

**INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR**  
**Post Graduate Diploma in Management (PGDM)**  
**RURAL MARKETING (MK609)**  
**CREDIT: Full (three credits)**  
**SESSION DURATION: 60 Minutes**

**TERM: VI**  
**YEAR: 2018-2019**  
**BATCH: II**

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**Course Introduction:**

In India the rural economy contributes nearly half of the country's GDP and the size of the rural market in durables and FMCG is bigger than its urban counterpart. Even with increasing urbanization and migration 63% of India's population would still live in rural areas by 2025 and rural consumption will nearly triple creating a market worth 26 trillion Indian rupees. Indeed, rural growth has been exceeding urban growth. Thus, Rural Marketing has emerged as an important area within the marketing discipline particularly in the context of a large rural economy like India.

**Rural Marketing** is an evolving area with tremendous untapped potential and of late marketers have begun exploiting this opportunity in an organized manner. Traditionally, rural markets have been ignored by big multinational firms as well as local large-scale manufacturers of packaged good for a number of reasons. These include the fact that rural markets were less attractive due to the fragmented nature of competition and low density of population. In fact, rural markets are mostly served by unbranded local competition. Secondly, most consumers still self-produce products and services at home rather than buy them commercially. Further, lack of modern infrastructure, including roads, electricity, banks and media make accessibility to rural markets very difficult and expensive. However, all this is now changing rapidly due to several reasons. Rural markets are growing faster than urban markets and with better profitability. Several reasons including internet connectivity and the spread of television and mobile phones have led to higher awareness levels among rural consumers. Therefore, rural markets represent an attractive proposition for companies.

Overall course objective -

1. To focus on the importance of rural markets in developing economies.
2. To make students aware of the rural marketing environment, the special needs in rural marketing research and study of consumer behavior in the rural segment.
3. To enable students to master the skills of development of specific marketing strategies in terms of acceptability, availability, affordability and awareness for the rural environment.

It is expected that upon completion of the course the student:

1. Should be able to take most of the responsibilities of marketing in the rural segment.
2. Should have an understanding of communicating, influencing consumption and buying behavior in the rural segment.
3. Should be able to design and execute from end-to-end basic Strategic Marketing Plan for the growing rural segment.

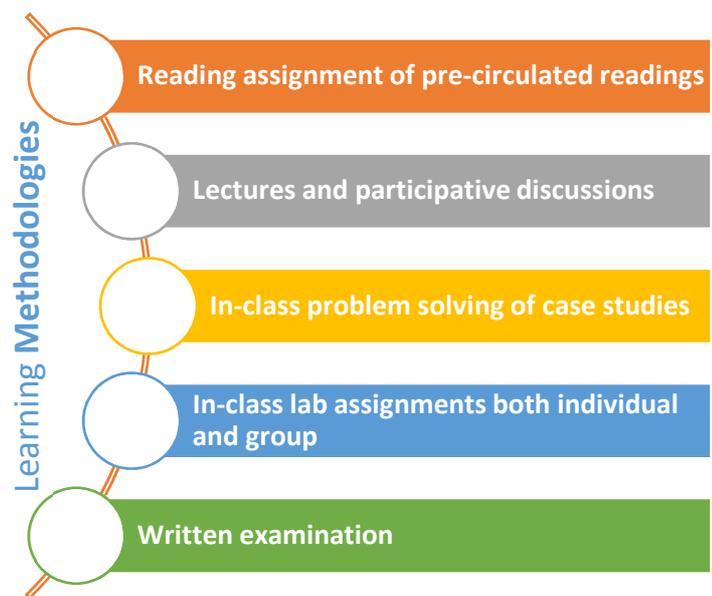
## Learning Outcomes (LO)

At the end of the course, the students should be able to:

- LO 1: Appreciate various aspects of rural marketing and identify challenges and opportunities associated with it
- LO 2: Understand the sectoral focus in rural marketing for accelerating growth
- LO 3: Implement marketing strategies in terms of acceptability, availability, affordability and awareness to influence consumption and buying behavior in rural
- LO 4: Drive innovation process for rural market / BoP

