

A Study on Rural Retailer and Consumer Decision Making - A Literature Review

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Abstract— the aim of this study is to explore the role of rural retailers and examine how they influence rural consumer's purchase behaviour. Also, how rural retailers, as a part of unorganized retailing represents their unique characteristics was investigated. The parameters of retailer's merchandising, their advantages of social capital, vulnerability and drawbacks stemming from remoteness was re-examined too. This article took a consolidative literature review method where secondary information and data were collected. Numerous journals, research article, publications written on rural retailers were collected, analysed and evaluated. Renowned database and search engines like Google scholar, Elsevier, Emerald, and JSTOR were reviewed for collecting relevant and significant journal articles and research papers. This study later tried to synthesize how as a vital link of the urban to rural supply chain, rural retailers act as a 'lifeline' of daily necessities for rural consumers. Though the rural retailers play a crucial role in the supply chain, they are hardly discussed in western academic journals. Similarly, the researchers of developing nations appear to be more enthusiastic to research western retailing models and their contribution in retailing industry. Therefore, any paper on unorganized rural retailing holds a great deal of significance and distinctiveness. Subsequently, as the rural retailers have an important role in seamless supply chain operation and building consumer purchasing preference which contributes to the development of emerging economies. Thereby, the unmistakable need of future, in-depth research on rural retailers became very evident throughout this article.

Keywords— Rural Retailer, Unorganized Retailing, Consumer Behaviour, Rural Retailer's Purchase Preference

1. Introduction

Retailers play a dominant role in supply chain as they have significant control over the consumer. Though rural retailers are relatively less researched as they are difficult to fit in the western model of retailing, nonetheless, there can be no denying that rural retailers play a very crucial role in serving the vast population of the developing world. They are the last link to millions of rural consumer and their economic importance stems from their ability to

regulate supplies of daily necessity and feed huge rural population. It has also been broadly recognized by researchers that they play a vital role in the success or failure of marketing efforts of FMCG products.

These rural retailers who are often termed as 'unorganized-traditional retailer', 'micro-merchant', 'subsistent retailers' or 'rural neighbourhood grocer' are very difficult to explain as academicians or marketers cannot straightaway borrow definitions from the 'models of retailing' offered by the western world. Majority of the available literature of rural retailers in developed world is based on the conception of 'central market place theory' [1]. But these proposition fails to explain the ground reality that a rural retailers of developing nations operate in.

This study initially segregates retailing in two major divisions known as organized and unorganized retail. Subsequently, how different researchers have represented the salient features of a rural retailers, who are essentially a part of unorganized retailing is discussed. The financial matric of rural retailer also is found to be important area of interest by a lot of researchers. Evidently, rural retailer's behaviour as a purchaser or merchandiser drew a lot of attention by a good number of researcher. Moreover, rural retailer acting as a hub of social interaction, where retailers use trust, relationship, tradition and values of villagers to their advantage is examined at length. Consequently, as the most important exogenous factors that determines rural retailers success in marketplace is consumer behaviour, the impact and contribution of consumer behaviour is discussed in detail.

2. Literature Review

2.1 Organized VS Unorganized Retailing in the Supply Chain

Before moving into the discussion of unorganized vs. organized retailing one must have a clear understanding

for what the basic supply chain flow is. The standard Supply Chain Management (SCM) flow starts with supplier and extends towards manufacturer, distributor, retailer, and customers as illustrated in figure 2.1. No matter whether it is organized or unorganized, traditional urban or traditional rural, the core objective of SCM is to satisfy the need of the end user or the customer [2]. The focal point of this study is retailers who are located in rural and as shown in the supply chain diagram below they are closest to the customer.

