CHAPTER – VII

SWOT ANALYSIS OF RURAL MARKETS
CHAPTER-VII

SWOT ANALYSIS OF THE RURAL MARKETS

Introduction

After presentation and analysis of the data in the last few chapters, an attempt has been made to identify the strengths, weaknesses, opportunities and threats of the markets. This analysis is carried out at two levels. The first part is carried out on the aspects of market behaviour and the then on the aspects of market participants. The SWOT analyses of the rural markets on both the aspects are discussed below.

SWOT analyses on the aspects of the Rural Markets

The Rural Markets of West Garo Hills District has an important role in the development of the economy of the district. Therefore, it is necessary to point out the strengths and weaknesses of the markets and also its opportunities and threats so that further action can be undertaken by the respective authorities to strengthen the market potentiality. The strengths, weaknesses, opportunities and threats of the markets are pointed out hereunder:
Strengths

1. There are a good number of rural markets of different sizes viz. large, medium, small and very small fulfilling constitutional objectives based on principle of social justice and prices of the products remain same in all the rural markets.

2. Institutionalization of rural market management has begun by way of creating bid systems, generation of revenue and their investment in market development.

3. Diverse ethnic groups with different demographic background have great psychological attachment with the markets.

4. Rural markets are the important channels for exchange of almost all types of products, services, livestock that are produced and distributed in the state.

5. Sales turnover of various markets is different from market to market ranging from Rs. 15000 to nearly Rs. 50,000 on market days. The unique strength is that thousands of people are involved in the business transactions, which is different from the corporate world where either a single organization or an individual earns the profit. This system is quite suitable to create employment and distribution of wealth and profit among the majority in the society.
6. The buyers spend considerable amount on purchasing their requirements and it is more in case of special occasions like festivals, ceremonies, etc. The Rural people buy all their requirements from the rural markets only at the most.

7. Significant investments are made by Mahaldars, middlemen, sellers and facilitator to generate profit from the rural markets. Besides, small and micro enterprises are also operating with minor investments. Various market partners are making reasonable and lucrative profits from the rural markets on the basis of their investment and business volume.

8. Even though dominant ethnic groups exercise major part in the rural markets, socio-cultural harmony i.e. unity in diversity is found in all the markets.

9. The rural market places are used as centers for entertainment, social gathering and meeting of young couples. Moreover, the rural markets are generating good amount of revenue from the sellers, service providers and other facilitators which is useful in meeting the expenditure needed for rural development.

10. The rural markets are functioning as the only source of income for the rural farmers.
11. The rural markets are providing employment and self-employment opportunity to thousands of people in the form of revenue collectors, supervisors, Mahaldars, sellers, middlemen and facilitators.

12. Weekly market system has been sustaining over centuries and a number of such markets have been evolving over a period of time.

13. The prices of most of the items especially vegetables, second hand items and cosmetics are cheap in all the markets as the goods are of low quality. Furniture prices are low in markets like Garobadha, Selsella, Tikrikilla as the wood needed for making furniture are easily available.

14. Domestic services like barber, cobbler and collies are available in all the markets.

15. Products like ginger, paddy, bamboo, dry fish, vegetables, live stock, coconut, chilly are found in large quantities in the markets.

16. On the market days many people play different market partner's role like buyers, sellers, middlemen, facilitators and Mahaldars and they come from on an average distance of minimum five kilometers to maximum fifty kilometers. In case of hill markets, most of the buyers come from different interior places on foot from
four to eight kilometers. Products are also brought from and sent to long distances.

17. Among monitoring and supporting agencies, District Rural Development Authority initiated constructing market sheds for the sellers in some of the markets.

18. The weekly markets are symbols of unity in diversity where people of multi languages exchange their ideas and thoughts either in one major language like Hindi or their respective mother tongue.

19. The rural markets are helping in celebration of series of various ethnic group festivals by facilitating in the form of providing donations for celebration of multi ethnic religious festivals.

Weaknesses

1. Mahaldars charge more amount of ‘Khajna’ from the sellers than what is fixed by the monitoring agency and market infrastructure like creation of sheds, roads, drainage, toilets, drinking water facility are very poor and in deplorable conditions in several markets.

2. In many of the rural markets maximum products sold are in duplicate especially in case of cosmetics items which do not generate any tax to the government.
3. From the inception and development of markets, mind-set of the people has been changing in society in general and individual mind-sets in particular. The spirit of dynamics among the organizational mind-sets influences the mind-set of the people to a more progressive outlook and vision. Even though these organizational mind-sets have great intrinsic ideologies and philosophies, it is noticed that they have remained static over a period of time rather than becoming dynamic in the evolution process.

