

After COVID: How to realise the potential of rural markets

Sunny Vohra, Aparna Tandon and Pallavi Patil

WARC

Source: WARC Exclusive, Spotlight India, August 2021

Downloaded from WARC

Anugrah Madison's Sunny Vohra, Aparna Tandon and Pallavi Patil look at the many opportunities that India's rural market presents for brands and marketers.

- Brands which had strong supply chains were winners during the first wave of the COVID-19 pandemic.
- Rural India's diverse dialects and cultures mean that vernacular is key and necessary when communicating messages.
- Mobile is best to create, share and communicate content, with SMS for feature phones and podcasts for smartphones.

This article is part of a Spotlight series on rural marketing in India. [Read more](#)

Why it matters

Rural planning requires a strategic perspective – not an ad hoc or copy-and-paste response as every business is unique with different marketing goals – and brands need a robust go-to-market approach that can “Radar” or reach, acquire, distribute, account and retain.

Takeaways

- Marketers must evaluate and prioritise each region based on social, cultural and economic factors, and media reach.
- D2C is gaining importance as brands explore ways to reach consumers traditionally and with the help of technology.
- Demand forecasting and logistics are two crucial tasks that brands face.

India, a land of diversity, has a substantial population in the rural areas and rural markets have shown potential since the 1960s. Given its steady development, growth and rise in purchasing power, infrastructure and digital footprint, it was evident that the 21st century would see rural markets flourishing. With its large demographic and geographic profile, different languages, food preferences, diverse culture and religion, 69% of the population lives in rural India, contributing to 25% of the country's GDP.

The definition of rural India by marketers is influenced by their distribution patterns. Some brands consider developed rural with a 50,000+ population, while others go to 10,000 villages and some even to villages as low as 2,000 population.

India's rural economy comprises farm and non-farm sectors. There are however some key aspects to be considered when planning and approaching rural markets.

- Diversity of markets increases as we go lower pop strata.
- Even within states there is diversity in dialect and culture. Vernacular is key and important to communicate messages.
- Huge economic disparities in states like UP, Bihar and relative homogeneity in Punjab and Kerala.
- Irrigated lands vary by states. UP, Rajasthan, MP, Punjab, Gujarat have higher irrigated land.
- States like Maharashtra, TN, UP, Gujarat, Karnataka have higher GDP.

Lockdowns, reverse migration, home confinement along with on-ground operational and cost constraints have posed continuing challenges during COVID-19. The demand and supply chain across marketers was affected and the pandemic has impacted consumer demand, while marketing in rural needs to be more functional. The first wave of COVID-19 realised a win for brands which had strong supply chains – it was the survival of the reachable as non-availability of stocks became a major concern and the availability of products was an opportunity for many brands to generate trials.

There is a saying “Jaisa Desh, Vaisa Bhes” – the same commercial, same creative, same analogy as urban might not necessarily work in rural. It's important to see rural planning with strategic perspective and leaving aside ad hoc or copy-and-paste approaches for the rural market. Every business is unique and has different marketing goals. Whether the goal is awareness, sales, reach or distribution to leverage any of these, brands need a robust Go to Market approach.

We call it Radar – Reach, Acquire, Distribute, Account, Retain.

Reach

Small markets and developed rural offer ROI which is comparable to 10L+ towns. The higher the penetration, the greater the contribution from lower pop strata. One key concern for marketers is to identify potential markets and geographies to go to and generate better ROI.

Prioritisation of markets and choosing suitable advertising media are critical. A framework must evaluate and prioritise each region based on social, cultural and economic factors, and media reach. A cluster of markets with similar media profiles can be recommended. There are multiple data sources like IRS, census, BARC along with government released sources which can be brought on one platform to provide strong and rich data to enable informed decisions, build a stronger planning process and unlock business value with data-driven outcomes.

Data and tech can considerably ease the decision-making process and bring insight-led learnings for future

growth. Brands today can have structured/consolidated data points like demographics, healthcare, points of interest, education, agriculture, economics, finance, asset ownership and infrastructure which help to understand rural better. When picking the most attractive markets, high-potential villages should not be confused with those that have a high density of population.

The reverse migration significantly impacts population size and characteristics over time. Most of the migrant workers were marginal farmers and this can create excess pressure on the agricultural and rural economy. While the migrant population has gradually started returning, many have yet to. It is possible that small towns and Tier 1 markets, if fuelled by growth, will be the potentially preferred destination for the migrants in the future.

