

# IMPACT OF MARKETIZATION ON RURAL CONSUMER WELLBEING

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## ABSTRACT

*In numerous research and academic discourses, studies relating to understanding the quality of life of local communities have received a lot of popularity and attention. It is critical to research well-being in order to comprehend quality of life. This study aims to determine the impact of marketization on the wellbeing of rural consumer and their quality of life in the Reasi district of Jammu, J&K. The study focuses on rural consumers and how marketization has affected their quality of life. The study's findings demonstrate that there is a need to better understand locals' perceptions of wellbeing and the realities on the ground.*

## INTRODUCTION

Wellbeing of the community can be defined as where all the members of the community can feel respected, esteemed and self worth, have financial security, feel attached to one another, can able to used resources, and who are able to be a part of decision making process (Marshall. Et. al 1995). Seven dimensions of wellbeing have been identified according to Mc Gregor and Goldsmith (1998). These seven dimensions of wellbeing can be defined in social, spiritual, economic, emotional, political, physical and environmental aspects. TCR (transformative consumer research) is a useful lens for examining a variety that affects both personal and collective consumer wellbeing/welfare. TCR being focusing on the problems and opportunities that surround one or more of the different dimensions of wellbeing and thus TCR have a practical and real direction at its base. The rural consumer wellbeing is the wellbeing of rural people that belongs to the rural areas. Luca D'Acci defined wellbeing in terms of subjective and objective wellbeing. In her words, objective wellbeing can be observed through the factors like richness, health, tangible goods, etc. while the subjective wellbeing refers to the psychological experiences such as happiness. A research study shows that objective wellbeing like richness proves to be an important in the formation of global indicator of wellbeing (Luca D'Acci et al). C.K. Prahalad (2005) in his study said, "If we stop thinking of the poor as victims or as a burden and start recognizing them as resilient and creative entrepreneurs and value conscious consumers, a new world of opportunity will open up". Marketization of poverty is nothing but depoliticization (Ferguson 1995). Another researcher named "Jacob Witzell" has mentioned the impacts of the marketization within public organizations in terms of physical planning of transport infrastructure. The term marketization here is used in the direction of the change process. The process of marketization can be defined as the transformation of economy or an area into a market based organization by entering, introducing and participating into a free market economy. In many studies, the process of marketization refers to the development and growth of the particular area or field through marketing point of view. According to C.K. Prahlad in the book of Fortunes at the Bottom of the pyramid stated the 12 principles of innovations for BOP markets. The term rural in Rural (US Census) is defined as Open countryside or towns of fewer than 2,500 outside urbanized areas. The people who live in those areas are rural consumers. The indicators of rural people have shown their high dependence on their native

places with life satisfaction and attachment to their community (David J. O'Brien, Stephen K. Wegren, Valeri V. Patsiorkovsky). Wellbeing is defined as on economic parameters till 1980's but in 1990's wellbeing is defined on the concepts of non-economic parameters of sustainability and human development (Sumner, 2004). Kusal and Fortmann in 1991 draws theoretical linkages on community wellbeing which regards wellbeing as social, economic, political and cultural components involved in making and building a community and complete the basic needs of the local people. Some scholars have looked the community wellbeing by identifying individual attributes like satisfaction, happiness, quality of life, individual efficacy and social support (Andereck, Valentine, Vogt, & Knopf, 2007; Jurowski & brown, 2001; Kersetter & Bricker, 2012; Perdue, Long, & Kang, 1999). Sirgy and Cornwell (2001) noted that community wellbeing is all inclusive of the experiences of the residents which is related to their happiness in living in a community and the level of life satisfaction in the village. Wellbeing involves various welfare aspects such as social, economical, political and cultural. In the book of social impact assessment, there are five aspects in which wellbeing is being divided in Hawaiian community, that is community nation, individual, family and Aina (land and natural resources) in which they connect humans to nature. Wellbeing is treated differently in different parts of the communities as well as in the literature. Broadly, it is related to the welfare, health, happiness, comfort, safety & prosperity. Rural consumer can be addressed by the low purchasing power, low levels of awareness and literacy, low mobility, etc. There is about 70% of rural population which contributes to the rural Indian market. Population is scattered among 5.8 villages. In the recent past, there are three dimensions in the change in rural markets: a) changing rural scenario in the development in different spheres b) changes in the market conditions from sellers' market to the buyers' market which resulted in the increased production, increased competition, and stagnant urban markets c) liberalized govt. economic policies. QOL (quality of life) is determined the various life domains of consumer wellbeing in terms of overall life satisfaction (Campbell, Converse, and Rodgers, 1976 ; Diener 1984, Scott and Srumpf 1984). Transformative consumer research is a movement seeks to support, uplift and publicize research that is beneficial to the quality of life and welfare of the consumer (Association of consumer research, 2010). TCR generally covers the areas including vulnerable population such as the poorly marginalized people, illiteracy, old aged people, etc. and also negative consumer behaviors (like increased smoking rate, poor diet control, high risk behaviors, etc) and positive consumer behaviors (like responsibility towards environment, agree to work voluntarily, donation of blood and organs, etc.) (Mari, 2008; Mick, 2006).