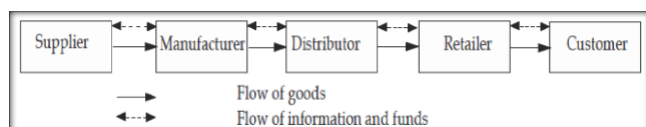


Figure 2.1. Flow of Supply Chain [2]

The proposition that rural retail is just a miniscule version of urban retail store is untrue. In size, functionality, strategic operation and many other aspects rural retail differs significantly from urban retail [3].

As the definition goes, organized traders/retailers, are those who are licensed for trading activities and registered to pay taxes to the government. On the other hand unorganized retailing consists of unauthorized small shops - conventional Kirana shops, general stores, corner shops among various other [4]. One should bear in mind that the rural retailing is a big part of unorganized or traditional retailing but they are not identical.

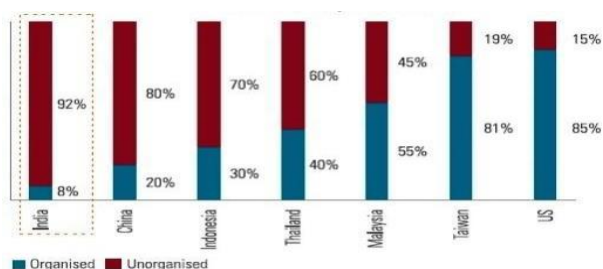


Figure 2.2. Comparison of Organized and Unorganized Retailing Worldwide

Source: *Indian Retail: The Next Growth Story, KPMG Report (2018)*

The comparison of organized and unorganized retailing demonstrates that even big countries like India and China only has 8% to 20% organized retailing. While the majority of western developed countries like USA has 85% organized retailing. As this study tries to focus on the rural retailers/ it is important to understand that the rural retailing is different than unorganized urban retailing. As such, rural retailers requires a differentiated method of analysis. Often lot of literatures while discussing rural retailing refers to the big organized retailers like Walmart, Target, and Carrefour moving into rural area, this initiatives are excluded from this study. Only existing traditional retailers operating inside rural area is under discussion here.

Since rural retailers essentially is a big part of unorganized retailing and rural retailers share a lot of their features and composition with unorganized retailers, a clear demarcation of organized and unorganized retailing will be helpful for a clearer understanding of rural retailer.

Table 2.1. Features and Composition of Organized vs. Unorganized Retailer

Features and Composition	Organized Retailer	Unorganized Retailer
Ownership	Corporate business house. Often goes for Franchise and dealership.	Household business. At times done in partnership or cooperative format.
Financial strength	Big financial commitment. Large Net Working Capital (NWC)	Personal financing. Bank loans. Holds strength of a SME /cottage industry
Size, format and spread of operation	Big establishments. Ex; Super Centers, Hypermarket, Department store, Specialist stores, Big Box retailers, Category specialist etc. Can be local or global with single/multiple/ international chain spread across the world.	Small establishment. Generally covers in and around 100sqft -400sqft. Single, standalone stores. Localized.
Merchandize	Most formats hold deep and varied amount of merchandize both in assortment and variety. Wide range of branded and non-branded products.	Keeps small assortment and variety of merchandize. Selective range of branded and non-branded products. Often keeps local, customized and unique products. May keep counterfeit/look alike/fake products for high margins.
Price points	Actual selling price may go lower than MRP through promotion, store discounts etc.	Doesn't go below MRP. Rather in deep rural pockets they can offer selling prices higher than MRP, taking advantage of exclusivity or ignorance of consumer.
Number and Nature of Employment	Hires large number employees. Applies Human Resource tools and technique for operational efficiency.	Often run single handedly or with the help of family members. May require a few support staffs at times of higher footfalls.
Brand Name	Known by its own Brand name. Keeps merchandise of both 'Private Brands' along with 'National Brands'.	Hardly known beyond its radius of influence. Keeps local brands along with 'National Brands'. Availability of local, counterfeit, look-alikes, fake brand.
Integrated Marketing Communication (IMC)	Runs advertisement to highlight products, brands and promotion. Applies digital marketing techniques.	Depends on Personal selling. Consumer Relationship Management (CRM). Service efficiency to sustain USP.
Tax Payments and Legality	-Greater enforcement of taxation -Strong abidance of legal and ethical practices.	Evasions of taxes. May not fall under taxable income bracket.
Supply Chain Efficiency	Efficient and full-blown supply chain operation in place	Inefficient supply chain leads to stock out situations/supply chain collapse.
Store Ambience	Thoughtfully decorated. Use of prominent brand colors. Store layout, infrastructure, use or ICT attempts to reach excellence	Little financial input doesn't allow too much beautification. Shelves are often not designed/neatly arranged.

