

When RURAL met DIGITAL

The clash of two cultures & its implication on digital marketing

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The rise & rise of digital marketing

As per estimates there are one & half billion internet users worldwide. And there are more than four billion mobile subscribers across world and these numbers have multiplied in the last few years. First the internet and then the mobile have completely revolutionized how the marketers have engaged with their consumers in the last few years. As the technologies rapidly expand the capacities of these two mediums digital marketing has come to occupy a place of prominence in every marketers plan.

The primary vehicle that facilitated digital marketing has been the internet. Internet has so far been experienced by people through PCs. So the penetration of internet has been limited by the spread of the PCs/Laptops. As a result the internet penetration has remained limited to less than 10-15% in a country like India. The same is the story in other markets like Indonesia, Brazil etc.

Due to its dependence on the PC the internet therefore has penetrated only the developed economies or the developed part of the societies in economies like India Hence internet audience is largely the more socio-economically developed set of people.

Mobile + Internet – The next big thing

But all this will change very very soon. The internet has started riding a new device. The mobile phone. With larger screen sizes & spread of 3G all the handset manufacturers are now busy improving the internet experiences on their mobile phone. And it is not the high-end phones but even the mid-range to entry level phones which have started delivering the browsing experience on the hand-held device. Google's entry into the market with Android will hasten this development

The number of PCs in use worldwide has surpassed 1 billion and there are one and a half billion internet users globally. At the same time there are more than 4 billion mobile subscribers, indicating the vast growth potential for mobile internet, especially considering that 58 percent of the world's installed PCs are in markets that

account for only 15 percent of the world's population, meaning that for a majority of the potential users the handset is their main internet terminal.

Both the handset manufacturers and the internet players have also woken up to this and are looking to make themselves more enjoyable on the small-screen. Therefore whether it is Facebook or Google or MSN all of them have a mobile version.

Rural meets Digital: The promise of the next 2 billion

But here in lies that biggest opportunity that is in front of the internet marketers. It is not just the people who have had the access to the internet on PC & Laptop who will now be able to access it on their mobile as well. There will be a whole new set of audience that will access internet for the first-time on their mobile devices. In the next 24 months & beyond mobiles will deliver millions of new users to the internet who are completely different from the current internet user base. These new users will come from the emerging markets like India They will come pre-dominantly from rural markets. Just to give you an idea according to a report, the number of people in China using mobile phone to access the Internet surged 113 percent to 117 million last year.

Internet access reaching the rural markets has huge implications for the marketers for two reasons

- First the huge numbers that reside in the rural areas. **Almost 2 billion people** (India 820 million + China 787 million + Africa 680 million)
- From the marketers perspective rural access to internet is a more powerful development than rural going mobile because of the manifold possibilities that internet holds.

The internet players are already modifying themselves to live on the mobile platform. They are creating their versions for the mobile screens. Whether it is Google or Facebook or Youtube all have their mobile versions and at the same time browsers like Opera Mini have been created to give the same surfing experience for the normal sites.

The Challenge

So then why is it a challenge? What is the worry? There is one thing that perhaps the digital players are not taking into account as they prepare to go mobile. And that is the demographic and psychographic differences this new user base has with the current base of digital consumers.

Let me explain.

The distinguishing characteristics of the new set of people who will get on-board the digital bandwagon will be different from the current set of users because

1. They are not economically there. (They will come from lower SECs)
2. The social development index is lower.
3. Most critically the cultural codes are completely different. The difference in the cultural codes of the rural society from the urban societies will create a challenge for the marketers.

So far Internet marketers have dealt with people who are like them... they are other people like them ... they are psychographically homogeneous. Internet marketers get ready for newer set of audiences which you aren't familiar with

The building blocks of the Digital world in the rural universe

The key to understanding the impending challenge lies in understanding the cultural codes of the two entities that are about to converge together: the digital hemisphere & the rural universe.

We all know that amongst other things the key drivers of growth of digital have been the following three

1. EMPOWERMENT through INFORMATION AND INTERACTIVITY
2. SOCIAL NETWORKING
3. Web 2.0 and USER GENERATED CONTENT

We all know what they are about but it would be interesting to see how these codes of success of the digital world would clash with the truths of rural society.

WEB 2.0 and USER – GENERATED CONTENT

Let us try & understand why the Web 2.0 is a more powerful tool of persuasion in urban societies? Why is it gaining currency?

Because in the urban societies the trust on the other institutions of information is going down. The consumer is more cynical. The trust on paid advertising is low. They don't trust the retailer (He is not from the neighborhood any more). Net net they don't trust the marketers anymore. Hence they trust people like themselves. Internet allows them to benefit from other people's experience. And they trust other people's opinion. They go to sites like tripadvisor.com or mouthshut.com to read reviews by other people. They go to other people's blog to seek advice.

People's decreasing trust in the conventional sources of information is one of the biggest reasons and utility of Web 2.0 in persuading people.

Now let's look at the rural consumer. Research after research among the rural consumers in India definitely tell us that they still TRUST. They rural consumer still trusts advertising. He believes what is shown on TV. For the expert advice he still goes to the local retailer who is the expert for them. They also trust the company's word. In such a scenario they are likely to trust what the company website claims rather than any user generated content.

So the need gap for a credible source of information is hardly existent. In such a scenario user-generated content will have a find another point of relevance in the RURAL culture.

