CHAPTER 11

ANALYSIS OF QUESTION 1

11.1: Background

A Retailer is basically engaged in the activities related to the sale of goods and services to the final consumers who uses them for their own personal use and not for any further resale. In rural markets the consumers have various sources to consult and get information which indirectly have an impact on his purchase decisions. These sources may be either personal or non-personal in the form of any marketing stimuli and may be derived from both the internal and external world. But the personal sources are more influential compared to other marketing stimuli. Among the personal sources, friends, peers, relatives and retailers are entities who are worth for consideration. Today key opinion leaders emerging in the rural markets include students, retailers, rural teacher and family members (Velayudhan, 2007). The family head exerts the highest degree of influence in the purchase decision of a product. And he is followed by retailers, members of the family and relatives (Gupta and Mittal, 2009). Therefore for products to be well distributed across the country, marketers expect that their efforts result in their products reaching rural areas through rural retailers (Ghosh and Krishnaswamy, 1997).

Among the various categories of products available in the rural markets, in the purchase of convenience products, retailers play a crucial role (Rao, 1997). Retailers in rural markets have a strong bond with customers and they play a significant role in brand promotion. In the rural areas customers’ low brand awareness enables retailers to push any brand of their choice. Frequently the customer will ask the retailer, “Paanch rupaye
“waali chai dena”. In other words, customers’ have strong trust on the retailer and is satisfied with the purchasing any brand of tea as long as it is priced at INR5. In such a situation, it is the task of the retailer to push the brand that he chooses. Thus retailers are highly influential in rural markets (Kashyap, 2012).

Today the rural markets are more pressurized with the presence of local players and local brands (CII FMCG Roadmap 2020). Local players with brands promise rural retailers with higher margins of profits and longer credit periods. As a consequence of this rural retail shelves are flooded with local brands. According to Khatri (2002), retailers make their impact on consumers by offering credit facility on the various consumable goods that are purchase by the consumers. Lokhande (2003) is of the opinion that the influence of shopkeepers is such that, they virtually does a strong mind positioning of a product or service which ultimately push or pull a brand.

11.2: Sources of data: The data collected are basically from primary and secondary sources. Primary source included interview with retailers from four districts and secondary sources included literatures related to retailers’ role in rural areas.

11.3: Content Analysis

After performing content analysis of the interviews and available literatures, rural retailers are found to play significant roles in influencing purchase decision of rural consumers. These (as given in Figure 11.1 below) make the position of rural retailers unique as compared to their urban counterpart. The following roles have been identified for the rural retailers.
Firstly a rural retailer plays the role of a Credible Adviser. A retailer in rural area is trusted by the villagers and his opinions and advice are followed thoroughly by the rural mass whose level of exposure to media and awareness level is low. Secondly a rural retailer plays the role of an Influencer. A retailer is well established in this particular field and his arguments and comments counts a lot in the diffusion of a product in the market. But in case of a retailer in an urban area, his leadership role as an influencer is comparatively less. Thirdly a rural retailer helps in the promotion of a brand. In the rural markets, the role of merchandise planning in the shelf and POP displays does not have much impact. The retailer in fact plays a pivotal role for brand endorsements and brand evaluation on behalf of customers. Fourthly a rural retailer plays the role of a marketer for building relationship.

![Role played by Retailers in Rural markets](image_url)

Fifthly a rural retailer is the Harbinger of Change. In an environment where people have relatively lesser access to information on external developments, he plays the role of an informer of changes and latest happenings in the market.

The retailers is such a relationship builder that his relations with customers runs for generations. He is able to maintain because he has credibility in his retailing practices.