**Course Pedagogy:** The course is divided in four modules:

1. The Environment which will cover a study of the basics, and an in-depth study of the rural environment and the economy.
2. The Investigation which will cover Rural Consumer Behavior, Marketing Research, Segmentation, Targeting and Positioning.
3. The Strategy which will cover the 4 A's of rural marketing strategy
  - Acceptability (Product)
  - Affordability (Price)
  - Availability (Place)
  - Awareness (Promotion)
4. The Changes and the way ahead



## Course Readings

### Books:

1. Kashyap, Pradeep (2016). Rural Marketing, 3<sup>rd</sup> Edition; New Delhi: Pearson Education.
2. The Fortune at the bottom of the pyramid, revised and updated 5th anniversary edition, Wharton School Publishing
3. Social Marketing in India by Sameer Deshpande & Nancy R. Lee, first edition, SAGE Publication

### Additional readings:

- Instructors handout
- [Aravind Eye Care's Vision Centers - Reaching Out to the Rural Poor](#)  
G. Shainesh; Suhruta Kulkarni  
Pub Date: Oct 1, 2016  
Product #: IMB591-PDF-ENG  
Discipline: Marketing  
Length: 20 p
- [d.light Design: Marketing Channel Strategies in India](#)  
Anne Coughlan; Benjamin Neuwirth

Pub Date: Jan 21, 2015

Product #: KEL876-PDF-ENG

Discipline: Marketing

Length: 17 p

- [India's Amul: Keeping Up with the Times](#)

Rohit Deshpande; Tarun Khanna; Namrata Arora; Tanya Bijlani

Pub Date: May 4, 2016

Product #: 516116-PDF-ENG

Discipline: Marketing

Length: 25 p

- [ITC e-Choupal: Corporate Social Responsibility in Rural India](#)

Ali Farhoomand; Saurabh Bhatnagar

Pub Date: Jun 30, 2008

Product #: HKU765-PDF-ENG

Discipline: Strategy

Length: 26 p

- [Godrej Chotukool: A Cooling Solution for Mass Markets](#)

Charles Dhanaraj; Balasubrahmanyam Suram; Prasad Vemuri

Pub Date: Nov 15, 2011

Product #: W11498-PDF-ENG

Discipline: Strategy

Length: 12 p

**Course Evaluation criteria:** The component heads with the weightage of each component and total it at the end as 100 %.

Component	Description	Weight
End Term Exams	This will be a combination of cases; application based situational questions and conceptual questions.	40 %
Case Based Assignment	Students would be given case-based assignments which have to be analyzed and submitted to the instructor. The case analysis should include: context, problem identification, identification of alternatives, evaluation of alternatives and recommendations	20%
Quizzes	There will be two quizzes based on multiple choice, open ended and fill in the blank(s) type of questions which will be conducted unannounced. The quizzes would be based on concepts, cases and readings.	10 %
Class Participation /Discussion Forum	Students will be awarded marks for active and constructive participation in class	10 %
Project	This would be conducted group-wise. Each group would select one company that has successfully made inroads into the rural market. Please note that the company selected has to be shared in the class room session, so as to ensure that there is no duplication. Thereafter, each group would develop and write a report on that	20%

	<p>company's marketing efforts in Rural India. The data for the same may be collected from both primary and secondary sources. The report would include details about the company's current marketing strategies as well as the group's recommendations for the company. The report may cover the following aspects:</p> <ul style="list-style-type: none"> <li>• An overview of the industry</li> <li>• Company background</li> <li>• Entry into rural markets</li> <li>• Products offered for rural consumers</li> <li>• Information regarding company's research on rural consumers</li> <li>• Segmentation and positioning strategy</li> <li>• Rural marketing mix</li> <li>• Innovations (if any) for rural markets</li> <li>• Information about competitors</li> <li>• An analysis of the reasons behind its success in rural markets</li> <li>• Future plans as well as your recommendations for improving the company's offering.</li> </ul> <p>There would be detailed discussions in the class regarding every aspect of the project. At the end of the course each group needs to present their project work.</p> <p><b>Presentation:</b> In the presentation, each group would present the project work done by them. Presentations would be evaluated on the basis of content, structure, verbal communication and creativity in presenting the subject matter.</p> <p><b>Report:</b> The report would present details on the work done based on the primary and secondary data collected by the group. The report shall be of maximum ten pages, neatly typed. Relevant appendices may be attached.</p>	
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**Session Plan:** This may be given in tabular form or without gridlines. However, must cover the following details:

Session No.	Topic	Learning Outcomes	Reading
1.	<b>Scope &amp; Expectation</b> <ul style="list-style-type: none"> <li>- Definition, Scope &amp; Dynamics of Rural Markets</li> <li>- Concepts,</li> <li>- Components of Rural Markets,</li> <li>- Rural Marketing Mix</li> </ul>	<ul style="list-style-type: none"> <li>• LO 1</li> </ul>	Ch. – 1, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
2.	<b>Overview of Rural Marketing</b> <ul style="list-style-type: none"> <li>- Rural Market Structure</li> <li>- Constitution of Rural Markets, Size and Nature of Rural Market,</li> </ul>	<ul style="list-style-type: none"> <li>• LO 1</li> </ul>	Ch. – 1, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings:

	<ul style="list-style-type: none"> <li>- Marketing Management in Non-profit sectors</li> </ul>		Instructor handout
3.	<b>The Rural Economy</b> <ul style="list-style-type: none"> <li>- The Economic Scenario in Rural India</li> <li>- The Transition of Rural Economy</li> <li>- The Rural Economic Structure</li> <li>- Incomes and Consumption</li> </ul>	<ul style="list-style-type: none"> <li>• LO 1</li> </ul>	Ch. – 1, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
4.	<b>The Rural Economy</b> <ul style="list-style-type: none"> <li>- The Rural Infrastructure</li> <li>- Government Schemes &amp; Policies for Rural India e.g. NREGA, Bharat Nirman</li> </ul>	<ul style="list-style-type: none"> <li>• LO 1</li> </ul>	Ch. – 2, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
5.	<b>The Rural Infrastructure</b> <ul style="list-style-type: none"> <li>- Mandi (APMC Act)</li> <li>- Haat, Mela</li> <li>- Milk collection centre</li> <li>- Origin of Traditional Markets</li> <li>- Marketing Systems in India</li> <li>- Cooperatives and SHG movements</li> <li>- Rural Connectivity</li> </ul>	<ul style="list-style-type: none"> <li>• LO 2</li> </ul>	Ch. – 2, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
6.	<b>The Rural Infrastructure</b> <ul style="list-style-type: none"> <li>- Electricity Penetration</li> <li>- Housing Structure</li> <li>- Subsidies and Others</li> <li>- Digital Infrastructure</li> <li>- Bharat Net-Gram Panchayats</li> </ul>	<ul style="list-style-type: none"> <li>• LO 2</li> </ul>	Ch. – 2, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
7.	<b>Rural Consumer Behavior</b> <ul style="list-style-type: none"> <li>- Buying behaviour in Rural India</li> <li>- Buying process in Rural India</li> <li>- Product adoption process</li> </ul>	<ul style="list-style-type: none"> <li>• LO 2</li> </ul>	Ch. – 3, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
8.	<b>Rural Sales &amp; Distribution</b> <ul style="list-style-type: none"> <li>- Accessing Rural Markets</li> <li>- Channels of Distribution</li> <li>- Evolution of Rural Distribution Systems</li> <li>- Prevalent Rural Distribution Models</li> </ul>	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Ch. – 8, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
9.	<b>Rural Sales &amp; Distribution</b> <ul style="list-style-type: none"> <li>- Leveraging Haats</li> <li>- Going Beyond R-Urban</li> <li>- Rural Products to Urban</li> <li>- Urban Products to Rural</li> <li>- Challenges in Distribution</li> </ul>	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Ch. – 8, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout

	<ul style="list-style-type: none"> <li>- Entities and Structure in Distribution</li> </ul>		
10.	<b>Rural Sales &amp; Distribution</b> Last mile distribution Case Study	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Rural Distribution Case study
11.	<b>Rural Communication</b> <ul style="list-style-type: none"> <li>- Mobile Connectivity</li> <li>- Communication challenges</li> <li>- Media Literacy – rural India</li> <li>- New Digital Literacy Mission</li> <li>- Ramping and Literacy</li> <li>- Digital Literacy</li> <li>- Media Vehicles Duality of Media</li> </ul>	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Ch. – 9, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
12.	<b>Rural Communication Strategy</b> Rural Communication Case Study	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Rural Communication Case Study
13.	<b>Rural Product Strategy</b> <ul style="list-style-type: none"> <li>- Product Concepts &amp; Classification</li> <li>- Rural Product Categories</li> <li>- New Product Development</li> <li>- Consumer Adoption Process</li> <li>- Product Life Cycle (PLC)</li> </ul>	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Ch. – 6, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
14.	<b>Rural Product Strategy</b> <ul style="list-style-type: none"> <li>- Rural Packaging</li> <li>- Branding in Rural India</li> <li>- Product Warranty and After Sales Service</li> </ul>	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Ch. – 6, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
15.	<b>Rural Pricing</b> <ul style="list-style-type: none"> <li>- Internal Influences</li> <li>- Pricing Objectives</li> <li>- External Influences</li> <li>- Pricing Strategies</li> <li>- Market Entry Strategies</li> </ul>	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Ch. – 7, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
16.	<b>Rural Market Research</b> <ul style="list-style-type: none"> <li>- Planning the Rural Research</li> <li>- Primary Data Collection</li> <li>- Field Procedures and Rural Realities</li> <li>- The Rural Research Business,</li> </ul>	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Ch. – 4, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
17.	<b>Rural Market Research</b> <ul style="list-style-type: none"> <li>- Video Case: Participatory Rural Appraisals (PRA)</li> </ul>	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Instructor handout
18.	<b>Segmentation, Targeting &amp; Positioning (STP)</b> <ul style="list-style-type: none"> <li>- Segmentation</li> <li>- Degrees of Segmentation</li> <li>- Basis of Segmentation and Approaches to Rural Segmentation</li> </ul>	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Ch. – 5, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout

	<ul style="list-style-type: none"> <li>- Targeting</li> <li>- Positioning</li> </ul>		
19.	<b>Rural Financial Services</b> <ul style="list-style-type: none"> <li>- Need for Credit</li> <li>- Consumer Finance for Durables</li> <li>- Sources of Credit,</li> <li>- Innovative Credit Delivery Systems</li> <li>- Financial Products in Rural</li> </ul>	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Ch. – 7 & 10, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
20.	<b>Rural Marketing</b> Case Studies	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Instructor handout
21.	<b>Rural Marketing</b> Case Studies	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Instructor handout
22.	<b>Rural Service Marketing</b> <ul style="list-style-type: none"> <li>- Telecommunication in rural India</li> <li>- Information &amp; Communication Technology (ICT) in Rural India</li> <li>- Rural Banking</li> <li>- Rural Healthcare Scenario</li> </ul>	<ul style="list-style-type: none"> <li>• LO 3</li> </ul>	Ch. – 10, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
23.	<b>Innovation in Emerging Markets or Rural Markets</b> <ul style="list-style-type: none"> <li>- Role of Innovation in Rural Markets</li> </ul>	<ul style="list-style-type: none"> <li>• LO 4</li> </ul>	Instructor handout
24.	<b>Quizzes and Case Based Assignment</b>		
25.	<b>Case Based Assignment</b>		
26.	<b>The Future of Rural Markets</b> <ul style="list-style-type: none"> <li>- Focussed Marketing Strategies</li> <li>- Market Research</li> <li>- Consumer Finance</li> <li>- Rural Verticals</li> <li>- Retail and IT Models</li> <li>- Rural Managers</li> <li>- Public Private Partnership (PPP)</li> </ul>	<ul style="list-style-type: none"> <li>• LO 4</li> </ul>	Ch. – 12 & 13, Kashyap, Pradeep (2016). Rural Marketing, 3 <sup>rd</sup> Edition Additional readings: Instructor handout
27.	<b>Case Based Assignment</b>		
28.	<b>Case Based Assignment</b>		
29.	<b>Group Assignment &amp; Presentation</b>		
30.	<b>Group Assignment &amp; Presentation</b>		

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