



Rural Marketing and Research

BBA 4th Semester

Marketing: Introduction to Rural Marketing

Identifying the needs of customers and potential customers, providing products/services that satisfy their needs, and developing efficient processes or systems to deliver your product/service to the market when, where, and how consumers want it.

Rural Marketing:

Rural marketing is now a two-way marketing process. There is inflow of products into rural markets for production or consumption and there is also outflow of products to urban areas. The urban to rural flow consists of agricultural inputs, fast-moving consumer goods (FMCG) such as soaps, detergents, cosmetics, textiles, and so on. The rural to urban flow consists of agricultural produce such as rice, wheat, sugar, and cotton. There is also a movement of rural products within rural areas for consumption.

Features of Rural Marketing:

The main reason why the companies are focusing on rural market and developing effective strategies is to tap the market potential, that can be identified as follows:

1. Large and scattered population:

According to the 2001 census, 740 million Indians forming 70 per cent of India's population live in rural areas. The rate of increase in rural population is also greater than that of urban population. The rural population is scattered in over 6 lakhs villages. The rural population is highly scattered, but holds a big promise for the marketers.

2. Higher purchasing capacity:

Purchasing power of the rural people is on rise. Marketers have realized the potential of rural markets, and thus are expanding their operations in rural India. In recent years, rural markets have acquired significance in countries like China and India, as the overall growth of the economy has resulted into substantial increase in purchasing power of rural communities.

3. Market growth:

The rural market is growing steadily over the years. Demand for traditional products such as bicycles, mopeds and agricultural inputs; branded products such as toothpaste, tea, soaps and other FMCGs; and consumer durables such as refrigerators, TV and washing machines has also grown over the years.

4. Development of infrastructure:

There is development of infrastructure facilities such as construction of roads and transportation, communication network, rural electrification and public service projects in rural India, which has increased the scope of rural marketing.

5. Low standard of living:

The standard of living of rural areas is low and rural consumers have diverse socio-economic backwardness. This is different in different parts of the country. A consumer in a village area has a low standard of living because of low literacy, low per capita income, social backwardness and low savings.

6. Traditional outlook:

The rural consumer values old customs and traditions. They do not prefer changes. Gradually, the rural population is changing its demand pattern, and there is demand for branded products in villages.

7. Marketing mix:

The urban products cannot be dumped on rural population; separate sets of products are designed for rural consumers to suit the rural demands. The marketing mix elements are to be adjusted according to the requirements of the rural consumers.

Scope of Rural Marketing

Let us take at some of the points with respect to Rural India as per Census

- a. Population density of less than 400 per sq.km.
- b. At least 75% of the male working population is engaged in agriculture.
- c. No municipality or board.

If we go by statistics, roughly around 70% of the Indian population lives in the rural areas. That is almost 12 % of the world population. To expand the market by tapping the countryside, more and more MNCs are foraying into India's rural market.

Below are the few points why organizations are looking at rural marketing with a positive attitude

1. Population

According to 2011 Census rural population is 72% of total population and it is scattered over a wide range of geographic area. That is 12% of the world population which is not yet fully utilized.

2. Rising Rural Prosperity

Average income level has unproved due to modern farming practices, contract farming industrialization, migration to urban areas etc. There has been an overall increase in economic activities because during the planned rural development heavy outlay of resources on irrigation, fertilizers, agricultural equipment's and agro processing industry has been made. Saving habits in rural people also has increased. This too contributes in higher purchasing power

3. Growth in consumption

There is a growth in purchasing power of rural consumers. But, the average per capita household expenditure is still low compared to urban spending

4. Change in life style and Demands

Life style of rural consumer changed considerably. There has been increase in demand for durables and non-durables like table fans, radios, mopeds, soaps, etc. by rural consumers. This provides a ready market for the producers. Rural market is expanding day after day.

5. Market growth rate higher than urban:

The growth rate of fast moving consumer goods [FMCG] market and durable market is high in rural areas. The rural market share is more than 50% for products like cooking oil, hair oil etc.

6. Life cycle advantage

The products which have attained the maturity stage in urban market is still in growth stage in rural market.

7. Decision-making Units

Women in rural areas are beginning to make fast decisions for purchases. Studies reveal that 72.3% decisions are taken jointly in a family. With education and mass media, role of children in decision making is also changing.

Importance of rural marketing

Rural marketing implies applying marketing theory and directing marketing efforts to create and satisfy needs and wants of rural market (customers). Importance of marketing indicates the contribution of rural as well urban marketing.

Rural market is growing faster than urban, rural marketing results into overall balanced economical and social development. Rural marketing turns beneficial to business units, people residing in rural areas, people residing in urban areas, and to the entire nation. Let's see how growth and development of rural marketing contribute to overall prosperity and welfare.

1. Reduced Burden on Urban Population:

Rural marketing can contribute to rural infrastructure and prosperity. People can also live comfortably in villages due to availability of all goods and services in villages, even comparatively at low price. People, due to growth of marketing activities, can earn their livelihood in rural places. Population pressure on urban can be reduced.

2. Rapid Economic Growth:

Naturally, marketing acts as catalyst agent for economic growth. There exists more attractive business opportunities in rural than urban. Rural market is more potential for consumer durables and services. Rural population largely depends on agriculture and it can contribute nearly 50% to total national income. Agriculture enjoys significant portion in export business, too. Rural marketing improves agricultural sector and improved agricultural sector can boost whole economy of the country.

3. Employment Generation:

At present, nearly 70% of total Indian population feeds on agricultural activities in rural areas. Rural marketing can generate more attractive employment opportunities to rural and urban people. Growth of rural marketing leads to increased business operations, professional activities, and services that can generate a lot of employment opportunities.

4. Improved Living Standard:

Due to rural marketing system, rural buyers can easily access needed standard goods and services at fair prices. In the same way, rural marketing improves rural infrastructure. Additionally, rural marketing can also improve their income. These all aspects can directly improve living standard.

5. Development of Agro-based Industries:

Rural marketing leads to set up agro-based processing industries. Fruits, vegetables, cereals, pulses, etc., are used as raw-materials. Such industries can improve farmers' profit margin and employment opportunities.

6. Optimum Utilization of Rural Untapped Resources:

There are unlimited businesses opportunities exist in rural areas. Untapped and underutilized resources can be utilized at optimum level and that can further accelerate overall economic growth.

7. Easy Marketability of Agricultural Produces:

Growth of rural marketing improves whole marketing system. Multiple options are available to farmers and local producers to market their products. Big domestic corporate houses and multinational companies prefer to buy agricultural products directly from villages by their own or through agents and small firms. Rural producers can sell their produces easily at satisfactory prices. Their improved income level can improve their purchasing power that can further fuel to industrial demand.

