

PGDM, 2018-20  
RURAL MARKETING  
DM-435

Trimester – IV, End-Term Examination: September 2019

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, (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. What were the three major changes in rural infrastructure in recent years? Name the relevant schemes and the opportunities they provided to the rural markets and how?

A2. Briefly describe some innovative tools used in rural marketing research. What advantages does PRA tools have over other research tools used in consumer research?

(CILO2)

OR

A2. Briefly describe various product development decision strategies using relevant examples for rural markets by focussing on the following challenges.

- Fake products
- Packaging
- Pricing
- Value delivered

A3. A durable company wants to sell its product in rural markets. Which distribution approach it apply to achieve success? Draw out the distribution model and service network for the company. Can we use inclusive marketing concept somewhere in this model?

(CILO 3)

OR

A3. An MNC has come up with its fortified biscuits and snacks which it wants to promote in iron-deficient rural areas of India. Devise a communication plan for the company to help it to effectively communicate its message. Highlight the parts of the plan separately where conventional and traditional media would be required?

**SECTION B – CASE STUDY (20 Marks) (CILO 4 or Combination of CILOs)**

**CHOTUKOOL: INNOVATING AT THE BOTTOM OF THE PYRAMID**

Over 80% of the population of India does not use refrigerators. The entry level refrigerators in India cost Rs 6000+. The billion plus people at the Bottom of the Pyramid (BOP) cannot afford this money. Many do not have even access to grid power. Yet their daily life can significantly improve, if they can store some milk, daily vegetables and fruits without spoiling and get half a dozen bottles of cold water. Is it possible to make this 'essential luxury' affordable and accessible to the people at the Bottom of the Pyramid?



## Disruptive Innovations

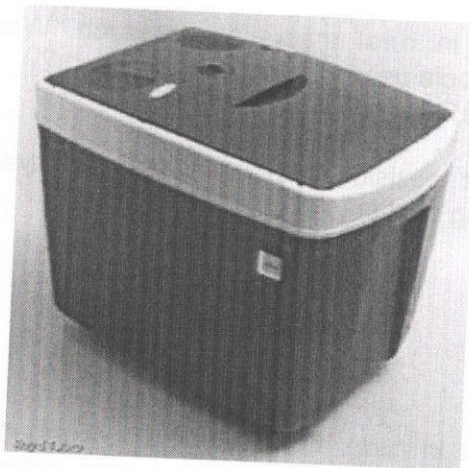
Chotukool was born with this inspiration and vision. The idea was conceptualized based on the principles of Disruptive Innovation developed by Prof Clayton Christensen. Typically technology continues to improve to cater to the needs of the segment of most demanding customers by a series of incremental and radical innovations. Though the satisfaction of the customers on the average increases this pursuit of 'sustaining innovations' leaves several consumers at the level of basic needs overshot! For example a person who only wants to read emails hardly needs several GHz of processing capacity in the computer. Disruptive Innovations address the basic needs of the simple customers with easy, simple and affordable solutions. Disruptive innovations open up the untapped market of the non-users.

## Consumer Insights and Latent Needs

The Chotukool team in the early phase of the project spent long time in the field to gain deep consumer insights and learn about the habits and life of the people in the rural India and BOP families. The team found that most of the people purchase their needs for a day or two at a time. The people live in small dwellings of 150 sqft. The living room turns into the bed room in the night. Space is a luxury! BOP is also a migrant population.

The team found the second hand refrigerators used by a few people largely empty – there was nothing to keep except water!

## Chotukool



Chotukool is a 43 L solid state cooler that uses no compressor or refrigerants. It operates on 12V DC – can work on battery, inverter or even solar power. It is 7.8 Kg, in weight and easy to move. It keeps daily need food fresh and cool between 5°C to 15° C in the typical ambient in the house. It is priced between Rs 3250 and Rs3500 in the market.

## Challenges at BOP

But the path to BOP is not an easy one. It poses several challenges. Chotukool project faces the challenge of thinly spread market, low earning power of the consumers, limited awareness of users and vast cultural diversity. We addressed these challenges by being humble to learn and adapt from these insights. We also consciously remained frugal – focused on low cost to end user, worked with small teams and kept investments very low.

Question-1: You need to develop a proof of concept for this product so set the context for the same in not more than 50 words.

Question-2: How will you segment the market for this product? Give a profile of the target in not more than 50 words.

Question-3: Suggestive an inclusive model for distribution of this product?

Question-4: Suggest suitable media with reasoning for communication strategy to launch this product.