

The problem of urban myopia marketing essay

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Dr. Ajith Paninchukunnath

Assistant Professor (Marketing Area),

Indian Institute of Management, Rohtak, Haryana, India.

Email : ajithfpm@gmail.com

Mobile : +91- 8295677038

Rural Marketing - Talent Deficit in India and Role of Stakeholders

Abstract - This paper addresses the challenge of scarcity of human resources for rural marketing in India. Many organizations are failing to penetrate rural markets due to their urban myopia, lack of right talent and also due to the deficient effort to attract talents from sub-urban and rural areas. Business schools are not able to cater to the needs of industry either due to poor focus or due to small number of graduates and postgraduates produced in rural marketing. The paper delineates some steps which the industry and academic institutions can jointly adopt to address the rural challenge. Key words- Rural Marketing, Urban Myopia, 3P Framework, Human Resource, B-Schools

Introduction

Rural Marketing is emerging as the corporate catchword of the 21st Century in India. In the second decade of 21st century, the Indian rural economy is

around \$1 trillion, almost the size of the Canadian economy. With 800 million consumers, Rural India is more than double the US population (314 million). Even then the attention of majority of marketers is still focused on the urban markets with just 400 million consumers. Rural markets are just ex-stations and out-stations for most marketing executives which will be visited by them only if urban markets are not able to meet their targets. The objectives of this paper include; (1) to highlight the challenges of rural marketing in India, (2) to stress on the tremendous scope and challenges of rural marketing and (3) delineate some steps which the industry and academic institutions can jointly adopt to address the rural challenge. India is made up of 28 states, one union capital territory (Delhi) and seven union territories. There are 16 official languages, 432 official dialects, and four major religions, thus rural India is the most heterogeneous market in the world (Kashyap, 2012). As more and more trained marketers prefer to live and work in urban areas, a vacuum is created for talent to cater to the needs of the rural markets and consumers. Marketers suffering from urban myopia believe in many myths like; 1. Rural markets are homogeneous 2. Rural is all about agriculture The fact is Rural India is heterogeneous and agriculture accounts for just one-third of rural India. The remaining two-third comes from the services sector and the manufacturing sector. Lack of adequate knowledge about rural India is preventing companies and entrepreneurs from starting businesses in rural India or taking their products to rural consumers. For a long time rural marketing was synonymous with ' agricultural marketing' in India (Krishnamacharyulu and Ramakrishnan, 2011).

The Problem of Urban Myopia (UM)

Urban Myopia is defined as the state of a marketing firm which sees only the urban market to participate, in a country where rural markets are dominantly present (Paninchukunnath, 2010). India is a country with dominance of rural markets both in its size and growth. With more than 11% of the world population, it is perhaps the world's largest single market within a geopolitical boundary. Companies suffering from UM will participate only in urban markets, most of which are over supplied by existing players. The intensity of urban myopia is so high that in spite of facing acute problems in urban markets like low market share, brand polygamy by consumers, competition from private labels, declining margins due to heavy competition and so on, companies with urban myopia still refuse to look beyond urban markets. Many of such companies undertake over segmentation of the urban market, making themselves a niche player-only to underutilize their actual potential or resort to line and brand extensions with minor differentiations. Such practices lead to clutter of brands in the urban markets and it is massively damaging our already fragile ecology. Dilution of brand equity, market leadership and thereby the profitability lead these firms to adopt unethical practices. These firms keep on whining about the depleting market share and brand value and hardly do anything to create more opportunities for themselves and the rural consumers. Adopting an inclusive approach to marketing is the need of the hour. Marketers suffering from urban myopia are not only blind to the big opportunity existing in rural market but are also under taking a big risk of offering the same to a competitor on a platter. They also lose out on the biggest opportunity to innovate, since some of the

