

A STUDY ON INTEGRATED, INNOVATIVE AND INCLUSIVE (3I) FRAMEWORK FOR TELECOM SERVICES IN RURAL INDIA

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Abstract: *The Indian Rural Market has been prospering since last decade due to increasing purchasing power, literacy level, disposable income, infrastructure development and increasing media exposure and resulting into substantial growth of rural consumption backed by continuous decline of poverty ratio. The Indian rural consumption is expected to reach INR 16,701 billion by 2015 and INR 26,383 billion by 2025 with compound annual growth rate of 5.1 per cent and per household consumption is estimated to reach INR 104,000 and INR 158,000 per annum by 2015 and 2025 respectively. The present paper critically examines rural marketing orientations and offers a conceptual framework (Integrated, Innovative and Inclusive- 3Is) for mobile telecom services in Rural India. The dimensions used in the present study have been borrowed from the marketing practices of Grameen Telecom-Bangladesh, Village Phone- Uganda, Smart Incorporation- Philippines, and Celtel- Nigeria. The integrated approach stresses on improving the access of telecom services through public-private partnership and relationship marketing; the innovative approach stresses on leveraging local solutions and diffusion of innovation by developing firm, product, market or consumer oriented innovation and measuring consumer innovativeness; and inclusive approach empowers rural people by promoting entrepreneurship.*

Keywords: *Rural Marketing, Integrated-Innovative-Inclusive approach, Public-Private Partnership, Consumer Innovativeness and Rural Entrepreneurship.*

1. INTRODUCTION

The marketing strategies are taking shift from national to global at one side and from urban to rural with aim to identify potential customers and satisfy their demands. In today scenario, the companies distinguish their marketing functions between rural and urban, in terms of understanding consumer needs; inculcating superior value, effective distribution and promotion with aim to get profitability in business. The basic marketing process begins with understanding the market place and customer needs followed by designing a customer-driven marketing strategy; construct an integrated marketing program and building profitable

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relationship with aim to create customer delight (Kotler *et al.* 2010). The same process is also utilized in rural marketing by delivering valuable products, services, and information to satisfy rural needs and preferences. Though the successful marketing firms generate substantial profits, create value-laden exchange relationship with customers, but even the benefits and experiences produced by marketed products are not achieved thoroughly due to marketing myopia (Kotler *et al.* 2010; Paninchukunnath, 2010). Hence, the constant innovation is required for targeted product development for substantial brand experiences rather than concentrating only on attributes. On the basis of this vision, instead of paying too much attention on the same market, the marketers recognized rural markets as a new target segment and introduced innovative products to capture untapped rural demand of the country and made themselves safe from urban myopia- a condition where marketing firms are over segmented with low market share, decline margins, high competition and brand extensions with low differentiations (Paninchukunnath, 2010). On the basis of distinct philosophies, either corporate social responsibility or bottom-of-the- pyramid-marketing, a substantial development of rural marketing approaches took place since last five decades and went through the phases ; trickledown, undifferentiated, differentiated and integrated-innovative-inclusive approaches. These approaches are developed on the basis of perception, scope of marketing practices and desired outcomes from the rural markets. The latest integrated-innovative-inclusive approach is based on theory of bottom-of-the-pyramid marketing. The integrated approach consists of transactional marketing and relationship marketing with aim to improve access of products and services in rural areas through developing public-private partnerships; the innovative approach stresses on developing firm, product, market and consumer innovation by combining local and global knowledge with aim to leverage local solution and identifying valuable target market based on consumer innovativeness for successful diffusion of innovation in particular community; and inclusive approach stresses on promoting rural entrepreneurship by transforming rural people into change agents or business partners with aim to buy community trust. The present paper critically examines rural marketing orientations and offers a conceptual framework (Integrated, Innovative and Inclusive- 3Is) for mobile telecom services in Rural India.

