

MANAGEMENT PROGRAMME

Term-End Examination

December, 2012

00480

MS-611 : RURAL MARKETING

Time : 3 hours

*Maximum Marks : 100
(Weightage 70%)*

-
- Note : (i) Attempt any three questions from Section - A.
(ii) Section - B is compulsory.
(iii) All questions carry equal marks.*
-
-

SECTION-A

1. Briefly describe the differences in environmental factors affecting rural and urban consumer decision making in Indian market. Elucidate your answer by citing suitable examples.
2. Explain the various stages of buyer behaviour process with regard to rural markets by taking suitable examples.
3. (a) How does channel selection influence pricing for rural markets? Support your answer by taking suitable examples.
(b) Explain the behavioural aspects in rural distribution.

- 4.** Write short notes on *any three* of the following :
- (a) Nature of transactions in rural markets.
 - (b) Impact of social factors on marketing strategy for rural market.
 - (c) . Promotional pricing for rural markets.
 - (d) Innovation methods for rural promotion.
 - (e) Role of 'Melas' and 'Haats' in rural distribution.

SECTION-B

5. Please go through the case study given below and answer the questions that follow.

Hero Motocorp steps up rural touch-points

It is Dussehra and Diwali time and over 500 rural sales executives of Hero dealers are now busy meeting the sarpanch, the headmaster and the anganwadi workers in villages all over the country. They are also visiting potential customers at their homes, inviting them to drop in at the company's dealerships which might be located a few kms away.

Says senior vice president (marketing and sales), Hero. "We are confident of surpassing last year's sales of two -wheelers during Dussehra and Diwali by a long shot". The company is ready to roll out its on-ground activation for the rural customers and has doubled its touch-points in rural areas from 2,000 in 2006 to nearly 4,000.

The on-ground activation is actually the last leg of Hero's rural marketing efforts. The first leg is its Usage & Attitude studies, which are conducted by the company's in-house research team once in every two years. The study captures every aspect of the potential customers' lives. It tracks aspects like the level of awareness of brand Hero, the current modes of transportation, what is the expectation of the customer from motorcycles etc.

The company is also doing Rural Footprint studies on a quarterly basis. "Under this, we chart the events that will take place in villages. The core idea is to take the brand to the customer when he is in a happy mood. And these happy times are linked to good harvests, festivals and marriages when there is cash in hand," says the senior vice president.

Thirdly, to ensure that the village customer doesn't postpone buying a two wheeler just because there's no cash in hand, Hero has entered into numerous vehicle finance tie-ups with NBFCs , cooperative banks and regional rural banks.

The other cornerstone of Hero's success is its media campaign and the choice of media vehicles. The company banks on good old Doordarshan for this. "DD's reach in the rural areas is a good enough bet to reach the target customer. We invest heavily in cricket on DD, " says the senior vice president.

The DD campaign seeks to build an ongoing relationship with millions of households in rural India. The company had decided to seize the latent potential of this market by launching some of its entry-level products which are tailored to suit the needs of the rural consumer like adjustable suspension, strong headlights and good ground clearance.

Reasons that are good enough for rural sales contributing 45 percent to the company's overall annual sales.

Questions

- (a) Analyze the rural marketing strategy of Hero Motocorp.
 - (b) Examine the challenges faced by Hero in the rural markets.
 - (c) What is the potential for two wheelers in Indian rural market ?
-