



## Impact of Marketing Practices followed by Agro-Based Units on Consumer Consumption: with Special Reference to Varanasi District, UP, India

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### Abstract

*In the agrarian economy, the agro-based units are facing problems in their expansion from the very existence. The problem is not new in India; it has been found that from our independence we are struggling in this path. The processing of agricultural product has become a chaos in the economy. Quality, price, distribution, promotion, finance, health, government policies, managerial inefficiencies, etc. are found a big cause for the same. In this paper the researcher has targeted 200 agricultural processed products dwelling in Varanasi. This sample gives a clear cut emphasis on the thrust areas of improvement. In the paper the consumers targeted are representing both rural and urban area. 32% of respondents were of rural sector and 68% were of urban area. All the respondents are approached using one of the survey method of primary data collection, i.e., questionnaire and schedule method. These responses are classified using tables that help in clear vision of the study. This study helps in knowing the reason of poor performance of agro-based units in Varanasi. It also suggests certain aspects that help in overcoming these problems.*

**Keywords:** Agrarian economy, struggling, improvement, primary data collection.

### Introduction

Presence of marketing in various sectors is highly identifiable. It is not such that one couldn't trace the path of marketing practices. The transparency of marketing is seen from the very stage of planning for production and is on-going and never ending too. The processing of agricultural product has become a chaos in the economy. Quality, price, distribution, promotion, finance, health, government policies, managerial inefficiencies, etc. are found a big cause for the same<sup>1</sup>.

In agro-based units, marketing practices are being followed with the changing need of hour<sup>2</sup>. Previously, it was not adopted at larger pace, but nowadays it is highly used, even in non-durable goods also. If we take an example of bread manufacturing unit; the product is non-durable that sustain up to 2-3 days only. These products are so manage and marketed from the very starting point to the end consumers, that the wastage becomes negligible<sup>3</sup>.

Revolutionary steps in the marketing of such products are still to be tested. Kiosk marketing has boosted these non-durable goods as a boon. It has contributed towards employment generation and consumer satisfaction. The positive essence of consumer behavior is highly useful for every marketer as well as entrepreneur. Positive consumer behavior enhances the market as well as market share, vice-versa. It is upon the marketer, who could analyze the consumer behavior and change the same, parallel to their products. A good marketer could also fail in analyzing the consumer behavior due to various uncertain and sophisticated factors. But, if success of positive interpretation of

consumer's consuming pattern is once achieved; it harvest huge market and its share<sup>4</sup>.

In the present paper, the impact of marketing practices followed by agro-based units upon the consumers of Varanasi district is analyzed. It will help in knowing whether the marketing practices prevailing is up to the mark of consumer's demand and expectation or not. The consumer behavior of people of Varanasi is targeted in the present study.

**Objective of Study:** The chief objective of this research paper is to examine the marketing practices followed by the agro-based units in Varanasi market, to examine the consuming pattern of consumers living in Varanasi towards such good, to analyze the reason for such pattern and to find out the measures to overcome the problems faced by agro-based units.

**Literature Review:** Various books, e-journals, newspapers, thesis, etc. is used to make this paper. This helped in enhancing the knowledge about the topic and related study already done. Some of them are as follows:

In his book, P.Kotler<sup>5</sup>, the base of marketing management is explained thoroughly, with the context of South Asia. Elements of marketing are elaborated in detail, which has helped in understanding the topic. Schiffman<sup>6</sup>, in his book has explained various forms of consumer behavior and has helped in knowing something extra about the consumer behavior. The relevance of consumer behavior to the business has been explained in the book.

R.P. Kachru<sup>7</sup> in his research paper had explained the status, growth and prospects of agro-processing industries in India. The study was highly backed by secondary data and gains massive popularity. B.A.Iqbal<sup>8</sup>, in his study the performance and prospects of the agro-based industries was covered. It has given various suggestions to improve the condition of these units in India.

P.Gite<sup>9</sup>, in her research thesis, detailed information about the marketing practices of agro-processing industries, their problems, prospects and other related things were mentioned. The data was taken for 15 years and information was processed thereby. A.Singh<sup>10</sup>, in her thesis had used the primary as well as secondary data. Primary data was used in bulk which was collected from the various sources especially 99 SSIs present in Varanasi. The thesis was submitted in 2010 hence data collected up to that year interprets the condition of SSIs.

