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EVOLUTION OF RURAL MARKETING AND ITS ECONOMIC SIGNIFICANCE

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ABSTRACT:

Marketing has emerged as a new exposition of mankind's commercial activities. It signifies man's involvement in procuring economic benefits in the form of relationship between producers and consumers. Associated with the practices of marketing, there have emerged organized centres where sales and purchases are effected to balance the gaps which exist between those who have some goods in surplus and those who need them.

Marketing constitutes the field of study in more than one discipline, viz. economics, sociology, commerce, history etc.

Geography too has shown its natural inclination towards the

study of issues related to commercial and for that matter larger economic pursuit since the very beginning in some way or other, It has been observed that geographers "have looked upon the phenomenon of marketing from the perspectives that are unique to their disciplines". This paper is a modest attempt to study the evolution of rural marketing and its economic significance.

KEYWORDS: *Economic Significances, Geograh, Marketing Centres, Rural Marketing.*

INTRODUCTION:-

Marketing and notion of market centres are not new to mankind. Mankind has always practised commerce in the form of exchange of commodities, sale and purchase of articles. The commercial practices had remained associated earlier with individuals which later became an organised activity. Geography is essentially distinct discipline of study being spatial in approach, it is simultaneously a very comprehensive subject which includes multi faceted study

perspectives. Study perspectives are expressions of approaches to the comprehension of related issues. They have accordingly, temporal, spatial, organizational, functional, structural and any more dimensions of study perspective. Marketing and market centres in rural context form one major field of study in geography. Study of rural markets has developed apparent perspectives of concern, which relate to tempo- spatial organizational system relevant to economic and socio-cultural manifestations.

STUDY PERSPECTIVE: ECONOMIC

Mankind's economic pursuits find manifestation primarily in instance of material production.

Elements of production are for consumption. Centres or places of economic production and those of consumption are, however, not always and necessarily the same in terms of amounts and kinds. In other words, there exist areas of surplus production and those of deficit availability. The lack of ease in accessibility between two fundamental components of economy lowers down the strength of economic structure have no meaning in isolation and neither of the two is absolute in comprehension. They acquire relative economic significance. The relevance of production and consumption, as economic components assumes significance, however, only with the introduction of a third element i.e. distribution. The act of

distribution facilitates the transfer of things from the hands to operate form a place, which manifests in suitable organisational context in the form of markets - rural as well as urban. periodic as well as permanent. Rural markets from the connecting bar of two wheels of economy production and consumption. Markets generate and sustain commercial activities. It is rightly observed that "It is through commercial activities that the wealth Is generated and distributed" (Shrivastava; 1987).



This may be illustrated as:

Market centres play a dominant role in providing the principal nodes of nexus between the process of production and distribution and thus leading to consumption. They, thus, form the commercial organizational infrastructure also. In the best of traditional understanding of economies, production, distribution and consumption and through their translation into the spatial dimension they contribute significantly to the regional structure, its formation, functioning, sustenance and development (Shrivastava, 1985). The market place structure plays an important role in the creation of interdependent areal system (Gana 1984). Within such evolving 'areal system,' market place forms the focal points of articulation for rural economy and is reflected in the organization of market places.

Market signifies a means of production and consumption too. An increase in marketing activity mirrors the increased purchasing power of the society. It also enhances social awakening and occupational mobility of the society. Market assumes necessary economic perspective as part of exchange system. This refers to spatio-functional organization of commercial mechanism in a region, Economic cultural and political sub-systems operate through markets. It also provides an opportunity to unearth the nature of exchange, purchasing capacity of the people of different strata, occupational mobility of the region concerned. Thus exchange system and associated marketing activity assume even greater significance in the context of developing societies on which, due to restricted mobility and low purchasing power of the masses, dependence on lower order central places i.e. market centres becomes obligatory. The market centres form a vital link between the villages and the national economy by serving the basic needs of assembly and distribution of the required goods for surrounding areas (Friedman & Alonso, 1964).

