Q–Connect: Reaching Rural Customers with Assam Mobile Theatre

Case Analysis

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Q–Connect has hit upon a brilliant opportunity in the rural advertising and marketing space in one of the most promising regions of India. It has done well to overcome the challenges of bringing on board both traditional mobile theatre companies as well as big brands for their marketing and advertising needs. It is worth a mention that the success of Q–Connect must be seen in the highlight of facts that despite its potential, Assam and the north eastern parts of India find little prominence in advertising and marketing plans as well as budgets of most pan-national and multinational brands. Against the background that the society in Assam is emerging from the shadows of internal unrest and insurgency in large parts of the state and subsequent fallout of high proportion of less-educated and unemployed youth in the state, Q–Connect’s success is remarkable. The case analysis is done keeping in mind these notable and significant features of the situation and business context.

THE CHALLENGES

The quadruple challenges of reaching out to product managers, a number of theatre companies, designing and producing the advertising material, and hiring the right set of employees are not the disease, but the symptoms of an underlying disease in the context as has been mentioned in the introduction earlier. The highlight of the success is the ability of Dinesh Sibal, as CEO, in understanding the context correctly and developing an execution plan that takes care of all the needs of the stakeholders and delivers value to each of them. The salient feature that needs to be culled out of the case is the manner in which the business model has been developed.
The larger context in which a business is placed is very important and needs to be understood to gain a complete understanding of the challenges rather than scratch their surface in finding solutions and suffer failure at a later stage. The larger context is usually a more static conceptual space than the immediate short-term nomological context. This enables a business to function as an ongoing concern and allows it the patience of making increased investments and reaping sustained revenues over a longer period of time. This in itself can prop the business for enhanced success and better results over a period of time.

THE ENTREPRENEUR

Dinesh Sibal was able to understand the scope of advertising through the Assam Mobile Theatre while selling the scale of eyeballs to big brands. As an entrepreneur he stands apart not only because he was able to set up a business successfully but also because he was able to understand the cultural nuances of the masses that are customers of Assam Mobile Theatre, while also grasping with accuracy the nuances of the work culture of the big brands and corporates.

His ability of problem-solving issues between the demand and supply side with creativity and innovation to ensure better results and ‘experience’ is noteworthy. By adding creative elements such as the selling of products prompting trial and not just advertising, he was able to ensure the business model was attractive and meaningful to the corporates which typically seeks high return on investment. At the same time by being conscious of family sensitivities and cosmopolitan audiences of Assam Mobile Theatre, he was innovative in doing business with a heart and hence bridging the trust deficit that the Assamese society may have been overcoming in the post-insurgency era. He is entrepreneurial in not only the transactional sense of the word but also in the conceptual sense of the word. The novelty of the business model is, therefore, hidden in the context of the society and not the business model itself. The values and mission of the entrepreneurs (including Gulancha Baruah) clearly influence the business and contribute to making it a success.

Gulancha Baruah needs a special mention as an entrepreneur here as the business was impossible without him given that Dinesh Sibal had no idea of Assamese or the Assam Mobile Theatre. His native experience is critical to the successful partnership that leads to their achievements. It is also very important to talk about Gulancha Baruah as his role in the business model needs to be understood carefully in evaluating the decision to expand horizontally. The critical need for horizontal expansion is to be able to bring on board a ‘Gulancha Baruah’ in each of the states where horizontal expansion is to take place.

THE BUSINESS MODEL

The business model is not only unique as it is a rare example of using event-based promotion in rural areas on a regular ongoing basis. Most of the rural event-based promotions are built on festivals and other opportunities that are seasonal and short-lived in terms of duration. This business model of Q-Connect is not only regular and sustained in rural areas but is also multidimensional in its reach, as it is able to overcome barriers of gender, caste/creed, etc., that most of the other event-based promotions suffer from. The business model is truly entrepreneurial in harnessing the opportunity of a non-religious event in rural areas for business promotion. This needs to be emphasized about the business promotion model of Q-Connect.