B.Banerjee<sup>11</sup>, in his thesis the problems of industrial sickness faced by the industries in Varanasi was focused. The study was Status of Agro-based units in Varanasi

highly backed by primary data. The study gives reason behind the industrial sickness; among them marketing was one. A.Upadhyaya's<sup>12</sup> thesis has given a base for studying the concept of industries engaged in agro-processing activities. This has helped in knowing the ways to carry on the paper.

## Methodology

The study is highly based upon the primary data, as the consumer consumption pattern is highly dynamic. The study is concentrated upon the agro-consumers of Varanasi. In total 200 agro-consumers are approached and data are taken from them.

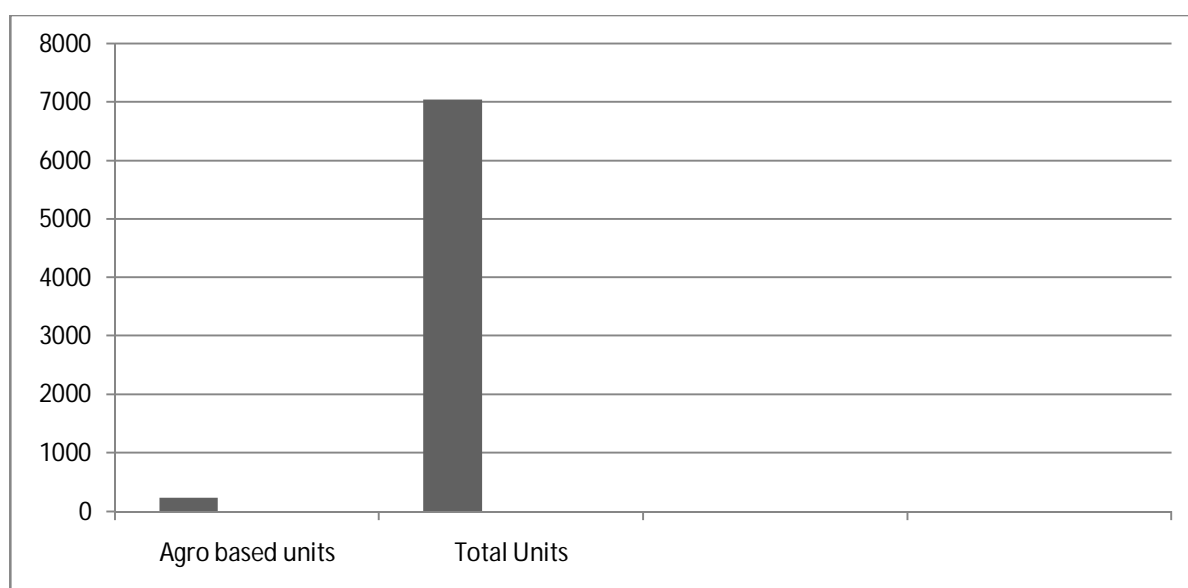
Secondary data was received from MSME-DI and DIC, various research works already done by the researchers and other published data. The data collected is properly categorized and classified with the help of various tables, line-graphs, pie-charts, etc. The data will be collected by schedule method by the researcher. Various statistical tools like mean, percentage, etc. are used as per need.

**Table-1**  
**Recent status of registered agro-based units in Varanasi<sup>13</sup>**

Code no. of NIC	Nature of Industry	Number of units Registered	Invested Amount (Crore rs.)	Employed Persons
20	Agro based units	237(3.37) <sup>#</sup>	22.30(3.2)	906(2.41)
-	Others	6796(96.63)	675.28(96.8)	36621(97.59)
Total		<b>7033(100)</b>	<b>697.58(100)</b>	<b>37527(100)</b>

Source: MSME-DI

#Amounts in brackets shows % of total Data up to 2013-14



**Figure-1**  
**Status of agro-based units in comparison to total registered units**

The table-1 and figure-1 shows status of agro-based units located in Varanasi district up to 2013-14. It also shows the investment and employment given by these units. It is seen that the units accounts for only 3.37% of total industrial units present in Varanasi. While only 2.41% of employment is generated by these units with investment of nearly 3.2% of the total investment.

