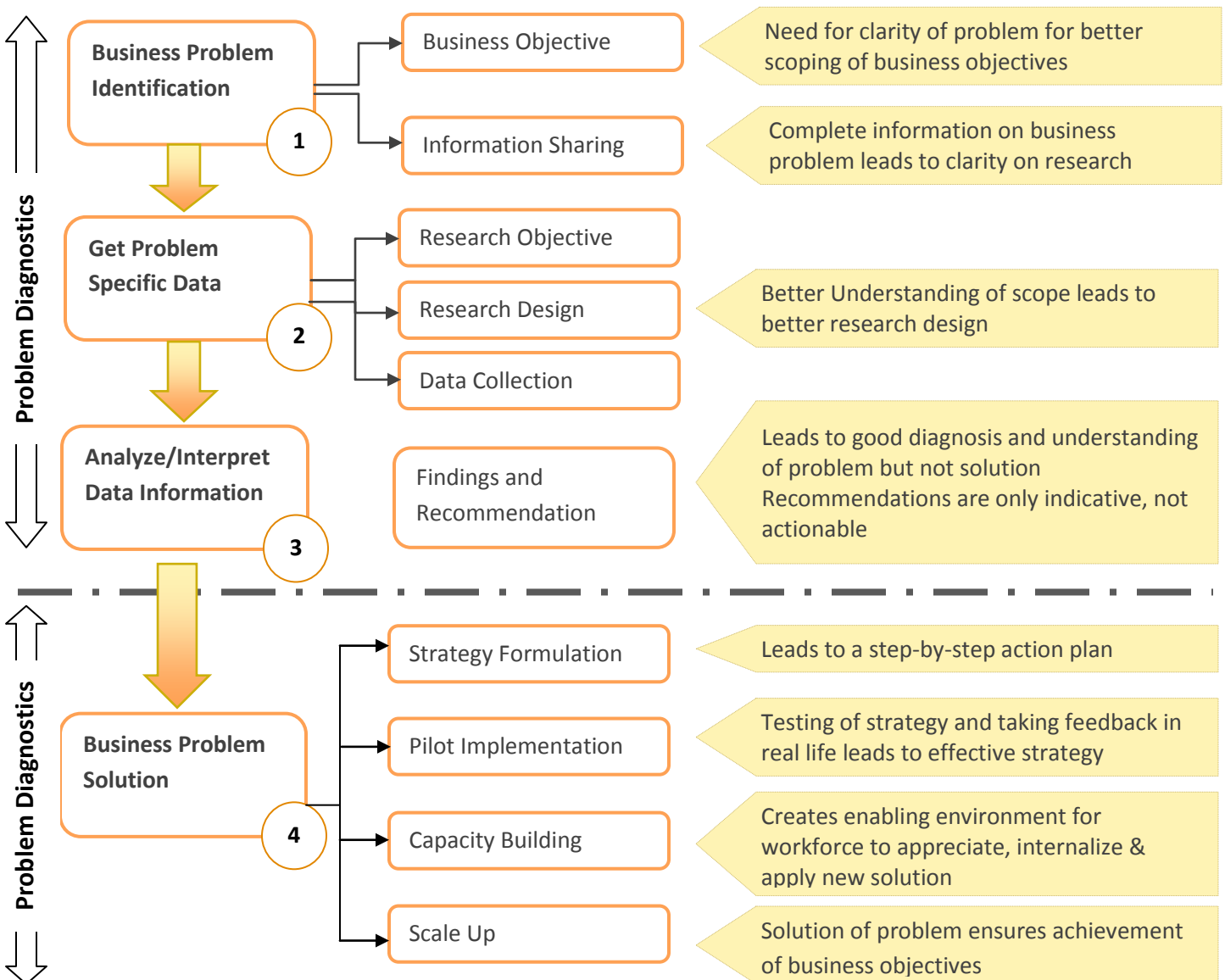


An Approach to

BUSINESS PROBLEM SOLUTION

As businesses become more complex, there is a need for a more comprehensive approach to business problem solving. While current approaches focus more on problem diagnosis, the need is for effective business problem solutions.