1.1. Mobile Telecom Service Industry

The mobile telecom service industry provides affordable quality telecommunication for both urban as well as rural customers in order to develop connectivity with rest of the world and empowers common man, facilitates financial inclusion and contributes to develop economy and government finances. A substantial growth has been noticed in India's wireless industry due to increasing subscribers' base from 48 million to 868 million during December 2004 to March 2013 and recognized as a second largest telecommunication network in the world

after China. The urban and rural subscribers' since last decade made a significant contribution in the growth of telecommunication industry. The urban wireless subscribers constitute 58.50 per cent in total telephone subscribers of India followed by rural wireless (38.14 per cent), urban wireline (2.62 per cent), and rural wireline subscribers (0.75 per cent). The numbers of urban and rural wireless subscribers' have increased to 525 million and 343 million respectively at the end of March 2013 and this resulted into rising of wireless tele-density both in urban and rural areas (Cellular Operators Association of India, 2012-13). The total wireless tele-density has increased from 47.88 per cent to 73.32 per cent during December 2009 to March 2013 including the growth of urban tele-density from 110.96 per cent to 146.96 and rural tele-density from 21.16 per cent to 41.02 per cent during the same period (Telecom Regulatory Authority of India, 2013). The decline of urban subscribers from 78 per cent to 61 percent (as percentage to wireless subscribers' base) during 2007 to March 2013 reveals saturation in urban markets and contrary to this, the increase of rural subscribers from 22 per cent to 39 percent during the same period reveals an opportunity for mobile telecom operators to penetrate the rural markets. The maximum market share in wireless operators belongs to Bharti Airtel (21.7 per cent), followed by Vodafone Essar (17.6 per cent), Reliance Communication (14.2 per cent), Idea Cellular (14.0 per cent), BSNL (11.7 per cent), Tata Teleservices (7.7 per cent), Aircel (6.9 per cent), and Uninor (3.7 per cent), while Bharti Airtel (23.53 per cent), Vodafone Essar (23.56 per cent), Idea Cellular (18.84 per cent), and BSNL (11.88 per cent) are the dominant service operators in rural areas (Cellular Operators Association of India, 2012-13; Telecom Regulatory Authority of India, 2013).

2. NEED AND SCOPE OF THE STUDY

The industrial attractiveness criteria such as size, growth, technology, competitive structure, market diversity and significant contribution to Information and Communication Technology (ICT) are considered for selecting mobile telecom service industry as a prime area for study. In spite of substantial growth noticed in mobile telecom service industry since last decade, the continuous fall in minutes of usage per subscriber per month (MOU) from 496 minutes to 359 minutes during 2008 to 2012, declining of average revenue per user per month from INR 396 to INR 98 during 2004 to 2012, steep fall in voice tariffs, intense competition, and saturated urban markets compel marketers to identify and serve remote and rural areas as target market (Cellular Operators Association of India, 2011). The present marketing strategies applicable in urban markets are required to be modified for rural telecom services markets, as the industry is highly affected with infrastructural (scarcity of water, electricity, and lack of connectivity), technical (low tele-density, high operational costs per BTS*) and manpower (lack of skilled labor) problems along with appearance of distinct consumer segmentation based on behavioral

aspects (purchase, transaction, media usages patterns), psychological aspects (lifestyle, personality, motives, and attitudes), and profile (demographics, life stage, geographic) in rural areas (Bainnes, Fill, Page and Sinha, 2013). Hence, it is high time to design and implement relevant marketing strategy for rural markets aiming economic development, empowering rural people, developing community trust, generating wealth among rural people and developing a scope for partnership with private bodies, government bodies, or NGOs for improving the access of products and services.

3. REVIEW OF LITERATURE

The literature presented in the study has been divided into three categories-examination of rural market potential, assessment of rural marketing approaches, and identification of most relevant rural marketing practices in mobile telecom services. The first part of literature depicts rural pull factors in general and for mobile telecom services in particular on the basis of rural economic indicators. Second part of the literature presents development stages of rural marketing during last five decades with aim to identify latest rural marketing approach. Third part of literature reveals successful rural marketing practices adopted by popular Asian telecom firms such as Grameen Telecom-Bangladesh, Village Phone- Uganda, Smart Incorporation- Philippines, and Celtel- Nigeria, that further, is used to develop a conceptual framework of integrated- innovative- inclusive (3Is) for rural mobile telecom services marketing.