**Information gathered from the respondents:** It is said that the collection of primary data is a tedious job, but what we get from these data are true, latest and fresh. The data is collected via schedule method by the researcher. Following are the status of the data:

Number of respondents = 200, Age limit = 18 to 24,  
Agricultural consumers = 200(all)

**Table-2**

Status of living areas

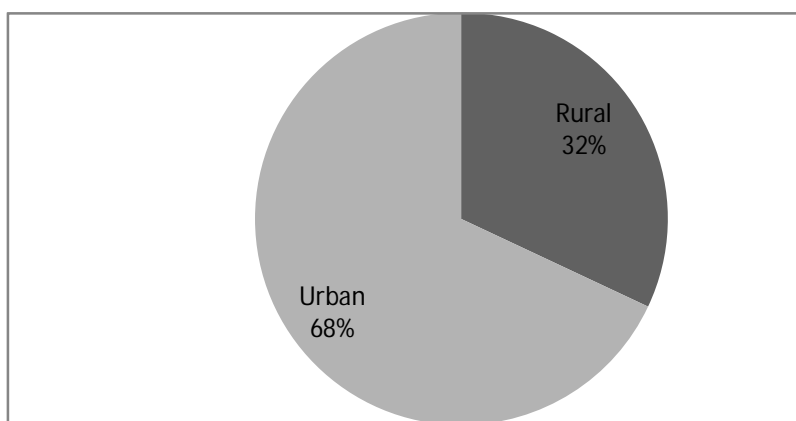
n=200

Respondents	Rural	Urban
Agricultural consumers	32 <sup>#</sup>	68

# Numbers are showing percentage, Source : Primary Data

As per figure 2, out of 200 respondents, 32% were belonging to rural area while 68% were from urban area. Hence views of both types of consumers are received.

In the table-3, various responses are recorded from the agricultural consumers. It is found that such consumers are fonder of branded (74) and advertised (66) agricultural products. Quality consciousness (74) is more important than its availability. This is due to more awareness and easy transportation facilities. Both price and quality of product is considered (82) while purchasing these products. They also consult with others (50) while purchasing these goods.



**Figure-2**  
Status of living areas

**Table-3**  
Pattern of Agricultural Consumers' consumption n=200

Categories	Yes	No
Prefer branded agricultural products	74 <sup>#</sup>	26
Purchase product by consulting others	50	50
Price and product both are considered while purchasing	82	18
Quality of product is preferred over its availability	74	26
Prefer advertised product	66	34

Source: Primary Data, Note: Multiple responses possible. # Numbers are showing percentage

**Table-4**  
Status of consumer satisfaction from marketing practices n=200

Satisfaction level	Percentage of respondents
Fully satisfied	4
Average	92
Not satisfied	4

Source: Primary Data

In the table 4 and figure 3, the satisfaction level of consumers is shown. It is found that 96% of consumers are not fully satisfied from the marketing practices followed by agro-based units in Varanasi market. Hence, an alarming stage is there to improve the present status of the units.

In the table 5 and figure 4, it is shown that from various promotional tools advertisement (56) is preferred more by these consumers. Publicity (22) is also favored by these consumers to some extent.

**Table-5**  
**Promotional tools preference n=200**

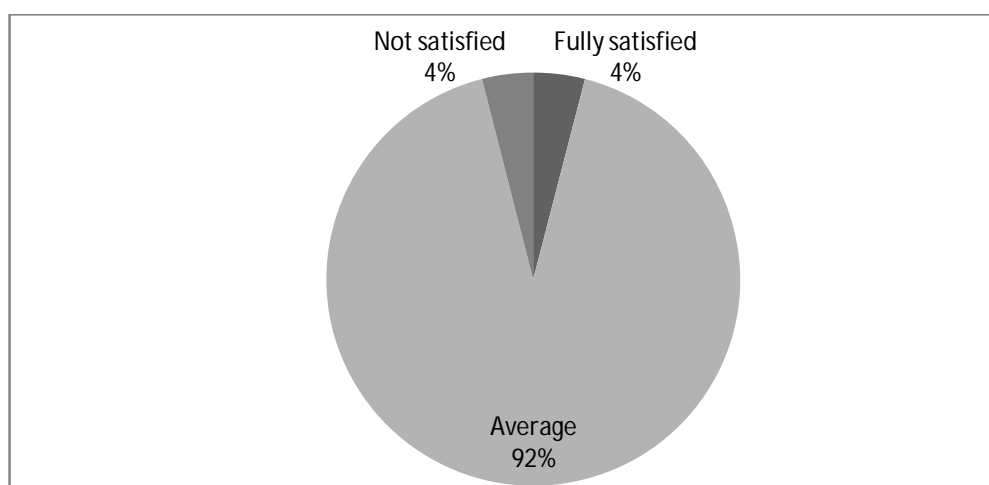
Promotional tools	Percentage of respondents
Advertisement	56
Sales promotion	12
Direct selling	10
Publicity	22

