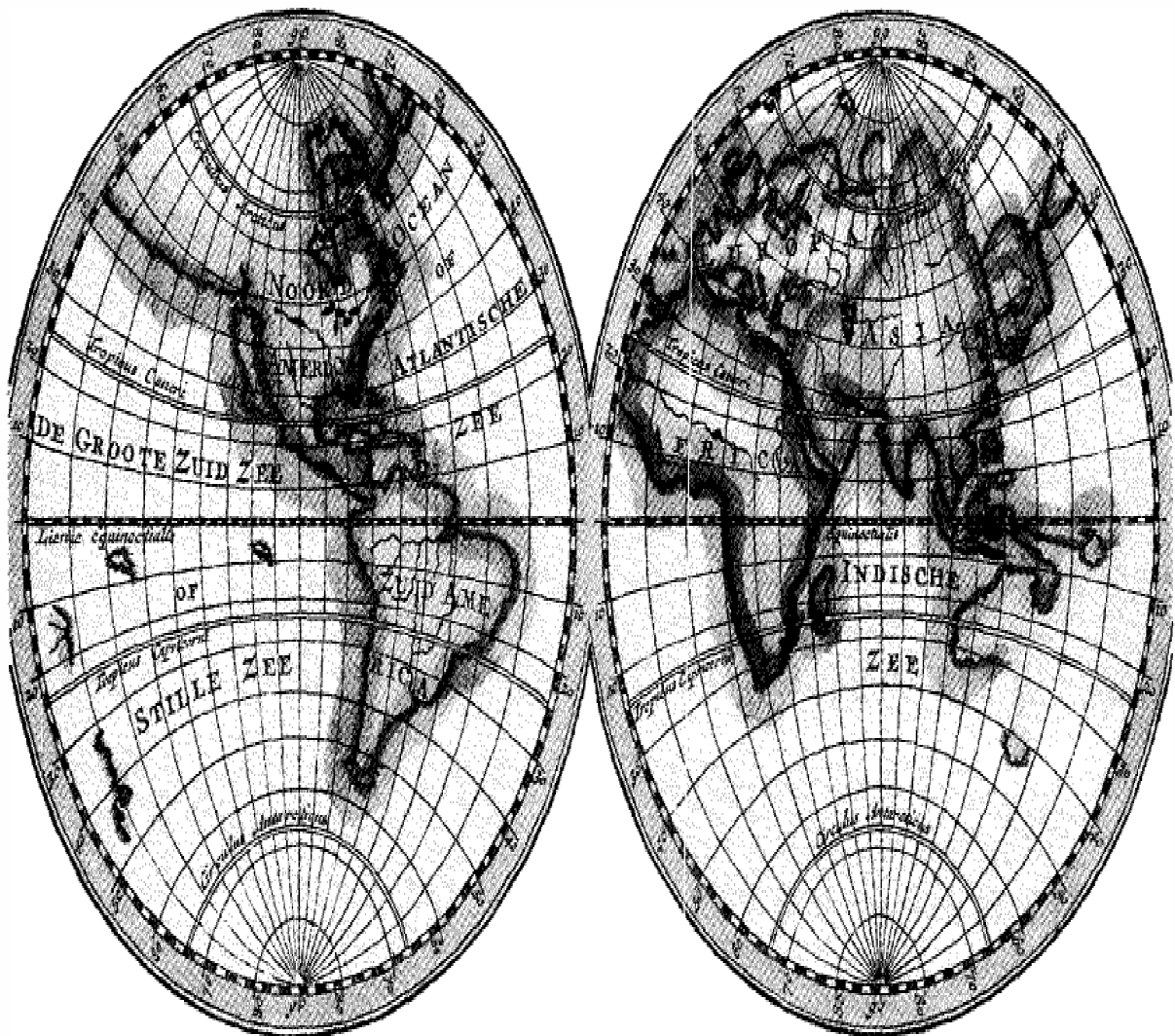


Branding India

debdipto majumdar

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Branding A Country

Principles of branding apply in equal measure to countries as they do to corporations. But *methods* are different. Countries will compete daily with neighbors or block regions for tourism, inward investment and export sales. There's only so much business that can go around. Those countries that start with an unknown or poor reputation will be limited or marginalized. They cannot easily boost their commercial success.