3.1. India's Rural Potential

India's rural market potential has been rising since last decade due to improving affordability, increasing household annual income, disposable income, consumption pattern, improving accessibility due to infrastructure development, growing acceptance due to increasing literacy, media exposure, lifestyle changes, and women empowerment, increasing demand of products due to product upgradation and brand consciousness and these emerging trends made rural markets a favorite arena for various industries such as fast moving consumer goods (FMCG), automobile, banking, insurance, retail and so forth (Kotler et al, 2010). The companies recognized this enormous opportunity and attained go-to-market models to garner the share of this rural growth. According to McKinsey & Company (2007), in next twenty years, India's rural market will be larger than the total South Korea and Canada's present consumer market and it will become four times of today's urban Indian market with estimation of \$577 billion in size. The study also revealed that rural consumption is expected to reach INR 16,701 billion by 2015 and INR 26,383 billion by 2025 with compound annual growth rate of 5.1 per cent and per house-hold consumption is expected to reach INR 104,000 and INR 158,000 per annum by 2015 and 2025 respectively. Rural markets seem to be dominating

urban markets in terms of demand, potential, consumption pattern, and expenditure (in terms of percentage of income) for various items such as food, FMCG, clothing, footwear, and durables (Kotler *et al.*, 2010). The rural prosperity has been also rising since last two decades and witnessed declining of poverty ratio at national level from 37.3 per cent to 28.3 per cent (on the basis of Uniform Recall Period) during 1993-94 to 2004-05 and from 27.1 per cent to 21.8 per cent (on the basis of Mixed Recall Period) during 1999-2000 to 2004-05 (Planning Commission of India, 2010-11). This led to rise in the rural income and increasing trends of buying discretionary goods and lifestyle products such as mobile phones, televisions, direct to home (DTH) services, and two wheelers with spending of \$69 billion during 2001 to 2009 as compared to \$55 billion in urban counterparts.

3.2. Rural Marketing Orientations

Rural marketing refers finding out ways and means to sell products and services in rural areas. The rural areas substantially differ from the urban counterparts on the basis of public administration, action and marketing oriented perspectives (Krishnamacharyulu and Ramakrishnan, 2010). The public administration concept refers that urban areas are the locations that exist within municipality or corporation, a cantonment board, or a notified town area committee, with minimum population of 5000, where at least 75 percent male workforce is engaged in non-agricultural activities with population density of over 400 per sq km (Census of India, 2001). Action based concept stresses on specific target market suitable for particular decisions and the marketing oriented perspectives focuses on population density, occupation criteria, and type of administration. These different perspectives are accountable to develop distinct philosophies to serve rural markets either as corporate social responsibility (CSR) or bottom-of-the-pyramid marketing and recognized as different rural marketing approaches namely trickle down, undifferentiated, differentiated and integrated-innovative-inclusive (3Is) (Krishnamacharyulu and Ramakrishnan, 2010). The trickle down approach concentrates to urban areas only and acquires maximum sale from the urban market while rural markets are used for the purpose of corporate social responsibility only. The concept of undifferentiated strategy is based on the realization of rural economic indicators such as huge population base, growing disposable income, household consumption and growing infrastructure and resulting as plethora of corporate entry into rural markets. This approach uses urban marketing strategies with minor modifications and based on the philosophy that rural markets are adaptive and ancillary to the urban market; hence, no need to use differentiated strategy. This approach merely gives emphasis on distribution of goods and services rather than any value addition in rest of the 3 Ps of marketing mix i.e. product, price and promotion. In the late 1990s, the emergence of microfinance, micro enterprises, and self help groups enhanced purchasing power of rural people, alleviated affordability of goods and services and led to the commencement of

