
STUDY OF MARKETING OF VEGETABLES AND BUYERS BEHAVIOUR

Dr. Kulbhushan D. Meghe

Associate Professor

Department of Commerce

Dhanwate National College

Nagpur

Abstract :

Marketing is the performance of business activities that directs the flow of goods and services from producer to ultimate consumers. Marketing of vegetables involves all those activities which affect the selling of vegetables. This paper overview on the marketing of vegetables and buyer behavior.

Keywords : marketing, vegetables, consumer behaviour

Introduction

Vegetables provide vital protective nutrients like vitamins and minerals in the balanced diet of human beings. It is not an exaggeration to say that there is no human being in the world who does not consume vegetables. Besides, vegetable cultivation is more labour intensive and remunerative for small and marginal farmers. Despite its utility, vegetable cultivation, consumption and marketing in India remain a relatively neglected aspect. Though India is the second largest country in terms of production of vegetables in the world, the average per capita intake of vegetables is much below the requirements of a balanced diet. This is mainly due to severe negligence associated with production and marketing of vegetables. The production problems include low productivity, traditional cultivation practices etc. On the marketing side, there are many imperfections and inadequacies while the perishable nature of vegetables poses some vital problems of marketing, the traditional and exploitative marketing practices pose some more problems. Some of the serious problems in marketing of vegetables include unfair trade practices by middlemen, price uncertainty, price manipulations, lack of proper transport, storage facilities etc. As a result, Indian vegetable growers are considered to be bad marketers. Under

this situation, they are forced to accept the price offered by the traders. Though some attempts are made to regulate the market practices and develop marketing facilities, a greater part of the vegetable marketing remains unorganized and underdeveloped.

In recent trends, the importance of consuming vegetables for the maintenance of normal health is being realised in all parts of the world. Out of nearly 300 commercial cultivated crops in the world, about half were vegetables. Comparatively, vegetables are one of the cheapest sources of natural nutritive foods. Their consumption in sufficient quantity provides taste, palatability and increases appetite. Improved nutrition through increased intake of vegetables will necessitate a considerable increase in the production of vegetables which in turn demands an increase in the area under cultivation and production of vegetables. The increased supply of vegetables brought about through improved techniques will bring down the cost of cultivation. Normally, vegetable crops give higher yield per unit area as compared to cereal crops. Further, increase in vegetable production can provide more farm employment.

In India, vegetable production can play a vital role as it is burdened with problems of food shortage, mass under-nourishment, lower farm income, existence of unemployment and surplus labour force engaged in agricultural sector. Vegetable crops generally are of short duration in nature and hence their production can make efficient use of land which also ensures additional employment and income to rural families. If vegetable production is increased, the per marketing in India is suffering from different infrastructural, organizational and function intersections. It is inefficient and non-remunerative to producers, the sellers. Distress sales, especially in villages, were the common practice during the glut seasons. Small and marginal farmers were adversely affected and they were forced to mortgage their surplus to the commission agents in order to obtain loans at the time when they were in distress. Inadequate infrastructural facilities like all-weather roads and storage, farmers of small size, marketable surplus, non-suitable linkage to the regulated and rural markets from the villages as well as producers, weak organizations were the significant factors which prevent the growers to fix fair price from their per unit of marketed surplus in the markets. Proper organization of markets of

agricultural produce will not only remove the ills of the agricultural marketing but in a way they will help farmers motivated towards higher production and continuance in agriculture.

Agriculture and its Growth in India

The pattern of growth that the Indian economy is currently experiencing has received particular attention. Amidst all the software and the IT boom in India, the one sector that has been most ignored is the agriculture sector. This growth process of economy has witnessed the slowing of agriculture at a time when the rest of the economy is growing at unprecedented rates. Manufacturing output has registered double digit growth recently. Growth of the services economy has been less spectacular but more steady over a longer period. The slow growth of agriculture has been explicitly noted as a matter of concern and accelerating the rate of growth of agricultural production is seen as central to a more inclusive growth. With more than half the population in the country still associated with agriculture, urgent reforms need to be made so that this sector in itself can grow rapidly.

Generation of gainful employment and income for the rural poor, strengthening of household food and nutritional security and sustainable use of natural resources dominate the objectives of agricultural development in the country (Acharya, 1998). But still the agriculture sector has seen a growth of about one per cent in the past few years as against the anticipated growth of four per cent. The main problem affecting agriculture today is that farmers themselves don't see it as a profitable option today. With the tremendous increase in population, the land holdings of farmers have shrunk to lower levels. The farmers themselves have become grossly indebted, if the rains are not on their side and the crop fails, then they are often staring at unemployment and mere survival. Agriculture sector's share in the country's GDP has decreased over, years and of late it only contributes 16.3% to the total GDP.

