



## Promotion Strategies for Sustainable Development in Rural India

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**ABSTRACT**

The rural India offers diverse culture, challenges, and a vast relatively untapped market for corporate world. The paper evaluated the potential of rural market, promotional strategies, and impact of celebrity endorsements. The shrinking operating margins and saturation in urban sales creates the necessity for exploring the rural markets. The penetration of information and communication technology and financial inclusion, priority of central government to focus on development of rural areas create opportunities for marketers to leverage rising incomes, technology, aspirations into loyal customers. The marketers must think beyond traditional celebrity based endorsements and focus on involving rural masses for sustainable development of the rural consumers. The paper concludes by offering strategies for brand promotion in rural India.

**KEYWORDS**

Rural, Celebrity, Saturation, Technology, Financial Inclusion

**INTRODUCTION:**

India is a country where majority (70%) of people lives in rural areas. 46% of middle class in the country belongs to rural India (Hindustan Times 2014, Kapur and Vaishnav 2015). The income level of urban and rural consumers as reported by a survey by Lok Foundation in association with Center for the Advanced Study of India (CASI) at the University of Pennsylvania is shown in table 1. The annual income limit used is; below Rs. 36000 for lower, Rs. 36-96000 for lower middle, Rs. 96-180,000 for middle, Rs. 180-720,000 for upper middle, and above Rs. 720,000 for upper class.

**Table 1: Class Distribution**

Class	Urban (%)	Rural (%)
Upper	59	43
Upper Middle	60	51
Middle	55	48
Lower Middle	50	45
Lower	46	44

Source: Kapur and Vaishnav, 2015

Marketing teams cannot ignore rural market in the long term planning. If the rural market provides challenges, it also provides opportunities for the marketers. Mr. V. Raja, CEO of GE healthcare commented that "When you look at adversity, the mother of that is opportunity. When you (have) that mindset, invariably you'll find a way for your product to reach your customer" (Prickitt, 2011).

Urban markets provide challenging environment for companies, struggling for market share and declining operating margins.

The effect of culture cannot be ignored in celebrity brand endorsement. The Indian film stars and sports personalities are considered icons by the people in India. People try to copy the icons and they believe in dreams. Following the icons give a satisfaction that they are just like the role models in some aspect.

The rural India has a great potential due to lower penetration of products and services, commonly used by urban customers.

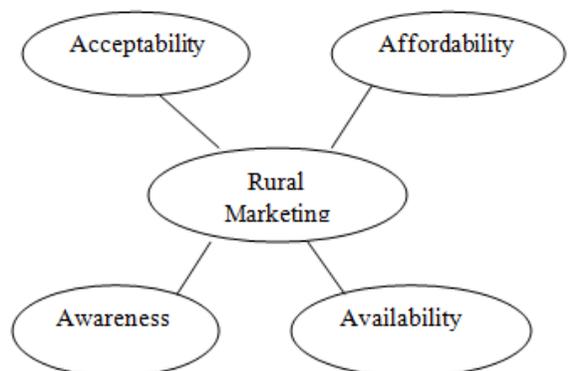
McKinsey report on rural India has estimated the size of rural market to be \$500 million by 2020 (atimes, 2007).

The Pradhan Mantri Jan Dhan Scheme will go a long way to improve financial inclusion in rural India. In a short span of few months 1254.73 lakh new bank accounts have been opened in rural India, with Rs. 10,499.62 crore deposited by rural people (PMJDY, 2015). The availability of debit cards can also assist in the development of payment infrastructure in rural areas and minimize the effects of corruption in government establishments by direct cash transfers.

The rural India has got the market potential for products and services of corporate world as well as growth potential due to favorable demographic profile of the country and priorities of the central government to develop villages.

However the brand managers must match the marketing mix to suit the needs of the rural consumers. The four A's that affect the rural consumers are awareness, acceptability, affordability, and availability as shown in figure 1 (Kotler et al. 2009).

**Figure 1: 4A's of Rural Marketing**



Source: Kotler et al. 2009

**OBJECTIVES:**

1. To study the brand management for rural India.

2. To identify brand promotion strategies for rural India for sustainable growth.

#### LITERATURE REVIEW:

Ram, Ravindran and Satish (2009) studied celebrity endorsement impact on B segment cars in rural Kerala. The study used chi square, t test and factor analysis. It was found that advertisement and sales promotion significantly influence buying behavior. 35.3% customers consider advertisement as main reason for choice of a brand.

