

RETAILING PROSPECTS IN RURAL MARKET

Poonam Talwar¹, Sunita Sangwan² and Kuldeep Sharma³

E-mails: ¹ mepoonamtalwar@gmail.com, ² sunitasangwan85@yahoo.com, ³ kuldeepsharmabwn@gmail.com

ABSTRACT

In this paper we describe the retailing aspects and prospects in rural market. Whole study covers the present retailing scenario and changing trends of retailing in rural sector. Analysis shown in the study depends on the research and survey conducted in the rural market which describes the factors effecting retailing in rural market.

1. INTRODUCTION

'Retailing' is generally defined as the last and final stage in the distribution channel of products & services. Now a day's retail is considered as a growing and emerging industry, especially in urban and developed areas. But what is being analyzed in the few years is that it is still lacking behind in rural areas as compared to urban areas. The key issues which are undertaken in this study are retail introduction, rural market scenario, changing trends in retailing and effects of 4P's in market penetration. [1][2]

Retailing is counted as one of the biggest industry in the Indian market. It has numerous opportunities for the growth of the country. It has changed its face from unorganized retailing to organized retailing in urban areas at a rapid speed but in rural areas retail needs attention for its growth. [3]

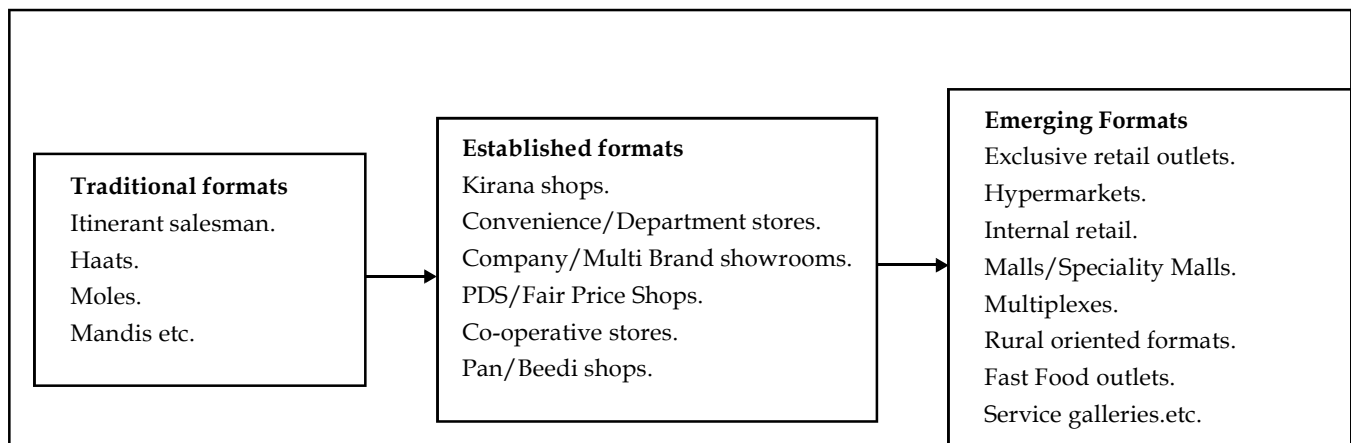
This study has been undertaken to gain knowledge about the present scenario of retailing as well as to also have a look on the new emerging trends of the retail Industry.

Changing Rural Scenario

Since late 1990s, living conditions of rural households have been undergoing significant improvement as highlighted by the recent survey (59th round) of the National Sample Survey Organization. Today, rural India is not 100 percent dependent on an agrarian economy. There has been a drastic change from the past when rural households' income was totally dependent on the monsoon cropping season and livestock. Today 45 per cent rural population is involved in other businesses. [3][4]

There is, thus, a growing middle class with a monthly income in rural India. Rural India is like a pyramid. Rich farmers and businessmen occupy the top of the pyramid. Tamil Nadu, Andhra Pradesh, Kerala, Punjab, Haryana, Gujarat and parts of Maharashtra come under developed rural India. The villagers in these states also have better access to towns and cities.

