

Rural Retail Marketing in Jharkhand Opportunities and Challenges

Amarjeet Kaur
Research Scholar,
Deptt of Commerce,
V.B.U, Hazaribagh

Leena Singh
Assistant Professor,
Deptt of Commerce,
Maithan College,
Dhanbad

Abstract

The rural retail marketing in Jharkhand can be seen through the evolution and growth in India through its entire course of history and data convincingly confirm the great truth of its retail marketing.

Indian retail industry is one of the sunrise sector with huge growth potential. The Indian retail market is estimated to be us \$450 billion and one of the top five retail markets in the world by economic value. India is the fastest growing retail market in the world with 1.2 billion people.

This sector is second largest employer after agriculture, employing more than 35 million people with wholesale trade generation and additional employment to additional 5.5 million people. This scenario is also reflected in the state of Jharkhand, with per capita income of Rs. 21,465 in 2008-09. Jharkhand has come along way from its inception when precipitate income was just Rs. 10,345.

Most of the population of Jharkhand live in villages. They are uneducated and simply literate. They are not aware of modern marketing. The people of Jharkhand depend on the village markets, street markets and hawkers. It is not easy to separate them from their traditional marketing. Despite that the educated and urban people are attracting towards retail marketing culture developed by big corporate house like wall mart, Reliance fresh etc.

Keywords: Rural, Marketing, Opportunities, Employment, Reform, Sunrise etc

Introduction

The rural retail marketing in Jharkhand can be seen through the evolution and Growth in India through its entire course of History and Datas convincingly confirm the great truth of its retail marketing. So, this research is a guide to action, a sources of inspiration and a reliable compass for determining the strategy for marching forward.

Retailing consists of sale of goods or merchandise to the end consumer for their personal, family and household consumptions. It is one of the 5th largest industry in India. It contributes 10% of the G.D.P. and provides around 8% employment after agriculture.

After it is the next growing industry. The retail market is the second largest untapped market after China. According to the government of India study the number of workers in retail trade in 2008 was over 220 lakhs.

According to the global research firm 'ERNST & YOUNG' the rural market is projected to be bigger in India than the urban market for fast moving consumer goods with an annual size of Rs. 480 billion in 2004 and is growing. Since jobs are so hard to come by, retailing with low capital and infrastructure needs is by far the easiest business to enter and as such perform a vital function in the economy as an alternative social security net for the unemployed.

Review of Relevant Literature

Retailing has changed along with customers. Consumers have become increasingly more sophisticated and demanding with the availability and abundance of products, services information and technology, as well as new abundance of retail stores and channels. The retailing industry in India is being hailed as one of the sunrise sectors of the economy.

Bell, Ho and Tang (1998)

Found that the location no longer explain most of the variance in store choice decisions. Rather store choice decisions seems to be consistent with a model where consumers optimize their shopping costs,

efforts to access the store location being one component of their fixed cost of shopping.

Vinay (2001)

Observed in his study that the price proves to be powerful proposition and retail marketing is based entirely on value for money. Indian retail marketing perhaps has not seen anything like it as yet. This obviously indicates that cutting costs come where to distribute the same to the customers may be a better proposition.

Kalhan (2007)

Kalhan (2007) in her study says that the impact of malls, on small and hawkers has been damaging and only a few were able to upgrade the services or respond to the changed circumstance. She further says that an exaltation of competition from corporate retails and FDI will further hasten their decline.

Objective of the Study

One need to understand the profit of rural consumers, their buying pattern as the major earning comes from the agriculture produce which is seasonal. The marketer's road to the hinterland of rural Indian market is not easy task. So, main objective of the study (1) to know the evolution in the Indian retail marketing as well as Jharkhand. (2) To study the awareness of FMCG brands among mid level city and rural population in Jharkhand. (3) To find out the opportunities for retail marketing of brand products in rural area in Jharkhand. (4) To investigate the scope and development of rural retailing in India with special references to Jharkhand. (5) To analyze the current retail marketing in urban and rural areas of India as well as Jharkhand. (6) To suggest a strategy for meeting the challenges of retail marketing in Big, Small and retail markets in Jharkhand.

Analysis

Today retailing is so much more about than mere merchandising. It is about persuading the customers, reflecting their desires and aspirations and forging long lasting relationship. It is more about relationship marketing. Retail today has changed from selling a product and services to selling a hope and above all and experience a customer world like to repeat. The additional shift of the Indian consumer in terms of "choice preference" to 'value for money' has changed the face of retailing in India.

The present research endeavored is based on the following hypothesis :- (1) Retail marketing in India faces a serious threat from multinational outlets (2) Entry of Big corporate house in retail marketing is not healthy in existing scenario. (3) There is no scope of organized retail marketing in rural India with reference to Jharkhand.

Jharkhand Profile

The 28th state of Indian union was carved out of Bihar on November 15,2000 by virtue of promulgation of Bihar reorganization act 2000. Jharkhand is gifted with some of the richest deposits of Iron ore and coal in the world as also other mineral resources like uranium, mica boxite, granite, gold, silver, magnetite, copper etc and account for 40 percent of natural mineral resources.

Socio-Economic Features

Jharkhand with an area of 79, 714 sq. km. 24 districts and 32,620 revenue villages accounts for 2.4 percent of total area of the country, the state account for 2.6 percent of the total population of the state accounts for 77.7% and 22.3% respectively of the total population as per root census. The state has a cooperatively lower literacy rate at 53.6 percent.

Main Finding of the Study

Indian retail industry is one of the sunrise sectors with huge growth potential. The Indian retail market is estimated to be US 450 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail market in the world with 1.2 billion people.

The sector is the second largest employer after agricultures, employing more than 35 million people with wholesale trade generation an additional employment to an additional 5.5 million people. This scenario is also reflected in the state of Jharkhand, with per capita income of Rs. 21,465 in 2008-09 Jharkhand has come along way from its inceptions when precipitate income was just Rs. 10,345.

The study advocates as balance approach to retail and suggests that the government plays a major role in shaping its future course. Jharkhand is a state with immense opportunities but unmet expectations. These opportunities can be unlocked with a comprehensive reform process.

Conclusion

The above study reflects the opportunities and challenges of rural retail marketing in Jharkhand. There is a big opportunities for the development of rural retail marketing in Jharkhand because the vast population of village in Jharkhand. Rural retail marketing will be helpful to increase the employment and to develop the marketing culture in the rural population. This study also advocates as balance approach to retail and suggests that the government can play a major role in shaping its future course. Jharkhand is a state with immense opportunities and unmet expectations. These opportunities can be unlocked with a comprehensive reform process.

References

1. Annual report 2006-07. Ministry of agriculture, department of agriculture & Co-operation Government of India.
2. Bajaj, C, Tuli, R and Srivastava N.V. 2011 "Retail Management" 2nd Edition.

Websites

1. www.amazon.com,
2. www.businessonline.com
3. www.indiaretailing.com,
4. www.retailbiz.com