4. Cognitive development among various diverse ethnic groups seems to be in the evolutionary stage, resulting in ethnic conflicts causing series of ‘bandhs’. Markets and government incur heavy losses due to ‘bandhs’ culture. The different segments of the society which depend on these markets have to suffer a lot due to ‘bandhs’.

5. Value addition in terms of quality, packaging, standardization, grading, etc. is relatively poor.

6. Production of milk, egg, meat and other products has been static because of which it becomes cost effective due to rising demand.

7. Facilitating systems for the rural markets are not sufficient in strengthening the age-old market system.
8. Emerging modern market systems have started capturing a portion of market share in some quarters of the society.

9. In some markets like Garobadha, Chibinang the areas for the markets is not adequate.

10. During off season the supply of products is no adequate.

11. In case of plain as well as hill tribal markets relatively small range of products like day-to-day domestic products are available but occasional and occupational requirements as desired by the customers are not available all the time.

12. Local people mostly involve in selling vegetables, groceries where as Bengali, Bihari sellers take up lucrative selling activities like cosmetics, cloths, shoes etc.

13. Absence of sufficient facilitators is a weakness in the rural markets.

14. In some markets certain products like live stock, commercial crops, furniture and medicine are not available for which people have to go to long distances.

15. Prices of various fruits like apple, grapes, orange are very high in all the rural markets.

16. Due to frequent bandhs, markets are closed continuously for two-three days together. Consequently the sellers have to suffer a lot
and the buyers fail to get their domestic requirements in right time and at right place.

17. Different unions also reportedly collect donations from the rural markets for their vested interest which severely dissatisfied the sellers.

18. The house building materials like Brick, Sand, Rod, Paint etc are not available in all the rural markets.

19. In the rural markets woods are illegally brought and sold in the markets.

20. The traditional transport system like Cycle, Thela, Auto, Cart etc are used popularly in the rural markets which are not suitable to carry bulky and heavy produces in the market.

21. The very basic spirit of rural markets started with producer-cum-seller is slowly being replaced by sellers, which ultimately affects the basic principle of this system.

Opportunities

1. Since diverse ethnic groups have greater psychological contact with the markets and their needs and purchasing power have been changing in the economy, there is greater scope to strengthen the market exchange processes in terms of quality, quantity, exports, imports and turnover.
2. If value addition is greater in the market, there is a greater scope to multiply its revenue which could be used for development in the rural areas.

3. It is a great opportunity for rural development agencies like District Rural Development Authority and Tribal development agencies to impart entrepreneurial training among the farmers and entrepreneurs to start micro enterprises. Besides, they may take initiative to build up the markets with appropriate infrastructure.

4. There is scope to improve exports and imports of various products with other states through the network system.

5. Since there are continuous demand for certain products like jute, paddy, clothe, mattress, furniture, etc. in the markets like Tikrikilla, Garobadha and Kherapara, there is a scope to arrange storage facilities for sellers to reduce expenditure and risk of carrying the goods.

6. There is scope to sell products like fruits, raw-fish, live stock, books in large quantity in the rural markets.

7. Development of these markets would lead to the growth of the rural economy and lead to a self employed economy which in turn will gear up rural development.
**Threats**

1. If these markets are not rationalized as per changes in the environment, emerging new marketing system with value addition may replace the age-old rural market institutions.

2. If duplicate products are allowed to sell in the markets, corporate sector (which produce quality products) penetration in the rural areas will be difficult and government will be deprived of the revenue which can be generated from corporate sectors.

3. If the rural markets stop its functioning then, rural people will face many problems.

4. If local people are not encouraged to take up revenue generation activities, there is a danger of communal conflicts.

5. If frequency of ‘bandhs’ increases in future, the markets may have to face numerous problems.

6. If donations are collected with vested interest, market performance may be affected.

**SWOT analyses on Sellers’ Behaviour Perspective**

Sellers are the major participants in the rural markets. The whole rural marketing system depends on the functions of the sellers. Therefore, it is felt necessary to study the strengths and weaknesses of the sellers in the rural markets.
Strengths

1. Weekly markets are the major source of livelihood for all the ethnic groups belonging to all the age groups, sex, permanent and temporary, small and big sellers. For example, Permanent sellers like cloth sellers, stationery dealers, sellers of cosmetic items and groceries are selling throughout the year for 3 to 6 days per week. Likewise when seasonal products are available, local people use to sell them in the rural markets.

