

**PGDM – RM, Class of 2014 – 16**  
**Rural Retailing**  
**Subject Code: RM - 601**  
**Trimester – VI, End-Term Examination: February 2016**

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**. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		<b>Total Marks</b>	<b>50</b>

### Section- A

1. "Future of Modern Retail, lies in Rural Markets" As a domain expert, illustrate by giving example of the organisations where you have done your OJT/ SIP
2. What have the changes in the rural economic structure been in the last decade? What are their implications for modern organised retailers like Prestige Smart Kitchen?
3. According to you, which is the most remarkable government initiative in Rural India? What was its impact in Modern Retail?
4. What are the reference group? Describe the different types of reference group that can have an impact on a rural consumer's purchasing behaviour for organisation like Tata Kisan Sansar?
5. Develop discussion guideline for interviewing retailers in rural areas to understand the selection criteria employed for brand selection in any two product category of your choice.

### Section - B

6. What is the concept of "Brand Stickiness"? How is it different from brand loyalty? Why this concept is more relevant in rural India? Cite some examples of the same.
7. Mention three brands each from recent past which succeed and failed to create a unique proposition in rural markets. What could/ should have been done to position these brands more successfully in the minds of consumer from rural India?
8. What are key elements in brand building in rural markets? Critically analysis the issue of fake products in rural markets. What are the different strategies the a retailer/ brand owner should adopt to handle the issue?

## Section - C

Bru represents the coffee business of HUL and is the only brand to be present in all segments of the coffee category- instant, roast and ground, and premixes. It is the volume leader in the roast and ground market. There are three different consumer segments based on their drink preferences in south India:

- Conventional filter coffee drinkers
- Tea drinkers
- Instant coffee drinkers

South India is a big market for coffee, filter coffee being the most prevalent, with a few pockets within the states of Andhra Pradesh and Karnataka also preferring tea. However, most people prefer conventional filter coffee for its taste and aroma. This segment when combined with the tea-drinking segment represents a huge, untapped market for instant coffee.

### **The Challenge**

While people are aware of instant coffee, it is still a drink to be had on special occasions for many households. The marketing challenge, thus, was to convert these special occasions to Bru Instant Coffee occasions.

The company had to reach out to 1.3 million people spread across three segments for product trials.

As these households were a mix of tea drinkers/filter coffee and other coffee drinkers, conveying the right message across the segments was the key challenge for the company. Beverage preferences are difficult to change; it was not easy to get people to deviate from a beverage of their choice and sample instant coffee. The decision to leave samples with consumers significantly improved the impact of this trial campaign.

With multiple communicators of differing individual capabilities, delivering a standardized yet customized message consistently was an even bigger challenge for Bru. The fact that most housewives/target consumers have a not-so-welcoming attitude to a door-to-door salesman/communicator. The brand, therefore, needed a breakthrough to overcome these hurdles and to communicate the benefits of Bru Instant to three different beverage drinkers.

### **The Solution**

The accompanying video talks about how the communication strategy covered all three segments in one go using a door-to-door sampling strategy in a cost-effective manner for inducing trials. It talks about how innovative media vehicles were used during the campaign in the absence of effective mass media reach out to reach three sets of audiences. During the campaign in 2009, 2.3 million households were sampled, resulting in the brand gaining a 70 per cent share of new category entrants.

### **Questions**

1. What according you communication challenges did Bru face? Which innovative media vehicle was chosen for reaching the target group? Why? What else could have been used to improve the effectiveness of the campaign?
2. What kind of impact was generated by the campaign? How much rural growth was achieved as a result of this campaign?
3. Identify different consumer segments among health food drinkers in rural. Suppose a new brand "Health Plus" is entering this market. As the brand manager of the company, explain how you will enter this market and address the communication challenge for different segments.