The accepted standard approach to business solutions starts with business problem identification, collecting and analyzing data and information, formulating strategy and testing it through a pilot before developing an appropriate solution. This approach can be depicted diagrammatically as follows.



Market research focuses on better understanding and diagnosis of the problem. The recommendations are indicative and do not offer an actionable solution for the client organization to implement. Yet, these steps are critical to problem solution. But what is required is a holistic, end-to-end approach from problem identification to solving the problem.

Some PRA Applications:

Social and Resource Map – The Social map identifies different community profiles of the village and their social behavior. The Resource Map captures various infrastructural and community resources, highlighting ownership and access. This exercise identifies the various need gaps for each community.

A *Seasonality Diagram* is used to gather information on income flows and expenditure patterns for different communities and occupations. The objective is to gain insights into the variation in purchase and consumption behaviors.

A *Need Assessment Map* can be developed for any introductory product and serves to identify issues associated with access, acceptability or affordability. It also brings forth need gaps and helps assess perceived need of the product amongst the community.

A *Daily Activity Clock* captures economic and social activity in daily life. This helps identify time windows for communicating with the community and potential consumers.

MART Approach to Business Problem Solving- *The Differentiators*

There are many challenges associated with solving business problems in emerging markets. MART is a subject specialist with an in-depth knowledge of emerging markets which enables the development of solutions that are both actionable and sustainable. MART adopts an inclusive, end-to-end approach to business problem solving; the approach is different in the following areas.

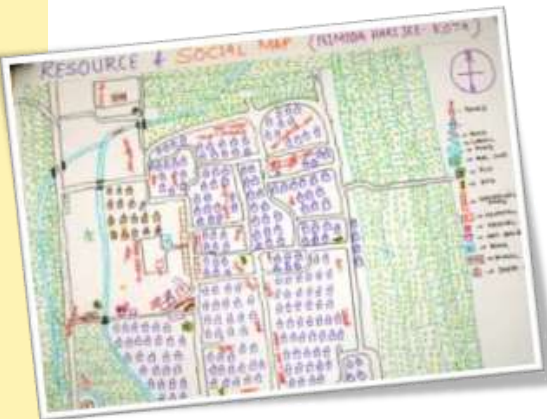
Research Design

Qualitative To Quantitative Approach

Very little hard data is available on emerging markets as they are still at a nascent stage of development. Thus, each business solution needs to start from basic information. MART advocates a small qualitative research to identify all important issues. This allows exhaustive listing of information areas to be collected for gaining a more complete understanding of emerging markets and target consumers for the product or service under study.

Once the areas of information are identified, a quantitative research can be conducted in targeted geographies to provide measureable inputs for development of appropriate business strategy.

MART has compiled useful rural data some of which is available to clients via the 'Marketing White Book', 'The Rural Marketing Book' and other publications.



Participatory Rural Appraisal (PRA)

There is little understanding of rural eco-systems; rural lifestyles are different, income patterns and decision making behavior are distinct from urban. These need to be fully understood before any business solution can be developed and successfully implemented.

Participatory Rural Appraisal (PRA) is a very successful ethnography technique adapted by MART from social sector to capture rural consumer behavior. The PRA approach empowers the community in such a manner that they voluntarily participate in the research process. Here, the role of the moderator is simply as a facilitator. PRA enables the rural community to share, enhance and analyze knowledge of their own environment and life. The process is pictorial in nature and drawn by the community themselves, hence cross checking and validation of data is automatic. To capture rural consumer behavior, both expressed and unexpressed.

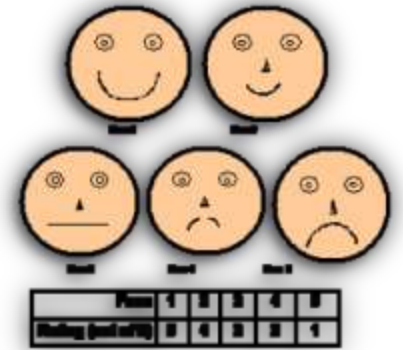
Use of Appropriate Research Tools

Respondents in emerging markets are generally less literate and have less exposure to a variety of products and services. Thus, conventional quantitative research tools are not always effective.

