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Organized Retail in the Rural Markets in India

[1]Surajit Dey, [2]Dr. Sameena Rafat, [3]Puja Agarwal
[1]*(Research Scholar, Department of management, CMJ University, India)*
[2]*(Asst. Professor, IIPM, Lucknow , India)*
[3]*(Management Faculty, Wisdom School of Management, India*

***Abstract**: Retail is a buzz word in today's changing business environment. Different industrial sectors are in the phase of transition from conventional business models to innovative, market driven and consumer centric models. In India retail is not a new word, however the emerging formats of retailing are changing the entire scenario and posing tough challenges in front of Indian retailers. They are now designing customized retail products and services and targeting the untapped segment of the market. Presently, nearly 60% of the population resides in rural India and their retail requirements are partially met by the unorganized retail stores. This study is an attempt to explore the potential of rural retail market of India, accessing their needs for products and brands. The study also aims at developing a business model for the rural retail market in India.*

I. Introduction:

Today Indian consumers are becoming very unpredictable. The consumer today, is richer, younger, eager to accept changes and more aspirational in his/her needs than ever before. This Statement is not confined to urban India but also applicable to rural India.

A range of modern retailers are attempting to cater to the needs of the 'new' Indian consumer. The last few years have witnessed an explosion of organized retail formats like supermarkets and hypermarkets in an otherwise fragmented retail market in India. At present 85% of the organized retailing takes place in India's urban areas. A very little part of rural market is covered by organised retailers like Hindustan Uni Lever's Shakti, Indian Tobacco Company's e-Choupal and DCM Shriram Consolidated Ltd.'s Hariyali.

During the boom years, as the urban middle class was growing, marketers spared little thought for the rural consumers. Now, when the urban market is near saturation in the face of stiff competition from global players, the marketers are targeting the rural markets as this seems to be the only way to maintain their market share. Now the focus is at bottom of the pyramid, what Prof. C.K. Prahalad has called tier III of Indian society−the bottom−down, 600 million people living in 6 million odd villages comprising 12% of world's population, which is now attracting not only Indian corporate houses but also global retail leaders. Overall, there is a huge market which is waiting to be served, ready to splurge, willing to explore new products, brands and services. Organised retailers can tap on their wallets given they do their homework well. According to India Retail Report 2009 by Images, - India's rural markets offer a sea of opportunity for the retail sector. The urban-retail split in consumer spending stands at 9:11, with rural India accounting for 55 percent of private retail consumption.

Now the questions arise, what is the model of retailing in rural India? Is the present model being used in rural India sufficient or do we need some different models? What are the preferences of rural customers? What are the factors affecting the purchase decisions of rural customers? What is the satisfaction level of rural customers with the existing retail market? In this paper we have attempted to explore the above mentioned issues.

