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Promoting merchandise activity in rural India: An analysis

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ABSTRACT

Merchandise activity has expanded the horizon and dimension of business universally. In India, villages are considered to be the spine and strength of our economy which contributes 25-30% of GDP. Unfortunately, due to lack of connectivity to town, deficient network, poor telecommunication, undeveloped transportation and inefficient planning of rural development has slumped rural markets in India. Nevertheless, rural India has the potential to contribute more in percentile by better connectivity and Livestock committee to promote indigenous products of 6,00,000 Indian villages. Globalisation in agricultural sector, exposure of unique handicrafts, textiles, arts, handlooms and treasure of diverse economic opportunity has brought faith among investors. This research paper attempts to analyse issues and address the challenges which have caused hindrance to promote Rural markets across India. The researcher aims to suggest parallel tech-savy solutions to approach global markets and boost economy. The aim of this paper is to give suggestions to promote native products grown and manufactured in villages throughout the world. Further, the role of Panchayat and financial distribution patterns is also discussed in this paper.

Keywords: Merchandise, Panchayat, Globalisation, Indigenous products, Trade.

1. INTRODUCTION

The unaddressed rural market of villages has driven the attention of multi-National companies and Industries.¹ Technology has empowered business giants to commercially promote indigenous products from Villages towards towns, cities and introduce it to the world. India's unique tradition and diverse economic culture hidden in tiny towns and villages has grabbed the attention of consumers across the Globe. According to the 2011 census, the rural India consists of 162 million house holds comprising 70% of the population.² It is understood that increasing sale of indigenous products generates sale, thereby eradicating unemployment and preventing migration of rural population in search of jobs to cities.

Improving essentials for trade and accessibility to rural India will sustainably develop opportunities and help rural people earn a livelihood.³ For instance, Mangalore is a city 365kms away from Bangalore. This city is popular for fishing and unique catch of fishes like squid, king size prawns etc. Despite of 7-hour journey, it is not possible to avail such unique fishes or fresh fishes in Bangalore. This means, accessibility improves connectivity and increases economic activity. It can be perceived that capital cities of each state in India can act as a common trade route to boost rural economy of villages in India.

1.1 Research Problem

About 3/4th of the population resides in rural India. The vast village population has the potential to contribute more than 25-30% of GDP due to rich, unique and traditional economic resources. Poor internet connectivity, telecommunications, roads, absence of rural-urban connectivity, lack of knowledge among villagers have narrowed the sale of indigenous products. Slow technological development has derailed the process of promoting rural markets in India.

1.2 Research Questions:

1. Whether improving connectivity between rural and urban areas promote homegrown and manufactured products?
2. Whether penetration of Technology yield better income to villagers?
3. Whether sufficient financial distribution to utilize resources and generate income in villages?
4. Whether village Panchayat is playing a prominent role in promoting merchandise activity?

1.3 Hypothesis

Promoting merchandise activity in villages will boost Indian economy.

1.4 Research Methodology

Research method adopted by the researcher is non-doctrinal. The nature on secondary source referring to Articles, online sources and books.

1.5 Citation Mode

The researcher has accessed Harvard Blue Book 21st edition citation format.

2. REVIEW OF LITERATURE

1. “How is rural marketing capturing the uncaptured market”-Sanjay Kaul⁴:

The author has described the various ways for rural areas to approach capital city markets in India. The changing dynamics of Indian market, need for formation of clusters, current contribution of villages on routine products of consumers is briefed under this article. The author has narrowed his study to FMCG products but could have broadened his approach towards rare agriculture crops under uncaptured market.

2. “Marketing rural products and commodities”- EgyanKosh⁵:

The author introduces the new challenges and issues in rural marketing. A projection of rural opportunities and innovations which can increase viability of village economy has been propounded. The author has given importance to Market research in networks and partnership, establishing international markets for rural products, rural tourism, increasing clusters makes the article credible for research.