Agricultural Challenges in India

The agriculture sector in India has many problems. Its growth rate has been around mere 2 per cent in recent years. The yield growth has also declined. Farmers' suicides have continued

and even increased in some states. Farming is becoming a nonviable activity. Further scope for increase in net sown area is limited. Land degradation in the form of depletion of soil fertility, erosion and, water logging has increased. There has been a decline in the surface irrigation expansion rate and reduction in groundwater level. Risk and vulnerability have increased. Disparities in productivity across regions and crops still persist. Long-term factors like steeper decline in per capita land availability and shrinking of farm-sizes are also responsible for this crisis.

The Steering Committee Report on agriculture for the 11th Plan has identified the possible reasons for deceleration in agriculture since mid-1990s.

According to the report, the major sources of agricultural growth are public and private investments in agriculture and rural infrastructure, including irrigation, technological change, diversification of agriculture and fertilizers. The progress in all these sources slowed down since the 1990s, particularly since mid-1990s. According to the report, the causes of slow down are increase in subsidies crowding out investment in infrastructure, degradation of natural resources, failure in conservation, and improvement of rainfed land, knowledge gap with existing technology, low market infrastructure and too much regulation, institutions not geared to help farmers, imperfections in land market and plight of small farmers.

Agriculture today has not become a lucrative thing for farmers because they don't get the desired return on investment. The produce is sold in the market at a higher rate but the farmers' share in consumer rupee has come down drastically. The majority of the profit has been taken away by the middlemen who exploit the farmers by giving them very cheap price for their products. The farmers are also willing to accept that price because they try to avoid the market and price related risk. The farmers lack market related information and there are no measures from government side at least in the state of Maharashtra except paddy to provide them right prices for their produce so that they will get benefit and also motivation from the agricultural business.

Agricultural Marketing

Marketing involves finding out what customers want and supplying it to them at a profit (Kotler, 2002). This stresses two important points. The first one is marketing process has to be customer oriented and second one being marketing, a commercial process has to provide farmers, transporters, traders, processors, etc. with a profit or they will be unable to stay in business. Having said that as one of the most important factors marketing determines the success of any farm enterprise, encompassing all of the operations and decisions made by producers. These decisions range from identifying the most profitable crops for production to deciding how produce should be delivered to buyers efficiently and economically while maintaining product quality. Marketing is also a series of services involved in moving a product from the point of production to the point of consumption. Like any chain, it is only as good as its weakest link.

In India Agriculture was practiced formerly on a subsistence basis; the villages were self sufficient, people exchanged their goods, and services within the village on a barter basis. With the development of means of transport and storage facilities, agriculture has become commercial in character; the farmer grows those crops that fetch a better price. Marketing of agricultural produce is considered as an integral part of agriculture, since an agriculturist is encouraged to make more investment and to increase production. There is an increasing awareness that it is not enough to produce a crop; it must be marketed well.

Marketing of Perishables

Among all the forms of agricultural marketing the most difficult and riskier is the marketing of perishables like fruits and vegetables. In case of perishables commodities for a producer, the real problem starts when he attempts to dispose of the same i.e. marketing the produce. Besides the huge expenditure the marketing cost also affects the income of the cultivators (Subrahmanyam, 1981). The marketing of fruits and vegetables, unlike in case of cereals and pulses, is more complex because of the special characteristics like seasonality, perishability, bulkiness etc. and needs special care and immediate disposal. Being highly perishable in nature the shelf life of these commodities are very short. Many studies conducted on marketing of fruits and vegetables

have shown the exploitation by the middlemen resulting in low share of consumer rupee. Hence it is essential to critically analyze the present marketing system and identify the most suitable channel which will be beneficial to both the producers and consumers.

Consumer Behaviour

Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

Marketers expect that by understanding what causes the consumers to buy particular goods and services, they will be able to determine—which products are needed in the marketplace, which are obsolete, and how best to present the goods to the consumers.

The study of consumer behaviour assumes that the consumers are actors in the marketplace. The perspective of role theory assumes that consumers play various roles in the marketplace. Starting from the information provider, from the user to the payer and to the disposer, consumers play these roles in the decision process.

The roles also vary in different consumption situations; for example, a mother plays the role of an influencer in a child's purchase process, whereas she plays the role of a disposer for the products consumed by the family.