II. Literature Review

For the world's retailers, there is no doubt that India is the Promised Land (Fels, 2007). India's retail sector is expected to grow to US$635 billion by 2015 (Fels, 2007). The modern retail formats are showing robust growth in the form of departmental stores, supermarkets and hypermarkets (Gill, 2007).Certainly, over the last 50 years, retail location decisions have been surpassed by models emphasizing the benefits of one stop shopping (Mandhachitara, 2007). Modern retail chains drive efficiencies in the process of distribution and invest in infrastructure that would otherwise be left to governments to build (Fels, 2007). Foreign investment in retailing promotes improved productivity and efficiency, enhanced sourcing, improved quality of employment (Mukherjee and Patel, 2005). Foreign retailers source the vast majority of their products locally. German chain METRO says it sources 95% of its products from India and Carrefour buys about 90% of its products locally for its hypermarkets in China (Fels, 2007). Cultural change might be unavoidable. Hawkins et al. (2004) suggest that culture is not static but evolves and changes slowly over time. Cultural change is an ongoing evolutionary process that involves changes in the priorities of values at both individual and societal levels (Egri & Ratlson 2004). With increasing globalization the retail industry is facing more and more competition which is making them struggle harder and harder to succeed through better performance (Koh, Kim, and Kim, 2006).The retail industry in India is largely unorganized and predominantly consists of small, independent, owner-managed shops that have dominated Indian retailing over the decades and are present in every village and local community or street corner stores, addressing the needs of the population in the area and being the point of contact with the consumer. There are about 12 million retail outlets in the country; only about 4 per cent of them are larger than 500 sq. ft in size (Gill 2007). Culture as a key factor to influence consumers' behavior has been intensively studied cross-culturally (e.g Levy 1959; Belk 1988; Belk et. al.1988; Gilly 1988; Belk et. al.1989; Jacobs et al. 1991). The organized retailing scenario is stabilized for some time now as players like Big Bazaar, Barista, Pizza Hut, Shoppers' Stop, McDonald's, Subway etc have became successful in establishing a national footprint.(Gill, 2007). Ordinary people are buying what the rich can afford, a surprising number of consumers have accepted private label brands in a country where small, individual stores selling no-name goods have been the rule for decades (Gill, 2007). Retail growth will continue in India, but an influx of foreign players, limited and expensive desirable real estate and foreign investment restrictions have pushed the country's retail market closer to maturity (Global Retail development index 2010). China, India, Brazil and Russia remain the highest priority markets for retail expansion according to these executives, with nearly 80 percent of respondents citing one of these markets as part of their firms' plans for short-term international growth. (Global Retail development index 2010). There are many approaches to understanding and defining retailing. It can be defined as "Any business that directs its marketing efforts towards satisfying the final consumer based upon, the organization of selling goods and services as a means of distribution", (Gill, 2007). However, in supply-led economies such as the former centrally planned economics (CPES) of eastern and central Europe, retailing has traditionally been viewed as an unnecessary and unproductive link in the channel of distribution (Myers and Alexander, 1997), Jack (2001). Experience of retailing in US shows that existing theories of retail development based on changing consumer needs are inadequate to explain new developments" (Gill, 2007). Knowing who the customers are and what they want become critically important for designing, advertising and promoting products, and developing the right pricing strategy to make customers feel that they are getting value for the price paid (Hauser, 2005). However, an emerging body of new literature assumes that preferences of consumers are constructed during the purchase process, based on the task and the context (Hoeffler & Ariely, 1999). The experience of China, Brazil and Thailand show that opening of retail sector to FDI has not only generated immense employment opportunities but also has given a big boost to their economy as a whole. Indian policy makers are also of the view that giving the retail sector a thrust will not only result in boosting the economy, but also that the retail sector has the potential to be leveraged in order to rejuvenate specific targeted sectors, including the rural economy - such as manufacturing, food processing, packaging and logistic services(Gill, 2007). Choice is dependent upon customer preferences, but other influences, such as availability and perceived price, also influence the products that customers choose (Hauser, 2005). Selecting a shop for patronage is a two-step process for many consumers. First, the selection of the shopping area is made; second comes the selection of stores within the area (Foxall, Goldsmith, 1994). In the initial stage, 49% FDI in multi-brand retail should be allowed, which could be raised to 100 per cent in three to five years depending on the sector's growth.

III. Rural Retailing In India

India like most other countries has a very large network of local stores spread all across India. It is not really a network since each store is individual or family owned and has no connection with the other. It does however represent a network since large consumer product companies like Unilever, Procter & Gamble, Colgate-Palmolive, Cadbury, Coca-Cola, Pepsi and ITC uses them as their final point of retail to the consumer. These small stores are very personal and have built strong relationship with the local population. They are points of news and connection. They offer credit to the local population and help out in times of crisis. They also have a very good understanding of requirement of the local population and have very low overheads enabling them to offer the best price for their products. However, it is believed that the new retail chains will drive these small stores out of business (Gill 2007).

