

# Role of Weekly Market in Indian Economy

## Abstract

Weekly markets are the oldest marketing channel of India. They continue play a vital role in the Indian Economy. These markets provide people an opportunity not only to purchase goods by buyers but also to sell goods by sellers. It is also known as Haat, Bazaar, periodic markets etc. Weekly markets are informal types of market and in this market uncertainty is found. Weekly markets are involved in the process of developing, pricing, promoting, distributing specific product. In addition to providing trading opportunities, haat bazaar gradually concentrates rural settlements and converts villages into small towns.

**Keywords:** Weekly Market, Buyers, Sellers, Market Activities, Demand, Supply

## Introduction

Weekly markets are the oldest marketing channel of India. They continue play a vital role in the Indian Economy. These markets provide people an opportunity not only to purchase goods by buyers but also to sell goods by sellers. As per the Marketing and Research Team (MART) "weekly markets have been around for 200years and offer an indigenous system of low-cost selling they can be to categories on the basis of time duration"

## Objective of the Study

1. To examine the significance of weekly markets in Indian Economy.
2. To examine the influencing factors of weekly market.

## Weekly Markets in Indian Economy

Weekly markets are organized periodically on some specific day or a day of the week at some fixed sites and provide goods and services to the rural settlement. It is also known as Haat, Bazaar, periodic markets etc. Weekly markets are informal types of market and in these market uncertainty is found.

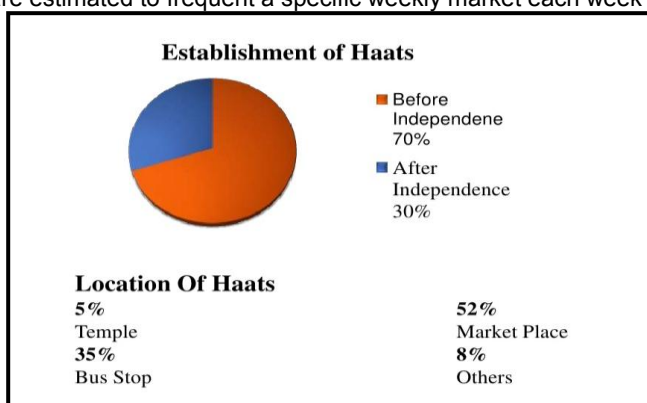
In recent years, weekly markets have acquired significant role, as the overall growth of the Indian Economy has resulted substantial increase in the purchasing power of the people. Most of the weekly markets are found in rural areas. They are immediately available contact place of rural settlements and specially in retail transaction of all goods. Weekly markets are involved in the process of developing, pricing, promoting, distributing specific product. In addition to providing trading opportunities, haat bazaar gradually concentrates rural settlements and converts villages into small towns. In a report by RMAI (Rural Marketing Association of India) "Revealed 43,000 weekly markets generate annual sales of Rs 50,000 cr. Almost 98% villagers regularly visit weekly markets (Haats), while 75% of them are estimated to frequent a specific weekly market each week"

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Source- Rural Marketing Association of India, 2011.

**Table-1 States with Maximum Weekly Markets**

State	No. of weekly markets
Utter Pradesh	10,380
Bihar	4,993
West Bengal	4,078
Jharkhand	3,996
Maharashtra	3,758

Source- Rural Marketing Association of India, 2011.

**Table- 2 Sale of FMCG Products Per Outlet on a Weekly Market day**

States	Sale of Branded FMCG	(in Rupees)
		Total Sales of FMCG Including (Unbranded)
Maharashtra	2,793	13,196
Bihar	3,450	12,490
Utter Pradesh	2,864	7,229
Orissa	2,703	5,205
Andhra Pradesh	339	1,741
Madhya Pradesh	421	4,231
Tamilnadu	2,971	8,553
Average	2,224	7,521

Source- Rural Marketing Association of India, 2011.

**Table- 3 Average Number of Visitors in a Weekly Market**

States	Large Weekly Markets	Small Weekly Markets
Maharashtra	22,300	10,500
Bihar	8,100	3,500
Utter Pradesh	17,000	4,100
Orissa	3,700	3,000
Andhra Pradesh	6,800	3,700
Madhya Pradesh	11,000	4,600
Tamilnadu	15,000	10,200
Average	11,900	5,600

Source- Rural Marketing Association of India, 2011.

