in each of the 21 districts of Andhra Pradesh with equipment provided by TTK and
* Appointing dealers to sell these snacks in each of the mandals in these 21 districts.

TTK Prestige has set up a four members sales team to take the rural initiative forward. During 2003-04, 1000 dealers were appointed. Dealers were women as individual or SHGs themselves. The company intends to replicate this model in three others southern states i.e. Tamil Nadu, Karnataka and Kerala in the near future.

 **Analyse the effectiveness of rural marketing mix of Prestige to enter rural market.**

**(10 marks)**

**ANSWER**

**The discussion on rural marketing mix should incorporate the 4 As concept of rural marketing- Awareness, Acceptability, Affordability and Availability. The answer should also include the discussion of 4 Ps. Discussion on how the company used SHGs for creating awareness and distribution should be discussed. The distribution strategy of hub and spoke and appointment of dealers and dealer training needs to be discussed.**

1. HUL launched its Operation Bharat in 1997 to create awareness about its rural brands. The strategy also involved promoting the sales of its ‘special packs’ for rural areas. HUL provided hampers at discounted prices of INR 5, INR 10, INR 15, and INR 20, each comprising a Clinic shampoo bottle, a tube each of Pepsodent toothpaste, Fair & Lovely cream, and Pond’s Dreamflower talc, in different sizes and combinations.
	1. Discuss the rural pricing strategy followed by HUL. **(6 marks)**
	2. HUL had formulated this sales promotion hoping that the consumers would start purchasing individual brands once the scheme is taken back. What could be the drawbacks if the price bundling offer is stopped. **(6 marks)**
	3. Suggest ways of distributing FMCG products of HUL in Rural Market **(6 marks)**

**ANSWER**

**A The concept of price bundling and coinage pricing needs to be highlighted here and how this pricing strategy helps in attracting customers**

**B. The drawbacks like the customers being price conscious and not brand conscious can be highlighted. Further once the bundling is removed the rural customer might no more be attracted to the brands. The competition from look alike and spell alike brands available at lower price points might eat up the market share of the company. The rural customer instead of being brand loyal is brand sticky and this brand stickiness comes over a period of time which might not be the case in this scenario of bundling where the offer might be for limited time.**

**C The distribution of FMCG products can be done using mobile vans, participation in haats and Melas and by using the hub and spoke system by forming distributors, sub distributors and dealers to reach till rural areas. The help of community groups like SHGs, youth entrepreneurship models etc can be beneficial to make FMCG products available in rural areas.**

1. Maitri is a New Delhi-based developmental humanitarian NGO that is committed to facilitating every individual’s Human Rights, especially the Rights to Identity, Dignity and Respect. Since 2005, Maitri has worked with over 45,000 individuals on the issues of social and health inequities and public health concerns through education, community outreach, networking, and legal advocacy. You are a research agency which has been approached by the NGO to study the social well-being and health of individuals in rural areas of Madhya Pradesh. Elaborate how you would carry out this research. (you should cover the following 1) research objectives, 2) rationale for sampling, 3) justification of budget required and 4) the research design)

 **(12 marks)**

**ANSWER**

**The students would be required to state clearly the following:**

1. **Research objective**
2. **Rationale for sampling (here they need to state why a particular rural area is selected)**
3. **Justification of budget required based on the tasks and the time period for which the research would be conducted.**
4. **The research design should highlight the sampling plan and the research methodology which would be deployed to carry out the research**