differentiated strategy. This strategy is based on unique characteristics of rural markets such as uneven development, fragmented market, value consciousness, price sensitivity, adaptive in nature, heterogeneity in lifestyle, lack of sustainable consumption, reference purchasing and slow processing information due to lack of literacy. This approach stresses on development of unique products, distinct distribution channels with value addition in marketing mix. The latest integrated-innovative-inclusive approach is based on theory of bottom-of-the-pyramid (BOP) marketing (Prahalad and Stuart, 2002). This perspective involved three distinct aspects namely; integrated, innovative and inclusive. The integrated marketing approach consists of transactional marketing and relationship marketing with aim to create, communicate and deliver value for consumers intend to business growth. It improves the access of products and services in rural areas through better distribution, communication links and public-private partnership as BOP markets are physically and economically isolated. The second, innovative approach stresses on constant innovation in products and services by combination of local and global knowledge with aim to leverage local solution in rural markets. This marketing approach further stresses on identification of rural innovators by measuring consumer innovativeness to discover valuable target market with aim to successful adoption and diffusion of innovation in rural areas. The third part, inclusive approach is based on the philosophy that rural people should not be treated as poor but also as producers, suppliers or business partners (Kashyap, 2012; Krishnamacharyulu and Ramakrishnan 2010; Paninchukunnath, 2010; Sunny and Rajagopal, 2008; Kashyap, 2008; Prahalad and Stuart, 2002). This approach stresses on transforming rural people into change agents or business partners through promoting local entrepreneurship and creating buying power among rural people (Dash, Patwardhan and Verma, 2011; Xavier, Raja and Nandhini, 2008).

4. OBJECTIVES OF THE STUDY

The present paper critically examines rural marketing orientations and offers a conceptual framework (Integrated, Innovative and Inclusive- 3Is) for mobile telecom services in Rural India. The present study is conducted to examine the developments in rural marketing approaches during last five decades on the basis of changes in perception of marketers towards rural areas, purpose of marketing practices and expected outcomes from rural markets and designed to offer a new conceptual framework of integrated-innovative-inclusive (3Is) for rural markets in telecom industry.

5. RESEARCH METHODOLOGY

The present study provides valuable insights for marketing of telecom services in Rural India. The design is exploratory in nature with focus on qualitative analysis of secondary data on business models of selected global telecom players. Besides

Table 1
Showing Distinguished Features of Rural Marketing Approaches

<i>Base</i>	<i>Trickle Down</i>	<i>Undifferentiated</i>	<i>Differentiated</i>	<i>3Is</i>
Perception about Rural Markets	No need to design specialized programs for rural markets as lack of potential and smaller in size	Recognized as a valuable target market due to increased consumption and disposable income	Realization of unique products and services due to distinct behavioral, psychological and consumer profile	Focus towards latent market of bottom of pyramid with immense scope for business potential
Scope of Marketing Practices in rural markets	Abandon from sales activities, marketing practices are merely focused on strengthening public relation and corporate image	Focuses merely on distribution of goods or services at nearest point of purchase without any value addition in product, price and promotion	Value addition in marketing mix and enhance placement through intensive distribution channel	Envisages to develop rural entrepreneurs and PPP** for stimulating and satisfying demand with innovative technology, products and services
Desired Outcomes from rural markets	Generates awareness on CSR*	High rural awareness by developing association with brand through CSR	Good image and public relations through rural developmental activities	Profitability and Business growth by treating rural areas under core business activities rather than CSR only

*.- Corporate Social Responsibility, **.- Public-Private-Partnership

relevant articles, journals, books, and web-published materials are being referred to understand the orientation of rural marketing in context with rural mobile telecom services marketing. The successful business models such as Grameen Telecom-Bangladesh, Village Phone- Uganda, Smart Incorporation- Philippines, and Celtel- Nigeria, have been used to explore the dimensions of rural marketing in mobile telecom services aiming to design a new integrated-innovative-inclusive framework for mobile industry (Table 2).