2. Various sellers, who are attached to the markets over a long period of time have been promoted and sustained their profession due to several forces like family background, supporting economic activities, lucrative business, unemployment etc. For example, several generations from the same families are seen as permanent sellers, several farmers are observed as occasional sellers, some sellers from regular markets in the local areas are found as sellers in weekly markets. Similarly, unemployed youth are seen selling different products in the weekly markets.

3. Various ethnic groups of sellers have reasonable knowledge about factors influencing the buyers' behavior and their strengths and weaknesses and accordingly orient their marketing policies,
strategies and practices. For example, right price for the good quality products, regular and prompt payment, frequent purchase, good mannerism, etc are realized as strength of buyers. Buyer’s weaknesses such as bargaining much for the products is used in marketing by way of quoting higher prices and bringing down to fair price where sellers are able to get their expected price.

4. There is scope to start selling activities even with minimum amount. One of the unique features of these markets is that even a common man who is in need of buying some products and does not have money can come to the market with his own products and sell such products in the market and in turn buy whatever they need with the amount received by selling the products. Such practices are very much regular in the rural markets. The rural markets are free to enter and leave the market as per the convenience of the sellers. There are no restrictions for entry of sellers and anybody can initiate business at their level.

6. Even though some sellers are marketing their products and services for specific target customers, as a whole, most of the sellers in each market are able to offer their product to different
segments like rich, middle, poor, male and female aged, middle, young children tribal and non-tribal rural and urban, etc.

7. The permanent sellers are more experienced in understanding specific requirements of various segments and accordingly they are able to procure things from various sources and delivering them in right time. For example, Cloth sellers know different traditional dresses used by various ethnic groups and accordingly such things are procured from different places for the purpose of selling in the rural market.

8. Bengali, Bihari sellers are able to play their roles effectively with economically sound customers. For example, these transactions with customer are found to be fair in terms of quality, price and service.

9. One of the unique entrepreneurial traits found among indigenous sellers is that human touch/concerned for poorest of the poor in fixing price and offering credit facilities in selling products and services and which is mostly found in weekly market meant for all segments of the society.

10. Muslim people are the largest sellers of vegetables in most of the market because they are the highest producers of vegetables.
11. Most of the sellers have their cultivable land to cultivate vegetables and other commercial crops for their family which assist them in economy.

Weaknesses

1. Sellers with less experience are not able to meet customers' requirements due to their lack of confidence and business experience.

2. Due to lack of proper education or less literacy, the sellers are not able to perform better in their business. For example, illiterate sellers are not able to sell their produce in an expected manner. It is also seen that they are not able to display the products in the right place in the right way.

3. The undesirable entrepreneurial traits identified among various ethnic groups like less perseverance, lack of hard work, less desire for money, lack of initiative, lack of business oriented interpersonal skill etc.

4. Different prices are charged for same quality of products by different sellers in the same market and in the same season in case of few markets. It is because of lack of uniform pricing policy and practices.
5. During off season, the prices of some products like vegetables, pulses, cereals, etc. go up and sales turn over of various individual seller go down due to less turnout of various participators specially like buyers. It is because most people don’t have sufficient purchasing power and many of the market partners are involved in agricultural activities.

6. In some cases, low prices for the good quality, irregular payment, unreasonable bargaining, etc, are considered as the weakness of buyer behavior which affect the turnover and profits of the sellers.

7. Some of the sellers have cognitive dissonance frequently and consequently, the rate of absenteeism is increasing in the market.

**SWOT analyses on Buyers’ Behaviour Perspective**

Like sellers, buyers are also the major participants in the rural markets system. Therefore, it is necessary to know about the strengths, threats and opportunities for the buyers.

**Strengths**

1. Buyers having socio-economic background like lower middle class and poor people depending on agriculture and its subsidiary occupations have greater attachment towards weekly markets in
terms of buying various kinds of domestic and occupational
requirements and selling their small quantities of agricultural
products for meeting their day to day financial needs besides
fulfilling their socio cultural needs.

2. In some cases, vegetables, raw-fish furniture, paddy, rice,
bamboo, mattress, etc. are bought from producer cum-sellers to
get products of their choice at reasonable price and getting credit
facilities at the same time.

3. Most of the products are purchased from sellers who are able to
procure them from different distant places. For example, Squash,
capsicum, onion, pulses (like mug, masoor), sugar and cloth.

4. Since, the same set of buyers, sellers, facilitators and mahaldar
are continuously interacting with one another over a period of
time, each one of them has the opportunity to understand other
partners by their total behavior perspective. In this regard buyers
are not exceptional and they are able to get several facilities like
getting hardly available products (by special order), credit
facility, helping other partners in many respects in times of crisis.

