PAPER ON “RURAL RETAILING”

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ABSTRACT

The rural market in India is undergoing a silent but definite revolution on the back of enhanced purchasing power of rural consumers, the changing consumption patterns and increasing overall value of consumption of goods and services. The sheer size of the rural market which has witnessed tremendous growth in the recent years as large sections of rural population transformed into discerning consumers has caught the imagination and incited business interest of the top conglomerates in the country.

Rural India accounts for roughly 70% of the population. Almost 6, 27,000 villages are home to 790 million Indians today. At present 85% of the organized retailing takes place in India’s urban areas. But the good thing is that the retail focus has already shifted to the rural areas. The Indian rural market with its vast size and demand base offers great opportunities to marketers. Two-thirds of country’s consumers live in rural areas and almost half of the national income is generated here. 15% of rural population lives in 20,000 large “non urban” areas with population more than 5,000 people. 63% of rural population lives in villages of 1000 to 5000 people. Remaining 3, 90,000 villages have fewer than 1000 people accounting for 22% of the population. The term "retailer" is applied where a service provider services the needs of a large number of individuals, such as a public utility, like electric power. For a retailer it is essential to see in which segment it is catering in the above division of villages. For example Shakti caters to villages with a population of 500 or above. Where in Eveready considers even the remotest of village as its target customer. It operates through more than thousand company-owned vans and has over 4,000 distributors to directly providing service to 6,00,000 retail outlets.

KEYWORDS : retailer, villages, urban areas, retail outlets, consumption.