## LITERATURE REVIEW

### Community Wellbeing

Community consists of local people, local society and the locality. Community does not existed as an old type of social life, instead it is a dynamic field of interaction between forces says Wilkinson (1991). Therefore, there are several perceptions about community that contributes to the understanding of rural wellbeing and health of the rural people in the rural context. Community wellbeing has economically, socially, culturally and politically involved components to bring a community and fulfill the basic necessities of the local people (Kusel & Fortmann et.al.). Wellbeing for the community can be understand as the welfare of the community by all the means which contributes socially, economically, psychologically and

culturally (Christine N. Buzinde et. al., Jyotsna. M. Kalavar et. al., Kokel Melubo et. al.). Anderson et. al., 1991 stated that the community in the phrase community wellbeing does not ignore differences rather it focused on the worth of shared bond between groups of individuals. Some researchers have defined community wellbeing in the aspects like quality of life, happiness, life satisfaction and social support (Andereck, Valentine, Vogt, & Knopf,2007; Jurowski & brown,2001; Kersetter & Bricker,2012; Perdue, Long, & Kang, 1999). The most important domains which can examine the wellbeing identified by residents themselves in the villages are children, land resources and livestock (Christine N. Buzinde, Jyotsna M. Kalavar, Kokel Melubo et. al.). Sirgy, Rahtz, Cicic, & Underwood in 2000 stated that Quality of life (QOL) is bounded with different aspects of lives of people and environment in many different ways. Although it is a complex concept in the area of community wellbeing. QOL is defined in five factors: wellbeing of the locals, financial stability, untouched nature and resource protection, culture and satisfaction (Miller, 1994). Simultaneously, Uysal, Sirgy, Woo, & Kim (2016) in their study shows community wellbeing as an important area in terms of psychological and emotional context which involves experiences of the locals within a community Miller(1994), shows a particular attention on the SWB of local people. Sirgy and Cornwell(2001), said in their study that community wellbeing involves living experiences including the gaiety and contentment of living in a community and also involves life satisfaction. Campbell. A., et. al., & Converse. P.E., et. al. & Rodgers. W.L. et.al., 1976, tells about the life satisfaction which is influenced by the evaluations A. Zahra, N.G. Mc Gehee,2013, stated welfare capital and personal capital as two additional areas of community wellbeing. Welfare capital includes healthcare components and personal capital involves improvements in self-efficacy, personal pride and self-confidence in the community. TCR (Transformative consumer research) appeared as a movement which aims to support consumers, societies and the environment. Earlier the extent of good life can be judged by the wealth and gross domestic product but now it is shifted to the wellbeing (Stiglitz et al., 2009; Worldwatch Institute, 2004). TCR works on the improvement of the societal and consumer wellbeing through services and solves the realistic problems of consumers by using various types of tools and techniques to foster the living conditions of individuals and communities (Mick, 2006; p.1). TCR and TSR are the service research platforms that accounts for improvement in the wellbeing of the individuals, families, communities, nations, cities (Anderson et. al 2014). Traditionally, TSR works on the dependent measures like customer loyalty and satisfaction of customer but now TSR is also working in understanding the role that services and service customer plays in affecting consumer wellbeing. According to Association for Consumer Research (2010), TCR works to support, uplift and publicize research that proves to be beneficial to the consumer welfare and quality of life. TCR is now introduced in the doctoral programs which focus on the study of six important qualities to improve wellbeing, to emerge from ACR and uplift paradigm diversity, to take on rigorous theories and methodologies, to underline sociocultural and situational contexts, to associate with consumers and their caretakers and to proclaim the findings to relevant stakeholders. The goal of transformative consumer research that can be beneficial by consumers, policy makers, activists and also businesses to improve the wellbeing of consumer (Mick, D.G., Pettigrew, S., Pechmann, C.C. and Ozanne, J.L. eds., 2012).

