



Emerging Dimensions of Rural Marketing: Analysis of Three Ns (Nirma, Nokia, Nano)

KEYWORDS

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ABSTRACT Indian rural market offers surplus of prospects in comparison to the urban sector. India by 2015-16 will be a country of 267 million middle class people and thus providing a vast marketplace for firms targeting the rural customers, as per the report published by National Council for Applied Economic Research's (NCAER) Centre. It is projected that the market for Ultra Low Cost Car (ULCC) is anticipated to grow at a rate of approximately 25% during 2010-2020. Apart from the 4Ps, an additional dimension attracts our attention when concentrating on the rural market – the 4 As. The demand can be supplemented only by creating Awareness, making Availability, offering Affordability and getting Acceptability. Indian consumer is willing to buy anything that makes life comfortable, provided it is affordable and acceptable. This research paper analyzes the marketing strategies adopted by three Ns which are successfully penetrating in rural areas.

Introduction:

Prime Minister Manmohan Singh's vision for rural India stated that India should have modern agrarian, industrial and services economy co-existing side by side, villages must be well-equipped. For accomplishment of this vision the following changes must be brought in the rural areas – employment opportunities must be generated, income must be increased, infrastructural facilities must be improved, educational and healthcare facilities must be offered. Rural households constitute 72% of the total households which comprises of roughly 720 million customers. Government schemes like NREGS have reduced rural underemployment and raised wages. Factors like increase in procurement prices and loan waivers have also contributed to a rise in rural demand. Television facilities are available in small village's as a result rural people who have seen the urban lifestyle on television seem to wish for similar goods and services. Considering changing scenario in the rural area companies are trying to tap this latent demand.

Objectives:

1. To identify the marketing strategies adopted by 3 Ns.
2. To perform the SWOT analysis of 3 Ns.
3. To summarize similarities & differences in the strategies adopted by 3 Ns

NIRMA:

Nirma was introduced in India by Dr. Karsanbhai Patel in 1969. It has become amongst the successful brand in India. Various strategies adopted by them to target their rural customers are as under:

Product strategy: Nirma innovated a new product line for its customers at affordable price. NIRMA was offered in an attractive packing that too at affordable cost. Nirma followed a 'low price, high volumes' strategy. The target group of Nirma was all Indian households and laundry stores. It positioned its product as "Quality at very affordable price".

Pricing strategy: Nirma adopted a strategy of developing a base in the rural segment before approaching the big metropolises. They focused on ensuring that their product was affordable even to the lower income group of the society and hence they launched Nirma at a meager price of Rs. 3 per kilo.

Distribution network: They concentrated on widening Nirma's distribution network, by targeting small shops in the remotest villages of Gujarat. Nirma was offering spectacular

margin to its distributors, they were as high as 50% in premium soaps and 140% in shampoos as a result of their low manufacturing cost.

Promotion strategy: In 1970-80's NIRMA did not have cost in its initial budget for advertising hence in its initial years word of mouth marketing and educating rural people about the use of detergents served as advertisements for them. During 80's advertisement of Nirma was very famous with punch line - Maan gaye, aapki paar ki nazar and Nirma Super dono ko.

Exhibit 1 SWOT Analysis: NIRMA



Initiatives for rural India: Nirma University was established by them which offered wide variety of academic courses in different fields such as technology, management, diploma studies and pharmaceutical science. Schools and colleges in rural areas were setup.

NOKIA:

The Indian telecom sector adds an average 10 million subscribers every month, of which rural areas account for over five million. According to India Monthly Mobile Handsets Market Review, leadership position was retained by Nokia with 30% share in terms of sales, followed by Samsung at second position. No entrant has been strong enough to pose a threat to Nokia's domineering position despite the competition from other players.

Nokia initially had no specific product range customized for the Indian market. But once competitors emerged, Nokia

had altered its strategy. Nokia adopted glocalisation strategy to tap the rural sector.

Product strategy – ‘Launch of “Made for India” phone’:

Nokia’s innovation began way back in 2000, when they launched the Nokia 3210 which is the first phone containing Hindi menu. They also became the first handset company to launch SMS (Sara! Mobile Sandesh) in Hindi. The launch of Nokia 1100 popularly known as the “Made for India” phone, a handset meant for the rural markets in late 2003 was major milestone for Nokia. It displayed leadership through its India-centric product innovation.

Pricing strategy: Nokia being a market leader aimed to empower its rural customers with services aimed at increasing their socio-economic potential and offered a strong product portfolio priced between Rs 1200 and Rs 5000. Handsets such as 2690 and 2730 Classic were built with special focus on design, features and solutions for rural customers.

Distribution network: Nokia in 1996 partnered with HCL to distribute their mobile phones in the Indian market. “Rural Van Project” was initiated by them in 2006 to increase their reach in the rural areas. Nokia had around 300 vans during May 2010 that roamed in rural India and helped customers with their queries. Nokia offered support in nine Indian languages.