8. Improved Rural Infrastructures:

Rural marketing and basic infrastructures go hand to hand. Growth of rural marketing leads to improved transportation, insurance, banking, communication, entertainment, and other facilities. Due to availability of basic infrastructural facilities, business units can easily reach the target rural buyers.

9. Price Stability:

Marketing results into better transportation, warehouses, and communication facilities. Agricultural products can be systematically marketed throughout the year. Huge gap between demand and supply can be avoided and, as a result, prices of most of commodities remain more or less stable.

10. Quality of Life and Reduced Crime:

Marketing can refine entire living style and system. Better quality products at reasonable price, improved income level, availability of facilities, etc., have direct positive impacts on quality of life. Quality of life improves and level crime reduces.

11. Balanced Industrial Growth:

The gap between rural and urban development can be reduced gradually. Rural development improves rural life and reduces pressure on urban life.

12. Others:

Apart from these points, there are a number of ways that rural marketing can significantly contribute to economic and social development.

Rural vs Urban Mindsets

Human settlements are classified as rural or urban depending on the density of human-created structures and resident people in a particular area. Urban areas can include town and cities while rural areas include villages and hamlets.

While rural areas may develop randomly on the basis of natural vegetation and fauna available in a region, urban settlements are proper, planned settlements built up according to a process called urbanization. Many times, rural areas are focused upon by governments and development agencies and turned into urban areas.

Unlike rural areas, urban settlements are defined by their advanced civic amenities, opportunities for education, facilities for transport, business and social interaction and overall better standard of living. Socio-cultural statistics are usually based on an urban population.

While rural settlements are based more on natural resources and events, the urban population receives the benefits of man's advancements in the areas of science and technology and is not nature-dependent for its day to day functions. Businesses stay open late into the evenings in urban areas while, sunset in rural areas means the day is virtually over goods/ service for some value in return such as Money". So the Market is same everywhere .But, the difference is in the consumer behaviour. There will be different buyers in each market. This is because of different factors which Influence them. So the same way there is a difference between Rural and Urban Market. The factors are so many to define. There is a difference in all the marketing Variables. That is where most of the companies approach with different Marketing Mix and

Strategies to Rural Market. The strategies differs from the urban to rural market. The companies which have understood the phenomena of rural market have succeeded in the market, For Ex: HUL, ITC, Colgate, Rajdoot Motorcycle. These companies have done a perfect homework and Implemented in terms of effort and Operations. These companies approach shows that there is a difference between Rural and Urban Market.

The Differences can be Infrastructure, Economy, Lifestyle, Socio- Cultural Background, Availability or reach, Habits, Competition, and Consumer Behaviour.

Infrastructure: The facilities like Electricity, Internet, Roads and Buildings, Educational Institutions, Financial Institutions, Communication and Organized Market, Other Facilities differs in urban and rural market. In urban everything gets implemented soon and Availability is also there. Where as in rural market everything takes a good amount of time.

Economy: Here the Economy means, the earning Capacity in a rural Market. The cost of Living always depends upon their way of earning. So, the Income levels are unreliable, as Most of them are depended upon the seasons and Agriculture. So the Income levels cannot be a fixed one.

Lifestyle: The Lifestyle, that is living pattern of both the markets differ a lot. This can be important factor which influences the companies to think of when they approach rural market.

Socio- Cultural Background: Due to the illiteracy level, and Culture adaptability from long time the rural market always gets differ than the urban market. The superstition and other belief as well as the way of thinking towards products and goods differ in these two markets.

Availability or Reach: Due to the areas which are diverted geographically and Heterogeneous market the reach is very difficult. The logistics for rural market is a tough task than to reach the Urban Market.

Habits: The daily routine of the people makes them to cultivate different habits. Apart from due to the awareness is low in Media terms there will be a difference in the habits.

Competition: The competition in the market for brands and Companies always differ. As in rural markets it is always the channel Partner and Retailer plays a vital role. But where as in Urban Market Brand plays a great role.

Consumer Behaviour: Last but not least the consumer behaviour is the task for the task for the companies. The mindset of the rural consumer is completely different from Urban Consumer. The Mindset of the consumer is different .For Ex: In urban market, to buy Electronic Item the customer thinks of Brand and Its updated feature, where as in rural market he thinks of in so many ways, such as money, Durability, Buying Capacity and so on. So these mindset makes a difference in both markets.

Growth of rural markets

Rural markets are tomorrow's markets in India. They are big attractions to producers and marketers. For instance, Hindustan Unilever Ltd. (HUL), ITC, Parley Foods and many other companies are concentrating on the rural markets as the urban markets have become saturated. The scope of future expansion lies in the development of rural markets. In fact, rural marketing should be recognized as developmental marketing by big business firms.

In India it has gained greater significance these days as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. On account of the green revolution in India, the rural areas are consuming a large quantity of industrial and consumer products produced near the urban areas. In this context, a special marketing strategy, namely, rural marketing has replaced agricultural marketing which was confined merely to selling farm machines and other inputs.

Due to competition in the urban market, the market is more or less saturated as most of the capacity of the purchasers has been targeted by the marketers. So the marketers are looking for extending their product categories to an explored market, i.e., the rural market. This has also led to the CSR activities being done by corporates to help the poor people attain some wealth to spend on the product they want. For instance, HUL's Project Shakti is not only helping the company earn some revenues but also helping the poor women of the village to earn some money which is surely going to increase their purchasing power. Similarly ITC's e-Chaupal, is helping the poor farmers get all the information about the weather as well as the market price of the food grains they are producing and those of inputs (seeds, fertilizers, etc.) they want to buy.

The Indian rural economy has not been impacted by the global economic slowdown, according to a recent study by the Rural Marketing Association of India (RMAI). The study found that the rural and small town economy which accounts for 60% of India's income has remained insulated from the economic slowdown. Moreover, rural incomes are on the rise driven largely due to continuous growth in agriculture over the years and increase in employment opportunities in the rural areas.

According to the Techno Pak study, rural demand for fast moving consumer goods (FMCG), pharma, auto and consumer durables is estimated to match sales generated in urban areas soon. While durable's market shrunk in urban India, rural market is seeing a 15% growth rate. FMCG sales are up 23% and telecom is growing at 13%.

40% of the revenue of Maruti Suzuki comes from rural India. That is why, the company is opening new showrooms in rural and semi-urban areas. Mahindra & Mahindra is bullish on the rural and semi-urban markets, with its utility vehicle, Scorpio clocking over 60% sales in 2011-12 from the rural markets as against 20% earlier. TVS Motor also registered around 50% of its sales from the rural and semi-urban markets during 2011-12.