## Rural Consumer

Rural (US Census): Open countryside or towns of fewer than 2,500 outside urbanized areas. Rural (Statistics Canada): Nonurban; not continuously built-up areas with population of

1,000 or more and a density of fewer than 400 people per square kilometer. Rural consumers are categorized by low purchasing power, low literacy rate, low level of awareness, low mobility, etc. Indian market has a rural population of about 70%. The rural population is scattered about 5.8 rural villages (Flora, C.B.). The rural consumers' own the unfamiliar characteristics which include: They live in an environment of their own majority and are not in a position to understand the trade and pricing policies followed by the marketers. The people of rural areas are mostly disorganized and are very lenient about their rights from the govt. as well as from the traders' point of view. They have very low rate of literacy. They are ignorant of their rights as customers and are least interested in fighting for it. They have low purchasing power. Least bothered about quality and standard of living. Seasonal buying is the most important habits of the rural consumers. Rural consumers also consist of rigid, social and religious customs.

## **Rural Market**

According to the Indian census, rural area is defined as "a place with human habitation of 5,000 and below with agriculture as the main economic activity and with a density of population of less than 400 sq. kms". According to economist's view, "a market is a physical place where buyers and sellers get together and a transfer of title takes place as goods are exchanged". The rural markets are usually very small in size, un-integrated and rudimentary in nature. Rural India now have a sizable share in the total consumption of variety of consumable goods such as tea, washing items, hair oils, bathing soaps, toothpaste, OTC products, safety razor blades, talcum powders, etc. It is known that bathing soaps, washing soaps including detergent cakes, detergent Powder and hair oils are the popular items of the rural markets. On account of this, rural market contributes the larger share than the urban market.

## **Consumer Wellbeing**

Consumer Wellbeing (CWB) can be explained where consumer's experiences in terms of goods and services – related to acquisition, preparation, consumption, ownership, maintenance, and disposal of specific categories of goods and services to their local environment – proved to be beneficial to consumers and society (M. Joseph Sirgy and Dong-Jin Lee). The consumer life domains are categorized into five types based on their experiences: possession, disposal, acquisition, maintenance and consumption (Lee et al. 2002) and developed a measure of consumer wellbeing as a combination of consumer satisfaction in terms of one's own community. It means that the indicators of Consumer wellbeing are closely related to the indicators of life satisfaction Figure 1.

## **Research Questions**

RQ1: What are the determinants of marketization in Rural Community?

RQ2: What is the effect of marketization on lifestyle consumption of Rural Consumer?

## Conceptual Framework

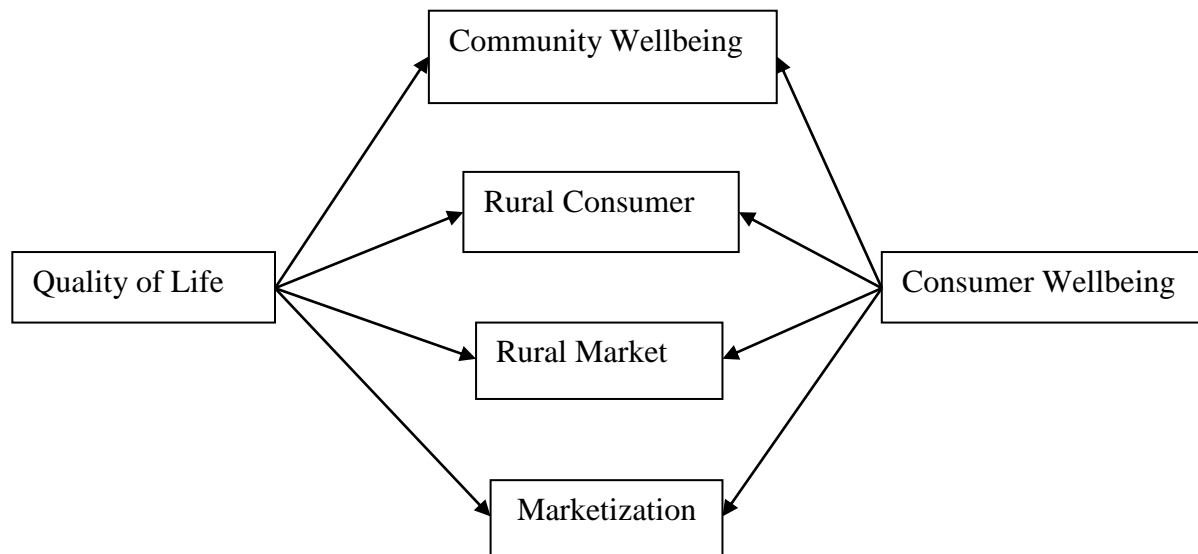


Figure 1

### A CONCEPTUAL FRAMEWORK OF THE STUDY

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