Acquire

COVID-19 accelerated the entire process of technology acceptance. The [IAMAI Kantar ICUBE 2020 Report](#) says digital adoption continues to be propelled by rural India, clocking 13% growth to 299 million internet users (31% of rural population). There is a lot of headroom for growth in the internet penetration too, with the female-skewed internet population in rural similar to urban.

D2C is gaining more importance as brands explore ways to reach consumers traditionally and with the help of technology. Content and specially curated platforms can support user interactions, with TG-centric outreach programs, media selection, visibility elements, creative and communication needs to best suit brand and communication objectives. Participation in online training for B2B partners is increasing and brands are taking offline programs and creating an infrastructure to reach the TG online.

The pandemic drove a surge in online shopping.

- While user numbers are impressive in rural, consumers have a longer adoption period given that many are first-time users.
- Building trust and confidence is necessary.
- Rural India currently spends more on essentials and primarily low-ticket purchases.

There is a change in the demographic configuration of e-commerce shoppers and rural contributed 14% in Q3 2020 (growth of 2% as compared to Q3 2019).

OTT platforms were making a mark on the Indian market but COVID-19 crisis accelerated the process.

- From just two OTT platforms in 2012, there are 40 players now.
- Amazon's direct-to-digital releases were watched in 4,000 towns within the first week of streaming.
- Rapid growth in small town viewers is changing content consumption patterns.
- Streaming platforms recorded an exponential rise in viewership of non-English content, especially Hindi titles, which accounted for over 50% of overall viewing minutes during lockdown.
- Regional language content is growing rapidly – from two pure play regional services in 2018, now there are more than 10.

Brands look at falling prices and launching smaller SKUs in rural but today's consumer is more aware. We need to adjust the way we do business to meet consumer expectations. It could mean maintaining affordable prices, offering new delivery options, supporting local stores or making operations more eco-friendly.

Businesses can implement promotions and rewards to encourage repeat purchases and drive consumer loyalty

and trust.

Distribute

One big challenge has always been distribution and brands are looking at rebuilding supply lines after learning of the first wave.

Retailer and distribution-related activities are growing. The dynamics of every state and district are different with local lockdowns, state-wise norms and unlocks, thus requiring sharper local knowledge and localised planning. Demand forecasting and logistics are two crucial tasks that brands face.

In addition, the requirement for logistics guideline-based operations in conjunction with people, health and safety, and social distancing has emerged, with a multitude of operational tasks leading to rising costs.

Post-COVID, we see the rise of performance-marketing initiatives. Newer ways of reaching the rural consumers are being explored, with brands looking at more sales + distribution activities and ROI-driven marketing.

Various brands are accelerating their digital and e-commerce journeys and brands like HUL are digitising general trade with initiatives like Shikhar. Newer models of market development have also emerged, and distribution modelling, enhancing retail associations and product placements can enhance on-ground performance.

Rural markets have seen a lot of startups come in the space of distribution, either easing business for small retailers or for consumers. A total of 331 applications were received in national startup awards for startups working in rural areas.

Agritech startups are leveraging technology and innovative models. In the last five years, India's agritech startups have mushroomed in spaces such as crop advisory solutions, B2B agri marketplaces, rural fintech enterprises and farm-to-fork platforms.

Account

People and operations have always been important for rural marketing but these have taken centre stage post-pandemic as health and safety is now the No 1 priority.

Apart from the sheer effort of reaching the target villages, the challenge also lies in knowing whether the planned marketing activities were conducted as expected. Marketing managers mostly had to rely on self-made reports by partners in the past.

With the progress of technology and mobile connectivity, they can now track precisely the activities going on in far-flung corners of the country. Geo-tagged pictures – capturing a particular location with latitudinal and longitudinal coordinates, time and date – help marketing managers track activities real-time. The team clicks on geo-tagged pictures and transmits them as part of the activity report. This tool helps in proving, beyond doubt, the genuineness of the report and has been instrumental in brands investing in activation in rural markets with clearly measurable metrics.

Accountability needs to be swift with less lead time to implement on-ground learnings. For this, there are

software and interfaces which support quick turnaround times and can be integrated with the marketer's data to understand the performance.

Retain

A sustainable model for maximum retention of existing and newly acquired consumers is important.

Regular consumer interactions along with distribution models can help build trust, usage and loyalty. Various mediums like static visibility, digital interactions, mobile targeting, radio integrations, etc engage consumers acquired again for brand recall and reminder.