5. Besides buying for personal and family purposes the buyers also
buy products for friends and relatives on various occasions like
marriage, birthday, festivals and other social purposes e.g. basic
requirements like pulses, cereal, vegetables, groceries are purchased for personal and family purpose on regular basis on the other hand clothes, utensils, gift items are purchased for friends and relatives on various occasions usually.

5. Since sellers do not address issues related to products, services and prices appropriately, buyers are inclined to shift to other sellers.

6. Since only seasonal products are available in the markets, buyers are not able to purchase all products every time.

**Threats**

1. If the present trend of shifting of the rural markets towards other types of markets is not controlled by taking appropriate steps then, these markets may be extinct over time.

2. Most of the respondents do not understand language like Hindi, Bengali in some markets, which brings communication gap among the respondents.

**Opportunities**

1. If good quality durable products are available in the rural markets then, the urban people may also buy such products besides buying non durable goods from the rural markets. Moreover, the rural
people will not move to the urban markets for the purpose of buying such durable products.

2. In the modern time the tribal people are interested in using good and fashionable products irrespective of cost at their level, so such products may be made available in the rural markets.

3. If infrastructure like toilet, sanitation, drinking water and roads improved then more people may visit the rural markets from different places.

**SWOT analyses on Mahaldars’ Behaviour Perspective**

**Strengths**

1. In all the markets except Rajabala, experienced Mahaldars are appointed and they belong to dominant local community who can understand and seek support from the local community in the process of managing the market system.

2. The family members and friends of Mahaldars help in tax collection and general management of the markets.

3. In the rural markets receipts are issued to the tax payers for the tax amount paid in case of products like livestock.

4. Tax collectors appointed by the mahaldars are paid reasonable remuneration as per agreement where ever they are engaged.
5. Most of the Mahaldars have better knowledge about their partners and they manage market positively to a greater extent as far as possible.

6. Mahaldars also maintain law and order of the rural markets and provide security to the different partners as far as possible. They also remain alert about market activities.

7. Mahaldars have been responsible for abolition of anti-social activities like gambling, selling of liquor and other unfair activities in the markets.

8. Problems arise in the market period are solved by the Mahaldars through negotiation between the partners because he is the sole authority of the market.

Weaknesses

1. In the tribal dominated markets the tax rate charged by the mahaldars is relatively high.

2. Mahaldars are mostly interested in collection of tax rather than maintaining its cleanliness and providing infrastructure.

3. The amount of ‘Khajna’ charged by the mahaldars is generally higher than the listed rate fixed by the competent authority.
4. In some markets like Rongram, Selsella, Dalu, Chibinang, gambling and selling of liquor are encouraged which affect to the socio-economic status of the people.

**Opportunities**

1. Since market size and its operations have been increasing over a period of time, it may be assumed that they may further increase more which may facilitate more earning for the Mahaldars.

2. Mahaldars are able to develop enterprising skills and leadership qualities which may help in their career development.

**Threats**

1. The bid value may be increased in due course of time which may affect profits of the mahaldars.

2. Due to frequency of 'bandhs', mahaldars are not able to collect the bid value to be paid to the Government.

**SWOT analyses on Middlemen’s Behaviour Perspective**

**Strengths**

1. Generally, only the non tribal people other than indigenous people are involved in most of the middlemen activities.

2. Since middlemen are experienced they have better knowledge about partner behavior and they maintain good relations and co-
operation with the respective partners for increasing their business in present and future.

3. Middlemen invest relatively more on lucrative items like vegetables, commercial crops, livestock (cow, goat, hen and duck).

4. Middlemen prefer to buy their requirements from rural weekly markets as the items they buy are fresh and cheap.

5. The middlemen use standard methods in procuring things from various sellers, in case of price fixation, measurement, payment of credit etc.

6. Facilitators are mostly engaged by middlemen in the rural weekly market to carry out their things from one place to another.

**Weaknesses**

1. Indigenous people rarely involves in middlemen profession even though there are people who are capable of carrying out such activities.

2. Very often the middlemen are not able to find products in the rural markets as per the quality and quantity they need.
3. Middlemen experience conflict in case of buying and selling of vegetables and commercial crops in peak season and these results in reducing profits, even sometimes loses also.

4. Even though women are found as sellers, buyers, facilitators but they are not found as middlemen in the markets.

5. In some cases farmer-cum-sellers are not able to get the right price for their products.

6. The agent middlemen exploit buyers and sellers in livestock markets.

***************