

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA SEMESTER- IV - EXAMINATION-SUMMER-2024

Subject Code: 4549291

Date: 01/05/2024

Subject Name: Rural and Agricultural Marketing

Time: 10:30 AM TO 01:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

- Q.1 Define/Explain: 14**
- (a) Product Adaptation
 - (b) Multi-Attribute Segmentation
 - (c) Undifferentiated Marketing
 - (d) Fake Brand
 - (e) Psychological Pricing
 - (f) Pradhan Mantri Rojgar Yojna (PMRY)
 - (g) SHG Model
- Q.2 (a) Explain the rural marketing mix with examples and the challenges related to it. 07**
- (b) What were the three major changes in rural infrastructure in recent years? What opportunities will they provide to rural markets, and how? 07**
- OR**
- (b) What is rural marketing environment? Explain various rural environment factors with consideration to consumer products. 07**
- Q.3 (a) Define and explain the five stages of the consumer buying process. 07**
- (b) Describe the different qualitative research tools and techniques used in rural marketing research. 07**
- OR**
- Q.3 (a) Consider the mobile handset market in rural India. On what bases would you classify this market and why? How do you think the rural marketers in this industry would benefit from your segmentation scheme? 07**
- (b) Define packaging and labelling? Packaging and labelling do not play an important role in rural people's buying behaviour: Do you agree with the statement or not. Justify your answer with necessary examples. 07**
- Q.4 (a) Develop a rural-centric distribution model for a chocolates and confectionary company using a rural platform. Explain why you chose a particular platform. How it will improve the sustainability of the model? 07**
- (b) Critically examine the communication strategy of a national and regional player in the durables category in rural markets. 07**

- Q.4** (a) Evaluate various healthcare initiatives in rural India and develop a SWOT framework. **07**
- (b) Evaluate various distribution models of financial services in terms of sustainability and scalability. Also suggest a new distribution model that marketers can profitably use in the near future. **07**

Q.5 Case Study:

Liquefied Petroleum Gas (LPG) is marketed majorly by public sector undertakings (PSUs) in India. With nearly 60 per cent LPG penetration (NFHS survey 2005–06) in urban households, the companies necessarily needed new markets to grow. HP Gas, one of the PSUs, wanted to explore for new markets to grow. Rural markets were sighted as the new market since the LPG penetration was still around eight per cent in 2005.

The company, through one of its research studies, found that there were certain challenges in the adoption of LPG by rural consumers:

- Due to lack of product awareness, many rural consumers perceived LPG to be unsafe and difficult to handle (by illiterate women). Food cooked on gas stove was thought to affect digestion.
- The non-availability of LPG locally made it a difficult product to procure. The higher socio-economic consumer segments, which owned LPG as one of their multiple cooking mediums, used it more as an emergency cooking medium so that the LPG cylinder lasted longer.
- The purchase of the product necessarily included the purchase of a stove, a gas regulator, and an installation fee (under safety guidelines), making the total acquisition cost of the product around INR 1,600 and hence less affordable. The cost of refilling the cylinder was INR 270, which was a recurring cost.
- The product acceptability was low as consumers found it difficult to change their habit of cooking on the floor. LPG cooking required a raised platform for cooking.

Strategies were developed to remedy the 4As of the marketing mix. To address the affordability issue, HP Gas introduced a new product, a 5-kg cylinder at INR 95 for a refill and an initial connection cost of INR 800. Simultaneously, company dealers were advised to open extension counters in larger villages to make the product available closer to the villagers and the new product was promoted in haats to create awareness. To improve product acceptability and lower the cost of access and use of LPG, HP Gas and MART co-created an innovative product concept of a community kitchen—Rasoi Ghar, where rural women could experience the benefits of safe, clean and convenient cooking on LPG without having to invest in a new LPG connection. Rasoi Ghars were set up in participation with the village panchayat, HP Gas and the women self-help groups (low-income consumer segment) that managed the facility. The panchayat donated a small room accessible to the socially and economically backward classes, HPCL contributed gas stoves, LPG cylinders and cooking utensils and the SHG appointed a woman caretaker. The product idea was to introduce rural households to this clean, efficient alternate fuel to firewood and expand its usage. Women brought their raw material, cooked on the gas stove and took back the cooked food, paying a small fee of INR 2. The money collected was used to refill cylinders and pay an honorarium to the caretaker. Thus, this new product concept became a huge success in more than 1,600 villages across four states where it was rolled out and implemented. As women understood the safety aspects of LPG, they got hooked to easy looking. SHGs

also set up 'kitty' schemes to help women acquire their own 5-kg LPG cylinders. HPCL uproots its fixed assets and moves to the next village once all the women switch from firewood to LPG.

- (a) What challenges did HPCL face in getting rural women to adopt LPG? How were these challenges overcome? **07**
- (b) What went wrong with the 50-kg gas cylinder? Which new approach was evolved? How were the issues of acceptability and affordability addressed? **07**

OR

- (a) What were the key success factors that brought about the desired behaviour change? How did HPCL benefit from this model? **07**
- (b) To which other product categories can this model be applied? How? **07**