Thus, being able to avoid any religious association widens the type of products that can be promoted using Q-Connect. At the same time, it also makes the model more amenable to big corporate brands that are either pan-national or international or multinational. This factor can significantly influence the decision to choose horizontal or vertical expansion. It is likely that once corporate brands understand the benefits in using Q-Connect, they will be on the lookout for similar business promotion options in other territories. This may put a time pressure on Q-Connect if it chooses to grow horizontally. It will also put the business under a lot of stress due to the need of raising significant funding for horizontal expansion. These are additional challenges, apart from the ones provided in the case.

The choice of vertical expansion is an easy one, but can be taken up only after a critical mass of relationships is built with corporate brands that see the logic of investing in deeper promotions within the state
of Assam. With an estimated 50 million eyeballs in a state with a population of approximately 31 million, it is going to be a hard choice to make for the corporate brands. The choice to expand vertically will put the Q-Connect business under the stress for growth and building a corpus for reinvestment after a period of time.

The context of the state signals that the business will sustain over a long period of time within the state since it is on a fast growth path and the mobile theatres have not lost their charm, even to the upwardly mobile people of the state. The business opportunity within Assam is also going to exist for a long term, and if desired Q-Connect can take it easy for a while and consolidate their business territory before expanding either vertically or horizontally.

The reality of this third option is the beauty of the business model that enables multiple options for revenue generation and business sustenance.

**BUSINESS MODEL CANVAS PERSPECTIVE**

Evaluating Q-Connect from Business Model Canvas (BMC) perspective, it is imperative to realize that key partners in the business are the local entrepreneur of the likes of Gulancha Baruah and a global entrepreneur of the likes of Dinesh Sibal. The key relationships are with the corporate marketing teams (on the demand side) and with the mobile theatre companies (on the supply side).

As far as the theatre companies are concerned, the key resource that Q-Connect possesses is the network with corporate brands and the creativity and innovation to exploit them without stepping on the toes of the local communities or their values. The key resources for the corporate brands are the local connect and network that fetches them the opportunity of 50 million eyeballs. The brands also get an opportunity to not only do promotions but trials as well, whenever sales can be made on the location. These resources clearly translate into a unique value proposition that probably no other agency can provide to the brands in any other part of India.

The key processes of the business network are ideal and comprise of problem-solving for reach, production of promotion opportunity and material, and creation of a platform and network to be leveraged.

The customer relationships on both sides are carefully crafted and guarded using contracts and pricing, and value delivery in a manner that is unique for both the theatre companies as well as the corporate brands.

The business model also stands as a successful one on the dimension of revenue sources as the Assam Mobile Theatres provide, through Q-Connect, not only product promotion but also an experience to the end-consumers enabling multiple monetization modes such as direct sales from counters in the theatre tents. This business sense of having multiple revenue modes makes the model more robust and ensures against seasonal or cyclical downslides.

**THE CHOICE TO EXPAND**

The choice to expand on the analysis using the BMC yields an interesting perspective to the business. It highlights the lack of channels and the limitation in terms of customer segments. While the channel is limited to the theatre, it is overcome to some extent through certain promotional activities like van promotions. However, in terms of the customer segment, the exclusion of children as a segment, enunciated by the cream biscuit event, is noteworthy. The business model relies on activities to overcome these limitations, but then the kind of activities possible in theatre tents also limit the engagement of the consumers. Therefore, only certain products of low or medium involvement are amenable to being promoted or sold at the mobile theatres. There is a clear limitation of segmentation by product type—for instance, consumer durables are difficult to promote through Q-Connect.

These limitations play a role, while considering horizontal expansion, that is, business replication across geographies. Replication against geographies makes a lot of sense as economies of scale are clearly possible by exploiting the network of corporate brand relationships. Most of the brands are corporate and pan-national. They will welcome such a low-cost promotional opportunity in the rural markets of other important states. Q-Connect stands to gain from such economies
of scale having built the network already. It just needs to sign additional contracts with the same corporates and marketing teams for new geographies. However, the challenge is the ability to find a ‘Gulancha Baruah’ in each of these new geographies.

The limitation of activities is an important factor influencing the case of vertical expansion. Innovative and creative solutions such as the van activities need to be introduced and executed to successfully expand vertically. However, chances are very high that Q-Connect will need to transform into an event management company instead of remaining a network of such event management companies.

If the past is any indicator of success, clearly the ingenuity of the founders can be relied to innovate and come up with more activities, and the risk of the finding a capable local partner in new geographies is open for everyone to debate till it happens in reality.