

## **Promotional Strategies for Services in Rural Market**

**Dr.S.VISHNUVARTHANI**

*Assistant Professor in Commerce, Vellalar College for Women , (Autonomous), Erode -12*

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**Abstract:** *Goods and services are the major marketable entities in most commercial activities. Traditionally, goods have occupied a lot of space in the market. As the growth in the market for goods in the developed world got saturated, the attention has turned towards services. Most developed countries have 70 per cent of their GDP from services. In India, about 50 per cent of the GDP is from the services. Among the various services, Cellular phone service, Housing finance and IT Services are the fastest growing sectors. As in case of goods, in services too marketing mix plays a vital role. The marketing mix of services includes 7Ps – Product, Place, Promotion, Price, People, Physical Evidence and Process.*

*Even though all the 7Ps are quite important for the deliverance of service, promotion plays a vital role in making the service to reach the hands of consumers. The service marketer needs to arrive at a promotion plan including various possible media options, in the promotional objectives, particularly in rural areas. There are several choices of media for any given target market of potential or existing customers of a service. But, all of them are not equal in terms of achieving a given promotion objective. Creating awareness among the target audience may be easily done through a mass medium like a newspaper or television. But an action-oriented objective may require an incentive to act as a part of the message. A sense of urgency can be added through a personal selling pitch. In some service businesses like insurance for life or property, only a personal sales pitch may work, because nobody actively thinks about an insurance product. Therefore, the selection of promotional tool – selection of media, selection of message and deciding on a promotional cycle are important as the components of a service promotional plan. In this aspect, this paper focuses on the various promotional strategies for services in rural market.*

**Keywords:** *Media, Promotion, Rural market and Services*

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### **I. Introduction**

Rural markets offer a great scope for a concentrated marketing effort because of the recent increase in the rural incomes and the likelihood that such incomes will increase faster because of better production and higher prices for agricultural commodities. Rural Marketing is a developing concept, and as a part of any economy has untapped potential; marketers have realized the opportunity recently. Improvement in infrastructure and reach promise a bright future for those intending to go rural. Any macro-level strategy for these markets should focus on availability, accessibility and affordability. Focused attention needs to be paid to market research that goes on to reduce the uncertainty in dealing with these markets. More specifically, in relation to rural areas, demand is seen to be very highly price elastic. There is no doubt that divides do exist between urban India and rural India.

### **II. Nature of Rural Market**

The Concept of Rural Marketing means different things to different persons. This confusion leads to distorted understanding of the problems of rural marketing poor diagnosis and, more often than not, poor prescriptions. Rural marketing and urban marketing are identical as regards basic marketing structure. However, rural markets and rural marketing have special features and dilemmas as compared to urban markets.

The rural markets offer a great scope for a concentrated marketing effort because of the recent increase in the rural incomes and the likelihood that such incomes will increase faster because of better production and higher prices for agricultural commodities. The Indian rural market with its vast size and demand base offers great opportunities to marketers. Two – thirds of countries consumers live in rural areas and almost half of the national income is generated here. It is only natural that rural markets form an important part of the total market of India. Our nation is classified in around 450 districts, and approximately 63,000 villages, which can be sorted in different parameters such as literacy levels, accessibility, income levels, penetration, distances from nearest towns, etc.

The rural markets dominate Indian marketing scene and need special attention for the expansion of marketing activities and also for providing better life and welfare to the rural people. Given the development, which has taken place in the rural areas under the five- year plans and other special programmes, today the rural

market offers a vast untapped potential. Development programs in the field of agriculture and allied activities, health education, communication, rural electrification, etc have improved the lifestyles of poor and the illiterate and some market agencies forecast the rural demand will superseded the urban demand in the near future. Once the urban markets getting saturated for several categories of services and with rising rural incomes, marketing executives are fanning out and discovering the strengths of the large rural markets as they try to enlarge their markets.

A survey by the National Council for Applied Economic Research (NCAER), India's premier economic research entity, recently confirmed that rise in rural incomes is keeping pace with urban incomes. The rural middle class is growing at 12 per cent against the 13 per cent growth of its urban counter- part. Broadly, rural marketing incorporates the marketing of agricultural products, rural industries products and services of many kinds.