EMPOWERMENT – WHAT IT MEANS IN RURAL INDIA?

Internet is also about empowerment. It gives you enough information & interactivity to decide & act for yourself. You can find more information about products; you can compare them online and then decide. It also empowers by giving you the power of feedback. In a sense internet challenges traditional sources of power.

Since by and large rural societies haven't been empowered through 'education' or 'income' therefore one would expect that empowerment through internet would be greatly welcomed in rural societies.

But before that we need to understand the meaning of 'empowerment' in world's largest democracy. Down to the lowest stratum of the society and deep to the remotest village the people of this country are 'empowered' politically. They

have the right to 'choose' who will 'rule' them. But what is important is to decode this 'power' that they have. They don't use this power to decide for themselves. They choose others to decide for them. In the rural societies traditional power structures prevail and people are rarely seeking being empowered at an Individual level. Even when it comes to voting the decision are of the family/community/village & people follow them happily.

The answer perhaps lies in the study of different cultures by Geert Hofstede on various dimensions. The Hofstede model of five dimensions of national cultures has analyzed & differentiated societies from 50 countries on the basis of five dimensions namely Power Distance, Uncertainty Avoidance, Individualism, Masculinity and Long Term Orientation. As per that India is a high power-distance society with the established institutions of power. People are comfortable in following those. That is why they are comfortable in others deciding for them & then they follow comfortably. We follow our leaders, our film stars & our cricketers. Except some sections of urban India, people across 80% of this country are still not comfortable handling individual 'power'.

'Individual' empowerment as facilitated by the internet finds an echo in societies where the power distance is low. The more urban & western societies like Western Europe & the US. But in the high power distance societies the want to challenge is not there as they are comfortable with acceptance

What impedes this empowerment further are the low rates of literacy in rural areas. With more than 50% illiterate population all the information internet arms us with becomes useless unless provided in some other form.

So in rural markets digital marketers will find a **consumer unwilling to be empowered.**

SOCIAL NETWORKING in THE RURAL COMMUNITY

I believe the seeds of why we like social networking are sown very much as we grow up. In our childhood we live in different cities & study in different schools. Then we move cities & change schools. Then we leave those schools & go to various colleges. We then find our jobs in different cities. Then we change companies as we grow on the corporate ladder. ... And then we go to Orkut or MySpace or Facebook or LinkedIn to find our ex-colleagues, our past neighbours or the schools friends.

Now imagine a farmer or an artisan in rural India. He has no ex-colleagues to find. His neighbours are the same since birth & all the friends he went to school with (In case he did) are from the same village. Who will he find & connect to on the

Facebook or LinkedIn or Orkut? If digital marketing wants to leverage the strength of communities on the net then they are unlikely to find them online in rural areas.

Also I believe that need to belong to a virtual community is inversely proportional to the strength of an individual's bonding in the offline community. It satisfies our need to belong to a group/community. In highly urbanized cultures the strength of traditional communities/groups like the family & caste is fast weakening. This has created the need to belong which the social networking phenomenon rides on. In rural societies the traditional community structures (led by the family) are very strong. So I believe that the social networking phenomenon might not proliferate at the same rate in the eastern rural cultures as it has done in the urban societies.

The EDUCATION BARRIER

It is not just the difference in the cultural codes between digital & rural that challenge the marketers. It will be compounded further by the high levels of illiteracy in rural demographics. In its simplest form web has been used extensively to soft sell through e-mailers / Redemption offers / Coupons / feed back. The challenge there is that how would you use that with an illiterate population.

IMPLICATIONS THEREFORE

Mobiles penetration in rural areas provide marketers with an unprecedented access to the rural consumers & vice versa. Internet and the resultant interactivity can help brands to aggregate demand from markets which were till now inaccessible to them.

The current approach to this seems to be treating the rural markets as an economic entity (A mistake the offline marketers & advertisers did once upon a time). They are not seeing it as a separate cultural entity with codes which are different from the urban social entities. This can seriously hamper the ROI that they would get from investments in rural-digital markets.

As happened in the offline world. Marketers had to re-invent themselves to enter the rural markets in India & even abroad. The technology marketers like mobile phone manufactures are still coming to terms with this reality & re-calibrating themselves to capture the rural markets. They even have designed & re-designed their products to capture the rural markets.

Now it is the turn of the marketers to re-calibrate themselves in the online space if they intend to use the power of the internet+mobile to persuade the middle & bottom of the Pyramid

Recommendation – Go back to Beta mode

What can the digital marketers do? At a very basic level marketers will have to acknowledge the demographic realities of rural markets and re-create some of the content. The spread of 3G will reduce the dependence on text as it will allow audio-visual content to flow more easily on the net hence decreasing dependence on literacy. But the bigger adjustment will have to come from recognizing the unique cultural & psychographic characteristics of the rural markets & then either re-applying the current success codes of digital world or perhaps inventing something specifically for the rural markets. They will have to create a place for themselves in the rural cultural milieu.

We must understand that the success of the internet hasn't come from developing applications that satisfy some functional needs. It has become a phenomenon it is by tapping into some larger unmet sociological needs that the urban culture had created. There are no final answers yet. Essentially the digital players need to get into a **Rural Beta** mode before the most effective solutions emerge.

Conclusion

The principles of Internet marketing will be challenged as Internet finds its next billion through the mobile phones. Marketing had to re-invent itself when it came face-to-face with the rural millions. Digital marketing will have to do the same.