innovative ideas from the rural consumers or the idea generated to cater to rural markets can be used to compete more effectively in urban markets (Paninchukunnath, 2010). The current scenario in India is that when more than 70 per cent of Indian consumers are living in rural India, more than 70 per cent of marketing and sales professionals are settled in urban India. This mimics the healthcare sector of India where more than 70 percent of doctors' practice in urban areas leaving 70 per cent of Indians at the mercy of Government hospitals (public health centers) or very few private health clinics which are operating in rural areas. Whenever there is a resignation of one or more members from the sales team of any marketing organization, rural markets are the first to get deserted. The remaining members of the team cut short their rural routes and divert their energy and time to urban markets which were covered by resigned representatives. Even the supervisors pitch in only to take care of the main urban markets left uncovered in such scenario. Immediate non-appointment of new representatives, which is mostly the case, the rural markets remain uncovered for years together. Strategic innovation, which is a must for all marketing firms in today's market place, in developing markets is fundamentally different from what occurs in developed economies. It is not about locating new consumers (assuming the products and services are affordable, there are plenty of under- and non-consuming customers to tap). More often, it involves adapting existing products to customers with fewer resources or different cultural backgrounds and creating basic market ingredients such as distribution channels and customer demand from the ground up (Anderson and Markides, 2007). The attitude toward rural market

should be that of investor and approach should be one of market seeding (Pedhiwal et al., 2011). Rural market differs by geography, occupation, social and cultural factors. This in turn influence of product design, promotion, pricing and use of channels. There is need to develop positioning and product variant according to geography and social grouping. The product offering in rural market need to reflect the product use-situation.

Rights of Rural Consumers

Majority of the rights of rural consumers have been denied to them by organizations suffering from urban myopia. By not focusing on rural markets, organizations are denying the basic rights of rural consumers. As consumers in urban areas, rural consumers also enjoy the basic consumer rights like;

The right to be protected against marketing of goods which are hazardous to life and property. The right to be informed about the quality, quantity, potency, purity, standard and price of goods to protect the consumer against unfair trade practices. The right to be assured, wherever possible, access to a variety of goods and services at competitive prices. The right to be heard and to be assured that consumers interests will receive due consideration at appropriate forums. The right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers. Right to consumer education.

The above rights are provided to all Indian consumers through the Consumer Protection Act of 1986. This act aimed at making the dictum, *caveat emptor* ('buyer beware') a thing of the past.

The Scope of Rural Marketing in India

The scope of rural marketing is very big. The table below shows the various categories of opportunities. The potential mentioned as high, very high or moderate is based on the contribution which marketing function can make to each of these categories.

Table 1: Scope of Rural Marketing in India

Destination

Source

Rural Markets

Urban Markets

International(Export)

Rural

Moderate(R2R)Very High(R2U)High(R2I)

Urban

High(U2R)(Not applicable)(Not applicable)R2R- Rural products sold in rural markets has moderate potential for marketing firms. R2U- Rural products can be sold in urban markets by adopting various methods by marketing firms.

This category has very high potential. Marketing firms need to come forward and find innovative ways of marketing rural produce to urban consumers.

U2R-Urban products (especially FMCG and Durables) have high potential especially when adopted or designed for rural context. R2I-Unique products [especially with Geographical Indication (GI)tag like Kanchipuram Silk Sari], can be exported and has high potential. In 2005, ' Kanchipuram Silk Sarees'

received the Geographical Indication tag, the first product in India to carry this label.

Challenges of Rural Marketing

Rural Marketing process is both as a catalyst well as an outcome of general rural development process. There are many challenges in rural marketing and few of them are as follows; Lack of sufficient and competent human resource to undertake sales and marketing activities Lack of sufficient infrastructure- Roads, Transportation, Electricity, Warehouses Illiteracy among rural consumers Counterfeit products- Look alike, Spell alike, Duplicates Adulteration (as most of the products are sold loose - in unpacked and unbranded form) Lack of good intermediaries Indian Rural Market is extremely fragmented- Heterogeneous. Slow adoption of new products Small retail outlets limiting visibility and display opportunity for new products Poor inventory holding ability of retail owners (deficiency of space and capital)

Holistic Approach to Rural Marketing

The 3 P Framework of Rural Marketing can not only give access to the rural opportunity but has the potential to create markets, innovative products, green products and align CSR activities of the firm to its value chain. The inclusive (Urban and Rural) approach to marketing is not only more holistic (meeting the needs of all stakeholders), but more rewarding for a socially responsible marketing firm. A holistic approach with long term commitment will give sustainable returns, strong presence and leadership in rural markets of India which are heterogeneous and difficult to access.