More appropriate visual tools were developed by MART to capture rating and ranking responses from the less literate. Traditional rural practices of

measurement have largely been a matter of approximation. Therefore, less literate populations find it difficult to fully comprehend and respond to numeric measures for rating.

MART has developed a simple tool to measure rating on a five point scale using human expressions. The highest scale is reflected with a very happy face and the lowest scale with a very sad face. These are used as flashcards by field researchers.



Local Data Collection Teams

Data Collection Teams are required to be particularly sensitive to the differences in local languages, dialects, cultures and customs in emerging markets. MART’s practice of using local teams for data collection ensures that local sensibilities are honored.

Client Accompaniment

MART strongly recommends client staff to travel with the research team to gain a better appreciation of rural life. This interaction between the teams in the field also helps in developing a practical strategy and working towards better solutions for the client.

Strategy Formulation

In-depth Knowledge of Emerging Markets

MART’s decades of effort in poverty reduction through Self Help Groups and local government has given it a deep understanding of rural institutions, organizations, resources and stakeholders.

This enables MART to design effective marketing strategies.

Access to NGO/ CBO Networks

Through its 15 years of work in the social sector MART has developed contacts with a large number of grassroots Non-Governmental Organizations (NGOs) and Community Based Organizations (CBOs) operating in emerging markets. These NGOs help MART identify and access desired respondents for any research study.

Highly Experienced Sector Experts Empanelled

MART has a number of highly experienced sector experts available for consultation to offer a practical solution.

Pilot Testing & Scale Up

MART strongly recommends pilot testing of the strategy developed. MART has conducted pilots in small target markets to fine tune and scale up strategies at minimal costs. The small geographies also ensure damage control in a worst case scenario.

The MART approach ensures that not only is the acceptability of the product and service tested amongst target consumers, but also with the proposed distribution and communication channels, the local community and local government.

Thus, the pilot facilitates testing of all components of the eco-system. A complete documentation and blueprinting of the refined strategy post the pilot learning’s is developed and provided to ensure successful replication and scale up.

Capacity Building

MART recommends a proper immersion for better appreciation of the new strategy, internalize and develop the required skills to implement it. MART has an in house training division which has already built capacity of 5000 staff of client organizations. MART’s commitment can continue until the Clients business objectives have been achieved.