Demographic profile of rural Indian market[#]

- No. of Villages 638,691
- Rural Population 741 Million
- There are total 3,697,527 retail outlets in rural India
- Rural literacy rate(7 year and above) is 45%
- The no of middle income and higher income household expected to grow up to 111 million
- Rural market is growing up to 5 times than urban market
- Investment in formal saving instruments: 6.6 million household in rural 6.7 million in urban
- 145,98 villages with population less than 200 and 13,113 Villages with population over 5000
- 7271 Villages with railway station
- 1,38,000 villages with post offices

- 15039 Villages with hospital
- 12 million rediff signup out of total 20 million are from rural area
- FMCG segment with an estimated annual size of ☐ 50,000 cr.
- 32000 rural bank branches # Sources census of India 2001 Global Retail development index 2010

IV. Major Retailers In Rural India

Now we analyze the existing rural retail penetrations in India. There are many players which are directly or indirectly involved in rural markets. Some big ones are ITC, HUL, DSCL and Gillette. Almost all telecom companies have penetration and retailing in rural markets.

ITC e-Choupal & Chaupal Sagar

e-Choupal is termed as one of the most innovative concepts of independent INDIA. e-Choupal is an initiative of ITC Limited, a large multi business conglomerate in India, to link directly with rural farmers via the Internet for procurement of agricultural and aquaculture products. Following the success of the e-Choupal, the Company launched Choupal Saagar, a physical infrastructure hub that comprises collection and storage facilities and a unique rural hypermarket that offers multiple services under one roof. This landmark infrastructure, which has set new benchmarks for rural consumers also incorporates farmer facilitation centres with services such as sourcing, training, soil testing, health clinic, cafeteria, banking, investment services, fuel station etc. 24 'Choupal Saagars' have commenced operations in the states of Madhya Pradesh, Maharashtra and Uttar Pradesh. ITC is engaged in scaling up the rural retailing initiative to establish a chain of 100 Choupal Saagars in the near future.

Hindustan Unilever Limited (HUL) - Shakti

Shakti was initiated to reach the massive un-served and under-served markets that cannot be economically and effectively serviced through traditional methods. HUL identifies underprivileged women in villages and these women are trained to become Shakti Entrepreneurs (SEs) i.e. distributors of HUL products in villages to earn a sustainable income through this business.

HUL invests resources in training these village women to become entrepreneurs by helping them become confident and independent. They are also a source of inspiration for the other women in the community. Hence, besides being a sale, distribution and communication initiative, Shakti is a micro-enterprise initiative that creates livelihoods and improves the standard of life. The Shakti initiative also enables rural consumers to access world class products, thereby reducing the menace of spurious products. Today, it benefits business by significantly enhancing HUL's direct rural reach and enabling communication of HUL's brands effectively in media-dark regions. The products distributed through project Shakti are some of the country's most trusted brands of consumer goods which are specifically relevant to rural consumers. From 17 SEs in 1 state in 2001 to more than 45,000 SEs in 2008, Shakti has indeed come a long way in impacting lives in rural India.

For HLL greater penetration in rural areas is also an imperative - presently over 50 per cent of its incomes for several of its product categories like soaps and detergents come from rural India. The challenge for HLL now is to take its products to towns with a smaller population - under 2,000 people. As Sehgal points out, HLL's conventional hub-and-spoke distribution model which it uses to great effect in both urban and semi-urban markets wouldn't be cost-effective in penetrating the smaller villages. Now, with this new distribution model, the smaller markets are now being referred to as `Shakti markets'.

DSCL-Hariyali Kisaan Bazaar

"Hariyali Kisaan Bazaar" - a rural business centre, is a pioneering micro level effort, which is creating a far-reaching positive impact in bringing a qualitative change and revolutionizing the farming sector in India. It is also an example of how well meaning corporate can contribute to development of agriculture by building sustainable business models.