There are certain reasons behind the lacking of retailing in rural market but it can be moved or shifted towards paradigm shift by taking in consideration, the following factors:[5][6][7]



Factors for the changing trend in retailing:

- Media Explosion.
- Women Empowerment.
- Increase in disposable income.
- Increased awareness level among consumer.
- Increase in the number of middle class families.
- Change in Expenditure pattern.
- Rise in E-tailing.
- Increased number of working women.
- Increase in the number of earning youth people.

2. RELATED WORK

Shift from Four P's to Four A's

One of the most important factors considered for taking retailing decisions are four P's.

Four P's: Product, Price, Place and Promotion

All these elements of marketing mix are adopted by number of companies to improve the demand of the product, it also provide a framework for analyses.

But when the discussion takes place for rural market retailing, companies must consider four A's including four P's. [6][7]

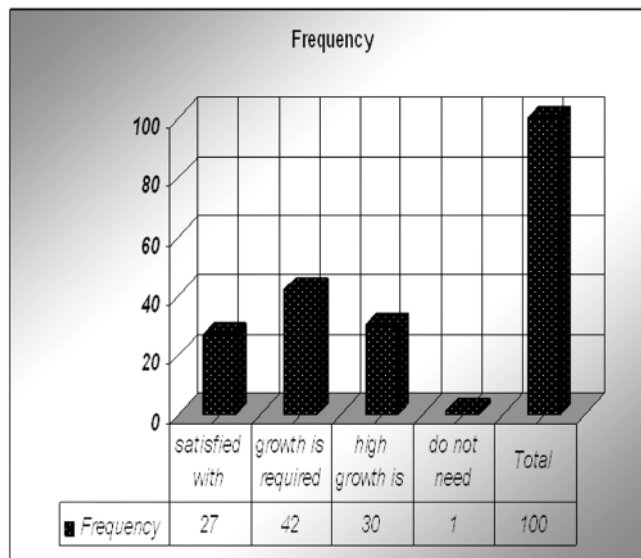
Four A's: Affordability, Awareness, Availability and Acceptability

All these elements cover the main issues regarding the marketing mix and marketing efforts related to rural market. In rural market, one of the biggest problem arises in creating demand is the low capacity of consumer to afford. Another loophole regarding rural consumer is the lack of awareness. Most of the time, it is found that all the brands and products are not available in the rural market and if goods are available to the customers, usually they do not accept it quickly. Therefore, it is necessary to understand the four A's for creating a stable position in rural market. [10][11]

3. NEW APPROACHES

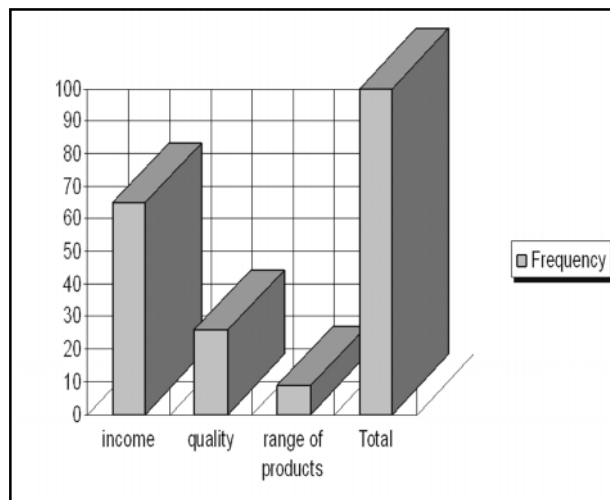
Opinion about the Growth of Retailing in the Rural Market

According to a survey conducted in rural area, opinion of the total population can be seen in the above graphical presentation in which the main limelight is on requirement of growth in the rural sector and merely one percent of the total population thinks that no growth is required.



Which Factor Mainly Affects the Sales among Rural Consumer?

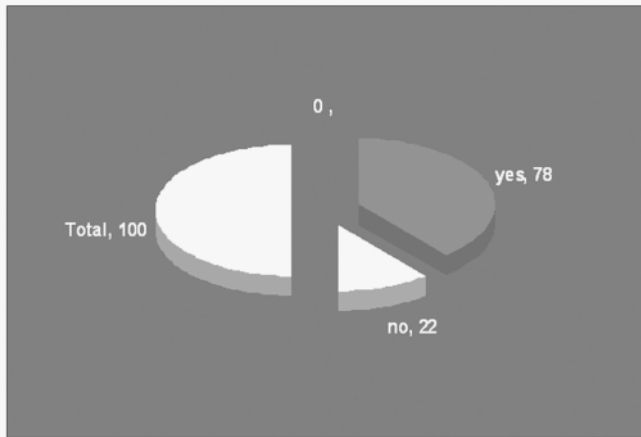
One of the main question arise while considering the retailing prospects in rural market is what is that main factor which effects the creation of demand in rural market? According to a survey conducted in rural market, the biggest factor responsible for the lack of demand is Income Factor.