Source: Primary Data

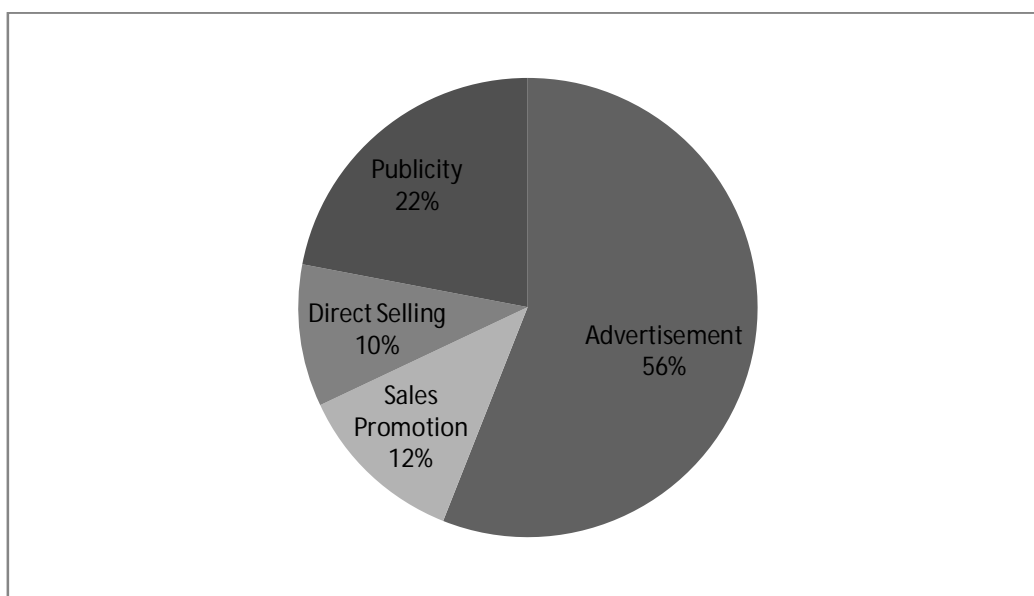
**Table-6**  
**Status of consumer satisfaction from agro-based products produced locally n=100**

Satisfaction status	Percentage of Respondents
Fully satisfied	32
Average	62
Not satisfied	06

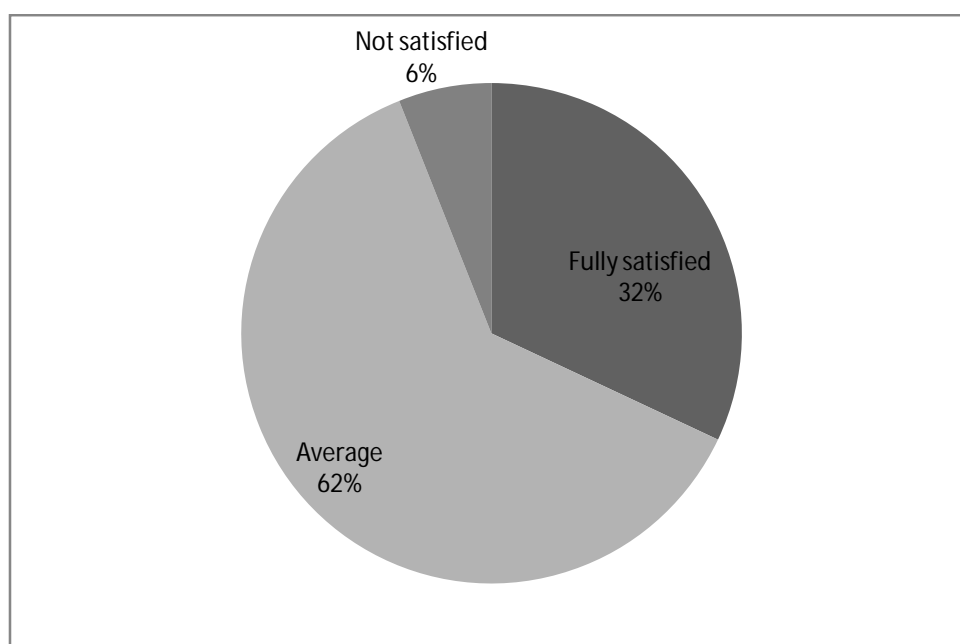
Source: Primary Data



**Figure-3**  
**Satisfaction status from marketing practices**



**Figure-4**  
**Promotional tools preferred**



**Figure-5**  
**Satisfaction Status from local agro-products**

In the table-6 and figure-5, it is shown that the people are not fully satisfied (68) from the agro-processed products produced at local level. Only 32% of respondents are satisfied from the products produced by the agro-based units locally. Hence, remedial measures are necessary for improvement.