### **What Is A Service?**

Services are (usually) intangible economic activities offered by one party to another. Services marketing typically refers to both business to consumer (B2C) and business-to-business (B2B) services, and includes marketing of services such as telecommunications services, financial services, all types of hospitality services, car rental services, air travel, health care services and professional services. Service marketing is marketing based on relationship and value. It may be used to market a service or a product. Marketing services is different from marketing goods because of the unique characteristics of services namely, intangibility, heterogeneity, perishability and inseparability. The American Marketing Association defines services as - "Activities, benefits and satisfactions which are offered for sale or are provided in connection with the sale of goods."

### **Seven Ps Of Service Marketing Mix**

The first four elements in the services marketing mix are the same as those in the traditional marketing mix. However, given the unique nature of services, the implications of these are slightly different in case of services.

1. **Product:** In case of services, the 'product' is intangible, heterogeneous and perishable. Moreover, its production and consumption are inseparable. Hence, there is scope for customizing the offering as per customer requirements and the actual customer encounter therefore assumes particular significance. However, too much customization would compromise the standard delivery of the service and adversely affect its quality. Hence particular care has to be taken in designing the service offering.
2. **Pricing:** Pricing of services is tougher than pricing of goods. While the latter can be priced easily by taking into account the raw material costs, in case of services attendant costs - such as labor and overhead costs - also need to be factored in. Thus a restaurant not only has to charge for the cost of the food served but also has to calculate a price for the ambience provided. The final price for the service is then arrived at by including a mark up for an adequate profit margin.
3. **Place:** Since service delivery is concurrent with its production and cannot be stored or transported, the location of the service product assumes importance. Service providers have to give special thought to where the service would be provided. Thus, a fine dine restaurant is better located in a busy, upscale market as against on the outskirts of a city. Similarly, a holiday resort is better situated in the countryside away from the rush and noise of a city.
4. **Promotion:** Since a service offering can be easily replicated promotion becomes crucial in differentiating a service offering in the mind of the consumer. Thus, service providers offering identical services such as airlines or banks and insurance companies invest heavily in advertising their services. This is crucial in attracting customers in a segment where the services providers have nearly identical offerings.
5. **People:** People are a defining factor in a service delivery process, since a service is inseparable from the person providing it. Thus, a restaurant is known as much for its food as for the service provided by its staff. The same is true of banks and department stores. Consequently, customer service training for staff has become a top priority for many organizations today.
6. **Process:** The process of service delivery is crucial since it ensures that the same standard of service is repeatedly delivered to the customers. Therefore, most companies have a service blue print which provides the details of the service delivery process, often going down to even defining the service script and the greeting phrases to be used by the service staff.
7. **Physical Evidence:** Since services are intangible in nature most service providers strive to incorporate certain tangible elements into their offering to enhance customer experience. Thus, there are hair salons that have well designed waiting areas often with magazines and plush sofas for patrons to read and relax while they await their turn. Similarly, restaurants invest heavily in their interior design and decorations to offer a tangible and unique experience to their guests.

### **Promotional Strategies**

The rural market has changed drastically in the past one decade. A decade ago, the rural market was more unstructured and was not a prioritized target location for corporate. Marketers must be very careful while choosing the mediums to be used for communication. Only 16% of the rural population has access to a vernacular newspaper. So, the audio visuals must be planned to convey a right message to the rural folk. The rich, traditional media forms like folk dances, puppet shows, etc., with which the rural consumers are familiar and comfortable, can be used for high impact product campaigns. Radio is also very popular source of information and Entertainment, Adds on radio can also be a helpful tool for marketers

Some other Strategies to be followed in Indian Rural Market-

- Decentralizing rural markets by detaching them from the urban bases. A give-and-take two-way approach should replace the present one-way exploitation.
- The salesman in rural markets should be selected from the educated unemployed villagers, trained well and appointed as salesmen. The town-to-villages shuttling salesmen are to be replaced by stationary salesman in villages.
- Companies should also adequately concentrate on educating the villagers to save them from spurious goods and services.
- Rural markets are laggards in picking up new services. This will help the companies to phase their marketing efforts.