3. “Unlocking the wealth in rural markets”- Mamta Kapur et al.⁶:

The Authors have made a comparison of Indian rural market with foreign markets. Better ways of developing a channelised strategy for distribution, recognising probable customers, durable ecosystem and other compatible solutions is read under this article. Impact of corporatizing village economic activities is briefed in this article. The presence of stakeholders is narrated in this article.

4. “Village development” – Government of India⁷:

The report evaluates the quality of people living in villages and suggests ways to enhance them. The per capita income in agriculture, rate of growth, unemployment, availability of resources for agriculture, agro industries, marketing and many components are studied under this report. The report gives a deep insight on rural economy of India and summarizes the need for an effective rural marketing.

5. “Improving access in rural areas”-Chris Donnges⁸:

The Author has focused on accessibility to rural areas as a main object to comprehensive rural development. Availability of basic necessities such as food, shelter, clean water, health services and education in village are read under this book. Integrated Rural Accessibility Planning (IRAP) is analysed in this article.

3. MERCHANDISE AND RURAL INDIA

The existing rural markets in India can be broadly studied under twin heads. Primarily on durable products which have a long life and does not perish with a short period such as Jewellery, pure wooden interiors, Motor vehicles etc and non-durable products such as clothes, garments, cosmetics, eatables etc. Secondly, on the basis of chemicals and fertilizers, manure, variety of seeds etc. It is pertinent to note that non agricultural products also form a major part of Rural India. Considering such products will also help us get a better understanding over rural marketing.

Lack of knowledge, low technology, non-availability of sufficient funds and poor connectivity have equivalently contributed to the prevailing problems for promoting indigenous and unique products at the Global Level. For instance, Dhoochwala, a company started in 2015 was delivering milk to doors by 7 A.M. in the morning. Due to high cost of operation and huge cash burn the company underwent dilution and shutdown in the year 2017⁹. For better understanding, the researcher aims to study the failure and later head with the opportunities which can pave the way to promote merchandise activity in rural India.

4. POVERTY AND RURAL MARKET

India leads the second position in terms of population and is rapidly growing since decades. Availability of resources to the last citizen of the country has been the challenge of the decade. Subsequently, Unequal distribution of resources has been the primary problem leading to poverty in rural India.

Accessibility, distance clustering and ensuring availability of resources despite space and population has emerged to be a major hindrance to eradicate poverty from rural areas. The urban/rural split, between states or nations or between more and less deprived areas within the same geographic area are all examples of spatial inequality.

It is to be critically observed, poverty leads to migration of people from rural areas to cities. This uncertain migration in search of jobs will lead decline the population in rural areas. Very village is blessed with unique handlooms and handicraft pieces which is popularly recognised by its geography. For instance, Coffee is the major crop of Chikmagalur. Residents of this village are into plantation, processing of collected beans, involved as mediators in the sales of coffee beans etc. Due to concentration of funds among rich people, youngsters from poor family background willing to set up coffee machinery may not be financially stable to purchase them. The Panchayat and local government must ensure there is distribution of funds to prevent migration and ensure jobs for local people by

availing funds, educating youths on grabbing opportunities available and giving loans at concise rate. This will alleviate poverty and elevate the economy of Rural India.

5. LACK OF COMMUNICATION DEPRIVES AVAILABILITY OF RESOURCES

Poor connectivity means non availability of good network to build communication and access to better service. Network plays a significant role in promoting merchandise activity. Availability of good telecom network communication and Internet enhances rural marketing. In a data submitted at Lok Sabha, it was presented that 25,000 Indian villages still do not have mobiles and internet connection¹⁰

It is crucial to note that since most of the villages in rural areas in India is annexed between dense forest and Ghat section. Due to heavy rain, there is a downfall of trees thereby leading to network fluctuation. Let us analyse the situation with a live example. Sullia is a very remote area of Dakshina Kannada. Students were struggling at homes to find network and attend online classes. Illkal sarees is very famous in Bagalkot. Dharwad is a 2-tier city and second largest district of Bangalore is also close to Bagalkot. This region is popular for Illkal sarees. A tourist won't be able to get the authentic Illkal sarees despite being at an arms distance. This results in the reduction of sale for such indigenous products despite having an arm's length connection to the district. Lack of communication and quick supply of goods is the major problem which reduces demand. Hence communication improves connectivity and connectivity builds network thereby promoting rural products.