Many leading consumer durable companies are now increasing their presence in rural India. Recently, LG set up 45 area offices and 59 rural and remote offices. Moreover, it has outlined plans to invest around US\$ 40 million towards development of entry-level products targeted at rural markets.

RURAL MARKETING V/S URBAN MARKETING

The market is a place where buyers and Sellers Exchange Things. In lay man terms "It is a place where buyers and sellers exchange goods/Service for some value in return such as Money". So the Market is same everywhere. But the difference is in the consumer behaviour. There will be different buyers in each market. This is because of different factors which Influence them. So the same way there is a difference between Rural and Urban Market. The factors are so many to define. There is a difference in all the marketing Variables. That is where most of the companies approach with different Marketing Mix and Strategies to Rural Market. The strategies differ from the urban to rural market. The companies which have understood the phenomena of rural market have succeeded in the market, e.g. HUL, ITC, Colgate, Rajdoot Motorcycle. These companies have done a perfect homework and

Implemented in terms of effort and Operations. These companies approach shows that there is a difference between Rural and Urban Market.

Parameters differentiating Urban & Rural Market

A. Environmental Differences

The urban environment is characterized by:

- Large contiguous settlement units of town or urban agglomerations mostly concentrated.
- High infrastructural level (such as road, electricity).
- High density of population per square kilometer of space.
- Good physical connectivity, high mobility.

The rural environment presents a different picture.

- Small contiguous settlement units of villages widely dispersed.
- Low infrastructural level (such as road, electricity).
- Low density of population per square kilometer of space.
- Poor physical connectivity with other villages and towns, low mobility.

B. Social Relations Peculiarity

In the urban society, social dynamic represent a more liberated system.

- Large number of interactions with persons, less frequent between the same people.
- Individuals are less known and identified between members in the social and settlement system.
- Social norms are less visible.
- Status is achieved.
- Caste influence indirect and of less strength, generally subjected to economic influence.

On the contrary, the outlook of rural society is a mixture of both of traditional and modernisms". The traditional picture is:

- Less number interpersonal interactions, more frequent interactions between the same people.
- Individual better known, and identified.
- Social norms influencing individuals are more visible.

- Status is ascribed, determined by birth in a family.
- Caste influence direct and strong.

C. Low Exposure to Marketing Stimuli:

Urban markets are in a vantage position. They have better exposure to marketing stimuli.

- High product exposure: high exposure to branded products.
- High ad exposure, high brand awareness.
- High exposure to marketing researchers, multiple sources of information and learning.
- More convenient buying, high rate of retail outlets per 1000 population and high market reach, availability of wide range of products.

A different and apathetic situation we find in rural markets

- Low product exposure, low exposure to branded products.
- Low ad exposure, low comprehension of ads, low brand awareness.
- Low exposure to marketing researchers, limited sources of information and learning.
- Less convenient buying, low rate of retail outlets per 1000 population and low market reach, availability of limited range of branded products along with imitation products.

D. Dependence on Nature:

In the urban areas, dependence on natural resources is less

- Access is a function of purchasing power
- Most resources to be purchased
- Low dependence on employment and incomes on natural factors

On the other hand, the rural life is dependent on

- Abundance of natural resources and high dependence on them for a large number of house-hold needs.
- Differential access to resources based on caste, political and money power etc.
- High dependence on livelihoods/employment and income on natural factors.

E. Employment and Incomes Variations:

The urban occupations and incomes are more stable and permanent:

- Occupations mostly include employment in government, business, industry and service organizations; contract or daily labor in organized and unorganized sector.

- White collar employees and workers a majority.
- Frequency of income receipts predictable and at regular intervals.

On the other hand, rural people work in a less certain environment

- Agrarian base, mostly small land holdings per house hold (two hectares or less) and more than to 70 per cent people in small scale agricultural occupations.
- Acute seasonality in income receipts; high chance element in income receipts (because of the dependence on agriculture and natural factors)

S. No.	Aspect	Urban	Rural
1.	Philosophy	Marketing and societal Concepts, Green marketing and relationship marketing	Marketing and societal concepts, development marketing, and relationship marketing
2.	Market (a) Demand (b) Competition (c) Consumers Location - Literacy - Income - Expenditure - Needs - Innovation adoption	High Among units in Organized sector Concentrated High High Planned, Even High level Faster	Low Mostly from unorganized Units Widely spread Low Low Seasonal variations Low level slow
3.	Product - Awareness - Concept - Positioning - Usage method - Quality preference - Features	High Known Easy Easily grasped Good Important	Low Less known Difficult Difficult to grasp Moderate Less important

RURAL MARKETING STRATEGIES

1) Product strategy

In India, rural market is relatively special, which has the different consumer community, located in the different physiographic region and the different consumer community, has the difference consumer demand. Therefore, when a company launches product for the rural market, they should pay great attention to meet the rural consumer's need, emphasizing difference research. The company needs to take meet farmer's expense demand as the guidance, then adjusts product structure, increasingly improves product quality, ameliorates product function and develops practicable, solid which are suitable for the rural market. At the same time, product packing and brand also should conform to farmer's consume psychology and the consumer custom. The most important aspect that the company must focus is on the enhancement of product's basic function and the reduction of unpractical accessional function, which can not only reduce the product cost and price, but also can help the dissemination of company's brand effect.

Positioning: Product positioning plays a crucial role in marketing of rural products. Marketer has to position their products after understanding the unique characteristics of the rural market environment.

Positioning involves three tasks-

- Identifying the unique features of the company's offer with respect to the competitor's offers.
- Selecting the differences that have greater competitive advantage.
- Communicating such advantages effectively to the target audience.

Companies can reposition their existing products in rural markets. For example, refrigerator manufacturing companies can launch a refrigerator of bigger size because most of the families in rural areas are joint, big families and they require big refrigerators having bigger storage capacity. Secondly in India most of the villages are facing acute shortage of water; here companies can reposition their washing machine, which require less water than any ordinary washing machine

Segmentation And Targeting - Right segmentation and targeting principles are key to achieve faster success in rural market. Most firms assume that rural markets are homogeneous. It is unwise on the part of these firms to assume that the rural market can be served with the same product, price and promotion combination. Segmentation can be done based on one or more variables like demographic, geographic, psychographic and behavioral aspects.

- **Geographic:** As the rural market is spread over a large area, companies can divide the market area into small sectors having some geographic similarity to consolidate their distribution network.
- **Demographic:** The market can be divided on the basis of demographic variables like income, education, lifestyle, gender, marital status, family size, occupation and religion. Due to unequal distribution of income, the Indian market for detergents is structurally shown like a pyramid.
- **Psychographic:** Market is divided into different segments based on psychographic factors like social class, life style and personality. E.g. in some parts of Gujarat, it is reported that farmers are going in for big, 50 hp (horse power) tractors, when there need was for much smaller, typically 25 hp to 30 hp ones. The reason, when asked was the compulsion to -keep up with the neighbors and to replicate their lifestyle.
- **Behavioral:** The following factors play important role to segment the market; occasions, benefit sought, user status, usage rate, loyalty status, place and product possession category.

