

Factors to consider while starting a business in rural and urban areas

Starting a business is not a cup of tea. Before one starts a business, you must know its pros and cons. If you choose the right business according to the areas there is a higher chance of your profit in business.

The factors you must know while starting a business in rural areas are :

- **Select the target customers**

Before you start any business, it is crucial to research the target customers. Your business must be according to the needs of people in villages. People of cities and towns are not going to come to villages, it would be the village people who would purchase your products or use your services.

Maintain your website for the rural areas customers so they can contact your services when they need it. By conducting seminars in rural areas, or by participating in their local events and festivals you can promote your products and services.

- **Business products must be affordable**

People in rural areas tend to buy less expensive products so your products must be according to their feasibility. So, it is always best to start a business in which products are available at affordable prices. It doesn't mean that you must sell products of low-quality. A successful entrepreneur is the one who can sell the product at an affordable rate and also maintain its quality.

For example, if you start a pizza shop in any rural area,

there is hardly any chance to attract customers in 2-3 days. But, if you start a snack shop then there would be a lot of customers daily.

- **Suppliers availability**

To make your business successful, suppliers must be present to avail of raw materials in rural areas. If you have started a business in rural areas, make sure that suppliers are available to deliver your products on time. So, always start a business in which products and raw materials are available on time.

Suppose, you have started an auto-repair shop but the spare parts are not available then your business could go into loss.

- **Availability of employees**

If you have a team, then you can easily achieve your goal. For starting a business, you need workers with whom you can establish your business successfully in rural areas. You can also teach the people of rural areas about your plan so that they can also help you in your business.

People in rural areas become very excited when they hear about something new happening in the village, so they too can help you in some works like supply, inviting more customers.

- **Less Competition**

In rural areas, there is a higher chance of your business being successful due to the scarcity of similar businesses. Your business can create a more prosperous and healthier business community by attracting investors, and fellow entrepreneurs who see your project as one of the demanding businesses in rural areas.

- **Finance is more accessible**

Small Business Credits Survey shows that 80% of the small businesses started in the rural areas were able to get finance compared to 75% of the same businesses in urban areas.

The aspects of urban areas are different from rural areas, you have to face the competition, style of operation, etc. Factors you must consider before starting a business in an urban area.

- **Determine the Market Size or Demand**

Unlike rural areas, urban areas have a large field of competition in the most popular businesses so tell the people about every angle of your business, and if you are not sure about the market, target the customers close to you like your friends, relatives or neighbors.

Ask them their opinion about your business.

You have to look for these aspects of the market :

- The number of potential buyers.
- Whether it will grow in size.
- Different sections of the market.
- Buying tendencies of the target audience and how frequently they purchase such products.
- Kind of margins you can expect from the market.
- The market share you expect to take.

You can reach your target audience through social media anywhere in the world and take their reviews. If you receive more positive reviews, or there is increasing demand for your product in the market then you must continue your business.

- **Cost of the Startup**

One of the most important things to consider while starting a business is “Start-up costs”. If you think to launch a retail business, then you must think about the cost of the store as well as the furniture needed to decorate it. If you are planning to start an online business, then you have to spend

money in maintaining an excellent website, dropshipping costs, etc.

If the industry is more competitive, then you have to spend a lot before you earn. The expend will give profit when the customers will start preferring your products over others.

- **Finance**

No business can run without money. Unlike rural areas, funds are not easily available and are highly dependent upon the area in which you are doing business. Your idea must attract investors and capitalists so that they can invest in your business. Depending on the type of business, and the start-up costs you will have to pay-up for, you will require capital accordingly.

You can also take a loan for your business. Keep in mind the terms and conditions of the bank, its rate of interest, the repayment terms, fund security. Approach private lenders, or banks and compare them to identify the most lucrative type of funding.

- **Competition**

You must know your competitors in urban areas. Observe how they approach customers, what they are doing. Focus on things that all of them are missing out.

Dreaming big is of no use in business. You have to work dedicatedly every day and night towards it with the focused business strategy.