Source: Compiled and constructed by authors.

Inspired from reference [5], [6] & [7]

2.2 Who is a rural retailer?

A rural retailer is more of a person than a business entity. His economic behaviour, merchandising, financial strength, area of influence, everything is determined by the setting he is in. Both his customers and his vendors becomes a part of his social network as his contribution is integral to the rural society he operates in.

Reference [8] called rural retailers as ‘Subsistence-type Rural Independent Retailer’ (SRIR). These small retailer of developing or emerging economy should in no way be compared with retailers of developed economy or even with urban unorganized retailers. As the retailing concepts are mostly formed and explained in the context of developed world, defining a rural retailer needs a differentiated approach [1]. The actual experience of the rural retailer is only vaguely understood as there is only a few points of comparison between urban and rural retail format [9].

Unilever Bangladesh termed rural retailers as ‘Rural Neighborhood Grocer’ (RNG). They are types of small store owners that sells groceries and is typically located in smaller rural regions. The RNG may have permanent or a semi-permanent store construction no bigger than 100 square feet. They keep small supplies of basic necessities, personal care products, laundry detergents and food items, etc [10]. They can be referred as ‘self-styled entrepreneur’ who are the ‘lifeline’ of rural livelihood as they are the primary source of daily supply. [11] These stores can be considered similar to the western ‘moms and pops’ store or ‘Kirana stores’ as Indians call it. [12].

The traditional informal market of rural consists of wet-market vendors, push-carts, and mom-and-pop shops. The rural retailer fits into these category [13], [14], [8].

Reference [15] called such small retailers as ‘subsistence merchants’. The marginal commercial standing of rural retailer is also highlighted as they were characterized as under-capitalized, one person performing all the major retail duties, having low magnitude of revenue, operating on a stand-alone shop and who’s fundamental business goals are survival-based [16], [8].

Taking into key features such as locations, ownership types, yearly sales figure, product and service provisions, reference [17] came up with different definition of rural retailer. Reference [3] also reiterated distinguishable characteristics of rural retailer such as ownership kinds, annual sales figures, locations, and product and service provisions. Businesses that primarily provided tangible commodities rather than services were included in the study.

Reference [11] described them as ‘not so suave, rustic entrepreneur’s’ whose contribution in the bottom of the pyramids (BOP) is huge as they bridge the gap between urban and rural transaction. These rural shopkeepers helps the urban companies in the penetration and expansion of market. They are the link between deeper, hard to reach pockets of revenue for the national manufacturer. They are also the vital link of the last mile distribution management [11], [18].

Table: 2.2. Profile of a Rural Retailer

Profile of a Rural Retailer	
Features and Composition	Description
Retail format	Standalone store/Small scale, neighbourhood moms and pops store/conventional grocery Can be part of a cluster of other similar stores
Education	Low to college degree
Objective of business	-Sustenance (as no other alternative) -Expansion of business and more revenue
Training / know-how of the business	-Self-taught, Family guidance, Experience over the years
Involvement of other families members	-High (no capacity to hire a help) -If required can hire a help (low paid)
Attitude towards competition	-Negligibly watchful / Somewhat aware
Socio-cultural standing	Well known amongst the locality/villagers
The primary motivation to adopt Retail	-It is a family business -Easiest thing to do, with the limited capital accessibility -Observed other stores opening nearby -Only possible non-farm profession available

Source: Compiled and constructed by authors.