Each "Hariyali Kisaan Bazaar" centre operates in a catchment of about 20 kms. A typical centre caters to agricultural land of about 50000-70000 acres and impacts the life of approx. 15000 farmers.

V. Methodology For The Study:

For this study, data was collected through an exploratory sample survey of 100 respondents in the rural areas of eastern and central Uttar Pradesh by using a questionnaire containing both open ended and close ended questions. Some of these questions used five point Likert scale to capture data relating to 8 preference variables and 6 demographic parameters.

For this study hypothesis were developed and tested using chi-square, T test and ANOVA. Data analysis was carried out with the help of SPSS Version 17.

Since the objective of the study is to understand the purchasing behaviour of rural customers for organised retailing in rural India. We tried to understand the below mentioned points.

- ✓ The place of purchase for different categories of products
- ✓ Need fulfilment by the nearest market
- ✓ Influence of family, friends, advertisements and shopkeeper's on purchase behaviour
- ✓ Level of Satisfaction with existing retail market.
- ✓ Demographic influences if any, affecting the preferences of different buyers

Results and discussion:

1) Sample Descriptions: Demographic Variables

a) **Distribution of respondents on the basis of age**

Table 1: Age wise distribution

Age Group	Frequency	Percentage
Below 30	50	50
30-40	19	19
41-50	22	22
Above 50	9	9
Total	100	100

b) **Distribution of respondents on the basis of gender**

Table 2: Gender wise Distribution

Gender	Frequency	Percent
Male	57	57
Female	43	43
Total	100	100

c) **Distribution of respondents on the basis of marital status**

Table 3: Marital status wise distribution

Marital Status	Frequency	Percent
Single	44	44
Married	56	56
Total	100	100

d) **Distribution of respondents on the basis of marital status family type**

Table 4: Family type

Family Type	Frequency	Percent
Nuclear	49	49
Joint	51	51
Total	100	100

e) **Distribution of respondents on the basis of profession**

Table 5: Profession wise distribution

Profession	Frequency	Percent
Service	15	15
Business	21	21
Student	28	28
House wife	15	15
Farmer	5	5
Teacher	14	14
Other	2	2
Total	100	100

f) **Distribution of respondents on the basis of Educational Qualification**

Table 6: Educational Qualification wise distribution

Educational Qualification	Frequency	Percent
Primary	3	3
High School	20	20
Senior Secondary	18	18
Graduate	41	41
Post Graduate	18	18
Total	100	100

2) **Distribution of customers on the basis of need fulfilment through different retail markets**

Table 7: Descriptive Statistics

Product Category		Village	Weekly Hat	Tehseel	District	Total
Fresh Fruits	Frequency	50	24	26	0	100
	Percent	50	24	26	0	100
Personal Care Products	Frequency	41	18	27	14	100
	Percent	41	18	27	14	100
Tea	Frequency	47	11	23	19	100
	Percent	47	11	23	19	100
Soft Drink	Frequency	89	4	7	0	100
	Percent	89	4	7	0	100
Packed Grocery items	Frequency	32	17	28	23	100
	Percent	32	17	28	23	100
Clothing	Frequency	7	10	15	68	100
	Percent	7	10	15	68	100
Footwear	Frequency	4	10	22	64	100
	Percent	4	10	22	64	100
Durables	Frequency	3	0	19	78	100
	Percent	3	0	19	77	100

Following are the points that emerged from the table given above

- For fresh fruits, 50 respondents buy it from their village market, 24 and 26 are the no. respondents buying the fresh fruits from weekly hats and tehseel respectively.
- For personal care products, maximum no of respondents i.e. 41 buying it from village market however few of the respondents, 8 ,27 and 14 fulfilling this requirement from weekly hat and tehseel and district centres.
- For purchasing tea most of the respondents(47) going to village shops 11 are going to weekly hat, 23 and 19 are going to tehseel and district centres respectively
- A very big no of respondents (89) are purchasing soft drink from their villages only 4 and 7 are purchasing from weekly hat and tehseel respectively.
- Maximum no of respondents (32 and 28) purchase packed grocery items from village market and tehseel only 17 and 23 respondents purchase from district centres and weekly hat.
- A very small (7) respondents purchase their clothes from village maximum (68) are purchasing from district centres and 10 and 15 are purchasing from weekly hat and tehseel respectively.
- 64 respondents are going to district centres for footwear purchase and 4, 10 and 22 are purchasing from village, weekly hat and tehseel respectively.
- Durables are mainly purchased from district head quarter (77 respondents) and tehseel (19) only 3 are purchasing from villages.

