

Research Paper

CHANGE IN RURAL MARKETS – GATEWAY TO MODERN BUSINESS

Dr. Udaysinh Mane-Patil
Associate Professor at
Smt.A.R.Patil Kanya Mahavidyalaya,
Ichalkaranji

Sachin. M. Ichalkaranje
visiting lecturer at
Yashwantrao Chavan Maharashtra
Open University's Sangli

ABSTRACT

Recently there have been dramatic changes in the field of rural markets. The traditional culture in the rural market has been some how affected with the change in the behavior of average rural people. The advancement in information and technology, the advent of new electronic gazette, change in the crops and crops pattern, the rural electrification, road and rail connectivity and implementation of sanitation programmes are the factors determining the nature and concept of new rural market. The rural markets are treated now as a point of potential business and the changes will foster growth and advancement in the rural area.

The availability of natural and human resources thus assist the process of development. In the era of globalization, these rural markets stand for positive economic progress in the near future. As a researcher, I feel that, these rural markets will not work as a catalyst but will take part in the actual flow of work and help the Indian economy to perform better. The study will put focus on the change in behavior and consumption pattern among rural consumers occurred. The multinationals and Indian conglomerates have close look on these changes. Obviously, these will be a great for business and its allied activities.

KEY WORDS:

Advancement, catalyst.

INTRODUCTION

The recent changes in the rural markets seem to be more influencing and challenging one. The nature and the type of traditional rural market have been completely transformed in to new versatile modern markets. The revolution which took almost 60 years has been more interesting and confirmed its dimension at all part of the country. Rural markets have been witnessing all the developments and the amendment with reference to the business. The rural market boom is a currently hot topic. The key business players are ecstatic about the immense market potential in India's rural areas. It is believed that high economic growth rate has brought about major changes in the life style and standard of living of the rural folks. Business tycoons plan huge investments focused on rural areas, as part of growth of rural strategy.

The rural market is seeing a new transition with the development of agriculture, which is the principal occupation for the rural masses. The government's support has led to the adoption of modern agriculture technology. As a result, the purchasing capacity of the rural people is increasing. With the exposure to the education and various media, rural people are changing their consumption pattern. This pattern thus will lead to the new module for the business firms and will have an impact on the overall business

transactions. The rural areas offer great opportunities to marketers for selling their goods and services, as half the national income is generated there.

Several companies have found initial success by setting up molls dovetailed to the requirements of rural consumers. There is growing realization among marketers about the enormous untapped potential of India's rural markets. However, in the long run, one may require better strategies to fully exploit the potential offered by the rural markets, which will focus on the needs, aspirations and value-for-money attitude of the people and tailor the products, promotion, and distribution.

PRINCIPAL FINDINGS

It is the spread of population in rural areas that is offering huge potential to retailing industry. Six out of 10 people live in villages. According to the NCAER study, there are almost twice as many "lower middle income" households in rural areas as in the urban areas.

At the highest income level, there are 2.3 million urban households as against 1.6 million households in rural areas. Middle and high income households in rural India were expected to grow from 80 million to 110 million by 2007. In urban India, the same was expected to grow from 46 million to 59 million. Thus the number of middle and high income households in rural India would be twice that in urban India.

The rural market has more than 50 % share of total sales of TV sets, Fans, Pressure Cookers, Bicycles, Washing soap, Blades, Tea, Salt and Tooth Powder. What is more, the rural market for FMCG products is growing much faster than its urban counter- part. Statistics presented at the meet assessed the market size for nail polish at around Rs. 270 million in rural areas as against only 81 million in the urban area. Same is the case with lipstick and face creams. This is mainly due to the rise in the disposable income of an average rural family. These itself bring awesome opportunities to the investors in rural markets.

PRESENT STATUS AND NATURE OF RURAL

MARKET

The market is characterized by 'large volumes but low margins'. High incomes combined with low cost of living in villages have meant more money to spend. Sales volumes are growing rapidly but concurrently. Rural markets are witnessing 'value growth'. That is rural consumers are willing to go for premium brands in any product category. Rural market is providing ample options to its consumer in terms of tastes, choices which are changing. Old reliable like detergent cakes and single edge blades have given way for detergent powders and twin blades. This slow but sure erosion of price sensitivity explains why shops have started stocking sanitary napkins, branded corn flakes and other premium products

CHANGE IN CONSUMPTION PATTERN

The consumption pattern in the rural area seems to be more advanced and sophisticated one. The average traditional consumption way with consumer durable and non-durable products has been outdated and the percentage is as low as compare to the advanced one. The taste and choice among the rural consumer has been changed due to several factors. The literacy level, infotainment, media and communication facility etc. It can be assumed that, this change can bring out more handsome business and will surely lay down a new platform for entrepreneurs.

The average rural people are much more interested in the traditional outfit and tastes. The more he desires the large he expects. Accordingly, the rural market have changed them and molded in a manner to suit this new type of customer. The consumption figures as stated earlier are the hot cakes for the entrepreneurs and those who wish to have business in rural areas.

CHANGE IN LIFE STYLE

Due to advancement in technology and science, the ultimate rural consumer has become sharp and mentally fit to go with branded and luxury products. As a researcher, we go with the statement that the marketers have to promote their brands well and ensure that their brands live up to consumers expectations.

Rural buyers have become more quality conscious, and they are seeing brand reputation as a measure or indication of quality in making purchase decisions. As per latest surveys, the rural population accepted the new and modern lifestyle. This itself an indication for all the business players to introduce newer and antique brands in the rural market.

CHANGE IN BEHAVIOR OF RURAL CONSUMER

While designing a business plan exclusively for the rural markets, one should understand the needs and wants of rural consumer. The behavior of rural consumer has changed drastically which affected the business in all way. Price consciousness, optimism, complacency, substitution effect and advertising are the different factors and its attributions are considered during the survey.

Traditional rural consumer was reluctant with the term shopping and marketing. The weekly bazaars and mobile traders use to satisfy the needs of rural consumers. There was no any special category product in the minds of rural consumer. The new age of development within all the sectors and the importance given to the village economy fortified the views of rural consumer, thus a change implied among the rural consumer to go with the modern style. The above paper throws light on the change in the rural consumer

and his inclination towards acceptance of new vibrant full fledged rural market.

CONCLUSION

The rural markets have gained a substantial importance in the recent period. The average life style of a rural has been dramatically transformed. This important change resulted in demanding newer atmosphere in the markets. The traditional rural market has been replaced with the modern shopee's and bazaars. All the commodities and services also felt to mould in the new format which a rural expect. The ongoing rural transformation will lead to the new avenues of business. The change has mattered a most.

The authors look to these changes an opportunity and really find a gateway to the modern business in the Indian trade scenario. These changes will necessarily build up the platform as a business infrastructure for the entrepreneurs and new businessmen. By 2020, all the major FMCG, durable, and specialty product manufacturer will have an eye towards optimum business from the rural market rather than export or from the domestic urban market.

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