Does High Promotion Increases the Sales in Retailing?

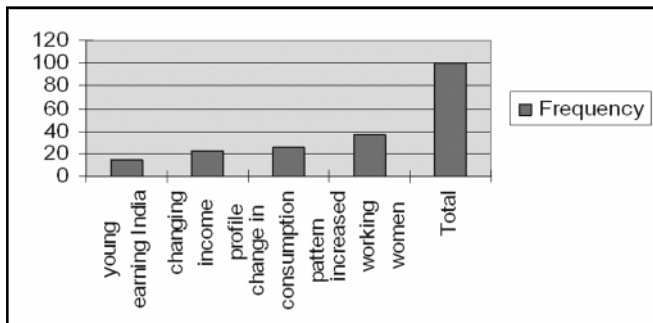
Promotional activities are the sales promotional activities which performs an outstanding role in creating the demand of product & services.

- On the basis of the survey conducted,
- High promotion undoubtly increases the sales in rural market as it makes the rural customer aware and updated about the new range of goods.



Which Factor Plays Vital Role in the Emergence of Retailing Sector?

On the basis of survey conducted, there are several factors which play a vital role in the emergence of retailing. Among different factors increase in the number of working women is the biggest one which has brought an outstanding change in the retailing sector. Another important factor responsible is the changing and increasing income profile of customers.



4. SUMMARY

It is found that FMCG companies mainly focus on specific customized promotional strategies which include using local language and talent for a particular place. Various FMCG players provide different training programs in order to expand rural penetration. Some of the examples are:

HUL's Project Shakti, Tata Tea's Gaon Chalo, Coca-cola's Parivartan program, Dabur's training module ASTRA (Advanced sales training for retail ascendance.)

in different regional languages. [10][11] According to the research, it is found that rural market has the wide opportunity for retailing because most of the consumers prefer retail shops for shopping and moreover they are satisfied with the products offered and their prices. If we consider the factor of 4p's i.e. product, price, place and promotion then it can be found through survey that range or quality of product, appropriate prices, place of the retail store and promotional strategies have their great impact on the sales and retail growth. The study also suggests the various ways to increase the penetration in the rural market.

- There should be retail outlets like Big Bazar and Subhiksha.
- Appropriate prices should be charged to increase the sales.
- Range and quality of the products should be available according to the customer preferences. [8][9]

REFERENCES

- [1] Pradhan, Swapna (2008), *Retail Management*, 2nd Edition, The McGraw-Hill Companies, New Delhi, pp. 3-84.
- [2] Weitz, Levy (2003), *Retail Management*, 5th Edition, Tata McGraw-Hill New Delhi, pp 2-40.
- [3] Bajaj, chetan (2006), *Retail Management*, pp. 3-55.
- [4] Havaldar, Krishna K. (2007), *Distribution and Sales Management*, The McGraw-Hill Companies, New Delhi, pp. 10.17-10.20.
- [5] Malliswani, M.N (2007), "Emerging Trends and Strategies in Indian Retailing", *Indian Journal of Marketing*, November, pp. 21-27.
- [6] Gupta, C.P. and Chaturvedi Mitali (2007), "Retailing-an emerging Trend in India", *Indian Journal of Marketing*, June, pp. 39-44.
- [7] Prabha, Laxmi(2007), "Emerging Trends in Retailing", *Indian Journal of Marketing*, December.
- [8] Anbalagan, and Gunasekaran, (2007), "Retail Consumers Market in India- The Next Big Leap", *Indian Journal of Marketing*, March, pp. 27-30.
- [9] Patel, Dr. Amrit and Gowda Huchhe, (2008), *Kurukshetra (A Journal of Rural Development)*.
- [10] www.google.com
- [11] www.wikipedia.com