

MANAGEMENT PROGRAMME**Term-End Examination****June, 2007****MS-611 : RURAL MARKETING***Time : 3 hours**Maximum Marks : 100**(Weightage 70%)*

Note : *This paper consists of **two** Sections A and B. Attempt any **three** questions from Section A. Section B is **compulsory**. All questions carry equal marks.*

SECTION A

1. Discuss the social, economic and political environmental variables of Rural Markets. How would these environmental variables affect the marketing decisions for the rural markets ? Illustrate your answer using suitable examples.

2. Discuss the influence of culture on the buying behaviour of rural consumers. How can marketers, using the knowledge of cultural manifestations, change their rural communications for products like
- (i) Aerated Cold Drinks ?
 - (ii) Toothpaste ?
 - (iii) Soaps ?
3. (a) What are the major differences between pricing strategies for the Rural vs. Urban markets ? What important factors must marketers consider before deciding on the final price in the context of rural markets ?
- (b) How would you address the pricing decision for small villages in India if you were to decide on the price of
- (i) Common Salt ?
 - (ii) Insurance Policies ?
4. (a) What are the major objectives of Sales Promotion ? Discuss its relevance to the rural markets.
- (b) Suggest rural sales promotion programmes for the following products :
- (i) Cycle tyres
 - (ii) Paints

5. Write notes on any **three** of the following :

- (a) USP for Shampoo; Toilet Soap; Shoes for Rural Consumers
- (b) Role of Promotion and Demonstration in Rural Promotion Mix
- (c) Packaging Decisions as regards packaging modifications to be made by FMCG companies for Rural Markets
- (d) Role of Haats in reaching Rural Markets
- (e) Behavioural aspects in Rural Distribution

SECTION B

6. Read the case study and answer the questions that follow.

Rohit Chemical Works, makers of washing detergent named 'Nikhar' decided to start from Rural Markets in the states of Haryana and Punjab.

They started manufacturing their detergent in Rohtak Industrial Area in Haryana and appointed salespersons to cover dealers of detergents and soaps to stock their product.

Nikhar was priced lower than the competing brand Nilima which was popular in rural areas. However, the quality of Nikhar was kept at par with Nilima.

To change the habits of rural women to start using detergent powder rather than soaps, in selected villages, free sampling of detergent pouches was done by the company. The local retailers were motivated in the villages to keep Nikhar detergent powder and were offered more margins than Nilima detergent on the sale. Trade push was given.

To further increase the awareness of Nikhar in villages, various walls in the villages were painted with Nikhar Detergent. Stockists were appointed at district

level and incentives were given to them to redistribute Nikhar to nearby village retailers.

All this led to the increase of sales of Nikhar in rural villages of Haryana and Punjab. Gradually, packaging was also improved with rural women portrayed on the package. Cassettes were made and run in villages, promoting Nikhar detergent.

Demonstrations were held in villages to show the ease of washing clothes with detergent' as compared to soap to change the washing habits.

Later on Video on Wheels (VOW) were also deployed to further promote Nikhar in villages. All these efforts led to increase in sales of Nikhar.

Questions :

- (a) Comment on the promotional strategy used by Rohit Chemical Works. What suggestions can be given to further strengthen it ?
- (b) Suggest a distribution system for rural market penetration for faster growth.

