

LG INDIA – APPROACH TO RURAL MARKETS



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Short Description

LG INDIA – APPROACH TO RURAL MARKETS case study

Description

The caselet discusses the reasons for the shift of consumer electronics players to the Indian rural market. In this context, it describes the product and promotion strategy employed by LG Electronics India Pvt. Ltd. (LGEIL) for the rural markets. The caselet provides details on the unique distribution structure designed by the LGEIL that consisted of a pyramidal sales structure; with decentralization of decision-making powers. Finally, it mentions the strategies of other consumer electronics companies in the rural segment.

Issues:

- » Indian consumer electronics market
- » Growth of rural markets
- » Distribution strategies of Indian consumer appliances companies
- » Territory management in India

Introduction

For the past few years, consumer electronics manufacturers have started focusing on the rural markets for their growth and expansion. There are many reasons for this. Growth in the urban markets had become saturated with a growth rate of 5%. Another major reason

is the increased contribution of sales and higher growth rates (around 25%) in the rural markets...

Questions for Discussion:

A company needs to be careful in its approach while taking decisions regarding territory management. Discuss the territory management approach followed by LGEIL for its rural markets.

LGEIL followed a new sales structure to market its products in the rural markets, different from the one used for its urban markets. Discuss the advantages and disadvantages of LGEIL's rural sales structure.

Details

1. Case study solved answers

2. pdf/word

3. Fully Solved with answers