Consumer Behavior and Attitudes in Purchasing Vegetables

Consumption of vegetables is a cheap mean of fulfilling nutrient requirements. However, its significance in diet is determined by the culture. In agriculture, vegetables are a sub sector that is considered to be important by both the farmers and consumers. A majority of Nagpurian consume vegetables on a daily basis along with the country's staple food rice. According to Household Income and Expenditure Survey 2016, 8% of total household expenditure on food and drink in region is spent on vegetables. Hence, vegetables are one of the frequently purchased food items in the country.

Consumers behave differently during purchasing of vegetables. Factors affecting the behavior of consumers are both endogenous and exogenous. Endogenous or internal factors include the needs and motives, learning, self-concept, personalities and attitudes whereas culture, reference group, family and socio-economic situation are considered to be exogenous or external factors. The decision in buying fruits and vegetables are based on analysis of cognitive and emotional elements with a little effect from advertising or other campaigns and they value freshness, appearance and price more than other characteristics. The choice of the market place and vegetables, frequency of shopping, amount spend on vegetables and factors considered during purchasing vary from one consumer to another. The store choices of consumers in purchasing vegetables in Maharashtra from modern supermarkets to traditional fair system known as Market. The new retail format of supermarkets and hypermarkets tend to develop their range of fresh fruits and vegetables to meet a growing demand. Modern retailers also provide the other benefits such as availability of all products under one roof and convenience. However, consumers also purchase vegetables at unorganized retailers and traditional fairs owing to various other factors. Even though a majority of households consume vegetables daily, the frequency of purchasing vegetables vary depending on several factors. Some buy them for 2-3 days given that they have the luxury of a refrigerator. The variability in climate associated with the topography of region allows the cultivation of different types of vegetables increasing the choices available to the consumers. The modern consumer has a concern regarding the safety and quality of the food products. The niche products including organic and locally grown food are becoming more popular. Consumers either seek to purchase environmentally friendly food products or become health conscious about what they eat increasing the demand for organic food in the market. However according to Rosairo , a majority of buyers are unable to consume organic vegetables due to a range of specific reasons. Understanding the behavior of consumers and attitudes during purchasing of vegetables can have many positive impacts. It is useful for the vegetable supply chain actors to know and understand the shifts in patterns in demand and underlying determinants of the changes while providing better information for the formulation of agricultural policies that foster development of market demand through local food producers and traders.

Conclusions

The consumer behavior shows that most of the consumers have perceptions towards fresh vegetables. Most of them analyze the product, although the reasons behind the analysis are different. Some of the decisions are based on cognitive aspects such as the best price or the best alternative, while others are based on emotional elements such as the product which is liked best. Based on this behavior a company can adjust their marketing strategy. The consumers in today's era, need fresh and cost effective goods. The consumers always prefer to buy the vegetables from nearby area only.

References :

1. Balram Dogra, Karminder Ghuman "**Rural Marketing- Concepts and Practices**," Tata McGraw-Hill Publishing Company Limited, 2009
2. Directorate of Marketing and Inspection (2008), "A Statistical Statement on Progress of Strengthening/Development of Agricultural Marketing Infrastructure Grading Standardization and Upgradation of Laboratories" (Unpublished).
3. Gopaldaswamy, T.P., "**Rural Marketing- Environment, Problems, Strategies**" (2nd ed.), Vikas Publishing House, 2005
4. Jairath M S (2008), "Trends in Private and Public Investment in Agricultural Marketing Infrastructure in India", *Agricultural Economics Research Review*, Vol. 21, Conference Issue.
5. Jairath, M. S. (2004); "**Agricultural Marketing Infrastructure in India**", Indian Journal of Agricultural Marketing, Vol XVIII (4), October – December.
6. National Bank of Agriculture and Rural Development (2008), "Annual Statement on Strengthening/Development of Agricultural Marketing Infrastructure Grading Standardization and Upgradation of Laboratories" (Unpublished).
7. National Cooperative Development Corporation (2008), "Annual Statement on Strengthening/Development of Agricultural Marketing Infrastructure Grading Standardization and Upgradation of Laboratories" (Unpublished). *Reference # 27J-2009-03-03-01*
8. S.S. Acharya, N.L. Agarwal, "**Agricultural Marketing in India**", Oxford and IBH Publishing Co. PVT. LTD., 2008
9. Lungile Ntsizwane, Sonia Swanepoel, and Nicolene Barkhuizen, Perceptions of Desirable Employability Skills for Commerce Students, International Conference on Education, Law and Humanities (ELH'2013) Nov. 27-28, 2013 Johannesburg (South Africa) 126