

PGDM, 2017-19
Trimester – IV, End-Term Examination: Sep 2018
Rural Marketing
DM-433 (DM-433)

Time allowed: 2 hrs 30 min

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Section A (Please attempt 3 out of 5 questions from this section) TOTAL MARKS 15

- Que 1. Future lies in rural markets ? Explain with facts and figures
- Que 2. Which is the most remarkable government initiative in recent times in rural India ? Why ?
- Que 3. What do you understand by Rural boom ? Discuss
- Que 4. How is rural marketing different from Inclusive marketing ?
- Que 5. How does external factors affect pricing in rural marketing ? give examples

Section B (Please attempt 2 out of 3 Questions from this section)) TOTAL MARKS 20

- Que 1. A leading hair oil company wants to launch their new product catering to rural woman, and therefore wants to understand their current behavior and practices related to the same. Prepare a research plan comprising the research approach, sampling plan(method and size) data collection method and research tools.
- Que 2. Dirt and Soil are major carrier of all kinds of bacteria, viruses and other microbes. Due to poor availability of water and excess of dirt in rural environment, it is inevitable for rural population to get more infected with microbial or viral diseases than their urban counterparts. Hand sanitizer is one of the product having high conspicuity (showing off effect) seems to be better suited for urban markets.
- Is there any value proposition in such a kind of product for rural market ? discuss
 - What are the possible forms in which it could be developed and sold? Including size, packaging etc.
 - Which existing brand(s) , do you think is most suited to promote it in rural India (give atleast three reasons)
 - Would product development process for it be the same as that for urban market ? explain on product development cycle on where at all the changes are required(if any)
- Que 3. Develop a rural centric distribution model for a chocolates-confectionary company using a rural platform. Explain why you chose a particular platform. Who all will be involved and get benefitted out of this model ? How this model will become sustainable over a period of time ?

Section C
Case Study
[Total 15 Marks]

The Shell Foundation, under its Breathing Space Program, aimed at a significant long-term reduction in the incidence of indoor air pollution by deploying approaches that are market-oriented and commercially viable, associated with Enterprise Works Vita (EWV) and ARTI in India to develop environment-friendly, 'smokeless' cooking stoves for rural India. The two states of Karnataka and Tamil Nadu were identified as the target markets.

In collaboration with MART, a research study was conceived covering rural households for information on their knowledge, attitude, behavior, and practices towards the biomass stoves in use, the improved biomass stoves being promoted by government agencies, and indoor air pollution. It also focused on understanding cultural and social behavior in the kitchen environment. A technical study measuring cooking utensil sizes, stove sizes, and fuel wood was conducted to utilize them to develop a concept product. The shape and size of the cooking pot would determine the pot opening in the concept stove, while the size and shape wood would determine the size of the mouth of the fuel space. The habit of cooking on the floor necessitated the need for an appropriate height while designing a concept stove.

The findings highlighted the fact that the black fumes blackened cooking utensils and kitchen walls, all of which have to be cleaned and maintained by the women in household. Kerosene stoves were used whenever they needed to cook quickly. Women in Tamil Nadu cooked in open spaces outside their houses to avoid the inconveniences caused by the smoke. The mud stoves used in most homes were made in the kitchens by the women themselves, and were fixed. Terracotta stoves were available in the market in INR 50 and were portable. The Astra stoves (designed by the Indian Institute of Science (IISc), Bangalore, and promoted under a government scheme) were made by a mason in the kitchen and had a chimney. The stove was immovable and cost INR 125-150, including the mason's fee. While LPG was a much-desired stove and associated with status, it remained unaffordable for many. However, many of the households used it as a secondary stove. They were uncomfortable cooking on LPG while standing, and their cooking vessels were not appropriate either. Some of them were reluctant to use it regularly as it was not readily available.

The Big Idea

It was necessary that new product design have the following features:

It should be manufactured and be available commercially in the market. Quality has to be maintained.

It should be designed in a way that ensured the households continued to use their old cooking vessels and continued to cook sitting on the floor.

It should be able to use biomass as fuel, since that is most readily available. Five different prototypes, three single-burner and two double-burner stove, were designed and manufactured. The variations in the make had to do with mild steel and stainless steel. A study was conceived to test the prototypes in real situations in 110 households across both states. Feedback on cooking experiences with the stove and observations made were taken together to understand the acceptance of and intent of use for the concept.

Feedback on the features of the concept stove included:

The height of the single-burner stove was high and inconvenient. The new stove should be at least 1-2 inches lower in height.

The uneven size of the fuel wood used required that the fuel space be increased. This was a challenge because technically the burning chamber had to be of a height that enables all the wood to burn with maximum efficiency and allows all gases to get burnt. This had a bearing on the smoke emission from the stove.

The pot support needed to be more stable to balance the utensils. This was important from the point of safety while cooking.

Two final stoves were developed based on this feedback, one single-burner and one double-burner. The new product reduced smoke emission by 75 per cent. The price of the single-burner stove ranged between INR 700 and 900, while the double-burner was priced INR 1,400. The improved biomass stove was pilot launched in early 2008 and commercially launched later the same year.

The stove has also attracted the attention of semi-urban households that were using mud/terracotta stoves for everyday cooking. These had resulted in the blackening of both the kitchen and the vessels. Many of the households used to cook outdoors, in the open. The improved biomass stove has offered a solution whereby they can cook indoors, and is a great convenience during the rainy sea-son. Thus, a product designed for rural households has also found acceptance in peri-urban households.

The Marketing Strategy

To promote the new concept, the foundation launched a pilot project in Karnataka to raise social awareness about the dangers of smoke in the kitchen and promote simple measures to reduce smoke inside the house in 2008. The accompanying video shows how the program called 'My Kitchen, My Pride' reached out to 112 villages in Karnataka through a combination of on-ground static and interactive activities like display of wall posters and wall paintings, mobile van campaigns, flipchart stories, interactive games, and street plays. The campaign was a part of a global effort to raise awareness about the dangers of kitchen smoke in rural India, especially villages with a population of 5,000-20,000.

The Shell Foundation has established new distribution and sales networks to reach rural homes at affordable costs. The foundation has signed up a partnership with Envirofit International, a US no-for-profit organization to design and market a new range of improved stoves. Since unveiling its first line of clean cook-stoves in May 2008, Envirofit has sold over 100,000 cook stoves in emerging market around the world, with India as its primary focus. The objective of the Program is to sell 1,000,000 units in the next five years.

Discussion Questions

1. How did Envirofit implement its marketing plan to sell improved cook stoves in rural markets? What methods were used to create awareness and drive sales? What challenges were faced?
2. Develop a detailed Market Research strategy to expand the foot print of this stove in states of North India right from selection criteria of states for this purpose ? What kind of tools will you be using to capture the true insights from rural population in order to help Shell understand if some product modification is required.