6. GLOBAL INITIATIVES IN RURAL TELECOM SERVICES

6.1. Case: Grameen Telecom- Bangladesh

Grameen Telecom- Bangladesh is a successful joint venture among various partners that alleviates telecommunication facilities through cellular pay phone services at affordable prices to rural corner of the country. The model initiated by Md. Yunus, Chairman- Grameen Telecom in March 1997 has turned up into huge success by establishing multi stakeholder partnerships among Grameen Phone- a cellular operator and service provider ; Grameen Telecom operated as a non-profit company with aim to provide affordable telecommunication services at door step of rural people; Grameen Bank- a micro-credit bank having wide presence in rural Bangladesh facilitates micro-loans to women entrepreneurs to meet the working capital such as buying cell phones and Village Phone operators(VPOs) - women entrepreneurs act as local distributors or partners responsible for distributing telecom services, acquiring customers and getting feedback (Molina,2006; Stanley, 2005). This model illustrates public-private partnership among government bodies, civil society, private sector, international bodies and local organizations with aim to promote Information and Communication Technology (ICT) in Rural Bangladesh (Keogh and Wood, 2005). Each partner performs a significant role in this model to enhance the value proposition in marketing mix. Grameen bank provides 'grameen telephone' handsets to village phone operators on lease basis with easy reimbursement on weekly installments of US\$4.58 up to 2-3 years (Meyenn and Lawson, 2000). The earnings of women entrepreneurs (VPOs) depend on the revenue of telecom services and lead up to net average income of US\$52 per month with covering all the costs and liabilities, and earnings of the Grameen Phone depend on the total billing amount based on air time used (US\$0.04 per minute for local calls during peak hours) by all the village phone operators in a particular village (Eusuf *et al.* 2007). Grameen telecom distributes individual bill to each village phone operator and collects the same from the corresponding Grameen Bank branch. Various innovative products such as prepaid price plan, preloaded talk time, electronic and scratch card based recharge, data service, village phone community pricing, and one sec pulse are tailor made products in the basket of rural people to connect them with rest of the world (Corporate Information-Grameen Phone, 2013). Apart from the attractive features and packages, Grameen

Phone also initiated e-CRM (customer relationship management) program to retain existing subscribers base vis a vis to attract the potential customers (Rahaman, Ferdous and Rahman, 2011) and the efforts are manifested into substantial subscription market share of 46.04 million subscribers with revenue of BDT* 24.0 billion (**Corporate Information, Grameen Phone, 2013**). This shared access business model of Grameen telecom not only creates demand but also creates buying power among rural people, generates high cash flow in rural areas and resulted into a direct and indirect impact on the income growth of village residents (Cohen, 2001).

6.2. Case: Village Phone- Uganda

Village phone program- Uganda is a replica of Grameen Telecom irrespective of the anthropological or cultural differences with aim to bring telecommunication services at rural doorstep with affordable price and innovative products. The village phone program is made up with partnership of six different bodies having distinct roles. MTN Uganda- a largest telecommunication service provider in Africa; MTN Publicom- an associated company of MTN deals in public payphones and provides phone booths or fixed call boxes to ensure the public access communication in urban Uganda; MTN Village Phone company- a partnership between MTN-Uganda and Grameen Foundation-USA to manage day-to-day operations of village phone program; Microfinance institutions- engaged in partnership with MTN Uganda to provide credit to village phone operators through innovative offerings such as individual or group credit schemes with aim to alleviate poverty in Uganda; Village phone operators- are the retailers who run business in rural community and deliver communication services to local community, develop community trust, acquire customers and getting feedback from rural people. Grameen Foundation USA- is non-profit organization based in USA, provides technical skills and knowledge with aim to empower Uganda's poor people by access of financial services and information (Keogh and Wood, 2005). MTN emphasizes on regular interaction with customers with aim to provide unparalleled customer relationship management through service/call centers and also delivers tailor made products and services such as voice and messaging services (toll free voice premium services, SMS premium services), connectivity solutions (broadband, internet, mobile internet), integrated payment solution (mobile money), data center services and multimedia solutions. The quality services of mobile and fixed communication coupled with mobile money and internet made MTN a leading communication operator in Uganda with 8.4 million subscribers base (MTN- Press Book, 2013).

