

Rural Realities: Navigating Marketing Hurdles In India's Dairy Sector

Dr. U. Homiga¹, S M Srinithi²

^{1,2} Dept of MBA

^{1,2} Natesan Institute of Cooperative Management, Chennai

Abstract- *This article examines the real-world marketing challenges faced by Sri Vethaa Dairy (branded as Vethaa Milk), a regional dairy brand in Tamil Nadu, based on observations during my MBA internship. Despite delivering high-quality dairy products, the company faces hurdles in brand awareness, digital engagement, packaging strategy, and dealer relationships—especially in newly entered markets. Based on my own field experience, this article assesses the factors at the heart of these challenges and proposes a few practical, marketing-oriented solutions including pre-launch campaigns, incorporating packaging psychology, digital brand management, and local promotions. The goal of this activity is to provide a framework for Vethaa Milk to become a more attainable and competitive FMCG competitor in India, and specifically rural and semi-urban Tamil Nadu. This experience has allowed me to increase my knowledge of grassroots marketing, rural consumers, and the importance of proactive communication strategies in developing a relationship of trust with customers over time.*

I. INTRODUCTION

Marketing is the oxygen for any business that deals with customers. In a fast-moving consumer goods category (FMCG) like dairy products, the importance of marketing is enhanced compared to other categories because of lower shelf life, shelf load, daily consumption, direct perception, and competitive local market share. My MBA internship with Sri Vethaa Dairy Private Limited (Vethaa Milk), exposed me to the company's sales and distribution team, which provided a great depth of insight. This article will detail some of the marketing related challenges that I experienced while working with Vethaa Milk and provide recommendations to maximize the brand in the rural and semi urban areas.

This internship gave me an insight to the important role that local marketing strategies play in the success of regional brands with FMCG's and how even small gaps in reach can cause missed opportunities in the fast-moving consumer goods market.

II. ABOUT SRI VETHAA DAIRY (VETHAA MILK)

Sri Vethaa Dairy Private Limited, known in the market as “Vethaa Milk,” in addition to being a Fastly evolving regional dairy company, based out of Musiri -- a semi-urban township in the Tiruchirappalli district in Tamil Nadu -- is focused on offering the everyday South Indian consumer with fresh, hygienic, and nutritious dairy products. Sri Vethaa Dairy is establishing its regional presence in a fragmented dairy sector in Tamil Nadu through steady progress in finding its niche. Sri Vethaa Dairy distinguishes itself from many other businesses in the region, by being community-based and ethical in its own sourcing.

The business has close relationships with local dairy farmers and routinely supports them in best practice related to animal care, feed management, and pricing tactics. This not only provides a reliable connection for raw milk sources to the dairy business but provides financial independence to the "farm families" in Musiri and surrounding districts.

The business sells its products under the brand name "Vethaa Milk," which has earned a reputation of purity, trust, and affordability among its loyal customer base in Musiri and surrounding areas. Its operation is grounded in the farm to consumer model; they minimize the time between handling, so milk can be collected and distributed, preserving the experience of freshness from farm to table.

2.1 Products Offered by Vethaa Milk:

The product portfolio of Sri Vethaa Dairy is strategically diversified to cater to different consumer segments—from daily households to institutional buyers. As of my internship period, the company offered the following core products:

- **Fresh milk (toned and full cream):** The staple product, offered in various pack sizes to meet the needs of varied families.
- **Curd:** Set curd and loose curd are also high-seek products by both retailers and food service.

- **Paneer and ghee:** By both domestic and commercial kitchens. Following traditional processes to maintain the true flavor.
- **Value-added dairy products:** Flavored milk in small cartons, local milk-based sweets (palkova), seasonal products aimed at festival markets.

They are delivered daily to multiple towns and villages through a decentralized logistics system with local dealers being responsible for last-mile delivery.

2.2 Marketing and Sales Department Structure (As Observed During Internship):

While the company's production and delivery systems were well-structured and highly localized, the marketing function was still in its early stages of formalization. During my internship, I had the opportunity to interact with and observe the working of the company's marketing ecosystem, which was compact but functionally defined.

The departmental structure included:

- **Regional Marketing Executive (Musiri HQ):** the principal person overseeing marketing campaigns, distribution expansion efforts, coordinating promotional activities with the sales team, etc.
- **Distribution & Sales Coordinator:** Assisted with the daily workflow of logistical challenges, and ensured efficient delivery to retail outlets, as well as manage the movement of stock flow, monitoring customer requests, and advising management on supply breaks that harmed sales.
- **Distributors & Local Dealers:** located in each taluk or town that was either being developed, like Kulithalai, Thuraiyur, Perambalur, and Ariyalur — the dealers were generally the first line of contact, or intermediaries between a company and local retailers. Many local dealers were unofficial brand advocates and would understand the territory within the taluk and the key retailers.