Jain (2011) studied perception of consumers about celebrity endorsement and found that celebrity endorsement has little impact on sales. It was recommended that celebrity brand endorsement should not be used for various products.

Upadhyaya (2012) called for change in attitude of marketers towards rural markets. It was argued that the profit margin may be less than urban markets but market size is much larger. It was recommended that companies should reduce the cost on packaging, as rural customers don't require attractive packaging.

Misra (2012) studied impact of celebrity brand endorsement in rural consumers of Lucknow district of Uttar Pradesh. It was found that rural customers are also affected by celebrity brand endorsement. One sample t test and ANNOVA was used to analyze the primary data in the study.

Muralidharan (2012) studied impact of type of celebrity and source credibility on purchase behavior of rural consumers in India. It was found that non celebrity endorsers were more effective in case of high and low involvement products. Trustworthiness was found to be the most important credibility aspect to influence purchase intentions among rural consumers.

Ali, Thumiki, and Khan (2012) studied factors affecting purchase of FMCG products by rural customers in eight districts of south India. Factor analysis was used to find out important factors influencing customers. It was found that promotion and advertisements emerged as the key factor which influences rural consumers.

Sivesan (2013) studied celebrity brand endorsement in cosmetic products. It was found that celebrity endorsement and brand equity are positively associated.

Malik (2014) found that rural people are also affected by celebrity endorsements. It was also found that majority of rural people watch advertisements between their favorite shows. It was found that the celebrity endorsements affect rural and urban customers differently. There was no difference in impact of celebrity endorsements according to gender. Smartness of the celebrities affects purchase decisions. Celebrities from entertainment and sports were found to be popular.

#### CORPORATE INITIATIVES FOR INVOLVING PEOPLE OF RURAL INDIA IN MARKETING:

##### PROJECT SHAKTI:

Project Shakti of Hindustan Unilever Limited has not only opened a new distribution network in small villages but also provided opportunities for rural women to improve their livelihood and economic condition. The project started with 17 women, now has 65,000 distributing the products of the company in more than 165,000 villages. Such projects not only support the celebrity endorsements of the products but also create a model of distribution which leads to sustainable development (HUL, 2014).

**E-CHOUPAL:** Choupal is a hindi word which means "meeting place in village". The rural initiative of ITC started in 2000, has become the largest internet based initiative in rural India. The program now covers over 4 million farmers, 40,000 villages through 65000 kiosks spread in ten states (ITC, 2015).

The information about farming practices improves productivity and direct dealing with company leads to better realization of farm products. The company (ITC) also benefits from lower cost of procurement (e-choupal, 2015).

#### PROPOSED STRATEGIES FOR BRAND PROMOTION IN RURAL INDIA FOR SUSTAINABLE DEVELOPMENT:

1. The branding for rural areas must take care of socio-economic conditions.
2. The rural people should be engaged in entrepreneurial activities that take care of the financial benefits of entrepreneurs and development aspects.
3. The packaging should be designed to suit the needs of the rural consumers with regard to the paying capacity. The success of sachets highlights the importance of packaging for rural markets.
4. The corporate should also invest in education, healthcare and technological assistance to the rural people so that it creates a mutually beneficial association for the consumers. The incentive or sales promotion schemes should be such that the winner gets the chance to finance education of any one member of the family for one year.
5. Event sponsorship should be used to channelize the energy and aptitude of the rural people in diverse fields. It means that the companies should organize and sponsor events to screen talent and the talented people should be supported to display their talent at national level and get expert supervision to develop the raw talent into a matured professional in a chosen field. The events and the positive impact it will have on the life of people will attract them to not only buy the products of the sponsoring company but they will spread a positive message in their community about the company.
6. Companies should develop innovative products to meet the need of the rural consumers. The companies should develop products and services that will become solutions for the rural people and the cost can be optimized by use of information and communication technology.
7. Tie up with social welfare programs like swachh bharat mission can provide an opportunity for companies to connect with rural masses.

#### CONCLUSION:

The proliferation of information and communication technology and priorities of central government to develop villages has provided hope for rural people that they can also participate in the economic success of the country. The growth in literacy, better awareness due to media penetration, increase in disposable income, financial inclusion initiatives, aadarsh gram schemes, MNREGA, and other programs have provided the rural people a platform to enhance their standard of life and improve economic well being. The traditional brand management approaches of celebrity endorsements may not give same results as it gives in urban environment. The first mover companies will get the benefit of establishing lasting impression in the mind of customers and develop themselves as leader in the rural markets.

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