6.3. Case: Smart Communication Inc.- Philippines

Smart Communication Inc. is known as a leading wireless telecommunication company to cater the need of urban as well as rural customers in Philippines with 54.2 million subscribers on its GSM network as on 2012. The company's efforts to

deliver superior value to subscribers are based on anticipating, identifying and satisfying customer requirements through proper marketing mix. Innovative products and services at an affordable level, unique business model with improved marketing communication resulting into maximizing the subscribers and gaining competitive advantage (Corporate Profile- Smart Communication Inc., 2013; Billou and Anderson, 2006; Smith 2004). The innovations made in products and services are based on comprehensive analysis of shopping pattern and purchasing behavior of customers in general and for rural customers in particular. The products such as Smart Buddy- a prepaid GSM pre-stored airtime products ranges from Philippine Peso (P) 100 (US\$1.80) to P 1000 (US\$17.95), Pure Text 100- a prepaid text only cards with value of P 100 (US\$1.80) facilitates customers to retain during limited capacity time period, Smart Money- enables customers to transfer money from bank account to Smart Money account through mobile banking and e-commerce and acts as a debit card for transactions. The intensive distribution system adopted by company is based on a unique distribution model consisting of small retailers and neighborhood stores known as SIM retailers. The SIM retailers act as distributors of products and services in remote areas and provide airtime to the subscribers' phone SIM by electronic transfer of specific 'Smart Load' denomination as demanded by the customers. This new electronic transfer system not only minimizes physical products distribution costs but also minimizes the risk across the company due to 'demand response stocking system' (Billou and Anderson, 2006; Anderson and Markides, 2006 and Smith, 2004). In order to provide high quality services and relationship marketing, the company's 'help and support cell' facilitates online individual account system with more user friendly and easy accessible features. The company's online customer support service system, nationwide payment facility system through 20,000 authorized centers vis a vis customizing specific services such as Smart Money, mobile banking, phone banking, internet banking, ATM and credit cards are others activities to make better customer relationship management.

6.4. Case: Celtel International- Nigeria

Celtel International is committed to provide uninterrupted, quality communication services to Nigerian population in general and for rural population in particular that represents approximately 50 per cent of the total population deprived from the basic telecommunication services (Anderson, Markides and Kupp, 2010). Favorable political and economic environment coupled with liberalization process facilitated by Nigerian Communication Commission in 2003 made revolutionary changes in Nigerian telecom industry and was envisaged by reduction in prices, wider service availability and coming forth of various investors resulting into increased subscription market share from 1.2 percent to 28 per cent by the end of 2007 (Ikpe and Idiong, 2011). In order to generate more revenue, the company searched potential markets instead of serving only corporate clients as

they contribute merely 2 per cent of the revenue. In this direction, consumer mass market and small-medium enterprises (SMEs) such as umbrella man shops and public call offices have identified as potential target markets by the company to sell products and services such as SIM packs and e-recharge or recharge vouchers. The company also made some remarkable changes in intermediary channel, extended dealer network and appointed local bodies as channel partners like kiosks, hawkers and ubiquitous umbrella man outlets to enhance availability and sales. The company achieved substantial growth during the period from 2008 to 2012 as the mobile telecommunication industry in Nigeria witnessed high subscribers' growth in rural and remote areas. But at the same time, industry also faced a huge challenge to maintain business sustainability in rural areas due to shortage of