Consequently, they will often languish at the bottom of the ladder of influence. No voice or even worse, they are the butt of jokes at every regional summit similarly, when the reputation is clear and positive such as with Germany (and that's despite two world wars), products made in that country carry an extra aura. The brand equity they possess opens doors and wins contracts.

Creating a branding program for a country demands an integration policy that most countries do not possess- the ability to act and speak in a coordinated and repetitive way about themes that are the most motivating and differentiating a country can make.

Ireland and Scotland are widely acknowledged as having created country brands that punch far above their natural weight. In the case of Scotland for instance they even used an advertising line called 'Scotland the Brand' (replacing Scotland the brave), also, the Scottish Culture Board

has sent Hollywood a training course in Scottish dialect to make sure that authentic accents are the only ones we hear on the big screen (the end of 'Scottie' from Star Trek perhaps). The benefits of a consistent and professional country branding can be observed in every region- they include the ability to win more investment business because the country image says the right things about taxation, labor skills, safety, the environment, political stability plus the chance to apply a 'made in' label because it will positively aid the sale of a product in an overseas market.

Pacific Ocean-The Indian Rural Market

It's a Pacific Ocean out there!

Just look at these figures of India's rural power: "If the populations of the U.S., Japan and the Eurozone are added, the total would still be a lower than a third of India's population of 1.5 bn. Importantly, about 65% or 135 million households are in rural India where the opportunities are enormous." ([Business Standard's The Smart Investor, Feb 16, 2009](#))

On an average, the per capita income in rural India has grown by 4% annually or by 50% in ten years. These rural homes need personal care products (over 50% of rural India has yet to use a toothbrush), skin creams, soaps, shampoos and detergents. They also need simple over-the-counter medicines and balms against aches and pains, tummy upsets, colds and fevers. A profit of just Rs 10 per household in six months would mean Rs 1.35 bn (US\$27 million).

Thus looking at the opportunities which rural markets offer to the marketers it seems that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage.

Our marketing campaign should be targeted to promote foreign investments in vastly untapped rural markets.

Let us take a look at the deep levels of Indian rural market and the potential ways to conquer it.

Attractiveness of rural market

In our marketing campaign we should include all the below salient points

1.Large Population

Table 1: Rural Population Statistics	Number of Villages	Percentage of total villages
Population		
Less than 200	114267	17.9
200-499	155123	24.3
500-999	159400	25
1000-1999	125758	19.7
2000-4999	69135	10.8
5000-9999	11618	1.8
10000 & above	3064	0.5
Total	636365	100

2. Rising Rural Propensity:

INCOME GROUP	1994-95	2000-01	2006-07
ABOVE Rs. 100,000	1.6	3.8	5.6
Rs. 77,001-100,000	2.7	4.7	5.8
Rs. 50,001-77,000	8.3	13.0	22.4
Rs. 25,001-50,000	26.0	41.1	44.6
RS.25,000 & BELOW	61.4	37.4	20.2

3. Growth in consumption:

Spending pattern (Rural Household's in Rs.)

ITEM	%	RICH	POOR	AVERAGE
FOOD ARTICLES	44	147	73	95
TOILETRIES	20	67	33	43
WASHING MATERIAL	13	43	22	28
COSMETICS	10	33	17	21
OTC PRODUCTS	4	13	6	9
OTHERS	9	30	15	19
TOTAL		333	166	215

Average rural household spends on consumables excluding food grains, milk & vegetables are Rs. 215/-.

4. Life style changes:

Income vs. usage of packed consumer goods (% of household using)

Goods	MONTHLY HOUSEHOLD INCOME (RS.)			
	UP TO 350	351 – 750	751 – 1500	1501 +
WASHING CAKES/BARS	60	78	86	91
TOILET SOAPS	57	72	89	93
TOOTH PASTE/POWDER	22	36	65	85
TALCUM POWDER	20	25	41	63
TEA (PACKAGED)	22	30	48	64

5. Life cycle advantage:

PRODUCT	URBAN	MARKET GROWTH	RURAL
		RATE %	
Popular soaps	Maturity	2	Growth
Premium soaps	Late growth	11	Early growth
Washing powder	Late growth	6	Early growth
Skin creams	Maturity	1.1	Growth
Talcum powder	Maturity	4	Growth

6. Market growth rates higher: Growth rates of the FMCG market and the durable market are higher in rural areas for many products.

