Blue Ocean Strategy - A Vehicle for Entrepreneurship Development and Economic Growth in Rural Areas

Vinay Sharma, Indian Institute of Technology, India
Piyush Seth, Sahara Arts and Management Academy, India
Shujauddin Niyazi, Sahara Arts and Management Academy, India

ABSTRACT

This paper emphasizes on the role of entrepreneurship in economic development of a society with the perspective of Blue Ocean strategy used by organizations across the globe and especially in the context of Indian rural markets. The paper also utilizes live examples of organizations going towards uncontested rural markets and is suggestive of the crux and the core definition of entrepreneurship in correlation to the core philosophy of Blue Ocean strategy. In addition, the paper emphasizes that the soul of entrepreneurship lies with in the development of rural markets, which can be done through the effective utilization of Blue Ocean strategy.

Keywords: Blue Ocean, Entrepreneurship Rural Markets, Uncontested Markets

INTRODUCTION

This paper is proposing the role of entrepreneurship in economic development of the society with the perspective of blue ocean strategy, with special emphasis on the usage of the said strategy at the levels of the Rural Markets (Figure 1).

Business strategies and marketing skills have been concentrating on fundamentals, especially on buying capacity. This paper argues on four major aspects:

a) We should be looking at the ‘Size’ of the market and not at the buying capacity as a fundamental aspect in the case of highly populated developing and the underdeveloped nations.

b) We should think of improving market conditions and should try to bring in ‘Freedom of Market Transaction’ (Sen, 2000) through providing better services to the rural and the poor masses.

DOI: 10.4018/jabim.2010010104
c) Better services and the market conditions are the human right of the masses and should also be seen as a social responsibility by the marketer along with being seen as a business opportunity.

d) This paper also wishes to suggest that looking at the size of the market as an asset, we can compliment the same with strategic generation of buying power i.e. by ‘creating buying power’. Aply suggested by Prahalad (2002):

“Global firms have demonstrated their ability to create wealth around the world. But the benefits of the capabilities of these firms and of the global market system do not yet reach most of the 4 billion people who live in relative poverty at the bottom of the economic pyramid. What if it were possible to expand the global market system to include those who now have no stake in it-to grow the market at the bottom, providing direct benefits and expanded opportunity to poor communities? (Prahalad & Hammond, 2002).”

ENTREPRENEURSHIP
A PERSPECTIVE

The understanding of entrepreneurship owes much to the work of economist Joseph Schumpeter and the Austrian School of economics. Ac-
Related Content

Causal Links Among Banks' Investments on Government Securities, GDP and Different Heads of Central Plan Expenditures in India
Ramesh Chandra Das (2019). International Journal of Asian Business and Information Management (pp. 78-93).

Study on the New Tendency of the International Industry Shifts and Chinese Enterprise Implementation Tactics
www.igi-global.com/article/study-new-tendency-international-industry/41917?camid=4v1a
Political Economy of Foreign Direct Investment: The Complexity of Linking Theory with Practice
[www.igi-global.com/chapter/political-economy-of-foreign-direct-investment/177670?camid=4v1a](www.igi-global.com/chapter/political-economy-of-foreign-direct-investment/177670?camid=4v1a)

Innovative Retailing: Uplifting the Lives of Basic Ecclesial Community in Camarines Sur, Philippines
[www.igi-global.com/article/innovative-retailing/88087?camid=4v1a](www.igi-global.com/article/innovative-retailing/88087?camid=4v1a)