**Some of the other strategies that may be adopted by Companies for Rural Markets for their Services:**

#### ***Best Promotion and Quality Perception***

Companies with new technology are properly capable to communicating its products and services to their customer. There is a trade-off between quality a customer perceives and a company wants to communicate. Thus, this positioning of technology is very crucial. The perception of the Indian about the desired services is changing. As a rural Indian customer always wanted value for money with the changed perception, one can notice difference in current market scenario especially in case of services given by the companies.

#### **Easy-Way Communication especially for Rural Market**

The companies have realized the importance of proper communication in local language for promoting their services especially in rural market. They have started selling the concept of quality with proper communication and easily understandable way of communications. Their main focus is to change the Indian customer outlook about quality.

#### **Changing Pattern of Rural Customers**

Now-a-days, villagers are constantly looking forward for new branded products and good services. Indian customer in rural market was never price sensitive, but they want value for money. They are ready to pay premium for the product if the service is offering some extra utility for the premium. Cultural values play major role in deciding what to buy. Furthermore, rural people are emotional and sensitive. Thus, to promote products and services we should regard their social and cultural values.

#### **Focus on Customer Requirement**

Every customers want value for their money. They do not see any value additional associated with the services. They aim for the basic functionality. However, if the sellers provide frills free of cost, they are happy with that. They are happy with such a high technology that can fulfill their need. Promoting products and services with right person in case of celebrity endorsement companies are picking up Indian models, actors for advertisements as this helps them to show themselves as an Indian company. **Promoting Indian Sports Team**

Companies are promoting Indian sports teams so that they can associate themselves with India. With this, they can influence Indian mindset like during Cricket World Cup.

#### **Product/Services Campaign like “Be Indian”**

Companies are now talking about Be Indian. It is a normal tendency of an Indian to try to associate him/her with the product. If he/she can visualize himself/herself with the product, he /she become loyal to it.

#### **Developing Specific Products for Specific Segment**

Many companies are developing rural-specific products. Keeping into consideration the requirements, a firm develops these products. Electrolux is working on a made-for India fridge designed to serve basic purposes:

chill drinking water, keep cooked food fresh, and to with stand long power cuts. In Service Sector like Insurance they are focusing on Micro insurance products for rural segments.

#### **Effective Media Modes of communication**

Traditional media or the modern media used for rural marketing is being used by companies. The traditional media include melas, puppetry, folk theatre etc. while the modern media includes TV, radio, e-chaupal. LIC uses puppets to educate rural masses about its insurance policies. Govt of India uses puppetry in its campaigns to press ahead social issues. ITC's e-chaupal (chaupal is the common place where villagers gather) has been the most elaborate and extensive venture in this field so far. Conceived by ITC's international business division and launched in 2000, the e-chaupal project has since grown to around 2,700 chaupals covering a population of around 1.2 million in five states - Madhya Pradesh, Karnataka, Andhra Pradesh, Uttar Pradesh and Maharashtra.

#### **Adopting Best localized way of Distributing Channels**

Proper distribution channels are recognized by companies. The distribution channel could be big scale Super markets and they thought that a similar system can be grown in India. However, they were wrong. It was soon they realized that to succeed in India, they have to reach the nook and the corner of the country. They have to reach the "local Paanwala, Local Baniya or Kirana Shop Owners" to succeed. Big Multinational companies in India capture the rural market share in India if they have to go the local market shoe sellers and with the low priced products and services.

### **III. Conclusion**

Rural customer understands and demands value for money in every purchase that he makes. Pricing therefore is a direct function of factors including cost-benefit advantage and opportunity cost. Price sensitivity is extremely high and comparison with competitive prices is common. It must be remembered that the rural consumer does not have a budget problem. He has a cash flow problem. This is because the village folk receive funds only twice a year. At these times, he is capable of making high volume purchases. At all times, however, the unit price is critical and so is the pack size. Because of this, in the lean season when there is a cash flow crunch, marketers need to provide financial products, schemes or solutions that suit the needs of the rural population. If the company wants to capture the rural market, they must first carry on the detailed and earnest analysis of the country side goal market, aiming at the particular characteristics of the rural market, and utilizing different marketing strategy according to concrete situations.

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