Higher brand recall is a tricky concept and a rather difficult goal to achieve – the best bet is to incorporate the brand into the lives of the customers. Brand recall does not simply require the customer to remember the brand; it is them relating to the brand while hearing about the product. For example, Baba Ramdev has now become synonymous to yoga in India and of course, when one talks about Ayurvedic products, Patanjali is the first name that comes to most minds. The branding strategy and brand activation should be such that it is tied to the consumer's subconscious.

There are two mediums for brand recall in India, post-COVID.

1. Brand visibility in the community

For the shopkeeper, signage is a sign of status in his community and it will be maintained properly, including emergency lamps, display units, etc which the shopkeeper will not remove.

Many village shops are points of congregation for small groups of villagers, so some branded seating arrangements are helpful. For women of the house in rural India, hang posters of household products like Vim, Rin and shampoo brands along the village lanes.

2. Capitalise on mobile and internet penetration

Mobile will be the best way to create, share and communicate content.

- For feature phones, SMS or missed call will be the best way.
- For smartphones, use podcasts which people can listen to while working.

Brand messages can go along with utility content. Apps to manage certain parts of consumers' lives will be seen and used favourably by the rural population. Platforms must focus on encouraging TG to create own content and share – this will have more credibility than just content sharing by the brand.

Conclusion

The rural market presents a good opportunity for brands and marketers to build greater relevance and deeper connect, and marketers should work on this with a horizon of two to three years for better success.

Brands need to commit for the long term as it will help to understand what works and what does not. They need

to relook the post-COVID era approach to be in consumers' minds and on retailers' shelves, repurpose and look at innovative ways and means of reaching out to the rural consumers and retailers, to reconnect with existing ones and add new ones.

Hyperlocal targeting, local level media selection, regional communication, building robust distribution, use of content, digital and collaborations will be the future for Indian rural marketing.

Further reading

[Bharat Rising: Reconnecting with the soul of India](#)

[Influencer marketing: Looking beyond the metros](#)

[Rewriting the sacred tenets of rural marketing in India](#)

[Success in rural India requires understanding and a relentless pursuit](#)

[How brands can empower India's farming communities](#)

[Networked commerce and the power of India's kirana](#)

[Revenge of the Walking Scarecrow: Seizing the Winds of Change in Rural India](#)

About the authors

Sunny Vohra

Chief Executive Officer, TurnT & Anugrah Madison

Anugrah Madison is an independent unit of Madison World that specialises in rural activations. Operating at a PAN India level, its key strengths lie in the ability to conceptualise and deliver 360-degree solutions, leverage strong in-house data resources for market prioritisation, understanding consumer trends and use technology in tandem with human intervention to control and manage large-scale operations.

Aparna Tandon

Vice-President, Anugrah Madison

Pallavi Patil

General Manager – Strategy, Madison OOH

Read more in this Spotlight series

[Post-pandemic challenges and opportunities in rural India](#)

Biprora Das

[Brand in action: How Parle Agro plans marketing strategy to keep rural India in mind](#)

Nadia Chauhan

The rural ways of buying: An opportunity to reimagine digital

Shraddha Ganesh

Future success: Investing in rural India

Mohit Joshi

COVID-19 and rural India: The challenges and opportunities for marketers

Sharad Varshney

Rural India: Propelling the Indian economy during COVID-19

Neha Chauhan

No magic bullet: Rural marketing in a post-COVID world

Anand Murty

Game changer: Technology and the rural market

Amit Rangra

Challenges and opportunities: How brands can succeed in rural India

Amit Bhandare

Sales, service and social impact: Mitigating COVID's effect on rural India

Sriharsh Grandhe

Rural marketing in a post-COVID world: Consumer sentiment data

Spotlight data report

© Copyright Ascential Events (Europe) Limited 2021

Ascential Events (Europe) Limited

Americas: 229 West 43rd Street, 7th Floor, New York, NY 10036, United States - Tel: +1 212 201 2800

APAC: 5 Shenton Way, UIC Building #10-01, Singapore 068808 - Tel: +65 3157 6200

EMEA: 33 Kingsway, London, WC2B 6UF, United Kingdom - Tel: +44 (0)20 7467 8100

www.warc.com

All rights reserved including database rights. This electronic file is for the personal use of authorised users based at the subscribing company's office location. It may not be reproduced, posted on intranets, extranets or the internet, e-mailed, archived or shared electronically either within the purchaser's organisation or externally without express written permission from Warc.

WARC
AN ASCENTIAL COMPANY

