

---

# Rural Marketing: The ‘RUDI’ Way

---

**D M Pestonjee**

Ex-Prof. – IIM-A

**Dr. Maurvi Pandya**

Assistant Professor,  
Centre for Management Studies,  
Ganpat University.

*Maurvi1230@gmail.com*

**Ashwini Awasthi**

Professor,  
Institute of Management,  
Nirma University, A’bad  
*awasthiak@imnu.ac.in*

**Dr. Narendra Patel**

Prof. & Head - MCA Dept.  
U. V. Patel College of  
Engineering,  
Ganpat University

**Dr. Hitesh Patel**

Associate Professor,  
Golden Jubilee Institute of  
Management, Siddhapur  
*hapatel.guruji@gmail.com*

---

Indian rural marketing has always been complex to forecast and consist of special uniqueness. However many companies were successful in entering the rural markets. They proved that with proper understanding of the market and innovative marketing ideas, it is possible to bag the rural markets. It is very difficult for the companies to overlook the opportunities they could from rural markets. Looking at trend Rural Marketing is not remained the pitch to be played only by the big corporate houses, but the Non-Government Organization who work with Self Help Group Theory have also entered in this zone to meet their vision on social empowerment. This case highlights the initiatives taken by SEWA (Self Employed Women’s Association) by establishing the RUDI brand for the marketing of agro commodities. It also covers the promotional measures taken by SEWA to promote the brand, the challenges faced and the future plan.

**Keywords** Rural Marketing, Brand RUDI, Promotion of RUDI, Distribution Channel, Challenges

**S**elf Employed Women's Association (SEWA) was established in 1972 as a trade union of women workers from the informal sector. It defines itself as a confluence of three movements – the labour movement, the co-operative movement, and the women's movement. The union started with 320 initial members in the state of Gujarat. As of 2006 the membership had reached a figure of 9,59,698 across seven states in India. It has also opened its offices in South Africa, Yemen, and Turkey. The two main objectives of the organization are to help provide full employment and self-reliance to women workers of the informal, and the unorganized sectors. The strategy of joint action of union and cooperatives has been adopted to achieve the goals. To facilitate achievement of their goals, SEWA provides the services of savings, credit, insurance, health care, childcare, education, legal aid, and leadership training to its members.

## **Organisation**

SEWA members are workers who have no fixed employee-employer relationship and depend on their own labour for survival. Generally they are poor, illiterate and vulnerable. Most of them barely have any assets or working capital. However they are economically active, and contribute significantly to the economy and society with their labour. SEWA has four types of self-employed women workers:

1. Hawkers, vendors and small businesswomen like vegetable, fruit, fish, egg and other vendors of food items, household goods and cloth vendors.
2. Home-based workers like weavers, potters, bidi and agarbatti workers, papad rollers, ready-made garment workers, women who process agricultural products and artisans.
3. Manual labourers & service providers like agricultural labourers, construction workers, contract labourers, handcart pullers, head-loaders, domestic workers and laundry workers.

4. Producers & service providers who invest their labour and capital to carry out their businesses. This category includes agricultural workers, cattle rearers, salt workers, gum collectors, cooking & vending workers etc.

The union is open for membership to self-employed women workers all over India. The membership fee is Rs. 5 per year. A two-tier level of elected representation governs the union. The members of each trade elect their representatives for a group of members. These representatives then form the Trade Council (Pratinidhi Mandal). In addition, and parallel to the Trade Council are Trade Committees (Dhandha Samiti) in each trade. The Trade Committee has no fixed proportion to number of members but varies between 15 to 50 members. The Trade Committees meet every month and discuss the problems of their trades and possible solutions to them. Trade Council members are members of their respective Trade Committees as well. The organiser of a trade group is the Member Secretary of that group's Trade Committee.



Every three years the Trade Council elects an Executive Committee of 25 members. The practice is to elect the President from the trade with the largest membership.

To strengthen the self-employment and facilitate self-reliance among the members of SEWA, it undertakes marketing of some agricultural products, salt, forest products, and handloom/ handicrafts, as members in these sectors constitute a large proportion of SEWA's membership.

## **Marketing Operations**

SEWA Gram Mahila Haat (SGMH) is a state level apex marketing organization of SEWA, founded with the help of the Commissionerate of Rural Development, Government of Gujarat and SEWA in 1999, to eliminate middlemen and provide direct technical, financial and marketing facilities to its members. RUDI is a rural distribution network launched by SEWA Gram Mahila Haat. Through RUDI the small marginal farmers and labourers that are SEWA's members can sell their products and buy their necessities in their village.

### **Brand RUDI**

“**RUDI**” brand was launched officially in 2004 by SGMH to sell agriculture products, salt, and forest products in Gujarat. “RUDI” is the name of SEWA's first rural member and in Gujarati, it means small and beautiful. From the consumers point of view RUDI represents:

- Quality product
- Purity of product
- Right price
- Right quantity
- Directly from the source
- Commodities handled and processed by the women
- Items produced under total quality check and personal care of skilled women entrepreneurs.
- Satisfaction that the product she purchases will help to empower and better the lives of numerous poor rural women.