MART—UNILEVER Retraining Program

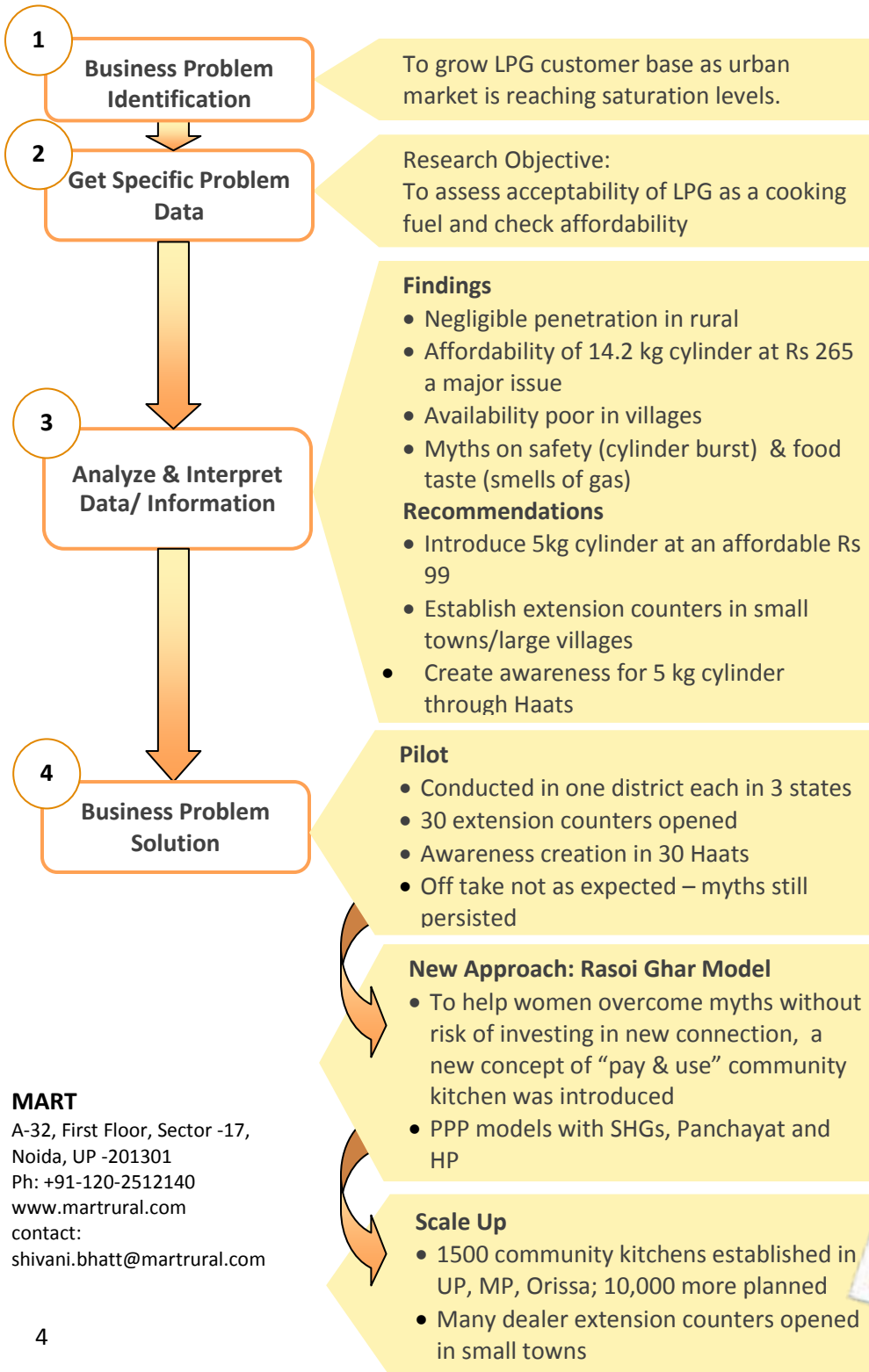
Unilever recognized that the Sales force in Rural needed to be retrained to focus on ‘Activation’ - facilitating Retailers with additional merchandising, POP usage and customer management skills. A total of 120 Officers and Management in Sales & Marketing participated in training events across the North, East and West.

Business Problem Solving—HPCL Rasoi Ghar Case Study

MART was approached by HCPL to provide an end-to-end solution for development of their entry strategy into rural markets for LPG. The challenges were:

- To discover and overcome the barriers to purchase faced by consumers unfamiliar with LPG and with access to cheap cooking fuel alternatives such as firewood.
- To cultivate a more positive product/ brand image for LPG amongst rural communities
- To create value in rural consumers minds for a higher cost, but cleaner, faster, more convenient cooking fuel option.

The following showcases how the MART approach was applied to solving this business problem.



The Rasoi Ghar model has been designed to be low– cost, replicable and sustainable.

- HPCL makes a onetime donation of Rs 8,000 for the basic equipment such as LPG cylinders, stoves and work counters
- Local Panchayat provides a small room to house the community kitchen
- One woman from local Self Help Group (SHG) is appointed caretaker to maintain the area and collect the nominal charge of Rs. 2/- per hour from users.
- The model is self sustaining as the money collected from the 20 odd users pays for the refill cylinders and an honorarium of Rs 400 per month to the caretaker.
- An evaluation by NCAER showed that over 80% users were fully satisfied with the Rasoi Ghar and 6% of them had already acquired their own LPG connections.

This model has won the RMAI 2006 Gold Award and the Special Jury Award for the best rural initiative.



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