Branding: The brand is the surest means of conveying quality to rural consumers. Day by day, though national brands are getting popular, local brands are also playing a significant role in rural areas. This may be due to illiteracy, ignorance and low purchasing power of rural consumers. It has been observed that there is greater dissatisfaction among the rural consumers with regard to selling of low quality duplicate brands, particularly soaps, creams, clothes, etc. whose prices are often half of those of national brands, but sold at prices on par or slightly less than the prices of national brands. Therefore, national and international brands should focus more on satisfying the needs of the rural consumer by providing the same branded products, which these rural folks lure for.

Packaging: As far as packaging is concerned, as a general rule, smaller packages are more

popular in the rural areas. At present, all essential products are not available in villages in smaller packaging. The lower income group consumers are not able to purchase large and medium size packaged goods. It is also found that the labeling on the package is not in the local language. This is a major constraint to rural consumers understanding the product characteristics. Hence, companies should take into consideration proper packaging and the size of the packs before diffusing their products in rural areas. Many FMCG companies, selling products ranging from biscuits to shampoos, have introduced smaller pack sizes to increase category penetration. For example, the products like shampoos, soaps, hair-oil, toothpaste, spices, pickles, jams, ketchups, tea, coffee sachets, confectionery products, medicated products like Vicks, pain-relieving ointments, etc. are now being offered in sachets in rural markets. The rural market experts may also practice value engineering, lowering the input costs by using alternative materials for raw materials or as packaging alternatives. It is generally believed that markets are created, not found. This is especially true in case of the rural market, where the demand is created by promoting urban specific products to rural consumers.

Customized products: Rural consumers typically define value in terms of the functional focus of a product or service—its durability, affordability, and fit for multiple uses. Rural lifestyles and behavioral trends are increasingly coming to resemble urban patterns, in both form and variety. Growing aspirations are as much a factor in rural markets as price sensitivity and an acute sense of value for money. Success in those markets calls for knowing how to balance those factors. Creation and development of markets in the hinterland involves building consumer understanding, product customization, relevant pricing, value engineering, and innovative modes of advertising and promotion—all designed to increase consumption and open up new markets. A close observation of rural household items indicates the importance of redesigning or modifying the products. The manufacturing and marketing men can think in terms of new product designs specially meant for rural areas keeping their lifestyles in view. People in rural areas are more interested in bright flashy colors such as red, blue, green etc., and feel that products with such colors are sturdy. The product meant for rural areas should be sturdy enough to stand rough handling and storage. The following strategies could be in line with product customization strategy –

- **Straight extension strategy**

In straight extension strategy, the same product could be marketed to the rural customers with minimum or least modifications; i.e. the contents remain the same but say, the packs may differ.

E.g. the products like FMCG could be marketed in small packs or sachets like hair oil, toothpaste, washing powder, shampoo, etc.

- **Product adoption strategy**

The product adoption strategy states that the products are modified to suit the specific need of the corresponding segment. E.g. a torch provided in the mobile phone marketed among rural customers, promoting detergent powder in urban markets whereas promoting detergent cakes in rural markets.

- **Backward invention strategy**

This strategy involves selling less complex and simple products. E.g. electric sewing machines are introduced in urban markets and manually operating machines in rural markets.

- **Forward invention strategy**

This strategy includes developing entirely new products for the rural customers. E.g. Introducing a tractor as a product for rural customers.

- **Creating new product categories**

Businesses may need to develop new products tailored to the unique needs and circumstances of rural consumers. For example: BP Energy India saw an opportunity to offer a cleaner fuel alternative for the traditional charcoal- and wood-fired stoves used in the countryside—a move that the company believed could convert 3.6 billion potential consumers to more environment- friendly energy solutions. The company bought patented technology from the Indian Institute of Science (IISc) that used fuel pellets made from agri-waste to run smokeless stoves; it had successfully sold the pellets to nearly 200,000 households by early 2008.

2) Price strategy

Pricing strategies are very much linked to product strategies. With low disposable incomes, products need to be affordable to the rural consumer, most of which are on daily wages. Some companies have addressed the affordability problem by introducing small unit packs. Some of these pricing strategies are mentioned below –

Income variability:

India's wide income distribution implies that there exist multiple segments with very different levels of purchasing power. The challenge for consumer goods companies is to

develop more rural specific products that are able to capture bigger share of the rural markets.

Focusing on volume not margins:

The companies must concentrate on the lower segment which is quite sizeable in number. A significant portion of the rural population is paid daily wages. Daily wage earners tend to have little stock of money, and, therefore, tend to make purchases only to meet their daily needs. Therefore, the marketing strategies in rural India must be to concentrate on large volumes over low margins and thus the overall profitability can be maintained.

Lower prices:

Many companies tend to bring their existing products at a much higher price and follow marketing strategies that are not in sync with what is required to sell to the consumer in rural areas. Hence, they end up serving the high-end niche players. In reality, consumers in the rural areas are highly price conscious. They tend to purchase only those products, which are inexpensive in nature, may it be local brands. This gives the local or regional companies an edge over the MNCs in the rural areas. Moreover, companies have adopted an unwritten policy to dump second grade quality products to sell them at lower prices in the rural market.

Credit facility:

This holds true for marketing of consumer durable and automobiles. As the purchasing power of the rural customer is quite low, they tend to purchase high ended products on credit. The companies should make use of this opportunity to sell products. They have started collaborating with banks and other financial institutions to sell their expensive products on credit.

Even, some of the least expensive products could be sold on daily credit basis such as mixers, iron, DVD players, DTH players, etc. For selling these products on daily installment basis, even the rural dealers could be encouraged by the companies apart from banks so as to avoid cumbersome paper work. But a point of caution exists here. The rural credit facility may become useless if the connectivity (both infrastructure and communication) is not developed because the person will not be able to utilize finance and repay back. Hence all the exercise of providing finance will become futile.

