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## CREATING BRAND EQUITY THROUGH STRATEGIC BRAND MANAGEMENT IN RURAL MARKET

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### ABSTRACT

*"The future lies with those companies who see the poor as their customers" C. K. Prahalad. In other words we can say there is vast potential for profits in the rural markets. Many MNC's and FMCG companies are working India's rural markets as Hindustan Lever, Godrej, ITC, PepsiCo, Coca-Cola, LG Electronics, Parle, LIC, HDFC Standard Life, ICICI, Philips, Colgate Palmolive and most of the Telecom companies because there is vast potential for profits. Goal of this study to examine a practical situation in rural market and know the brand preference of rural consumer, and how rural consumer evaluates particular available product or service in the market.*

**KEY WORDS:** Rural market, rural consumer, rural potential

### INTRODUCTION

According to the 2011 census, 83.3 cr Indians forming around 70 per cent of India's population live in rural areas. Very big market is available to marketer.. The rural population is scattered in over 6.5 lakhs villages. The rural population is highly scattered, but holds a big promise for the marketers. The rural market is growing steadily over the years. Demand for traditional products such as bicycles, mopeds and agricultural inputs; branded products such as toothpaste, tea, soaps and other FMCGs; and consumer durables such as refrigerators, TV and washing machines have also grown over the years.

Rural consumer buy small quantities - more frequently, Unit price is critical, particularly as many of them are daily-wage earners. They look for 'acceptable performance'/ functional benefits / paisa vasool paradigm (good in relation to current product) at a reasonable price. Flash price of pack wherever feasible and transcriptions of packaging critical in rural products. In their own way, good at arriving at a cost per dose (or cost per month) equation: even if not expressed mathematically more sensitive and alert to 'value'. But it is a fact that rural market is growing

very fast. According to IBEF November 2013, rural consumption per person has increased by 19 per cent yearly between 2009 and 2012; two percentage points higher than its urban peers. In incremental terms, spending in rural India during this period, increased by US\$ 69 billion, significantly higher than US\$ 55 billion by urban populations.

### LITERATURE REVIEW

Rural areas, pricing is given more consideration than brand name, while in urban areas, brand name overtakes pricing factor. But for mobile phone brands are equally popular among the people of both regions and the consumers trust the brand name. The company which offers a wide range of options to choose from is more likely to successfully gain popularity and capture market share equally well in urban as well as rural areas (Shaktiman Singh & Saurabh Kumar, 2014)

(Prof.Lakshmi Narayana.K & Dr.Binoy Mathew, 2015) explored in their study that most of the people in rural market both from illiterate & literate groups prefer branded products with the belief that quality is assured as the manufacturers are reputed companies.

The traditional brand management approaches of celebrity endorsements may not give same results as it gives in urban environment. The first mover companies will get the benefit of establishing lasting impression in the mind of customers and develop themselves as leader in the rural markets, (Sachin Sharma, 2015)

(Abbas Ali & Venkat Ram, 2012), explain the companies must educate rural retailers about such modern marketing principles for a better performance. As price influences rural purchase of FMCG, it is recommended to pursue the low-price strategy in rural marketing.

It has been observed that rural India is going a series of changes, which, if taken in the right direction will result in consumer evolution with such a huge consumer base that has not been served its share till now. Although, some organisations have taken a leap by making their presence felt in rural areas, but much is required to be undertaken,(Poonam Kumari & Nirupma Gupta, 2014).According to Jared

**ANALYSIS AND FINDINGS**

Masters of Rural Market: Profitably Selling of India’s Rural Consumers, Accenture’s research has demonstrated that success in India’s rural markets hinges on the performance of companies on two key measures:

- ✧ Rural Performance Index—the degree to which rural markets are strategically important to a company’s growth agenda,

Spool, “Branding means creating an emotional association (such as the feeling of success, happiness, or relief) that customers form with the product, service, or company.”(Nagaraju Kolla,2014 )found out that ,advertisement is the most important factor of tooth paste brand selection, followed by price, size, brand name, specific benefit, product quality, opinion leaders, availability, discounts/offers /free gifts, packaging, retailers, look/appearance and point purchase promotions.

**OBJECTIVES OF THE STUDY:**

- ♦ To know the brand preferences of rural consumers.
- ♦ Evaluate different mode of communication for rural markets.
- ♦ Rural consumers’ acceptance for various consumer durables and non-durables.

**RESEARCH METHODOLOGY**

The research design is exploratory in nature. The data is collected by means of secondary sources.

defined by the contribution of rural markets to the enterprise’s Lessons from the Masters.

- ✧ Rural Innovation Index — the level of innovation in a company’s product, packaging, pricing, channels and operating models.

Currently what percentage of the total revenue comes from the rural markets is given below:

Banking	21%
FMCG	18%
Consumer Durables	16%
Automotive	12%
Pharmaceuticals	10%
Insurance	9%
Chemicals	6%
Cement	4%
Telecommunications	3%
Other	1%

Source: Masters of Rural Markets: Profitably Selling to India’s Rural Consumers, Accenture

**Rural and Urban consumption Expenditure Behaviour**

Year	Total expenditure in INR
July1987 to June 1988	15810
July1993 to June 94	28140
July1999 to June 2000	48616
July2001to June 2002	49490
July2002 to June 2003	49827

Source: National Sample Survey Organisation

## Penetration Rates of few consumer durables and consumer consumables Households:-

### Purchasing pattern per 1000 house holds

Consumer Non-Durables	No. of Households
Body Talcum powder	401.2
Cigarettes/ beedi	201.2
Fairness Cream	150.6
Cooking oil (mustard oil)	900.2
Cooking oil( refined oil )	365.5
Electric Bulbs	502.6
Electric Tubes	109.6
Sleeper /shoes (casual )	856.3
Sleeper /shoes (formal)	301.2
cosmetics	12.8
Branded Biscuits	325.6
Tea	935.6
Toothpaste	523.4
Tooth Powder	321.5
Washing Powder	622.3
Toilet shops	536.2
Television	231.2
refrigerator	16.5
cooler	18.5
shampoo	625.3

### Purchasing pattern of washing powder in rural market

Brand	% of consumer purchase
Nirma	53
wheel	23
Tide	38
Ghadi	26
Surf	12
Ariel	9
lifebuoy	61
lux	13
Dove	2

**Brand Awareness in Rural Market: Branded Soap awareness among rural consumer**

Brand	% awareness
Breeze	62
Nima	53
Godrej No. 1	12
Superia	10
Lifebuoy	96
Vivel	9
Rexona	23
Lux	65
Hamam	53
Santoor	13
Margo	41
Medimix	12
Fiama Di Wills	0.1
Dettol	40
Cinthol	35
Liril	40
Mysore Sandal	13
Pears	12
Dove	10
Other	23

**Rural consumer exposure to different media (N=200)**

Media	Exposure (%)
Wall Painting	56
Television	16
Nukkad natak	35
Radio	42
Press	11
Public relation	42
Hoardings	31
Posters	21

**DISCUSSION**

Rural markets are very important for India and rural consumer income is growing due to better agriculture produce price (MSP) Many scheme like MANREGA, is giving money in the hand of consumer. Rural people are working outside of village to earn money. In other words it can be sad that rural consumer has money and they are brand conscious. So it is responsibility of marketer to do

strategic brand management. The innovative marketing strategy for rural market should relate to the demand of the target rural consumer. NCAER ,2006, showed rural disposable incomes is rising .Public relation, positive word of mouth, Nukkad natak ,wall painting, haat fair, weekly market, exhibition can work as important tool of rural communication.

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