The 3P Framework- Holistic Framework

The 3P Framework of Rural Marketing (Paninchukunnath, 2010) has three components: 1. The Push Marketing- The Push marketing mainly aims at market penetration. Products sold in urban markets are made available to rural consumers without any modification. Longer, multiple and hybrid channels are adopted to reach the rural markets. 2. The Pull Marketing- The Pull marketing mainly aims at communicating with the rural consumers and reduce disconnect between what marketing firms offer and what rural consumers want. Vernacular advertisements, local opinion leaders and ambassadors are used to communicate with rural consumers. Products sold in rural markets under this approach are not the same? The products sold in urban markets are modified as per the preferences of rural consumers in various regions. Majority of the modifications are at the packaging level (smaller packs). Pull marketing use media, melas and haats as the focal approach to target rural consumers - to attract, educate and make them brand loyal. 3. The Pull up Marketing- The Pull Up marketing aims at co-creation and innovation which involves collaboration with various organizations (both Govt. and NGOs) as well as close interaction with the rural consumers to understand their needs better, to empower them (create a source of livelihood) and also to capture their knowledge, wisdom and innovative ideas in the form of green products. The local sourcing of raw materials and adoption of indigenous technology are helped marketer to align CSR activities to its value chain. Empowerment of rural consumers may be through microfinance, education, training, micro enterprise, royalty for their ideas (traditional knowledge) etc. Finding good partners is a key

component of the Pull-up marketing and these partners can be either from the public or the private sector. Pull up marketing use empowerment (CSR) and Co-creation (DART) as the focal approach to target rural consumers. Empowerment can also be done through assistance in sales and distribution, branding, export and processing of rural produce. The co-creation process has four building blocks-Dialogue, Access, Risk assessment and Transparency (Prahalad and Ramaswamy, 2004) The 3P Framework of Rural Marketing has to be adopted in totality for achieving sustainable success in rural marketing. Many marketing firms are adopting just one or two components of the 3P Framework, and face problems. They need to implement the missing component of the 3P Framework. Firms having Urban Myopia need to quickly adopt 3P Framework of Rural Marketing. Even domestic firms aspiring to be a MNC need to be strong in the domestic market, 2/3rd of which is rural in India. The adoption of 3P Framework of Rural Marketing can strengthen the organization in the domestic market and make them a stronger contender for international markets. In an era of human centric marketing, catering only the needs of the urban markets is Urban Myopia which requires immediate correction for the health of marketing organization, society and nation at large.

Four As Model – Emerging Markets and Customer Centric Model

This model is proposed by Sheth and Shah (2003). Dr. Jagdish Sheth, a renowned scholar, futurist and world authority in the fields of marketing, strategy and globalization. According to him, the more customer-oriented 4As framework is to be employed before undertaking to set the 4Ps. Built

around the notion that the customer is the dominant actor in most markets, the 4 As of marketing identifies four roles of customers to which marketers must respond if they are to be successful. Four As framework is organized around the values that matter most to customers: Acceptability, Affordability, Accessibility and Awareness. Taken together, these attributes are called the "4As". The 4As framework is derived from a customer-value perspective based on the four distinct roles that customers play in the market: seekers, selectors, payers and users. For a marketing campaign to succeed, it must achieve high marks on all four As, using a blend of marketing and non-marketing resources. The 4As framework helps companies create value for customers by identifying exactly what they want and need, as well as by uncovering new wants and needs. That means not only ensuring that customers are aware of the product, but also ensuring that the product is affordable, accessible and acceptable to them.

Product → Acceptability

Promotion → Awareness

Price → Affordability

Place → Accessibility

Four Ps Model - Producer (Company) centric – Tactical Model

Product - A product is seen as an item that satisfies what a consumer needs or wants. It is a tangible good or an intangible service. Price - The price is the amount a customer pays for the product. The price is very important as it determines the company's profit and hence, survival. Promotion - Represents

all the methods of communication that a marketer may use to provide information to different parties about the product. Place - Refers to providing the product at a place which is convenient for consumers to access. Place is synonymous with distribution. Initiation and management of social and economic change in the rural sector is the core of rural marketing process (Pedhiwal et al., 2011). Keeping 3P Framework as a broad and strategic framework, the managers can move on to 4As model and subsequently to the company centric 4Ps model as they develop the marketing strategy and tactics for any product or service aimed at rural markets in India.

Figure 1: Marketing Strategy Development for Rural Markets

Sheth & Shah (2003)E. Jerome McCarthy (1964)Paninchukunnath, 2010

Addressing Rural Challenge-Expected Contribution by Stakeholders

Industry and academic institutions can jointly adopt various steps to address the rural challenge. Contribution by individuals, groups and organizations on a sustained basis for at least the next two decades is an imperative to address the needs of rural consumers. Given below are some suggestions;

(A) What can Business schools do in this context?