3) Distribution Strategy

Studies reveal that the bigger villages of above 5000 population are fairly covered by the marketing people of various companies manufacturing consumable and durable products. The

smaller villages are not fully touched due to various reasons like accessibility, small markets and far distances from towns and villages. Strategies for distribution to various rural segments are discussed as under:

Small Villages:

In order to reach smaller villages, two types of strategies have to be adopted i.e., reach all villages above 2000 population and reach all those within 50 km radius of big towns and cities. This will help cover about 50% of the rural population and even this extent of coverage means approximately 350 million populations and this is a massive coverage. Very small villages below 500 populations can be ignored at this stage as the output will not compensate the input. There should be distribution vans to cover villages on fixed period (at least once a week) so that the shopkeepers as well as the public are sure of supplies from the feeder centre, which will be nearby a town or city. The village shop keeper of 2000 population in towns should be used as a distribution channel for shop keepers of very small villages around it. This is essential as some of the smaller villages are not having motorable roads.

Agro Input Dealers:

Agricultural input dealers have known how and scope to deal with rural public as they are already in touch with them for essential inputs like fertilizers, seeds and chemicals. In their transactions, they are managing credit arrangements and hence are in a better position to take care of consumer goods also. This method needs to be tried seriously. Some of the farmers from agriculturally well-off states like Punjab, Haryana, Western UP have improved their per capita income to the level of urban people and can afford to buy more and more consumer goods. With affluence, their awareness of modern goods and facilities also has increased. In addition to this, the areas where cooperatives of sugar and dairy are stronger, the farmers have better income level and cash flow is steady. It is in such places that the efforts to sell consumer goods give results. These farmers will set a trend for other farm communities.

Activating Co-operative Societies:

Though cooperatives have been started mainly for input and output of rural produce, there is scope and possibility to use these premises and offices for marketing of consumer goods to rural people throughout India, there are more than three lakh cooperative offices working under different names like marketing cooperatives, credit cooperative society, farmers service cooperative societies and various local level cooperatives. There are organizations, some active and some not so active. The premises and manpower can be better utilized by introducing the consumer, durables and consumables required by the rural population. The approach has an institution backing the marketing executives can feel safe to keep goods and

give credit on institution and hence basis than on the individual basis. The premises of cooperatives is also a good place to keep hoardings and display of items kept for sale.

Utilizing P.D.S Stores and Petrol Pumps:

These are two unexplored areas to develop market. Public Distribution Systems (PDS) are available throughout the country and even in villages. Similarly, petrol pumps are available on all highways, state highways and link roads to towns and big villages. These are two places which are not fully utilized. In cities, the petrol pumps are very busy and cannot do anything other than giving petrol and diesel to hundreds of vehicles coming to them day and night. In urban and rural areas and less busy roads the petrol pumps have adequate spare time to attend additional functions. Similarly, PDS stores which are in private hands have ample time three weeks in a month. PDS stores have now-a-days become least active due to decreasing importance of this scheme and very little gap between market price and PDS prices. This naturally gives scope to make better utilization of these outlets.

Towns as Feeder Centers:

Towns are frequently visited by rural people for education, cinema, dramas, purchases, medical treatment and various functions. It will be convenient if the town market is used as a distribution channel for various villages surrounding towns. One or two traders in town need to be used as feeders to village stores and also to sell directly to villagers coming to towns. This method is already working in many places and can be further strengthened. The distribution strategy can be changed based on the changing life style, communication and conveyance facilities. The strategies discussed thus far are the possibilities for the current situation.

4) Promotion Strategy

Various types of promotion methods work as integrative systems between producers and consumers. In case of consumer goods, this is done on large scale whereas for rural products, it is on small scale or specific target wise done. The producers and processors think in terms of –How to reach our customers|| and –How our customer can reach us||. Due to technological innovations people can now communicate through both traditional and newer methods of media. Both mass communication and / or target communications can be used as per requirements. Very commonly used media of communication are newspapers; magazines, radio, TV, telephone, computers, fax, pagers and mobile phones. These usage proportions differ from product to product.

For five marketing related functions like (1) Advertising (2) Sales promotion (3) Public Relations (4) Personal selling and (5) Direct marketing, there is a different way of approach in urban and rural markets.

The product package, shape, color, pricing and sales persons get up and general impression are no more monopoly of consumer goods, dealers. Now even for rural related commodities like dairy products, flour, pickles, high quality grains and fruits and foods are neatly packed, branded, weight, contents, price are written. Slowly and steadily, the marketing of rural produce in towns and cities and marketing of consumer goods in rural sectors is taking a professionalized approach. The basic difference is in organizational strength, permanent address and executive to attend any type of call for consumer goods. Such facility is a far cry for rural products. Since the literary level of rural population is low, it pays to do promotions through mass media like TV, cinema and radio advertisements. In print media, mostly hoardings and wall paintings will help more. These promotional strategies are covered as under:

Cinema:

For the last 60 years, cinema continues to be influencing factors in style, tastes, dress materials and total Indian culture. The effect of cinema is much more in Southern India than elsewhere. In the South, 76 % rural people view cinema regularly whereas elsewhere it is around 25 %. This justifies why Tamil Nadu and Andhra Pradesh had cinema actors as Chief Ministers for a long time. Despite TV being parallel popular, the hold of cinema on rural sector and urban middle class and labour class continues. Product advertisements before a movie and during intervals get good publicity. All the theaters do this with the help of slides and 1 or 2 minutes movie type advertisements to highlight the product performance and utility. This method will continue to be popular as many villagers like to see movies in theatres than on TV.

Television:

Since the last two decades, TV viewing has been a regular pastime for all Indian public. The TV serials like ‘_Mahabharat’, ‘_Ramayan’, ‘_Humlog’ and cricket matches have made TV very popular. Infact, Doordarshan covers 85 % of India and private channels have started operating at continental, national and regional levels. The advertisers have choice of segment to be touched.

For all India coverage, important and popular serial intervals are best to advertise on TV.

Further, DD has special programs on specific days and time for farmers. Advertising before

and in between this programme also gets good effect. The only constraint is that such prime-time advertisements cost more. Only products which can absorb such high costs can afford this.

Radio

Listening to Radio for a longtime has been for news, commentary (sports) and category songs. It has been a recent trend since two-three various last decades to use radio programmes for advertisements. The first and most famous commercial on Radio was Binaca Geethmala on Radio Ceylon. Subsequently, many programs have come on Vividha Bharati and local languages. Film songs are popular and playing advertisements in between to attract attention by the listeners. Coverage of radio stations is wide and serves the purpose. Rural people have the habit of carrying transistor radio sets and hence they play the radio wherever they go. About 75% of the rural population listens occasionally. Both local language stations and Vividh Bharti stations are popular and hence advertising through these channels serves the purpose.

Print Media

Due to low literacy rate and poor reading habits, this is not a popular promotion strategy. However, some advertisements are made through the local language low priced dailies. Rural people normally read newspapers on Fridays and Sundays when there is more coverage about the movies being shown and the forth coming movies. So the promotion of cinema viewing is best done by the newspapers as far as rural people are concerned.