Weekly market act to dispose daily needs of human being and have the basic building blocks and adequate to economic structure of Indian economy. The weekly markets are percolated into rural area and played indispensable role in development of the country. The size of market has grown manifold. It is the centre of economic activities. The constant flow of demand may create market place for product; the cash exchange accelerates through the network of weekly markets. The marketing activities play an important role for the development of settlement by providing employment and infrastructural development.

#### **Influencing Factors of Weekly Market**

The sellers act as per the rules of supply and buyers act as per rules of demand in the weekly market. Their interactions determine the equilibrium price of commodities through the demand and supply function. The following factors affect the selling and buying behavioral pattern of seller and buyer in the weekly market.

#### **Supply Side**

A market supply is the quantity of a commodity at each price for a given period of time. The several factors determine supply of goods and affect the selling behavior of seller in the weekly market. These factors are number of sellers, transport cost, literacy level of seller, travelling pattern of sellers etc.

##### **1. Number of Sellers**

If increase in number of sellers in market will increase supply of goods and shift the supply curve whereas decrease number of sellers will decrease the supply of goods in the market.

##### **2. Transport Cost**

The transport cost also affects the supply. Improvement in means of transport results in the extension of market for the commodity. This boosts up supply of the commodity under consideration.

##### **3. Literacy Level of Sellers**

Literacy level of the sellers affects marketing activities in weekly markets. Literate seller is more diplomatic than illiterate seller, because a literate seller explain to buyer everything about his selling goods in a polite and gentle way than illiterate seller in the weekly market

##### **4. Travelling Pattern**

The traveling pattern of the sellers affects cost and selling price of the product in rural weekly markets of the district. Good connectivity of transport, condition of roads, ease of access to the market place, minimum distance from market place are make sellers to be comfortable and promote them to carry their goods in the weekly markets if the district in a easy and convenient.

#### **Demand Side**

A market demand is the quantity of goods that buyers are willing and able to purchase over a given period of time at each price of the goods. There are several factors that determine demand of goods and affects of buying behavior of buyers in the weekly markets of the district. These factors are number of buyers, expectation of future price, transport cost, literacy level of buyers, price of related goods, income of the people, travelling pattern of buyers etc.

##### **Prices of the Related Goods**

The demand for a good is also affected by the prices of other goods, especially those which are related to it as substitutes or complements. When price of a substitute for a good falls, the demand for that good will decline and when the price of the substitute rises, the demand for that good will increase.

##### **Incomes of the People**

The demand for goods also depends upon incomes of the people. When incomes of the people increase, they can afford to buy more. While the incomes of the people fall they would demand less of the goods.

##### **Number of Buyers**

If the consumers substitute one good for another, then the number of consumers of that good which has been substituted by the other will decline

and for the good which has been used in its place, the number of consumers will increase.

#### **Tastes Preferences of the Buyers**

An important factor which determines demand for a good is the tastes and preferences of the consumers for it. goods for which consumers' tastes and preferences are high, its demand would be high. People's tastes and preferences for various goods often change and as a result there is change in demand for them.

#### **Literacy Levels of Buyers**

Literacy levels of Buyers are providing information of goods and buyers get information to understand the behaviors of people and their standard of living.

#### **Travelling Pattern of Buyers**

The travel behaviour of buyer change with increasing his/her income, availability of transport means and distance from their home to market place. Buyer requirement is dynamic. Mostly buyers prefer short distance to obtain essential goods for daily needs and save their transport cost.

#### **Suggestion**

1. All weekly markets should be provided storage facility. So that, the sellers could stock their goods for next market day.
2. Gram Panchayats should provide the good transportation system.
3. The sellers are poor and should protect government them by credit, loan and insurance.
4. The participants of weekly markets should be registered.
5. Education is the key successful marketing. A seller needs it to be education for transaction of goods, explaining about their goods in very well. While a buyer need to be educated to getting the right product at right place at right price in right time.
6. Weekly market is the nerve centre of Indian economy; these are the channels for the movement of goods and services as well as to promote cultural investigation in india.

#### **Conclusion**

Thus, we can conclude that weekly market is generally dynamic in nature. It is tools for development. The post-independence weekly markets have brought physical and financial incentives that supplement the numerous development schemes. Weekly markets are convenient market channel through which products are distributed to the buyers. It does provide central place and opportunity for selling and purchasing of goods for the buyers.

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