Table 2
Showing Dimensions of 3Is approach in Telecom Industry

<i>Telecom Operator</i>	<i>Dimensions</i>		
	<i>Integrated</i>	<i>Innovative</i>	<i>Inclusive</i>
Grameen Telecom-Bangladesh	Revenue sharing business model based on PPP*; relationship marketing through e-CRM program	Innovative distribution channel and products such as prepaid price plans, preloaded talk, and village phone community pricing	Serving rural demand by promoting local entrepreneurship as women entrepreneurs
Village Phone-Uganda	Multi stakeholder partnership among telecom company, microfinance institutions, and VPOs; relationship marketing and customer support through service and call centers	Innovative products such as toll free voice and SMS premium services, connectivity solutions and integrated payment solution	Intensive distribution through retailers or VPOs appointed as business partners
Smart Communication Inc.- Philippines	Relationship marketing through online customer support system and Strengthening intermediaries channel through SIM retailers	Innovative distribution through electronically transfer denominations at customer's SIM, innovative products such as Smart BuddyPure Text 100 and Smart Money	Small retailers, neighborhood stores used as business partners in rural communities
Celtel International-Nigeria	Intensive distribution network through kiosks, hawkers, umbrella man as sub-dealers	Innovative products such as SIM packs, recharge denominations, and tariff plans	Starting rural acquisition initiatives (RAI) program to transform rural people into entrepreneurs

* Public-Private-Partnership **Village Phone Operators

infrastructural facilities like sufficient supply of water and electricity, technical problems like high operating costs, high requirements of towers, disperse population density with low per capita income and scarcity of technical knowledge and skilled manpower. To cope up these challenges, the company introduced innovative distribution channel and products such as SIM packs and recharge denominations, affordable tariff plans that are based on outcomes of the comprehensive research program with aim to divide the digital gap from rest of the world. The company's rural acquisition initiatives (RAI) program creates opportunity for rural people to become entrepreneurs in their own community through micro- franchise. These franchises act as channel partners or company representatives for distributing the products and services in the local community and run the company's business on revenue sharing basis (Kupp and Anderson, 2010).

7. DISCUSSION

7.1. Conceptual framework of 3Is Approach for Rural Mobile Telecom Services

The outcome of the above-mentioned discussion is emergence of an integrated-innovative and inclusive framework. Distinctive features of this approach are based on motivation and development of rural people as local entrepreneur, transforming them as business partners or change agents, generating wealth, satisfying rural demands by innovative products and services, improving customer relationship and fulfilling the tasks of transactional marketing by using distinct business model based on public-private partnerships. The framework proposed in the study consists of three dimensions- integrated, innovative and inclusive. The integrated approach improves access of products and services in rural areas through developing public-private partnership and relationship marketing. PPP is a contractual agreement between public organization and telecom company facilitating standardized telecom services that have traditionally been supplied or financed by public institutions. Activities involved in PPP such as operational, financial maintenance of the infrastructure and services in a particular model are decided by its partners (Asian Development Bank, 2006). The relationship marketing is used to retain existing subscribers base & educate the benefits of products in general and for rural customers in particular. This approach is useful to enhance rural distribution, render awareness and knowledge about existing and new products, and build a strong relationship with aim to develop customer loyalty. The innovative approach focuses on developing a distinct business model or innovative products and services with aim to improve affordability and availability of telecom services in rural markets. The deep insights, effective use of local and global knowledge, assessment of rural needs and preferences are prerequisites for opportunity recognition in telecom services. The innovative approach stresses on firm, products, market or consumer based innovation to

leverage local solutions and nurture the rural markets along with identification of rural innovators on the basis of consumer innovativeness. The ideology of inclusive approach is based on the principle that rural people can also be used as suppliers or producers in marketing system rather considered them as consumers only. The rural entrepreneurship is the main activity involved in the inclusive approach. This approach focuses on community based economic development that utilizes local resources, acquires local people as business representative and serves small market by developing community trust and creating buying power. The rural entrepreneurship is useful for social empowerment and transforms rural people into producers or suppliers (Fig. 1)