## Results and Discussion

**Findings and Suggestions:** Following are the findings and suggestions which the researcher has found in the study:

**Poor product quality<sup>14</sup>:** It has been found that the product quality of the agro-processed products is very poor. The consumers are facing problems when they are using such products, generally, produced locally.

There must be a quality control committee in every such unit, so that the quality of the product is uniformly produced and sold.

**Inappropriate price setting scheme:** It has been found that the pricing schemes of these units are not up to mark. They keep on changing the schedule of the pricing. It differs from area to area. Even the manner of pricing is also not fair, they are discriminative in nature.

Hence, the price set up must be set following the non-discriminative policy and revision of the same must also be done timely.

**Distributional policies:** The distributional policies followed by the units are somehow imbalanced. Emphasis is more upon the

urban customers rather than the rural one. The remote areas face with poor distribution policies.

Hence, distribution channels must be shortened and appropriate dimension of rural and urban areas must be made. Officials and products must be assigned accordingly.

**Promotional policies:** The promotional policies relating to advertisement, sales promotion, salesmanship and publicity are not guided appropriately for the rural areas. Certain policies are framed which are complicated and misleading, that further deals with cheating and frauds.

Hence, the promotional panels must be established for setting appropriate promotional policies and pilot testing must be done for each promotional strategies.

**Financial problem<sup>15</sup>:** The major problem found in the research is lack of financial soundness of the agro-based units located locally. These units are traditionally financed and lacks adequate amount of finance too.

Hence, the institutional bodies for financial assistance must ensure quick loan disbursement to these units, so that they may flourish easily.

**Technology up gradation:** The technique of production and distribution followed by these industrial units are old and obsolete. They use those machines which were used in various developed nations many years ago.

Hence, the use of advanced technology and the up gradation of the remaining one is necessary for the all point of views.

**Health issues<sup>16</sup>:** The consumers are more conscious about their health related issues. These units must be free from adulteration and other hazardous health related issues. Hence the consumers are not attracted due to these facts.

Due to this, a controlling measure must be the establishment of health and laboratory test department, which check health and nutrition value of the product must be maintained.

**Government support<sup>17</sup>:** It is found that the agro-based units are not properly supported by the government in their working. The financial, technological, managerial, legal, etc. support is not received from the government to these units.

Consumers are of view that the government must ensure that the schemes of development formulated for the same must reach the units timely. Easier contact with the government officials must be made for other related aspects.

**Online marketing:** It is found that the customers are of opinion that the option for online marketing must be enacted in the area of agro-based products too. 44% of consumers were of the same view.

The support of online marketing must be done timely, by using the concept of e-marketing in the business. Technical assistance must be given to these units so that they may flourish around the internet.

**Ethical application of business policies:** It is being found that the application of ethical application is very necessary in the day to day activity of these units.

Hence, a code of conduct is very necessary for the purpose of proper ethical activities in the production activities.

**Limitation of Study:** The products which are related to agro-based units and consumed by people of Varanasi, only those products are considered and their marketing impact on consumers is centralized. The present study is a unique one and was not done in the past. Hence, it would be fruitful for all.

But there may be certain areas which are not covered in the study. It is mainly due to individual researcher's constraint and resource limitation. The study is highly depending upon the responses of the consumers and other secondary data which is received.

## Conclusion

The study is concentrated only on the impact of marketing practices followed by agro-based units upon consumer consumption. The people of Varanasi only are taken as sample

and their pattern is analyzed. Agricultural consumers here refer to the consumers who consume agro-processed good such as confectionaries, flour, and other such goods. Agro-based units refer to the units engaged in processing the agricultural output for the consumers and produces agro-processed goods.

In the present study, the main objective was to analyze the impact of marketing practices followed by agro-based units on the consumer consumption. This was further divided into certain segments such as practices followed by the industrial units, consumption pattern of consumers, reason for such consumption and remedial measures. It has been found that nearly 96 % of the Varanasi consumers are not fully satisfied from the marketing practices of such products. The reason is chiefly for product quality, pricing, distributional and promotional strategies.

The problems could be overrun by following these practices in the recommended manner mentioned above. Therefore, the units must emphasize on the research work to overcome the riddles faced in their day to day operations.

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