2.3. Financial Metrics of Rural Retail

The ledger the rural retailer keeps for his record is perhaps his only source of financial measurement. A rural retailers understanding of consumer’s purchasing power or consumer’s credit worthiness often comes from his long-held engagement and experience with customers. And during every purchase, he makes extempore judgments on credit, up-selling and cross-selling. The retailer works from his memory as there is no record of those consumer information [3].

These informal flow of accounting and documentation makes rural financial transaction difficult to track. In absence of formal invoice or documents the amount payable and receivable is left to the relationship status of the two parties involved. Almost similar state exists with retailer and vendor where there is often no legally enforceable claims. Quite clearly trust is the cornerstone of these informal economy [19]. Interestingly, in the rural African context, providing credit on verbal or ledger system is called ‘mali kauli’. Many of the rural retailers of South Asian countries keep similar informal record by the name “Khata system” [4], [19].

Understandably, rural retailer’s financial management technique can be considered old-fashioned. But this monthly ledger of credit is on a downward trend. Nowadays, it is tough for the rural retailer to obtain credit because the company requires a lot of cash to operate well. It is a lose-lose scenario for both store owner and the company. It was observed that In absence of a competitive strategy of the small rural retailers the rival big retailers of the village establishes the price which the other smaller retailers must follow [20], [21].

2.4 Rural Retailer as a Social Hub

Rural retailers are not just traders in the marketplace, they act as significant social hub. Many small-town merchants in Norway have noted that locals frequently stop by the store to have a chit chat rather than necessarily shopping anything. They are therefore essential to the community [22]. Rural retailers serve as a "hub" or center because of their proximity to and familiarity with consumers. Their function is crucial since they don't just serve a practical purpose; instead, they foster an emotional bond with customers by giving them a sense of security and attending to their specific needs [20].

Individual ownership, a focus on customer service, and a deep economic and social root in the local community are all distinguishing characteristics of a rural retailer. This benefits received by a rural shopkeeper as a result of his engagement to the local community is frequently discussed in terms of 'social capital' [20], [9].

Social capital is defined as the linkages, bonds, shared values, and reliance that allow individuals and groups in a given society to trust and relate to one another. A culture of reciprocity, compromise, and diverse interactions is an important component of social capital [13], [23].

These retailers are also considered an essential thread in South Asian rural socioeconomic tapestry. Due to the rural retailers' close proximity to the local population, they develop deep relationships at their ease, which strengthens their ability to suggest and recommend products to customers. Around 35% of customer buying intentions were found to be influenced by Indian rural retailers [24] [8], [20].

Even Salesmen of the company or dealers are at times seen as becoming friends/benefactors of the rural retailers. They are found to assist in understanding the sales trends in their area, product specification and usage of new products. On occasions they warn rural retailers on impending shortages of particular products. Rather than being just a delivery boy these salesman forge ties which contributes to a win-win sales scenario [8].

The findings of reference [13] revealed that rural micro merchants also incorporate morality and religiosity into their economic activity in order to survive in a competitive subsistence marketplace by interacting with social networks and building relationships with consumers.

2.5 Rural Retailer's Buying Behavior

A retailer is more like a consumer in what he buys, and more like an organizational buyer in how he buys his merchandise; therefore, a retailer's buying behavior is unique [8].

Rural retailers are unique as they are self-managed, individual proprietors who are 'neither schooled' to make systematic trade decisions nor has access to receive expert professional advice. Their decision making is therefore frequently heuristic [25] led by common sense which can't be considered scientific or systematic [26].