An on-demand team of promotion staff: hired responsively to produce staffing capacity for events, product launches or during holidays or peak demand where base workforce capacity could not be sustained. Promotion staff's role included setting up sampling booths, distributing flyers of consumer feedback sheets to local customers at temples, schools, and local market trades.

Tasks included:

- **Retail Market study** - Checking the position of products in a retail shop, how many brands can be seen on the shelf for Vethaa Milk, and the willingness of the retailer to sell and advertise Vethaa Milk with competitive brands.
- **Feedback Collection** - Conducting informal interviews with a few retailers, distributors, and selected consumers, in order to find out about their impressions of Vethaa Milk and suggestions on how we could create a better offering.
- **Promotional Campaign Assessment** -Assessing the impact of local marketing initiatives and advertisements like wall posters, pamphlets, and adjoining stalls at events, and how these activities compared with competitors.
- **Reporting and Recommendations** - Preparing weekly and final reports for the Internship, with recommendations on improving the marketing of Vethaa Milk, creating a better consumer experience, enhancing packaging, and improving digital interaction.

My internship has allowed me face-to-face and in-the-moment experience in facing the realities and difficulties involved in building and creating a brand presence in rural markets that challenge traditional or mainstream ways of getting the consumer's attention in their purchasing decisions - affected significantly less by the pervasive reach of mass media advertising and more by trust in the brand, its proximity to availability, and tentative word of mouth.

III. KEY MARKETING CHALLENGES IDENTIFIED

3.1 Limited Brand Awareness in New Localities

While Vethaa Milk is a trusted brand in Musiri and nearby towns, its presence in new markets like Perambalur, Kulithalai, and Ariyalur is weak. Many retailers and customers were unaware of the brand or confused with similar-sounding local competitors.

Reason: Lack of structured brand introduction campaigns in new areas.

3.2 Minimal Digital Presence

Vethaa Milk has no active social media presence on platforms such as Instagram or YouTube, and the website provides nothing but basic product information, preventing the product from reaching digital natives and savvy customers, especially health-conscious youth and homemakers that now use the internet for product discovery.

Consequence: Missed engagement with digital, mobile-first audiences and online influencers.

3.3 Distributing Ineffective Communications & Dealer Incentives

When speaking with distributors and retail shops, it was evident that distributors did not know about monthly sales targets, promotional pricing or incentives to place on-shelf displays.

Cause: No structured communication method. Most communications were relayed orally by the delivery team.

3.4 Unappealing Packet Design Broader Appeal

The packet design for Vethaa Milk was very basic and functional without an emotional or cultural connection. Competitors use phrases like "from our village to your door" or "pure Tamil milk" to create a level of local trust and identity.

Observation: Packet does not develop an emotional connection or symbolism of local pride that may matter to rural consumers.

3.5 No Local Advertising Partnerships

Sri Vethaa Dairy has not collaborated with:

- Local cable channels
- Auto-rickshaw panels
- Local fairs and festivals
- Tea shops for sampling

Result: Missed grassroots visibility where daily product choices are made.

IV. ROOT CAUSE ANALYSIS

Marketing Problem	Root Cause Identified
Weak brand presence in new towns	No structured brand launch strategy
Poor digital visibility	Absence of dedicated digital team; lack of digital mindset
Dealer disengagement	No CRM or digital dashboard for sales tracking
Basic packaging design	No branding expert or focus on packaging psychology
Missed local media opportunities	Budget constraints and over-reliance on word-of-mouth

Additionally, the absence of a documented marketing calendar or KPI-driven approach led to reactive campaigns. Marketing decisions were often ad hoc, without measurement or iteration based on feedback.

V. IMPACT OF MARKETING GAPS ON THE BRAND

5.1 Reduced Market Penetration

Despite supply efforts, new towns showed low customer conversion and high packet returns. Retailers expressed frustration over slow-moving inventory, especially in hot-climate zones where unsold milk can spoil within hours.

5.2 Missed Brand Recall

Surveys revealed that consumers confused Vethaa Milk with other brands or generic suppliers due to poor signage and weak advertising presence. In villages where brand choice is largely driven by word-of-mouth, this is a serious handicap.

5.3 Decreased Retailer Loyalty

Retailers gravitated toward better-known or more supportive brands. They often placed Vethaa Milk products behind competitors on their shelves, making visibility even weaker.

5.4 Weak Word-of-Mouth Pipeline

Without campaigns involving school groups, mothers' associations, or even local influencers (like teachers or temple authorities), natural referrals for Vethaa Milk were low. In dairy marketing, positive community trust is crucial.