Declare rural marketing as an important discipline. Launch separate departments, programs and courses for rural marketing. Introduce full time, part-time and distance learning courses. Make rural assignments/projects compulsory. Arrange rural immersion programs for budding managers. Partner with Government and corporate houses in their social developmental

initiatives(CSR). Commitment to quality education and research in topics which are more relevant to rural consumers. Advance the discipline of rural marketing with latest research and practices. Organize seminars/workshops/training programs from time to time to disseminate the knowledge. Develop cases of exemplary firms in rural marketing.

(B) What companies can do in this context?

Sensitize the existing management team to rural economy and ecosystem. Make rural stint compulsory for all managers. Recruit more people from rural areas and train them. Have separate rural division. Introduce more products for rural consumers. Have CSR programs in alignment with rural marketing initiatives.

(C) What budding management professionals can do in this context?

Ask for rural assignments. Start new rural initiatives/campaigns/projects. Engage more with rural channel partners and consumers. Educate rural consumers on the benefits and proper use of products sold by them.

(D) What RMAI can do?

Rural Marketing Association of India (RMAI) is a premier industry body devoted to furthering the cause of rural marketing. Since its inception in the year 2005, RMAI has been helping marketers plan and implement their rural marketing activities across the country. Conduct workshops at regional level. Conduct regional level best summer project award functions. Collaborate with business schools in grooming the right talent. Organize short term training programs. Identify mentors from industry and link them to various

business schools. Reward best practices by individuals and organizations in rural market development annually.

Institutes in India Dedicated to Rural Human Resource Development

Given below are few of the leading institutes shaping the talent for rural marketing in India.

IRMA

Institute of Rural Management, Anand (IRMA) (founded 1979) is an autonomous institution located in Anand in Gujarat, India with the mandate of contributing to the professional management of rural organizations. IRMA was founded with the belief, borne out by Dr. VergheseKurien's (Father of White Revolution) work in the dairy co-operatives which revolutionised the dairy industry in the country, that the key for effective rural development is professional management.

KSRM- Bhubaneswar, Odisha

KIIT School of Rural Management (KSRM), Bhubaneswar came into existence with the laying of the foundation stone by Dr. VergheseKurien and Dr. A Samanta, Founder of KIIT Group of Institute & KISS on 20th November, 2006 in the premises of the KIIT University. The vision of KSRM is – 'Use Knowledge- Driven Approach to become a leading Global Academic Institution in the field of Rural Management' and Mission is to – 'To catalyze the process of sustainable and holistic rural development and minimize existing rural- urban divide'.

XIM Bhubaneswar

XIMB's Rural Management programme aims at training professional managers for the rural sector. The course is designed to address the following objectives; (1) Blending the managerial knowledge and practices of people with modern management science and techniques. (2) Building and strengthening people's organizations. (3) Knowledge and skill needed for effective utilization and management of human and valuable resources. (4) Application of technology to analyze factors influencing rural realities and (5) Generating an interface between the corporate sector and social development.

Institute of Rural Management, Jaipur (IRM)

The Society for Indian Institute of Rural Management (SIIRM) is a registered, non-government, non-profit, autonomous institution, engaged in research, training and consultations in management and rural development in the country. With a history dating back to 1988 the SIIRM is a highly regarded place of research and learning that makes continuing distinctive contributions to society and economy.

Conclusion

Leadership is not about managing the present; it is about dynamically creating the future. This paper investigated the myopic approaches adopted by marketing organizations and marketers towards rural consumers. Addressing the basic needs of rural consumers is impossible without quality human resources. Business schools and business organizations need to join hands to address this human resource crisis. Shaping good and committed

rural managers to address the rural challenges is an imperative. Rural marketers have to respect rural consumers and their wisdom to co-create solutions for rural markets. Rural consumers are hard to reach. It is not easy to help them. The paper has highlighted the scope and challenges of rural marketing in India. Sensitizing the budding management students with appropriate values, attitudes and critical thinking tools to find solutions for rural consumers is an urgent need which has to be addressed by all stakeholders. As business schools and business organizations are the main stakeholders in implementing successful rural transformation, adopting a holistic approach in jointly training future managers is the way forward.' Reaching out to solve and serve' should be the mantra of all marketers interested in developing rural markets of India. The paper has delineated some steps which can be adopted by B-schools as well as other organizations in the society to ensure the well-being of rural consumers of India.