Hoardings

Hoardings on village entry junctions, writing and painting on walls of public buildings in villages, compound walls of private people will be more appealing and readable. The rural inputs like fertilizers and pesticides are advertised like this. The picture of product and catchy slogans are considered to be the best promoters.

Village Congregations/ Gatherings

Certain places have specific market days which can be used for mass communication to speed awareness of products. Similarly particular places have local deities and Jathra or fairs along the festival type celebrations. These occasions help to promote sales, explanation or product awareness. If some promotional schemes are kept in those occasions, it will be a more appealing effort. On these occasions, audio visual shows can be made for better explanations.

The implication is that pack size and price points are critical to sales, and importantly, that rural consumers view the purchase-tradeoff dilemma across a much wider range of product categories. As a result, the nature of competition is much greater; a beverage manufacturer is not only competing with other manufacturers in its category, but also with other products that consumers may consider one-off luxury purchases such as shampoo.

Hindustan Lever, a subsidiary of Unilever coined the term sachet. In tiny pillow-like plastic packets that contain about 20 millimeters of product, Unilever sells shaving gel, dishwashing liquid and toothpaste, to name just a few items. The sachets answer the needs of rural consumers who cannot, or are not used to, buying larger sizes and enables them to buy on a more frequent basis. This strategy provides a viable entry-level price for many rural consumers who want to try new products, and allows companies to drive volume sales. Today, Hindustan Lever's estimates- its shampoo sachets are sold in around 400,000 of India's 600,000 villages.

The success of Nirma is an example. In the late 1980s, Nirma started offering detergent products and later toilet soaps for poor consumers mostly in the rural areas. Today, the brand Nirma has become so popular among the tier 4 segments that it has captured a market share of nearly 35% by value in the detergent segment and 20% market share in the toilet soap segment. In cassettes, the T-series brand was extremely successful with its low pricing and at the same time providing value with its more songs per cassette

Ratan Tata, Chairman of Tata Group, had announced that Tata was planning to manufacture a car made from different low cost components like cycle parts, which would be priced at Rs.1,00,000. At such a price, it might be able to expand the car market by attracting new customers with lower disposable income and also by luring away some of the existent two wheeler users. Creating buying power: For any product to sell, consumers need to have disposable income. The consumers in tier 4 segment have desire to buy products, but they do not have the purchasing capacity, as majority of the products are priced higher. To meet their desires, companies need to take steps so that these customers could have access to credit and have higher earning capacity. Many companies, however, might argue that it is not their responsibility to increase the earning capacity of the consumers to get access to credit. A few companies, however, proved it wrong. Way back in 1920s, Henry ford increased the wages of his employees to increase the sales of his Ford cars and he was successful.

Hindustan Lever Ltd. (HLL) the Indian subsidiary of unilever has started a programme

targeting villages with a population of less than 2000. Under the program, the company provides self-employment opportunities to villagers through Self-Help groups (SHGs). SHGs operate like direct to home distributors wherein groups of 15-20 villagers who are below the poverty line (Rs. 750) are provided with an opportunity to take micro-credit from banks. With the help of this money, villagers are able to buy HLL's products and sell them to other villagers, thereby generating employment and income for themselves and also increasing the reach of HLL's products.

Generally, the poor have difficulty in getting access to commercial credit, as the traditional banking system does not normally lend money without collateral security. However, some institutions, like the Grameen Bank in Bangladesh, are helping the poor to access money through innovative solutions such as micro lending. In the Grameen Bank model, one group of rural women took out a loan for as little as \$ 25 to start a business. Only when she repaid could the next woman in the group borrow.

The success of Grameen Bank (initiated by Nobel laureate Mohd. Yunus) has helped to spread the idea of micro-lending throughout the world. In Bangladesh alone, there are now around 10 million people who have taken the help of micro-finance to start business. It is now planning to replicate the success in rural India. The above banking model can fit well in the already existing cooperative banking models with some changes, to initiate the concept of micro lending.

Not only this, the success of Grameen Bank had also led to its offshoot, Grameen Phone, a provider of village phone service. As mentioned in the article serving the World's Poor, Profitably by Prahalad C. K. and Hammond Allen, under the Grameen Phone, a single entrepreneur in a village borrows money from Grameen Bank to buy a mobile phone (GSM standard), which is being used by the entire village generating an average monthly revenue of around \$90 for the entrepreneur.

METHODS OF SALE

The methods of sale or fixation of rate prevalent in agricultural markets may be as follows:

(1) Under Cover (Haththa) Method

In this method, the buyer or his broker and commission agents join hands under the cover of cloth usually a towel or a dhoti or front portion of kurta or shirt. The price is settled by

pressing the fingers. The negotiations go on in this secret manner till they are called off due to failure in arriving at an agreed price, or a price is settled. The commission agent then informs the seller and asks for his consent to sell. He is, however, not told anything about the price offered by other buyers. The under cover method of sale is advocated to be advantageous by the middlemen group. This method has ample scope for malpractices against the interests of sellers because of secret negotiations. Now-a-days, traders are shifting from this method to private negotiations.

(1) Auction Method

Under this method, the prospective buyers gather around separate heaps of grains and announce their bids loudly. When the bids have reached the highest, the auctioneer who is generally a commission agent, in consultation with the seller, sells the produce to the highest bidder. The auction system is definitely better than the undercover system as this increases competition among the buyers and the rates are very likely to rise if there is fairly strong demand for the product. Moreover the chances of malpractice are also minimal.

(2) Private Negotiations

This is the most common method of sale. Under this method, individual buyers or their brokers visit the shops of commission agents, inspect the quality of grains and offer rates as they think appropriate. Both the parties then negotiate on the rates and if both agree on rates, the deal is struck.

Sales force management in rural marketing

Sales force management: as a general rule, rural marketing involves more intensive personal selling effort compared to urban marketing.

Rural marketing calls for some specific traits on the part of salesman

- 1. Willingness to be located in the rural areas:** first of all, only those who feel happy in living and working in the villages can become good rural salesman. It is common knowledge that the rural areas lack modern compared with the urban areas. Because of this factor, well qualified salesmen are often reluctant to live in the rural areas.

2. **Cultural congruence:** location is just the straight point. The sales man must be well acquainted with the cultural aspects of rural life. Since the cultural patterns of the rural commodities differ from one another, a background that gels with the culture of the given community is to be preferred.
3. **Attitude factors:** attitude factors are of particular significance in the rural context. For example, the rural salesman must have a great deal of patience, as their customer is a traditional and cautious person. Preserve is another essential trait. It will not be possible for the rural salesman to clinch the sale quality.
4. **Knowledge of the local language:** rural salesman should also be conversant with the local language whereas his urban counterpart can successfully manage with English and a working knowledge of the local language, the rural salesman should be quite familiar with the local language.
5. **Ability to handle several product lines:** often rural salesman is required to handle several product lines. While urban salesman can generate an economic size business through a few product lines, rural salesman are compelled to handle a large variety of products, as they do not generate economic volume of business with a few products.
6. **Creativity:** rural selling also involves greater creativity. Often, the products connected may be very new in the rural context. The rural salesman have to make special endeavours to introduce them.