3) Availability of products in rural market

Are all products you need is available in that store located in market place that you visit?

Table 8 :Product Availability

Response	Frequency	Percent
Yes	9	9
No	91	91

This has been observed that maximum no. of respondents (91) say no for the availability desired products in village market that they needed at times.

Do you have to unwillingly purchase substitutes in case your desired product/brand is not available?		Frequency
Valid	**Yes**	48
	No	43
	Total	91

This has also been observed that in case when the village market is unable to fulfil the desired need some of the customers are bound to go for to go for available substitutes. However, some of them explore the other markets. This conclusion is supported by the data collected and then represented in the table 9.

4) **Factors influencing purchase decision in rural markets**

Table 10 : Mean values of the factors influencing the purchase decisions of the respondents

Influencing Factor	Mean Value	Std. dev	Rank
Suggestion from family member	2.42	1.165	3
Shopkeeper's recommendation	2.58	1.093	2
Suggestion from friends	2.98	0.91	1
Advertisements	2.02	1.092	4

The above table shows the mean scores obtained by the factors influencing the purchase decision of rural customers. This has been observed that customers are most influence by friend's suggestions. This obtained the highest mean value (2.98). Shopkeepers and family members also have a significant impact on the buying behaviour. However advertisements have least impact on buying behaviour of rural customers.

5) Satisfaction level of different factor of accessible retail market

Mean scores of satisfaction level of factors

Table 11 : Mean scores of satisfaction level of factors

Factors	Mean Value	Std.dev
Price	3.38	.874
Accessibility	3.13	1.079
Variety of Brands	2.54	1.029
Quality	2.54	.968

Table 11 shows the mean scores of the satisfaction level of rural customers for accessible market. This has been observed that customers are quite satisfied with price and accessibility of retail market with a mean vale of 3.38 and 3.13 on five point scales suggestions. However they are not satisfied with variety of brands and quality of products (mean value 2.54 each) in rural markets.

6) Influence of factors on purchase decisions and its variation with demographic distribution

a) Gender

Table 12 : Influencing factor variation with gender

Influencing Factor	T value	Sign	Result
Suggestion from family member	-4.317	.000	Significant
Shopkeeper's recommendation	4.912	.000	Significant
Suggestion from friends	.695	.489	Not Significant
Advertisements	-.764	.446	Not Significant

- This has been observed from the above table that the influence of family member and shopkeeper's recommendation on purchase decisions rural customers significantly varies with gender(T = -4.317 & sig.= .000 and T = 4.912 & sig.= .000 respectively, sig value less than .05 in both cases)
- Influence of suggestion from friends and advertisement on purchase decisions of rural customers are not significantly varies with gender(T = .695 & sig.= .489 and T = -.764 & sig.= .446 respectively, sig value greater than .05 in both cases)

b) Marital Status

Table 1.12 : Influencing factor variation with marital status

Influencing Factor	T value	Sign	Result
Suggestion from family member	-.255	.799	Not Significant
Shopkeeper's recommendation	-6.782	.000	Significant
Suggestion from friends	1.763	.081	Not Significant
Advertisements	4.952	.000	Significant