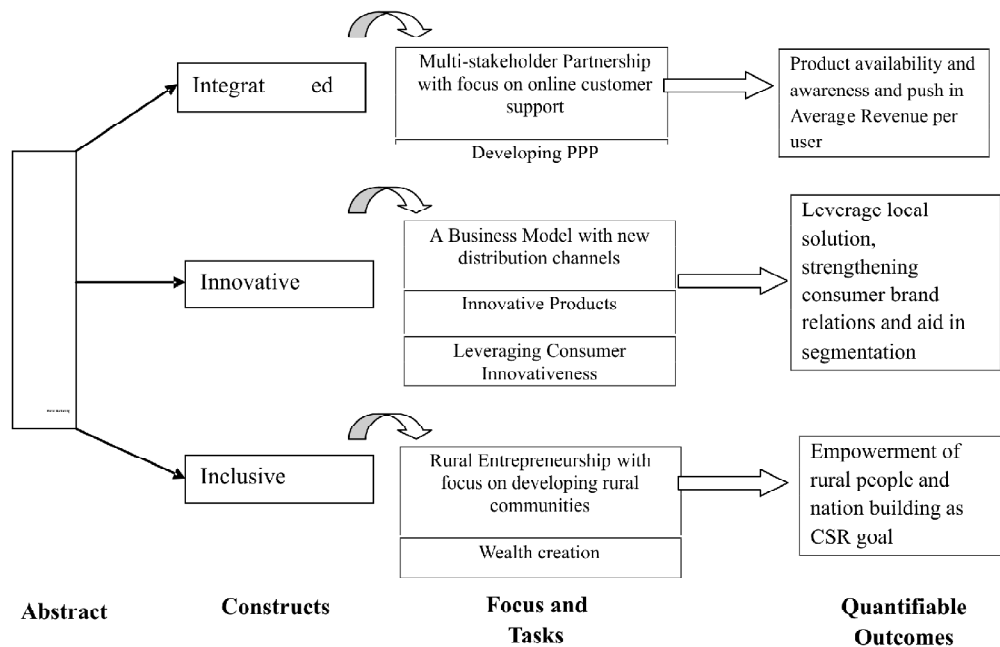


Figure 1: Integrated-Innovative-Inclusive framework for Telecom Industry (Adapted from Krishnamacharyulu and Ramakrishnan (2010))

8. CONCLUSION

The marketers' are required to understand consumer needs; developing customized products with superior value, effective distribution system and promotion for conveying products features and benefits with aim to get profitability in business in general and for rural markets in particular. The present study is focused mainly on mobile telecom services due to realization of distinct marketing strategy for serving rural markets. Successful market penetration, development and business growth in rural areas depends on effective use of intellectual and

human resources. Innovative business model has been specially built for risk pooling as rural markets are economically isolated, delivering customized products and services and developing partnership with local or state government, NGOs and other business partners. The advancement of rural marketing approaches from trickle down to integrated-innovative-inclusive approach is highly influenced with continual change in perception and purpose to serve the rural markets. The conceptual framework of integrated-innovative-inclusive (3Is) for mobile telecom services is based on the marketing activities involved in Grameen Telecom- Bangladesh, Village Phone- Uganda, Smart Communication Inc. - Philippines, and Celtel International- Nigeria. The integrated approach is used to strengthen distribution channel through PPP, the innovative approach stresses on innovative products and service, new business model and exploring valuable customer segmentation and targeting based on consumer innovativeness, and inclusive approach is used to empower rural people through rural entrepreneurship.

9. MANAGERIAL IMPLICATIONS

The present study identifies rural market potential and stresses on formulation of unique rural marketing strategy in general and for mobile telecom services in particular. Distinguished features of rural marketing approaches open a pathway for marketers to formulate suitable marketing strategy based on perception towards rural markets followed by marketing practices and desired outcomes from selected marketing activities. The study provides useful insights about integrated-innovative-inclusive (3Is) approach for mobile telecom services at the time when maintaining business sustainability is a big challenge for telecom operators. The activities involved in 3Is approach are assorted from the real time case studies of telecom companies operating in rural areas hence, the conceptual framework of 3Is approach as suggested in the study facilitates mobile telecom service providers to enhance product availability and awareness through relationship marketing and effective distribution channel; leverage local solution through tailor made products, and empower rural people through entrepreneurship development and public-private partnership.

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