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Building a successful rural marketing strategy



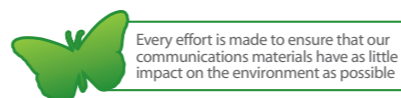
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Marketing telecom services to rural consumers in emerging markets takes new thinking. Conventional mass marketing techniques often fail to deliver.

A Nokia Siemens Networks study in South and South East Asia reveals some clear marketing strategy guidelines for communications service providers.

With their huge populations and growing prosperity, the countries of South and South East Asia are a tantalising prospect for communications service providers (CSP). The three fastest-growing economies in the world, China, India and Vietnam are in the region, forming a ready-made market for communications services.

In many of the region's countries, 50% – 70% of people live in rural areas. Making successful inroads into these rural populations will be the key to long-term revenues for CSPs. Yet rural living presents its own challenges, demanding a deep understanding by CSPs who must create services that chime with the day-to-day needs of people. The good news is that rural consumers are willing to invest in services that can fundamentally improve their lives.

Different sector, different culture

Conventional ways of promoting services, such as the mass media and using famous celebrities, may be successful in urban markets but fail to hit the right note with rural communities for several reasons. Mass media campaigns are often untargeted and do not reach the vast majority of the intended audience due to low literacy, remoteness and low population density. As well as facing the challenge of lack of access to technology like TV, mass media campaigns are also unable to take account of local dialects and cultural differences.

Celebrity endorsements using figures such as pop stars, while popular with the youth sector, also often fail to impress many rural dwellers.

There is also a clear need to educate rural consumers on the benefits of adopting communications services.

Overcoming these challenges takes a good understanding of the culture and livelihood of rural dwellers as well as a willingness to adapt marketing strategies to local conditions and expectations. It is also vital for CSPs to convey a serious long-term commitment to their responsibilities in providing a communications service.

Four pillars of a successful strategy

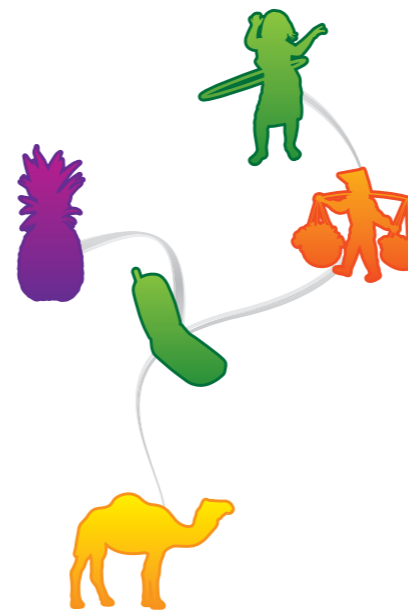
Any long-term strategy for winning new business in rural regions needs to take account of four key areas:

Consumer segmentation: Consumer segmentation based on parameters like occupation, literacy, income variation and varied service will form the foundation for creating and customizing innovative rural services.

Integrated rural marketing: Exclusive partnerships with successful organizations in sectors such as agriculture, health, banking and retail, enable the CSP to benefit from their experience and existing marketing.

Rural enablement: An in-depth understanding of rural livelihood rather than of rural lifestyle is essential, as is a willingness to become involved in rural communities by helping consumers to understand the value of the services and showing how they can be used to best advantage.

Hyper-local activities: It is vital to adopt very local marketing and distribution strategies. These can be considerably less costly than nationwide mass media campaigns, which also fail to reach the whole population.



The Rural Marketing Practices for Telecom Services report was instigated by Nokia Siemens Networks as part of our drive to understand and pioneer the expansion of the communications sector in emerging markets. The report is based on a study conducted by CKS Consulting Pvt. Ltd. During May and June 2008 in Bangladesh, India, Indonesia, Philippines and Vietnam.

The aim is to support CSPs by providing insights into the marketing practices adopted by companies that are successfully involved in rural markets in these regions.



Best practices from promotion to pricing

Nokia Siemens Networks has identified the key best practices in promotion, product placement, brand positioning and pricing.

Promotion: Reaching rural dwellers through local cultural activities such as indigenous drama performances or endorsements by respected community elders has proved to be effective.

Product Placement: Service providers such as banking and insurance companies already have a network of trained customer service personnel and linking with these existing agencies can provide a cost-effective way to access remote markets. Other possibilities include partnering with post-offices, utility suppliers and educational establishments.

Brand positioning: It is important to be an early entrant because a single brand can come to represent a product or service category for many rural consumers. A presence in large village congregations such as fairs and weddings will help to gain brand visibility with a large segment of the rural population in a single place.

Pricing: To be adopted, a communication service bundle must contain information relevant to people's livelihoods, such as market data, finance availability or potential sales data. Reducing entry barriers is essential, with successful practices including per second charging and giving away SIM cards loaded with free minutes.

Six rural living challenges, how communications can help

Lack of transportation

Coordinated rural transportation based on mobile information delivery, will increase convenience and allow users to find reliable, regular and affordable transportation 'on-demand'.

Difficulties in managing commercial transactions

Micro-commerce ventures like mobile ordering, payments and delivery requests can all help isolated small-scale entrepreneurs in remote locations.

Lack of healthcare services

Telecom and broadband intervention will allow doctors, nurses and midwives to stay in closer contact with patients.

Ignorance of governance policies

Rural governance services giving access to citizen data will allow the rural population to be more informed about national level developments and reduce the urban-rural divide.

Lack of effective education

Rural education benefits from the availability and use of multimedia across national regions.

Shortage of opportunities in infotainment

Mobile and broadband allows sharing of infotainment, opening up new streams of rural content creation and distribution.