- This has been observed from the above table that the influence of shopkeeper's recommendation and advertisement of purchase decisions on rural customers significantly varies with respondents marital status (T = -6.782 & sig.= .000 and T = 4.952 & sig.= .000 respectively, sig value less than .05 in both cases)
- Influence of family member and friends on purchase decisions of rural customers are not significantly varies with respondents marital status (T = -.255 & sig. = .799 and T = 1.763 & sig.= .081 respectively, sig value greater than .05 in both cases).

c) Family Type

Table 12 : Influencing factor variation with family type

Influencing Factor	T value	Sign	Result
Suggestion from family member	-2.574	.012	Significant
Shopkeeper's recommendation	-.076	.939	Not Significant
Suggestion from friends	2.004	.048	Significant
Advertisements	1.104	.272	Not Significant

- This has been observed from the above table that the influence of family member and friend's suggestion on purchase decisions of rural customers significantly varies with their family type (T = -2.547 & sig.= .012 and T = -.076 & sig.= .048 respectively, sig value less than .05 in both cases)
- Influence of shopkeeper's recommendation and advertisement on purchase decisions of rural customers are not significantly varies with their family type (T = .695 & sig.= .489 and T = -.764 & sig.= .446 respectively, sig value greater than .05 in both cases)

d) Age Group

Table 13 : Influencing factor variation with Age Group

Influencing Factor	F value	Sign	Result
Suggestion from family member	2.347	.078	Not Significant
Shopkeeper's recommendation	12.834	.000	Significant
Suggestion from friends	2.748	.047	Significant
Advertisements	10.785	.000	Significant

- This has been observed from the above table that the influence of shopkeeper's recommendation, suggestion from friend and advertisement on purchase decisions of rural customers significantly varies with age group (F = 12.834 & sig.= .000, F = 2.748 & sig.= .047 and F = 10.785 & sig .000 respectively, sig value less than .05 in all three cases)
- Influence of suggestion from family member on purchase decisions of rural customers is not significantly varies with gender(F = 2.347 & sig.= .078, sig value greater than .05)

e) Profession

Table 14 : Influencing factor variation with profession

Influencing Factor	F value	Sign	Result
Suggestion from family member	2.559	.024	Significant
Shopkeeper's recommendation	25.709	.000	Significant
Suggestion from friends	3.579	.003	Significant
Advertisements	9.240	.000	Significant

- This has been observed from the above table that the influence of all four factors significantly varies with their profession (sig less than .05 all cases)
-

f) **Educational Qualification**

Table 15 : Influencing factor variation with educational qualification

Influencing Factor	F value	Sign	Result
Suggestion from family member	.755	.557	Not Significant
Shopkeeper's recommendation	1.807	.134	Not Significant
Suggestion from friends	2.770	.032	Significant
Advertisements	.812	.521	Not Significant

- This has been observed from the above table that the influence of suggestion from family member, shopkeeper's recommendation and advertisements on purchase decisions of rural customers does not significantly varies with their qualification (F = .755 & sig.= ..557, F = 1.807 & sig.= .134 and F = .812 & sig .521 respectively, sig value greater than .05 in all three cases)
- Influence of suggestion from friend on purchase decisions of rural customers is significantly varies with educational qualification (F = 2.770 & sig.= .521, sig value greater than .032)

7) Level of satisfaction of existing retail market and its variation with demographic distribution

a) Gender

Table 16 : Variation in Level of satisfaction with gender

Factors	T value	Sign	Result
Price	2.704	.000	Significant
Accessibility	2.012	.000	Significant
Variety of Brands	2.674	.489	Not Significant
Quality	4.633	.446	Not Significant

- This has been observed from the above table that the satisfaction level of price and accessibility of retail market rural customers significantly varies with gender (T = 2.704 & sig.= .000 and T = 2.012 & sig.= .000 respectively, sig value less than .05 in both cases)
- Satisfaction level with variety and quality of products not significantly varies with gender.

b) Marital Status

Table 17 : Variation in Level of satisfaction with marital status

Factor	T value	Sign	Result
Price	-.625	.533	Not Significant
Accessibility	1.750	.083	Not Significant
Variety of Brands	-.148	.883	Not Significant
Quality	-.990	.325	Not Significant

