

IV Semester M.B.A. Degree Examination, July 2016
(2007-08 Scheme)
MANAGEMENT
M-4 : Rural and Agricultural Marketing

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any six** sub-questions **each** question carries **2** marks : **(6×2=12)**
- a) What are the 4A^s of Rural Marketing ?
 - b) What is a reference group ?
 - c) What do you mean by mass market strategy ?
 - d) What is target market ?
 - e) What do you mean by price sensitivity ?
 - f) What is syndicated distribution ?
 - g) What is AICDA model of Communication ?
 - h) What is a regulated market ?

SECTION – B

- Answer **any three** questions. **Each** carries **8** marks : **(3×8=24)**
- 2. How do urban and rural consumers differ in their behaviour ?
 - 3. Explain the challenges existing for organisations that are contemplating to enter rural markets.
 - 4. What are the key elements brand building in rural markets ?
 - 5. Discuss the internal and external factors considered while setting the price of a product.
 - 6. What are the Key challenges in reaching the rural markets ? How can companies address these bottlenecks ?

P.T.O.



SECTION – C

Answer any two of the following questions. Each carries 12 marks. (2x12=24)

7. Discuss the different bases for segmenting rural consumers.
8. Explain the various communication tools that can form part of the rural communication mix strategy.
9. Why is agricultural marketing complicated in India ? What strategies would you recommend for promoting agricultural marketing ?

SECTION – D

Case study :

15

10. Read the following case and answer the questions given at the end :

Coca-Cola India adopted an innovative two-pronged approach in 2002 to gain a foothold in rural markets. It devised an innovative pricing strategy to attract price sensitive rural consumers, which was backed by the rural-centric “thanda matlab Coca-Cola” marketing campaign featuring the Bollywood star, Aamir Khan.

Adopting an aggressive pricing strategy, the company reduced the price of a 200-ml bottle by half to INR 5 – a psychological price point which worked in favour of the brand. A higher price than this means a consumer has to shell out a 10-rupee note which they tend to spend entirely, already having spent INR 7-8 on the bottle of Coca-Cola. This is why most rural consumers refrained from buying a cold drink in the past. Coinage pricing (at INR 5) addresses this psychological barrier. The use of the Hindi word thanda – meaning cold – in the marketing slogan clearly established that Coca-Cola was actively wooing the rural consumer. The combination of clever pricing and astute marketing worked to Coca-Cola’s advantage in rural markets.

The accompanying video shows how Coca-Cola used its pricing strategy effectively to gain impressive growth in rural markets. It also describes how the products were distributed in remote rural markets to meet the consumer demand generated through the campaign. The low price spurred sales and the 200-ml bottle created a new market by driving adoption of packaged beverages in rural India.

Discussion Questions :

- 1) What were the critical success factors for Coca-Cola in rural markets ?
How did the competition respond to this strategy ?
- 2) Identify two major brands which adopted a similar pricing strategy to crack rural markets.