6. TRANSPORT AND TECHNOLOGY HINDRANCE TO RURAL MARKETING

Transport plays a pivotal role in taking goods from the place of manufacture to the destination. Good roads, better cargo and shipment are the requirements to suffice the necessity of good transport. Taking the instance stated in Introduction, Mangalore is a place for fishing. Despite having 365 kms, we are not able to avail fresh and quality fishes due to bad roads. Lack of fishers may also be a problem.

21st century is the digital generation. Technology can be regarded as a key for the next generation of new India. For instance, Facebook and Instagram has a feature called Promotions. Accessing this application will introduce these indigenous products at Global platform and enhance business. Subsequently, Whatsapp business is another favourable application. The mindboggling business tools will make catalogue visible. Google ads and Websites too will promote merchandise activities in rural market.

7. PANCHAYAT AND PROMOTION OF RURAL MARKET

The key focus of this research paper is to empower local government i.e., Municipalities and Panchayat. Educating panchayat members or Self-Help groups to further pass on the knowledge by organising seminars on utilizing technology will inevitably promote merchandise activity in rural market. Empowering Panchayat with authority to enhance connectivity or by recognising villages will develop the rural market in India. Panchayats too can grant loans at low rate of interest through cooperative societies. This will generate income and recovery of loan will be an easy task since Panchayat members through these societies will monitor the same.

8. CONCLUSION AND SUGGESTION

Considerable changes in the local and self-government will empower villages to become self-sufficient. Distribution of powers from the state legislature regarding roads and education will definitely imbibe a new culture of promoting business in rural India. Availability of Ministers and Legislative assembly members will thereby improve communication between them and grant of good schemes for programmes. Education, shelter and food is a basic necessity for survival. Granting powers to Panchayats for taking decisions, framing policies and programmes will enhance the lifestyle of village people.

Subsequently, Skill development programmes for women such as tailoring, stitching etc. will also make women self-sufficient. For instance, if a village organises, "Learn Tailoring" programme whereby they educate unemployed women with the machine stitching will boost employment. A company will deliver raw materials to their place, place orders and collect the same by giving good price for their work. Electricity and good roads are inevitable facility required to execute this programme. Preparation of beedi by woman in Dakshina kannada is the best example whereby a company comes and collects these beedies quoting a good price.

FIRST RESEARCH QUESTION PROVED:

Roads, rail and port are the best modes of commute. Revamping these modes will benefit business establishments to ensure free and undisturbed connectivity to villages. Empowering Panchayats to submit a proposal on ensuring good roads to the government will give a better effect to the solution.

SECOND RESEARCH QUESTION PROVED:

Improving Communication means by establishing good networks and availability of modern tools for marketing. For instance, ensuring good telecom service provider will support villages to reach global markets with click of a button.

THIRD RESEARCH QUESTION PROVED:

Self sufficiency can be achieved only by empowering panchayat. Channelising Financial distributions through cooperative societies monitored by Panchayat members will undoubtedly generate income in villages.

FOURTH RESEARCH QUESTION PROVED:

Erstwhile local problems will be known by local men. Since Panchayat members will be local men. They tend to be better equipped with issues and opportunities prevailing in the villages. Since they are sustaining with these problems they ought to give best

solutions. Thereby, they will play a prominent role in promoting merchandise activity provided they are given an orientation over the same.

HYPOTHESIS PROVED:

All the above quoted problems are hence proved. Since these problems are well addressed with live instances, it is proved that promoting merchandise activity in villages will boost economy.

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