## **Procurement**

The procurement team collects the grains from the farmers home to eliminate transportation charges. The rate given to the farmer for the produce is an average of rates prevailing over the last three days. Payment for the produce is made to the farmer on the spot. The quantity of each item to be procured under RUDI is decided on the basis of surveys carried out by SEWA's spearhead team on a regular bases. These surveys assess the demand of various grains in the villages. SGMH also keeps a detailed record of the type of grains grown by its members.

Members of the procurement team at the SGMH purchase the various grains from small and marginal farmers and send them to the lead hub for processing. Five women are selected from amongst SEWA's members to be responsible for all activities at the lead hub. They are given required training and are expected to take over other activities of RUDI in the near future.

## **Processing, Packaging, and Quality Control**

The women involved in the cleaning, sorting, grading, weighing and final packing of commodities at the lead hub are trained with the latest tools and technology. The machines and technology required are provided by SGMH. The initial round of training for processing and packaging is provided by Hindustan Lever Limited (HLL), a leading multinational company in consumer goods. Further trainings are given by SGMH till the women are confident of their abilities and can carry out the entire work efficiently.

Personal hygiene is emphasized and the women are encouraged to wear gloves, masks and hair covers while handling food products. They are not allowed to wear glass bangles and other accessories, which may fall into their products being processed. The products sold under RUDI are AGMARK certified and hence the women involved in processing and packaging are trained in stringent quality control.

The pack size under RUDI is small, costing between Rs. 2, 5, 10 and more to enable the rural poor to purchase required quantities as and when needed, so that they can buy good quality food items without getting into a debt trap.

### **Inventory management**

At each lead hub, there is a 'hub coordinator' who constantly monitors the stock movement. An MIS system has been developed, which is to be implemented at SGMH shortly. This is expected to give on-line access to all information about the stock at the district level.

### **Pricing**

The products are priced competitively. Those products, which meet stringent quality control standards, are priced marginally higher than the average market price, while other products are priced lower than the average market price.

### **Sales and Distribution**

Once the product is packed and labeled it is sent to distribution center for sale. Each distribution outlet caters to the needs of 18 to 30 villages within 15-20 km area. For each village, SGMH has identified a sales woman, who collects items from the hub for selling in her village. The women are trained by HLL in the art of selling and promoting their products. The sales women take the items from the distribution center on credit and deposit the money after the sell is completed. Savings of the sales women and other avenues are being explored to enable the woman to take a loan in their names and purchase the products from the distribution center. Training programs for maintenance of accounts etc. are in the offing at the village and district levels to support a direct sales system.

The target market known as Rudi Bazaar is constituted of the smallest consumer with a purchasing power of only Rs. 50/- to Rs. 100/- a month, but multiplies into 5,30,000

members of SEWA, resulting into an annual turnover of 16 crore rupees as of 2006. Handicraft and handloom products are also sold through the SEWA exclusive sales outlets called 'Banascraft', which are located in some major cities. SEWA members manage these outlets.

## **Promotion**

The various media used for promotion of RUDI are

- Skits in villages
- Wall paintings
- Poster displays
- Banners
- Door to door campaigns
- Participation in fairs, festivals
- Pamphlet distribution
- Advertisement on All India Radio
- Corporate tie-ups; Krishi Bazaars and exhibitions.

## **Future Plans**

Future plans of SGMH are

- To bring handloom and handicraft products under the RUDI brand.
- To penetrate RUDI brand to all the states where SEWA is operational.
- To take RUDI brand to other countries, where SEWA plans to operate in the near future

## **Challenges**

Challenges that SEWA would face in the coming years are

- Sustainability of brand RUDI in the changing dynamic business environment. This has also been recognized by the founder of the organization in her address at

the Management Development Programme at Indian Institute of Management – ‘*I always dreamt that one day our women would own and manage their own business enterprise, RUDI has made that dream come true -but we have to plan for its sustainability*’ – Elaben Bhatt.

- The craft artisans are scattered across numerous villages in many districts of Gujarat. Setting up an efficient **supply chain** has been a major challenge facing marketing operations of RUDI. In order to improve the efficiency of the supply chain and be able to track orders, processes them, and improve speed and efficiency, SEWA needs to implant organization- wide management information system (MIS).
- The development projects at SEWA, which are funded by central or foreign institutions, require government intervention. Sometimes there is a problem of coordination and even interference from the government bureaucracy, and its accounting systems.
- Change of elected members at the grassroots level (panchayat) is another problem, because the new members have to be once again convinced about the viability of the ongoing projects.
- In the traditional male dominated society where SEWA is working, its members often do not get adequate support from male family members. Sometimes the male panchayat members also show distrust toward SEWA members.

## Questions

1. Does SEWA achieve its objectives through RUDI initiative?
2. Evaluate the brand name ‘RUDI’ for the products marketed under the brand?
3. What is the brand positioning strategy for ‘RUDI’? Suggest alternatives.
4. Are the promotional tools adopted by the SEWA sales women adequate?
5. If you were heading SEWA, what steps would you initiate to overcome socio-cultural hurdles?
6. Comment on the sustainability of the model.