While investigating rural retailer's purchase behavior reference [8] found the factors that traditional rural retailers prefer while buying their merchandise. Their research result showed that rural retailers prefer the following service (not according to merit) from the company:

- i. Regular and frequent service
- ii. Doorstep delivery
- iii. Credit, high margin and commission
- iv. Information and Training
- v. Discounts
- vi. Prevention of undercutting
- vii. High-demand products or brands
- viii. Local distributor

Reference [27] in his study showed that small retailers often are not motivated to run national promotions as it requires additional handling, stocking and accounting. Without any compensation margin they feel neglected and demotivated to implement promotional schemes [27].

Hence researchers [28] and [8] suggested that the 'motivation and attitude' of rural retailers purchase decision must be studied in order to understand and regulate success in rural markets. Indeed, due to the 'boom in purchasing power and consumption' rural markets of the developing world is very important and rural retailers, if understood properly can act as the conduit in entering these markets [7].

Another important element in rural is Fake, look-alikes, duplicates, counterfeit product which happens rampantly in rural markets. Often the genuine brands are hard to find in haats and melas or [7] even in the retail stores. There is demand for genuine products but the distribution channel to reach the rural market is very weak. These leads to the growth of these spurious brands [29],[7],[30]. The consumers are often incapable to distinguish between the genuine and the counterfeit brands [31], [32]. On the other hand, reference [30] suggest that rural consumer habitually don't see any adverse financial/social consequence or risk by buying these counterfeits. In conjunction, their study showed that counterfeit purchases occurs due to various factors like types of product, value consciousness and types of rural retailer. At times, the rural retailers are found to have knowingly or intentionally pushing fake products to the rural consumer as the margin of these fake brands are high and ensures higher profitability. Also as retailers have greater flexibility in deciding the final price rural retailer can ask an initial high price and then lower it significantly giving consumer the misconception that it was an act of goodwill or bonding between them. [33], [32]. This sales behavior is embedded in rural sphere and in absence of brand awareness will continue to give the rural retailer leverage on selling fake brands [32] [8].

2.6 Consumer Behavior; exogenous factors for rural retailer

Consumer behavior is a very critical exogenous dynamics for the whole supply chain. Any rural retailers would love to understand and control the behavior of rural population.

Nonetheless, consumer behavior being the independent variables that largely determines sales, is ever elusive to understand and for a rural retailer it should not be an exception. [34], [35].

However, consumers in rural areas differ from those in urban markets in terms of attitude, priority, and interest, and they must be researched in various ways different than urban [36]. Their unexplored cultural and social point of view on various urban products may be an enigma for urban marketer but a rural retailer understands it with relative ease. The presence of very strong cultural and social bond, collectivism and community decision-making of rural consumer, rural retailers have the opportunity of personalization by catering to individual needs [32].

The setting of the rural retail store is a point that needs consideration too. Unlike urban organized retail stores where consumers can freely look at the shelves, 'touch and feel' the product and scrutinize, rural retails function in 'counter fashion' service. As the name goes, counter service is the manner of buying the commodities or products from the counter. Most of the retail store of rural consumers does not have an open access to the displayed merchandise on the store. The consumer can't touch and feel the stock of products by picking up things of his own desire. Generally, the consumer walks up to the counter and asks for his supplies. This unmistakably gives the retailer a considerable influence to point out, promote or inspire [37]. Thus, if the consumer is unaware or has little knowledge of the product he or she is left to retailers' mercy or provocation. [7], [5], [16].

While discussing consumer behavior and how a rural retailer can maneuver it, one must understand the issue of 'price sensitivity', as it is a major behavioral factor for rural consumer. While asked about the most influencing determinant of a particular brand purchase, a large number of rural consumer showed inclination towards nominal pricing [32]. This reality gives rural retailer the prospect to sell counterfeit or spurious brands. The rural consumers are often cash-strapped and as they can bargain, a good number of rural consumer falls for the retailer's offer of fake brand, with or without knowledge. Also the proposition that loyalty is very high in rural only is correct to a certain extent. The rural consumers are more price-conscious than they are loyal. And they are not likely to spend more than it is necessary. Though geographically dispersed, before any significant purchase rural consumer will compare price [36], [20].

