**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**SIXTH TRIMESTER (Batch 2020-22)**

**END TERM EXAMINATION, MAY-2022**

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| Course Name | **Rural Marketing** | Course Code | **MKT -602** |
| Max. Time | **2 hours** | Max. Marks | **40** |

**INSTRUCTIONS:**

**All questions are compulsory.**

1. **Question 1 to 4 carries 10 Marks each.**
2. **Apply the concepts studied in the class and answer accordingly.**

**Questions.1 (10 Marks)**

Rural markets are tomorrow’s markets in India. They are big attractions to producers and marketers. For instance, Hindustan Unilever Ltd. (HUL), ITC, Parle Foods, Airtel and many other companies are concentrating on the rural markets as the urban markets have become saturated. The scope of future expansion lies in the development of rural markets. In fact, rural marketing should be recognized as developmental marketing by big business firms. In India it has gained greater significance these days as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. On account of the green revolution in India, the rural areas are consuming a large quantity of industrial and consumer products produced near the urban areas. In this context, a special marketing strategy, namely, rural marketing has replaced agricultural marketing which was confined merely to selling farm machines and other inputs. Due to competition in the urban market, the market is more or less saturated as most of the capacity of the purchasers has been targeted by the marketers. So the marketers are looking for extending their product categories to an explored market, i.e., the rural market. This has also led to the CSR activities being done by corporates to help the poor people attain some wealth to spend on the product they want. For instance, HUL’s Project Shakti is not only helping the company earn some revenues but also helping the poor women of the village to earn some money which is surely going to increase their purchasing power. Similarly ITC’s e-Chaupal, is helping the poor farmers get all the information about the weather as well as the market price of the food grains they are producing and those of inputs (seeds, fertilizers, etc.) they want to buy. The Indian rural economy has not been impacted by the global economic slowdown, according to a recent study by the Rural Marketing Association of India (RMAI). Many research has found that the rural and small town economy which accounts for 60% of India’s income has remained insulated from the economic slowdown. Moreover, rural incomes are on the rise driven largely due to continuous growth in agriculture over the years and increase in employment opportunities in the rural areas.

***Questions:***

1. Consider the mobile handset market in rural India. Develop the bases on which you would like to segment the rural mobile handset market. (8 Marks)

2. Write the reasons that you think the rural marketers in this industry would benefit from your segmentation scheme? (8 Marks)

**Questions.2 (10 Marks)**

A company has decided to make financial products exclusively for rural markets of Madhya Pradesh. They after understanding the preferences of rural consumers want to create a marketing strategy to market their financial products in rural Madhya Pradesh.

1. Develop 4 As strategies for the company which they should have to market their product in rural Madhya Pradesh **(5 Marks)**
2. Design promotional and distribution strategy they need to adopt to target rural consumers in rural Madhya Pradesh the villages identified, **(5 Marks)**

**Questions.3 (10 Marks)**

Nazir Hasan was a second year Agriculture Science student. Hasan got a tough assignment from his lecturer to participate in a debate next week. The topic was “Resolve: Farmers should promote their products”. Hasan had to prepare to debate both for the motion and against it. Hasan’s father was a rice producer, he helped Hasan for that day to make a list of arguments against farmer advertising. Next day Hasan met Manager of Mother Dairy and asked why Mother Dairy and dairy farmer’s cooperatives heavily sponsor the larger sponsored advertising programme and propagating drinking milk “Doodh, Doodh, Doodh Doodh hi wonderful” wonderful slogan. The Manager said he thought milk advertising is a successful story. He could not give any facts or figures for his success story. Hasan discussed the topic with a larger grocer. The grocer said “Kohinoor is a big brand name in Basmati Rice. Kohinoor advertises in all media including TV and Cinema”. The grocer also said further “Farmers have to advertise and promote their products just like any other product.” Hasan was confused, should farmers advertise or not? Does it pay or not?

***Questions:***

1. Evaluate under what circumstances should farmers advertise their products? (3Marks)

2. Assess the purposes of such promotional advertisements? (4Marks)

3. Justify, how should farmers know the benefits of such promotions cover their costs? (3Marks)

**Questions.4 (10 Marks)**

A.R. Rao was angry and fed up. He had just delivered a large consignment of packed broilers to the local buyer and understood that the prices he received did not even cover the costs of production. His business friend Kumar who was discussing with Rao sympathized and said “I was in the main market an hour ago and prices of broilers are up”. “There is something wrong here,” Both Rao and Kumar agreed.

The next day Rao and Kumar met a number of other unhappy and grumbling broiler producers to discuss the problem. In the meeting, one of the members said: “it is the middlemen who create problems and get large business.

They buy low, sell high and pocket our profit”. “What can we do about it?” said Kumar. One member suggested “we need to eliminate the greedy middlemen from the rural market. We must operate our own marketing facilities and sell direct to customers or end users. “This is the only way we can get 100% of consumer’s money”.

Rao interfered and cautioned – “It would cost a lot of money. Are we capable of entering into wholesaling and retailing?”

Kumar replied, “That is not my cup of tea. I am a chick and broiler producer. I am not a market man”.

An elderly villager in the meeting said: “It sounds risky and complicated. Marketing has so many if and buts and the area are vast”.

***Questions:***

1. Compare the pros and cons of the proposal to include or eliminate middlemen from rural marketing? Discuss with reference to poultry, eggs, broilers and the meat business. **(5 Marks)**

2. Would you recommend to Rao, Kumar and their friends in broiler marketing or on their plan of entering into wholesale and retail business? **(5 Marks)**

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