

Paper –CONSUMER BEHAVIOUR

Dr. James Hussain

Paper Code-MC-01, Unit-V

Assistant Professor (Guest Faculty)

MBA, Sem-III

Email.-mbajames123@gmail.com

Topic- Rural Market Segmentation

Rural market segmentation is the process of dividing a potential rural market into distinct sub markets of consumers with common needs and characteristics. Rural market segmentation is the starting step in applying the rural marketing strategy. Once, segmentation takes place, the marketer targets the identified customer groups with proper marketing mix, so as to position the product/brand of company as perceived by the target segments.

Market segmentation is a method for achieving maximum market response from limited marketing resources by recognizing differences in the response characteristics of various parts of the market. It is one of the most interesting and an effective tool in the hands of marketer.

Rural Market Segmentation – 6 Important Characteristics

It is difficult to effectively catch everybody in the market place, so business will aim their producers and services at specific parts of the market. After selecting a segment of the market, marketer should evaluate their choice carefully and ensure that they have made the right decision. If a business begins with promoting products of market segments without a full evaluation, it is risky, wasting time and money. A successful market segment will usually meet the various criteria.

1. Measurable:

The market segment must be measurable in order to calculate the market potential. The segment variables must be distinct, clear and measurable. The size, profit and other relevant characteristics of the segment must be measurable and obtainable in terms of data.

2. Accessible:

The segment should be accessible through existing network of people at a cost that is affordable. Reach is important to serve the segment. Now, while segmenting rural markets, it is important to ensure that the segmented market is conveniently reachable to the marketer to deliver products.

3. Differentiable:

The market segments have to be diverse that they show different reactions to different marketing maps, if not then there would have been no use to break them up in segments. Segments attract the consideration of marketers only when they have distinguishing features. Rural consumers are identified as different segments as their responses may be different from urban consumers at least for some products.

For Example – While buying a motorbike, rural consumers give more importance to sturdiness, mileage and carrying capacity of bike, whereas urban consumers look for style, power and aesthetics.

4. Substantial:

The segment should be large enough to be profitable. The segment should comprise either a large number of light users or a small number of heavy users so that marketing becomes beneficial to the company. It should consist of people, who are similar in perceptions, learning, attitude, preferences and actions. As such, covering them will be easy.

5. Actionable or Feasible:

It has to be possible to approach each segment with a particular marketing programme and to draw advantages from that. The segments that a company wishes to peruse must be actionable in the sense that there should be sufficient finance, personnel and capability to take them. Hence, depending upon the reach of the company, the segments should be selected.

6. General Considerations:

Apart from the above requisites, the segment must have growth potential, be profitable, carries no unusual risk and has competitors, who do not fight directly with the product or brand. The firm must possess enough resources for market segmentation. The segment criteria should follow the instructions and guidelines issued by the government regarding distribution of a particular product.