Trust is another important behavioral factor where rural retailers outperforms other influences. Since the retailer is from the locality his recommendation often counts more than the paper or electronic media. While making a purchasing decision, rural consumer looks forward to the retailer's assurance. Retailers become the opinion leader for uneducated or unaware customer. Even the relatively educated ones also put their faith more on the known retailer than unfamiliar salesperson or media [32].

One of the key influencer for purchase decision is TV advertisement [38], [12]. Educated rural consumers like newspaper. Some rural consumers also are attracted to

wall painting and hoarding. Rural consumers are getting increasingly aware of the digital world too [39]. Mobile revolution has reached rural footstep. Digital finance is opening up new opportunity for rural retailers. From communicating with dealers to furnishing rural consumer's need, digital adaptability is changing commercial landscape for both consumer and retailer.

Though advertisements create awareness and impacts the mind of consumers, but the conviction to make the final purchase comes from retailer's words. In the advent of social media perhaps the dynamics is shifting but the traditional norm of asking the product features to the retailer still remains upbeat. Reference [23], [40] and [12] found in their research that rural consumers trust the retailers blindly and often this trust leads to consumer satisfaction [28] in subconscious level.

Package also has significant influence on younger generation as they prefer to buy eye-catching package, colorful design and attractive look and feel [41]. Even the consumers with very low literacy often identify their preferred brand with the color or image of the package rather than the brand name [27].

It was observed rural consumers love to avail discounts, though without retailer's suggestions they don't look for 'Price off' and "extra quantity". What an urban consumer often takes as their prerogative is a privilege to the rural consumer [27]. Another study highlighted that rural consumers gave more emphasis to the 'quality' while buying personal care brands rather than the normative influence. This is more prominently observed in cases of rural youth who does not want to compromise for the quality. Reference [23] examined the role of rural teenagers and found that their influence is dominant across the purchase decision making process. Rural youth plays a significant role at initial information search then subsequent evaluation and also in brand selection at final stage of purchase.

Different study pointed out eight factors that is deemed important by the rural consumers while making purchase decision. These are price, quality, warranty, brand, advertisement, friends and family member's recommendations and packaging. Age and income also are found to be vital influencing factor [42], [12]. However, there was no mention of rural retailer's sphere of influence in their research. Reference [35] mentioned that reliability and product attributes are two very important factor for low income and price conscious consumers.

Using a Systematic Literature Review (SLR) reference [35] has combined the transaction cost perspective into the consumer decision-making process at rural. It acknowledged the importance of the retailer and its role in the purchase decision-making process, which added a novel perspective to the study of rural consumer behavior.

Nielsen Primary Survey 2014 also found that dealers, shopkeepers, neighbors, fellow farmers, and distributors are key information sources for 80% of villagers before making purchase decisions [12], [43].

[12]. While trying to identify factors influencing rural purchases inferred that price ranks first, followed by brand image, availability, discount and offers. While statistically proving that price is the most influencing factor, they concluded that the increased level of education leading to higher income and superior lifestyle is creating brand consciousness. Perhaps researching on relatively advanced rural community indicates diminishing influence of retailers influence.

3. Discussion

A lot of research done on traditional or rural retailers in the developed world is fixated on basic survival or the challenges connected to retailer's survival strategy [8].

Reference [44] in an attempt to analyze retailer's purchase behavior studied contents of 134 relevant research papers. Their findings indicated that researchers tend to emphasize more on big organized retailers than on small or rural retailers. Despite the fact that rural retailer's role is recently getting recognition, it is accepted that they lack in understanding of different business strategy [3]. Therefore, rural retailer with its relevant perspective is largely discussed by Asian or African researchers.