This has been observed from the above table that the satisfaction level with existing retail market of all four factors not significantly varies with their marital status of respondents (sig more than .05 all cases)

c) Family Type

Table 18 : Variation in Level of satisfaction with family type

Factor	T value	Sign	Result
Price	-.828	.410	Not Significant
Accessibility	3.889	.000	Significant
Variety of Brands	-1.259	.211	Not Significant
Quality	-1.983	.050	Not Significant

- This has been observed from the above table that the satisfaction level of price and variety of brands and quality of products of retail market for rural customers does not significantly varies with their family type (sig value greater than .05 in all three cases)
- Satisfaction level with accessibility of retail market significantly varies with family type.

d) Age Group

Table 19 : Variation in Level of satisfaction with age group

Factors	F value	Sign	Result
Price	.640	.591	Not Significant
Accessibility	2.962	.036	Significant
Variety of Brands	.320	.811	Not Significant
Quality	1.464	.229	Not Significant

- Satisfaction level with accessibility of retail market significantly varies with age group.
- This has been observed from the above table that the satisfaction level of price and variety of brands and quality of products of retail market for rural customers does not significantly varies with their age group (sig value greater than .05 in all three cases)

e) Profession

Table 20 : Variation in Level of satisfaction with profession

Factors	T value	Sign	Result
Price	2.726	.017	Significant
Accessibility	5.583	.000	Significant
Variety of Brands	1.719	.125	Not Significant
Quality	4.178	.001	Significant

- This has been observed from the above table that the satisfaction level of price, accessibility and quality of products of retail market for rural customers significantly varies with their age group (sig value greater than .05 in all three cases).
- Satisfaction level with variety of brands available at retail market significantly varies with profession.

f) Educational Qualification

Table 21 : Variation in Level of satisfaction with educational qualification

Factors	T value	Sign	Result
Price	1.081	.370	Not Significant
Accessibility	.541	.706	Not Significant
Variety of Brands	.661	.620	Not Significant
Quality	.185	.946	Not Significant

- This has been observed satisfaction level with of all four factors does not significantly varies with their profession (sig greater than .05 all cases)

VI. Conclusions:

As seen in the study, some of the retailers tried to understand and fulfill the requirement of the rural customers but as such no model is fool proof and hence not living up to the expectations of the customers. This study is an attempt to understand the needs of the rural india and available options to fulfill the needs. This has been observed that respondents are widely dispersed on the basis of product categories and the available retail market options. Most of them are buying personal care, fruits and grocery item from village and weekly haats. However, products like are clothing, footwear and durables are mostly purchased from Tehsil and district centres.

On further exploration, this has been found that most of the respondents agreed that the products of their choice are not available in the existing retail options. Alternatively they have to go for available substitutes. This has been observed that factors affecting customer’s purchase decisions varies with demographic factors. Customers are satisfied with prices and accessibility of the market. But, comparatively they are not satisfied with Quality and Variety of brands.

It is observed from the above table that the influence of family member on purchase decisions significantly varies with gender, family type and profession and not varies with marital status educational qualification and age. Most of respondents are not satisfied with the quality of products and variety of brands available at accessible retail market and responses merely varies with demographic factors.

VII. Recommendations And Managerial Implications:

Limitations of the Study:

The sample population of this study has been drawn from east and central Uttar Pradesh, which represents a different culture and high concentration of lower middle class. The findings of this study therefore need to be generalized with care. While it could be of use for understanding possible future trends in consumer preferences in other villages, it would be necessary carry out local studies using the model presented in this study for taking in to account the cultural and demographic differences.

This study also treats Indian consumers as part of a single cultural entity. While this could be so at the macro level of retailing, cultural differences among the rural consumers could become an important variable at the micro level. More research would be needed for generalizing the findings of the study at the micro level

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