Solving Sales Force problems by managing sales force in rural areas

Managing the Rural Sales Force

In tune with the special requirements which the rural sales force has to meet, the task of sales force management too carries certain added dimensions in the rural context. In selecting the salesmen, in giving them orientation, in motivating them and in developing them the sales manager has to adapt to the unique requirements of rural selling. For example, while providing orientation to the newly recruited rural salesmen, the sales manager may have to devote a longer time. And mere classroom training will not meet the requirements of orientation of rural salesmen. The salesmen need comprehensive on the job coaching in selected village markets. And they need to be educated about the rural marketing environment in addition to being trained in salesmanship and selling techniques. The rural sales manager must also

support his salesmen with non-conventional means of market promotion suitable to the rural consumers. Rural salesmen also need more intensive sales training & as they have to handle a variety of products.

In short, sales force management in the rural context becomes an exacting job, especially when the firm has big stakes in rural marketing and when it operates on a nationwide basis. For example, Hindustan Lever's rural salesmen have to cover 70,000 rural locations. Administering such a large and scattered sales force, supervising them, supporting them in sales calls, coaching them on the job, attending to their official and personal problems and above all, motivating them for better results in an exacting task for the sales manager.

Rural Market Research and Data Collection

The systematic design, collection, analysis and reporting of data and findings relevant to a specific marketing situation facing by the company in rural market.

“The systematic planning, gathering, recording and analyzing data about problems related to marketing of goods and services.”

Rural Market Research Process

- Marketing research involves a sequence of steps-
- Step-I Defining a research problem
- Step-II Finalizing a research design
- Step-III Developing a research hypothesis
- Step-IV Planning the research methodology
- Step-V Data collection
- Step-V Data analysis
- Step-VI Conclusion and Recommendations

Sources and methods of Data Collection in Marketing Research

Data Collection in Marketing Research is a detailed process in which a planned search for all relevant data is made by researcher.

Types of Data

1. **Primary Data-** Primary data is the data which is collected first hand specially for the purpose of study. It is collected for addressing the problem at hand. Thus, primary data is original data collected by researcher first hand.
2. **Secondary data-** Secondary data is the data that have been already collected by and readily available from other sources. Such data are cheaper and more quickly obtainable than the primary data and also may be available when primary data cannot be obtained at all.

Data Collection Approaches in Rural areas

A considerable number of rural people are not aware of the concept of market research. Along with that, they are also suspicious about the intentions of the market researchers or

investigators. Although they are short of time like urban respondents, the investigators need to

first build a rapport with them, make them understand the importance of the research that he is conducting and break the barrier of hesitation and reluctance to participate in an activity that they are not familiar with and have not done in the past

Types of Rural Studies

- Quantitative studies
 - Since penetration and consumption of most products are low, the market is under development, hence quantitative studies cannot be done for most products
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 - Qualitative studies
 - 4As of Rural marketing – Acceptability, Affordability, Awareness and Availability
 - U &A (Usage & Attitudes) or KAP (Knowledge, Attitude and Practices)
 - Feasibility
 - Mapping distribution, promotion and communication channels

Sources & Method of Data Collection

- Ensuring the support of opinion leader
- Behaving in a manner to be liked by rural people
- Being at right places:
 - Village Chou pal
 - Retail outlet
 - Fairs
 - Huts

Methods

- Secondary Data –
 - Census of India, NCAER, CSO, DRDA, Panchayat office
 - Primary data
 - In-depth interview,
 - focus group discussion,
 - social research (PRA),
 - Questionnaire,
 - Sampling

Primary Data

- **PRA technique**
 - Is a set of approaches and methods to enable rural people to share, enhance and analyze their knowledge of life and conditions, to plan and to act.
 - **PRA Tools**
 - Social mapping : capture house location/ caste distribution
 - Resource mapping : availability of resources
 - Seasonality diagram : information on the basis of seasons
 - Venn diagrams : to identify various issues with relative importance

Advantages of PRA & FGD

PRA(Participative Rural Appraisal)	FGD(Focused Group Discussion)
Large and Heterogeneous	Small and Homogeneous
All people participate in Verbal & Non Verbal ways	Spokespersons Dominant the discussion in Verbal form.

Attitude and Behavioral oriented.	Action oriented
Spot analysis by Participant	Analysis done by Moderator

Research Tools for Rural Market

- Semiotic Analysis -appropriate colors, signs and symbols to avoid inappropriate ones. Helps advertising agencies in promotion mix
- Customer I.Q -quality, satisfaction and loyalty which provides information about brand equity
- Advanced Tracking Program (ATP) -tracking brand health and brand equity to analyze different brands performance

Limitations & challenges in Rural Marketing Research

- Nature of Rural Market
- Scarcity of Rural Marketing Research Budget
- Lack of Uniformity in Secondary Data
- Accessibility
- Lack of Facilities in Rural Areas
- Comprehension of Research Tools
- Sensitivity of Rural People

Do's and Don'ts in rural market research

- Wears simple clothes
- Familiar with local language or accompany a known person
- Spent time with villagers even though it is not needed to his research
- Purpose and its benefits to villagers should be explained in order to get correct data's.
- Issues sensitive to respondents should be carefully handled
- Male researchers should approach a woman through her husband or guardian of the woman.
- Avoid one- to-one interact as they gather as crowd.
- Researcher always carry food, water and first aid kit to avoid health problems

Classification of rural consumers

The rural consumers are classified into the following groups based on their economic status: ·

- **The Affluent Group:** They are cash rich farmers and a very few in number. They have affordability but not form a demand base large enough for marketing firms to depend on. Wheat farmers in Punjab and rice merchants of Andhra Pradesh fall in this group.
- **The Middle Class:** This is one of the largest segments for manufactured goods and is fast expanding. Farmers cultivating sugar cane in UP and Karnataka fall in this category.
- **The Poor:** This constitutes a huge segment. Purchasing power is less, but strength is more. They receive the grants from government and reap the benefits of many such schemes and may move towards the middle class. The farmers of Bihar and Orissa fall under this category.

Profile of rural consumers

IMRB (Indian Market Research Bureau) and NCAER “(National Council for Applied Economic Research) have made available a few studies based on which rural consumers profile can be arrived at.