7. Rural marketing is not expensive: . According to one research promotion campaigns which can reach millions, costs twice as much in urban area as compared to rural markets.

8. Remoteness is no longer a problem:

The rural distribution is not much developed for the reasons,

- Lack of proper infrastructure such as all-weather roads, electrification and sanitation, and
- Lack of marketer's imagination and initiative

Marketers have so far, failed in analyzing the rural side and exploiting rural India's traditional selling system- *Haats & Melas*. Their near obsession with just duplicating the urban-type network and that too with very limited success, has kept them blind to the potential of these two outlets

Rural Consumer Behaviour

Villagers react differently to different products, colours, sizes, etc. in different parts of India. Some of the few cultural factors that influence buyer behaviour are:

1. **Product** (colour, size, design, and shape).
2. **Social practices**: There are so many different cultures, and each culture exhibits different social practices.
3. **Decision-making by male head**: The male in Indian culture has always been given the designation of key decision maker.
4. **Changes in saving and investment patterns** From gold, land, to tractors, VCR's, LCV's

MARKETING STRATEGIES TO CAPTURE RURAL INDIA

MNCs targeting Indian rural market should be made aware of the following strategies to capture rural markets

- **SEGMENTATION OF RURAL MARKET**

The organization can do the following thing to start with:

- ✓ Focus on select markets.
- ✓ Focus on select villages.
- **BY COMMUNICATING AND CHANGING QUALITY PERCEPTION**
- **BY PROPER COMMUNICATION IN INDIAN LANGUAGE**
- **UNDERSTANDING CULTURAL AND SOCIAL VALUES**

- **PROVIDING WHAT CUSTOMER VALUE FOR MONEY**
- **PROMOTING PRODUCTS WITH INDIAN MODELS AND ACTORS**
- **BY ASSOCIATING THEMSELVES WITH INDIA**

Nokia has designed a new cellular phone 5110, with the India tri-colour and a ringing tone of "Sare Jahan se achcha".

BY TALKING ABOUT A NORMAL INDIAN

DEVELOPING RURAL-SPECIFIC PRODUCTS

BY GIVING INDIAN WORDS FOR BRANDS

Like LG has used India brand name "Sampoorna" for its newly launched TV.

BY ACQUIRING INDIAN BRANDS

BY EFFECTIVE MEDIA COMMUNICATION

The traditional media include melas, puppetry, folk theatre etc. while the modern media includes TV, radio.

BY ADOPTING LOCALISED WAY OF DISTRIBUTING: They have to reach the "local Paan wala, Local Baniya" only then they can succeed.

Using MELAS and haats to showcase products

Product Strategies

- Small unit packing
- New product designs
- Sturdy products
- Utility oriented products

Investment Promotion Techniques

The promotion activities should be designed to accomplish three different objectives:

* to improve a country's image within the investment community as a favorable location for investment (image-building activities);

* to generate investment directly (investment-generating activities); and

* to provide services to prospective and current investors (investment-service activities).

Image-building and investment-service activities have as their ultimate objectives the attraction of more investment. But their immediate goals are

different, and, it could be argued, appropriate measures of effectiveness are different.

In the course of our research, we identified at least twelve different promotional techniques that were in use by at least some of the countries that we studied, as follows:

1. Advertising in general financial media.
2. Participating in investment exhibitions.
3. Advertising in industry- or sector-specific media.
4. Conducting general investment missions from source country to host country or from host country to source country.
5. Conducting general information seminars on investment opportunities.
6. Engaging in direct mail or telemarketing campaigns.
7. Conducting industry- or sector-specific investment missions from source country to host country or vice versa.
8. Conducting industry- or sector-specific information seminars.
9. Engaging in firm-specific research followed by "sales" presentations.
10. Providing investment counselling services.
11. Expediting the processing of applications and permits.
12. Providing post investment services.

Mela-Celebrate Chaos

- A 360 degree campaign "*Mela-Celebrate Chaos*" should be designed, depicting the potential of rural India.
 - "Orderliness in Chaos" should be the main theme of the campaign.
 - Adaptability and efficiency should be shown as the main attributes of brand India.
- NRIs should be used as local brand advocates, by involving them in planning stage of marketing campaign.