It was found by researchers that often a rural retailer start their business as this is their only viable source of earning at hand. The vital knowledge how a retail works is often little known by these start-up owners.[3]. Additionally, it was observed by the researchers that till today, rural markets are unstructured and not prioritized target location by a lot of corporates. Rural markets need innovative and customized approaches. In absence of a designated focus on rural specific product, distribution or communication channel rural retailers are often left to the mercy of limited numbers of dealers and distributors [7], [6]. Feeble distribution system leads to higher transportation cost. Lack of technological adoption and illiteracy leaves the consumers unaware of many products. And it's not possible by the retailers to improve the situation single handedly [45].

Most of the research papers acknowledged that the trading environment the retailer operates in is poor and not conducive. They suffer from remoteness, unreliable socio-economic changes [40]. Furthermore, there is problems like high operational cost, inadequate working capital, and erratic supply. Their market size is limited and owing to small customer base, expanding in new consumer segment may not be profitable. Since they require small number or regular delivery, remoteness of their location makes transaction with dealers or distributors the hardest hardship to overcome [11].

In addition, 'out shopping' is also prevalent in rural areas. 'Out shopping' is a practice in which residents of smaller communities travel to larger cities to buy when expenses become too high or alternative selections are not available. Customers buy elsewhere because their demands are not being met locally. This is a direct threat to rural retailers [6], [3].

Because of the low population density and inaccessibility, servicing small settlements separately is challenging and often uneconomical. Ironically, direct distribution of goods to even the top 1% of villages is twice as expensive as servicing urban markets [40]. As a result, companies foci for distribution becomes the big villages, metropolitan out-skirts or large agrarian neighborhoods. Subsequently, the smaller wholesalers or larger retailers service the smaller and remote villages. And thus the distribution process trickles down to the root level retailers [4], [18].

Often the rural retailer is left to distributor's influence and his retailing strategy. In absence of retailer's proper market orientation the sales representatives or distributors gets the full control over rural retailer [46]. At times, unknowingly the retailer accept or adopts whatever they instruct. The national promotions are often not handed down to them. They are obligated to receive products that are run down due to long travels or are close to expiration date [40].

Rural consumers are known to have inadequate fund, low levels of literacy, low levels of brand awareness, asymmetric information, and insufficient communication and transportation facility [27]. A retailer needs to maneuver along this ground reality.

A small urban retailer may get away with being nonchalant about product details, but in rural the retailer needs a clear understanding of his merchandise than his metropolitan counterpart as he is considered the opinion leader. Additionally, though the target of a rural retailer may be the entire community but often each store has a clusters of core clients. Any irregular or unfamiliar customer will not be identified as the key customer. This demarcation is tacit and can be decoded by people who are accustomed to behavior pattern of the rural retailer [3].

4. Conclusion:

The need to think strategically about the supply chain has never been more crucial as supply chains have transitioned from a cost focus to a customer focus [47] and the person closest to the consumer is none other than the retailer. This study showed how unique the role of a rural retailer is in the supply chain mechanism. Not only the profile of a rural retailer is different than the organized urban retailing but they also play a multidimensional role as an opinion leader, as a friend, guide and a micro creditor. Rural retailer is someone who understands the consumers, recommends on purchasing, and forges relationship and often offers individual and exclusive solution for their problems. In order to be successful in the rural marketplace one must understand how a rural retailer works as researches showed that a rural retailer's influence can contribute to 30%-35% of rural sales ([1], [40]). At the same time, one should not forget that a rural retailer also has the unwavering need for training and information, uninterrupted distribution, special discount and promotion. Therefore, even when initial distribution cost will be high to operate in rural because of low sales volume and dispersed nature of the market, a long-term perspective rather than a short-term gain will support the rural retailers thereby help succeed whoever tries to

capture this largely untapped markets. The increased purchasing power of rural population, technology adaptation, and superior transportation system transformed the rural consumers into ‘value driven clients’ [7]. This article tried to offer an overarching building block on rural retailers which is unique as till now there is little research done on them. Further research on the rural retailers will help bridge the information gap between the rural markets, the practitioner and academicians and ensure profitability and success of all parties involved in the entire supply chain.

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