Promotion strategy: The communication strategies developed by Nokia were very significant and related to the target segment. “Made for India” phone was publicized by a “Made in India” advertisement that featured a truck driver and his assistant; it was the fourth made in India advertisement of Nokia as prior to this mostly international ad were used by them.

Exhibit 2: SWOT Analysis: NOKIA



Initiatives for rural India: Nokia introduced range of services called ‘Nokia Life Tools (Jeevan Saadhan)’ in the year 2009 with an aim of focus on Agriculture information and Education services with Entertainment. Nokia announced Project Ujjwal – a unique initiative to drive 100% household mobility in 6 villages adopted by Nokia in Uttar Pradesh. The initiative coupled with services such as Nokia Ovi Life Tools and Nokia Ovi mail endorse Nokia’s vision of driving inclusive growth in emerging markets in India.

TATA NANO

Until 2008, the Indian automotive industry was still growing up. Nano was of the most ambitious car projects and most awaited car when it was being launched by Tata Motors in 2008. India might be the world’s second-largest car market behind China by 2020. ‘Nano’ is a stylist, small, economic and the cheapest car worldwide.

Tata Motors achieved a growth of 81 per cent in terms of units sold it sold 27,737 units in November 2011 as com-

pared to 15,340 units in November 2010. The basic reason for such growth was recent launch of the new Nano model with added features and focus on the rural market.

Product strategy: Consumers in rural India believed that spending US \$12,000 on a car is a sin they wanted a car which was available at US \$3,000. Tata Motors brought solutions to the demands of these customers by launching Tata Nano. They offered three variants in the Nano range: Nano, Nano CX and Nano LX. Target segment of company was lower income group with family, motorcycle owners and first-time buyers of car. Tata Nano has positioned itself as the world cheapest car, without compromising with the quality, safety and environment.

Pricing strategy: Tata Motors launched Nano at a starting price of 100,000 rupees despite rapidly rising material prices as they positioned the vehicle as “the least expensive production car in the world”

Distribution network: Tata Motors with an aim of making car easily accessible to people sold Nano through Tata car dealerships and conventional retail outlets such as Westside and Croma. Both these retail outlets were owned by Tata Group, Westside is a lifestyle retail brand while Croma is an electronic megastore. Nano merchandise like baseball caps, T-shirts and key chains are also available.

Promotion strategy: They used conventional media in an unconventional manner. Initially there were no TV campaign, only innovative use of print, radio and other media, particularly the web was done by them. They have a dedicated team working on promotional strategies adapted by them for different media vehicles such as Nano news in papers, Nano appearing in the form of messages or ticker news on TV, on-line Nano games, Nano breaks on radio, Nano chatrooms on the Net, Nano conversation on Facebook, Orkut and blog spaces and Nano pop-ups on major websites. Tata Motors also shared promotion with its several PSU bank partners.

Exhibit 3: SWOT Analysis: NANO



Initiatives for rural India: Gram Vikas Kendra (GVK), a front-end society of Tata Motors, Jamshedpur, promoting the rural integrated development, has been taking initiatives in an effort to improve the living standards of villagers in the project area. One such programme is lift irrigation to make water available to farmers throughout the year. GVK has implemented 36 lift irrigation projects so far in Jharkhand.

Summary of Similarities and Differences in Strategies Adopted by 3Ns

Strategy	Nirma	Nokia	Nano
Product	Understood the needs of rural customers – Branded product with attractive packing at affordable rates	“Made for India” phone’ – First to launch Hindi SMS	Car for common people
Price	Low-priced detergent of good quality	Affordable pricing	The least expensive car in the world

Distribution	Initially targeted small shops in the remotest villages of Gujarat paving way to a strong distribution channel today	Rural Van project, Having one of the largest distribution network	Tata car dealerships across the country, through conventional retail outlets like West-side and Croma
Promotion	Started Advertising in late 80's	"Made in India" advertisement relevant to target audiences	Cost-effective and innovative use of conventional media
Slogans/ Tag lines	"Sabki Pasand Nirma, Washing Powder Nirma"	"Connecting People"	"Khushiyon ki chaabi"
Advertisement	Common people - mostly women centric ads	Common people- mostly India-centric ads	Common people - mostly family centric ads
Initiatives for rural India	Schools and colleges in rural areas	Nokia Life Tools	'Nano' houses plan for rural market

Conclusion: From the above analysis following trends have been observed in the marketing initiatives adopted by 3Ns with relevance to 4As: To create Awareness: Being in touch with rural customers through various initiatives, to make Availability: Developing strong distribution network in rural area and thereby increasing the reach of their products, for offering Affordability: Attractive pricing strategies even affordable by lower economic strata and to get Acceptability: Understanding the needs of rural consumers and developing the products accordingly. In the old days, the weakest people in organizations held the reins of the rural marketing divisions but today, things have changed and the most dynamic people are handling this division.

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