Literacy: 23% of rural Indian population is literate and people are getting added to this list year after year. There are still some villages which are underdeveloped. Maximum education is primary school or in some cases high school. To this group the marketing promotional strategy to be adopted is demonstration of product features and advantages. Print media and posters do not make any impact.

Income: An average rural consumer has a much lower income than his urban counterpart. The disposable income has increased in the recent years to considerable extent. In spite of this, the common traits of rural consumers are low purchasing power, low standard of living, low per capita income and low economic and social positions.

Density: Rural population is scattered across 7 lakh villages. This implies that rural demand is scattered and urban demand is concentrated. · **Influencers:** There are many reference groups in a village. These include teacher, doctor, panchayat members, health workers, bank manager and co-operative board workers. These influencers need to be kept in mind when a marketer decides on rural marketing.

Occupation: The main occupation is agriculture. The size and ownership of land determines the basis for differentiation and consumption patterns.

Culture: Rural consumers are traditional in their outlook. They associate faster with messages that match their cultural behavior.

Language: English is not a language of rural India. Hence a marketer should aim for communication in the local language.

Media Habits: Television, radio, video and theatre are some of the traditional media that a rural consumer identifies with.

The above are some of the factors that differentiate the rural consumer from his urban counterpart. A marketer has to decide on all the above parameters while designing a marketing plan.

Changing profile of rural consumers

Rural consumers as studied are dependent on agriculture and were not very literate about products and services available. This scenario is slowly changing due to increase in literacy and disposable income. Not long ago, rural consumers went to a nearby city to buy "branded products and services". Only select household consumed branded goods, be it tea or jeans. Earlier, big companies flocked to rural markets to establish their brands. Rural markets today are critical for every marketer - be it for a branded shampoo or a television. Earlier marketers thought of van campaigns, cinema commercials and a few wall paintings to entice rural folks under their folds. Today a customer in a rural area is quite literate about myriad products that are on offer in the market place, thanks to television. Many companies are foraying into the rural markets and educating them on newer products and services. The rural youth today are playing a far more significant role in influencing the purchase decisions. They travel frequently out in the village and are the drivers of purchase decisions regarding radios, television (black and white as well as color), automobiles and other goods. They may not be the end customers but often are the people who influence the purchase of high value products and they decide on which brands to choose. Penetration levels of consumer durables in the rural sector have risen dramatically in the last decade or so. Even the rural woman is coming out of the closet. She is exercising her choice in selecting categories - the choice of brands may still be with the males of the household. The prerogative of making the final purchase decisions stills rests with the chief male. In other words, the "chief wage earner" syndrome still applies in the rural markets.

Influencing the rural consumers

The biggest challenge today is to develop a scalable model of influencing the rural consumers' mind over a large period of time and keep it going. This needs to be achieved in a limited or a reasonable budget. That's where the marketers who really understand rural markets and advertising agencies can make a difference and develop a scalable media/communication model.

Report Writing and Presentation

What is a report

A report is a written presentation of factual information based on an investigation or research. Reports form the basis for solving problems or making decisions, often in the subjects of business and the sciences. The length of reports varies; there are short memorandum (memo) reports and long reports. Most often you will be asked to write a long report.

What makes an effective report?

- Clear, concise and accurate
- Easy for the audience to understand
- Appropriate for the audience
- Well organized with clear section headings

Report structure:

Reports follow a standardized format. This allows the reader to find the information easily and focus on specific areas. Most reports follow the following structure, but please look at your assignment question and marking guide carefully, as the format and terminology required in your report may vary from this guide. If so, check with your tutor. Please check your marking guide to determine the word limit and how marks are allocated to each section.

A report must have:

1. Title Page
2. Table of Contents
3. Abstract or Executive Summary
4. Introduction (or Terms of Reference and Procedure)
5. Findings and/or Discussion
6. Conclusions
7. Recommendations
8. References

A report may also contain:

1. Cover letter
2. Bibliography
3. Glossary
4. Appendices

The table below summarizes the main headings used in reports and outlines the purpose of each section. Please note: Further headings or subheadings may be used depending on the report's content, and are specific to the individual report.

Section	Purpose
Title Page (Not part of the word count)	Gives the title of the report, the student name/number, the name of the person the report is being submitted to, and the completion date.
Table of Contents (Not part of the word count)	Shows the sections of the report. Gives the headings, subheadings and page numbers.
Abstract or Executive Summary	Gives a summary of the whole report. Outlines the report's purpose, methodology, findings, main conclusions and recommendations. Mainly written in past tense, and prepared last.
Terms of Reference	Briefly states the purpose and scope of the report. This includes who requested the report, the main issues or problems to be identified, the reason for undertaking the report and the due date of the report.
Procedure	Outlines the methods used to collect information e.g. interviews, questionnaires, observations and/or

	research.
<p>Introduction (May be used instead of the Terms of Reference and Procedure)</p>	<p>Outlines the context, background and purpose of the report.</p> <p>Defines terms and sets limits of the investigation.</p> <p>The reader/audience can easily identify what the report is about, how information was gathered, and why the report is needed.</p> <p>Mainly uses past tense and can be written last – but is presented first.</p>
<p>Findings and/or Discussion For this section, avoid using the headings “Findings” or “Discussion”. Instead, create headings and sub-headings that identify the main issues or problems.</p>	<p>Findings: What was found during the research or investigation.</p> <p>Gives the facts only – no interpretation by the writer of the report.</p> <p>Tables, graphs or diagrams can be used.</p> <p>Must be relevant to the issues and problems identified in the Terms of Reference.</p> <p>Arranged in a logical order with headings and sub-headings.</p> <p>Discussion: You may also be required to analyse, interpret and evaluate the findings. The discussion draws together different parts of the findings and may refer to findings of other studies and/or theories.</p>
<p>Conclusions</p>	<p>Brief statements of the key findings of the report (full explanation is given in the Findings and/or Discussion).</p> <p>Arranged so the major conclusions come first.</p> <p>Should relate directly to the objectives set out in the Terms of Reference or Introduction.</p>

	Follow logically from the facts in the Findings and/or Discussion. Must be complete enough for recommendations to be made from them.
Recommendations (note: not all reports give recommendations)	The opinions of the writer of the report about possible changes, or solutions to the problems, including who should take action, what should be done, when and how it should be done.
References (Not part of the word count)	A list of the sources that are used in and referred to in the report. Use APA referencing style.
Bibliography (Not always required)	Lists any sources that were read for the research but were not cited in the report. (Bibliography is not included in the word count).
Appendices (Not always required)	Additional relevant information. May include interview questions, surveys, glossary etc. (Appendices are not included in the word count).

The major part of the report will consist of the Introduction, Findings and/or Discussion, Conclusions, and Recommendations.