VI. RECOMMENDATIONS AND STRATEGIC SOLUTIONS

6.1 Launch Targeted Entry Campaigns in New Towns

A 30-day pre-launch activity in any new town should include:

- Autorickshaw panels and local FM jingles
- Free sampling booths at temples, schools, and bus stands
- Partnering with grocery stores for first-day discounts
- Festival or market-day presence to engage foot traffic

Result: Create early excitement and awareness before shelf placement.

6.2 Strengthen Regional Digital Presence

Even a basic social media strategy can create a strong impact:

- Real-life photos of farmers and customers enjoying Vethaa Milk
- Behind-the-scenes videos from the processing plant
- Reels in Tamil highlighting nutritional benefits and brand values
- Tie-ups with local food bloggers or homemakers to try and review products

Impact: Builds familiarity, pride, and relatability.

6.3 Introduce a Dealer Relationship Management Program

Build a mobile app or WhatsApp broadcast list for regular dealer communication:

- Share weekly sales updates, festival campaigns, and new offers
- Recognize “Top Performing Dealer” each month
- Provide POS materials (stickers, boards, carry bags) to improve store visibility
- Organize dealer meets with refreshments and feedback sessions

Outcome: Improved engagement, loyalty, and voluntary promotion by dealers.

6.4 Redesign Packaging with Regional Emotion

The packaging can speak volumes with just a few additions:

- Slogans like “Namma Ooru Paal” (Our town’s milk)
- Nutritional information focused on school kids and elders
- QR codes for farm interviews or customer stories
- Festive limited editions with Pongal or Deepavali designs

Result: Builds pride, trust, and customer memory.

6.5 Explore Hyperlocal Advertising and Sampling

Implement grassroots visibility initiatives:

- Sampling in front of tea shops (high visibility and consumption)
- Stickers for delivery vehicles and milk cans
- Sponsorship of village sports meets local drama troupes
- Joint branding with local bakeries or sweet shops

Result: Improves recall exactly where buying decisions are made

6.6 Set Up a Marketing Calendar with KPIs

Develop a monthly calendar with:

- Campaign objectives
- Budget allocation
- Target reach (impressions, engagement)
- Retail feedback mechanism
- Consumer sampling data

Result: Moves the company from reactive to planned measurable marketing.

VII. CONCLUSION

My internship at Sri Vethaa Dairy was not merely a professional engagement, but it was a deeply fulfilling learning experience, helping further develop my understanding of marketing, especially at the grassroots level in rural and semi-urban Tamil Nadu. It allowed me to have a firsthand experiential understanding of the interrelated aspects of quality product, customer perception, dealer relationships, and brand exposure. The key to learning was that regardless of quality, a product requires a coherent, holistic marketing strategy that emotionally connects with its customers to be successful in the market. A strong marketing strategy can PACKAGE and promote quality products in appealing ways that attract customers.

Although Sri Vethaa Dairy sells affordable, hygienic and fresh dairy products through a well organised distribution system, it faces marketing bottlenecks that have limited its growth out of its home territory of Musiri. This is not because of what the product offers but because of poor outreach and perception as a brand. There are many challenges in all aspects of marketing and brand development such as its limited digital marketing presence, poor, inconsistent appeal of its packaging, and lack of consistent engagement and communication with all its retailers, that limit its capability to compete with other regional or national dairy players. While these problems are not major problems, they require a new mindset - no longer using traditional approaches and building a more integrated and modern marketing approach. For Vethaa Milk to fully capitalize on its market possibilities and develop into a household name across Tamil Nadu, a multi-channel marketing approach is needed. By utilizing content in regional languages on social media, forging hyper-local partnerships to build community credibility and trust, using culturally relevant packaging, and by using a system of dealer engagement to stimulate or encourage loyalty and performance, this approach will ensure all aspects of this plan work together as one marketing practice which will increase both visibility and trust with consumers. On a more personal, academic note, this

internship changed my perspective on my university business program. I now see clearly that rural marketing is not about huge advertising campaigns or influencers, it's about understanding your everyday consumer, expressing thoughts in their language, respecting their values, and meeting them where they exist. It's about telling their stories, consistency, and being authentic and applicable. This practical experience has only sharpened my appreciation and understanding of rural consumer marketing and has provided me with a deeper understanding of the prospects and an opportunity to employ regional branding strategies.

Ultimately, my experience at Sri Vethaa Dairy was significant for me as it taught me the true value of marketing—it's not just about the money you spend, but rather who you connect with, the relationships and trust you foster, and how you build a brand over an extended period. It cemented my belief that the evolution of future Indian FMCG growth will be through developing rural and regional markets through empathy, creativity and cultural sensitivity.

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