“If you are not a Brand, you are a commodity”

-Philip Kotler

For any Business to survive today, it has to remember one Golden Rule: The Business is only that much successful as it is remembered amongst people. This, in simple words, is the Brand of Business. It will be from the Name, Logo, symbol, Slogans to even Colours of its products. But the big question today CMOs & CEOs of various companies- from FMCG to Consumer Durables are facing is: How to create this Brand in Rural Market? Is it actually possible to do so? How to get a share of the pie of this underutilized and mostly under-penetrated market? After all, they know- for most of their products, it will be their Brand which will be the important factor in deciding on how well they perform in this market.

While there are sceptics about pay-offs from building brand for Rural India, the marketers cannot deny the facts: nearly 136 Million households still reside in rural areas even by broadest classification- which comes to more than 800 Million population. Total income in rural India (about 43% of total national income) is expected to increase from around US$220 billion in 2004-2005 to US$425 billion by 2010-2011, a CAGR of 12. The market penetration is still significantly low in rural areas and there is increasing Brand Awareness in Rural Markets. As seen from the chart above, there is a huge population out there in India, who has buying power- with higher untapped potential compared to Urban India.
Branding in Rural India - The Rules of marketing

As Dinesh Malhotra, GM of Rural arm of Lintas points out:

"With media exposure and increasing literacy levels, people in rural India are now demanding a better lifestyle."

The Rural lifestyle is changing. The educated "rural yuppie" (males in the 15-34 age group) is more educated now - they often send money to their families home from the cities they work in. This also has created "Bandwagon Effect" to some extent - often these people, when come back to villages, are the new role models of other population in the villages. With their Brand conscious consumption, they also have a deep impact on the villagers. Word of mouth publicity is after all, most effective publicity in building brand in rural areas.

Because his cousin from city purchases the same, a consumer from rural areas will go to local kiryan shop and demand Head & Shoulders - and not Shampoo. He will ask for Medicare or Lifeboy - not just a low-priced soap. This shows that the Branding campaigns of these companies did actually have its impact. When urban consumers are using Shampoo sachets, they forget that these sachets were introduced first for penetration and increasing Sales & Awareness amongst Rural India.

In Rural areas, the strategy for a firm to create its own brand is significantly different than in urban areas. This is not just due to income level - though that plays an important part in it - but also due to the fact that this is the market where life has revolved around deep rooted community values, joint families, and social customs and taboos. Here, marketers need to understand that the traditional routes of market entry and brand building employed in urban India are often not feasible. From the size of products in case of shampoos, to its pricing strategy to its position - all or some have to be tweaked to get in this market. In fact, some companies enter with totally different product for rural markets - like Neem by Colgate-Palmolive. Here, the company tried to create Brand awareness of it by combining the traditional norm of brushing teeth in villages in form of twigs of Neem with its toothpaste.

While creating a Brand, the company needs to consider some of the following aspects:

- For a rural customer, a branded product is bigger investment than their urban counterparts. They expect value for money - hence the company should try to exceed their perceived expectations in quality of Product.
- The biggest influencing factors of Advertisement for Rural consumers are often: Word of Mouth, Advice of retailer/distributor, Hoardings and Road-shows, TV and Radio Ads. Depending on product and consumer demographics, this may vary - but company should try to achieve maximum effective coverage through this mediums.
- Like in case of Shampoos, companies should try to make their products available at affordable rates or sizes to the rural consumers. Eg: Chhota Coke, Single use products like Razors.
- For consumer durables, Aesthetics, warranties and recommendations of Shop-keeper plays a huge role on consumer decisions.
- Rural households are prone to be more swayed by Brand Ambassadors like Amitabh Bachchan or Sachin Tendulkar compared to urban households.
- While positioning a product, one has to try to use local beliefs, culture or traditions to one's advantage - or at least special attention should be given that it is not in conflict with them.

Thus, while a company might face number of obstacles in creating a successful brand in rural market, the benefits it will receive in long term will often outweigh the efforts. Also, one has to take care that after Branding, availability of the product and satisfaction of consumers are next important steps it fulfils. The Brand Creation in Rural India for most companies - but especially FMCG will determine where they will stand in next 5 years. After all, in immortal words of David F. D'Alessandro:

"A business based on brand is, very simply, a business primed for success"

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