Study Perspective: Evolutionary

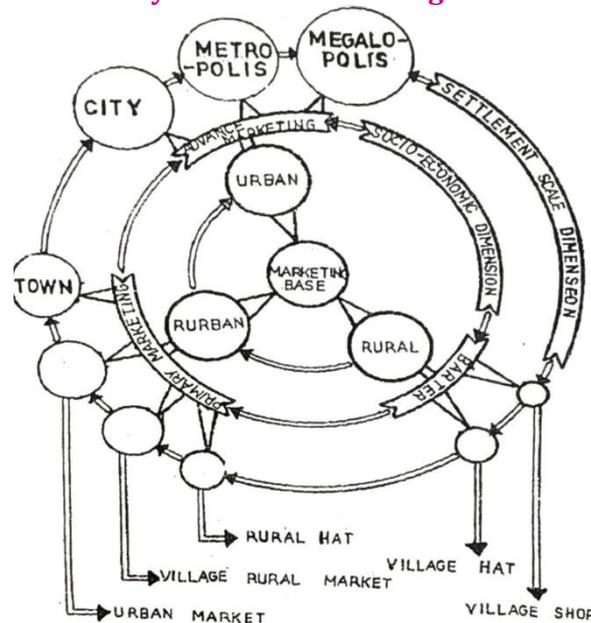
Following the basic economic principle of transfer of goods from producers to consumers, markets evolve as centres of sellers-buyers interactions. The roots of development of any phenomenon are always buried in its history, which unfolds the vistas of origin, growth and related temporal developments (Dixit, 1984). Similar process is also market in the evolution of market centres, which have developed gradually in time, Markets tend to begin with small-scale trade or horizontal exchange at local level. (Fig-1.1) The figure presents size dynamics of market centres. The evolutionary study perspective relates to the mechanism of origin of market activities, market centres and their developments in different time sequences. They develop size dynamics in accordance with evolutionary stages.

In the earliest stage of his existence man had absolutely no idea of marketing to satisfy the limited numbers. Increase in population and their awareness to larger wants and means of satisfaction prepared grounds for emergence of organized centres of exchange. Consequently, marketing activity came into existence. Development of markets and marketing or market place exchange system is a result of the long play of factors, both economic as well as socio-cultural and historical. In the beginning, the exchange of goods was on a very limited scale. Soon after, there was development in transportation facilities, which led to greater scope for transfer of goods.

Political stability also encourages such activities. Market originate along centres of political power as secondary outlook, dependent upon the favour, if not the outright subsidy of the ruling elite (Srivastava 1987). Every ruler considered it his duty to create a market for his people. Further, occupational specialization gave birth to periodic market. Although barter system was mainly prevalent, transactions began in terms of currency also. During the agro-pastoral age, periodic markets served people with limited transportation and demand of goods. Later on, the industrial and technical revolution brought about a far reaching changes in habitat, economy and life of mankind. Contact between distant places increased. The supply of goods and services started on a larger scale. The market, therefore, arises within an existing socio-economic framework and the external trading was born thereafter (Dixit, 1983).

Gras, 1992 explained a five stage consequence of economic evolution i.e. (i) collected economy, (ii) cultural nomadic economy, (iii) settled village economy (iv) town economy and (v) metropolitan economy. He exp'ains that two major sources of exchange exist within peasant marketing systems increasing population densities and increasing

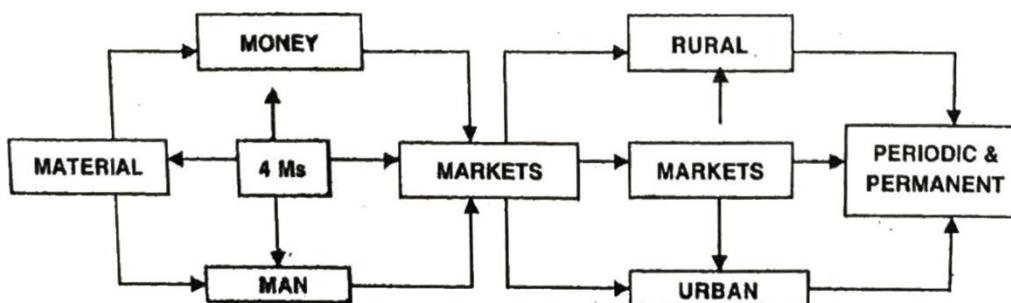
Size Dynamics of Marketing Centres



Source : Based on personal research made by Rashmi Shikha

household participation of the marketing process while market centres developed in the third and fourth stages related to the complexity of urban hierarchy (Berry, 1967)

Evolution of rural markets symbolizes the first stage of organized marketing. The evolution of rural markets may be safely related to 4 Ms principle (Sharma 1987), i.e. interplay among elements of Man, Material, Money and Marketing. The mechanism has been illustrated as follows:



In growing condition of rural- urban continuum, the significance of rural markets has enhanced adequately. Given improved transportation and increased awareness to material availability, both the frequency and periodicity of markets are on increase. Rural markets have, in this process, proved to be potential permanent markets and in sequence potential urban centres.

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