

PGDM, 2020-22

Rural Marketing

DM-435

Trimester – IV, End-Term Examination: September 2021

Time allowed: 2 Hrs 30 Min

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the Answer Sheet. All other instructions on the question paper / notifications should be followed meticulously.

SECTION A – (10 marks * 3 questions) = 30 Marks

A1 Despite the diverse heterogeneous nature of rural markets, why are marketers focussing on rural markets? Support your answers with consumption based facts and figures under various segments. (CILO 1)

OR

A1 Development in rural India on roads , education, water, housing, mobile network, health, etc has changed the rural foot print of India. In the changing scenario suggest suitable market entry strategy for any two of the following sectors?

- a. Electric two wheelers
- b. Ready made garments for woman
- c. Smart phones
- d. Air conditioners

A2 Large number of rural polulation constitutes urban masses. This population keep on commuting between rural and urban. This population has great impact on the rural consumer behaviour? Discuss in detail the Consumer buying process (all five steps)by considering these urban masses as influencer? What is the impact of these infleuner in selection of product and its disposal?

(CILO2)

OR

A2 What are the challenges of carrying out market research in Rural India ? What is participatory rural appraisal (PRAs) ? What kind of different tools are being used in PRA, give examples with diagrams?

A3 What are the challenges in developing communication strategy for Rural markets? Rural are the largest Consumer of network usage in the country . How could you harness the potential of around 300 millions internet connections on mobile phones in rural India to promote digital marketing? Give some live examples wherein companies have launched their rural campaigns on such media.

(CILO 3)

OR

A3 How to set up a context for developing products for Rural India? Describe the process of product Development with suitable examples on how companies developed products based on acceptability, affordability and convenience. Give real time examples to support your answers on all three parameters mentioned before.

SECTION B – CASE STUDY (20 Marks) (Combination of all CILOs) Marks 20(10+10)

Challenges of Marketing of Agro Products

Challenge

Over 58% of rural household depends on Agriculture as their principle means of livelihood. As per the 2nd revised estimates by Central Statistics Office, the share of agriculture and allied sectors is estimated to be 17.3% of Gross Value Added. To increase the crop production, various pesticides and fertilizers are being used as per requirement of crop. Though the latest trend of bio-fertilizer is emerging, pesticide share more than half weightage compared to bio-fertilizers. Instant result on preventing crop weeds and pest makes farmers to depend more on pesticide and fertilizers compared to liquid bio fertilizers which take more time in increasing yield production and improve soil fertility. Another factor which accounts on more use of fertilizer and pesticide is promotion by traders. Private players give high profit percentage and commission on sale of pesticide which makes retailers to concentrate more on increasing sales of such product and less bio fertilizers.

Response

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP). As per the 2nd advised estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) is expected to be 17.3 per cent of the Gross Value Added (GVA) during 2016-17 at 2011-12 prices. The agro industry in India is divided into several sub segments such as canned, dairy, processed, frozen food to fisheries, meat, poultry, and food grains. India's GDP is expected to grow at 7.1 per cent in FY 2016-17, led by growth in private consumption, while agriculture GDP is expected to grow above-trend at 4.1 per cent to Rs 1.11 trillion (US\$ 1,640 billion). As per the 2nd Advance Estimates, India's food grain production is expected to be 271.98 MT in 2016-17. Production of pulses is estimated at 22.14 MT. India's exports of basmati rice may rise to Rs 22,000-22,500 crore (US\$ 3.42-3.49 billion), with volume to around 4.09 MT in 2017-18, backed by a rise in average realizations. Wheat production in India is expected to touch an all-time high of 96.6 MT during 2016-17. Groundnut exports from India are expected to cross 700,000 tonnes during FY 2016-17 as compared to 537,888 tonnes during FY 2015-16, owing to the expected 70 per cent increase in the crop size due to good monsoons. India's groundnut exports rose to 653,240 MT during April 2016-February 2017.

Gujarat has long been considered as one of the most progressive states of India, be it on the industrial front or the agricultural front. Imbued with a proactive, visionary outlook, its government has catalyzed development in various spheres the collective effort has, thus, propelled the state towards progress. Agribusiness by Agrovision Ltd. which promotes agricultural activities at the ground level and fosters the development of agro industries in the State is a manifest example of the forward-looking policies of the Government. Set up in 1989 the company acts as a facilitator and nodal agency for implementation of various scheme of Government. The present-day globalized agricultural environment necessitates a holistic approach to farming and all related activities. Moreover, strengthening of the forward and backward linkages between agriculture and industry has also become a prerequisite. This is where this company steps in. It plays an important role in increasing competitiveness by encouraging farmers to adopt an integrated approach to agriculture and work towards better returns from the existing set-up.

The Nucleus of all the activities of Agrovision Limited is the farmer. The company has a strong presence in rural Gujarat through its network in different district-level centers and Agricultural business centers run by private sector entrepreneurs which provide services at the doorstep to farmers. Lakhs of farmers visit these outlets regularly. The company has appointed unemployed technicians/agricultural graduates located at all villages/Talukas to give services to the farmers for their basic requirement to more than 1500 Agro Service Centers/Agro Business Centers are handling fertilizers distribution work. Now since

competition from private players has increased the greatest issue is how to distribute it wisely to the retailers. Retailers are attracted towards the offers made by private players of giving high profit percentage and commission on sale of pesticides. This makes retailers to concentrate more on increasing sales of such products as it increases their profit. Being a government stake in this company, they are not able to offer more amount of commission to retailers and so how to motivate distributors is a problem.

Action Taken

The company has adopted Distribution of Pesticides in Gujarat through different channels. Company has opened Agro Service Centre/Agro Business all over Gujarat State for marketing and distribution of our products. The company has also appointed some Private Distributors throughout the state and it has also distributed its products at various depots located in Gujarat for various companies. Still the results are not achieved.

Learning

Team of experts conducted study for taking feedback from the farmers and retailers about pesticides and bio fertilizer products by visiting to various retailers. The farmers liked the product and they use it but the retailers' margin compare to private producers is less, are not motivated to sale the products of the Agrovision Ltd. The caselet will provide an opportunity to the students for exploring all the problems. These problems may include Less Margin, No concentrated efforts, No maintenance of subsidy work, billing work is slow, No product return facility, No discount offered like private producers, Margin on pesticide products is less. These things can be explored from this case.

Questions

1. What should be the right strategy of Agrovision for improving marketing and reaching to farmers?
2. What restrictions can removed and how retailers can be motivated to sale the product of Agrivision? If you are manager, what would be your strategy being a public sector organisation?