

MARKETING OF FRUITS AND VEGETABLES THROUGH CO-OPERATIVES: AN ANALYSIS OF CONSUMER BEHAVIOR

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Abstract

Marketing is one of the important economic functions of a society and proper marketing of agricultural produce is of greater importance in an agrarian economy. Marketing is a comprehensive term covering business activities involved at various stages in the flow of transferring products from the primary producer to the ultimate consumer. Agriculture marketing is a vital sub-sector of agriculture, which deserves as much attention as agriculture. The fruits and vegetables marketing in particular is characterized by high perish ability, seasonality and bulkiness of the produces, which make them distinctive from other agricultural products like cereals and nuts. With the objective of stabilizing the marketing conditions by means of orderly and regulated supply of fruits and vegetable, The Trichur Fruits and Vegetables Marketing Co-Operative Society was started on 27th February, 1957. Thus, in this paper an attempt has been made to analyze the purchasing behavior of the society's individual consumers and their satisfaction towards society.

Keywords: Regulated Market, Co-Operative Marketing Societies, Purchasing Behavior.

Introduction

Co-operative marketing is a process of marketing through co-operative associations formed to perform one or more of the marketing function in respect of the produce of its members. In general, wherever these societies are assured of a regular market and remunerative price for their produce. As an alternative channel of marketing, which will reduce the number of intermediaries and benefit both producers and consumers, the establishment of co-operative marketing societies is generally advocated. One of the important functions of the society is marketing of fruits and vegetable through its retail outlets. The society also intends to enter the wholesale vegetable market in a big way with the establishment of a chain of cold

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storage. Hence an understanding of the consumer behavior will be beneficial to the society to plan its marketing strategies effectively.

Objectives

- Stabilizing the marketing conditions by means of orderly and regulated supply of fruits and vegetables,
- To analyze the purchasing behavior of the society's individual consumer and their satisfaction towards the society.

Methodology

The study was based mainly on primary data. The required were collected from a sample of 80 respondents selected randomly from individual consumers, administering a pretested, structured interview schedule. The consumer satisfaction towards the society was studied by obtaining the opinion of the respondents on a five-point scale.

Consumer Behavior towards the Society

Behavioral variables such as attitude, opinion, awareness, knowledge and motivations are influencing the decision marketing process of an institution. Consumer's products or services are important in marketing. Firstly the purchasing behavior of the society individual consumers in relation to their socio-economic profile like income, occupation and education was attempted. Secondly the satisfaction level of the individual consumers towards various practices of the society was analyzed.

Occupational Structure and Purchasing Behavior of the Customers

As is evident from Table 1, around 73 percent of the society's customers were government employees and professionals. Businessmen accounted for 15 percent of the respondents. AS low as about four percent of the customers were agriculturists. Thus, it may be inferred that the society has successfully identified with a non-farmer segment of customers for the farmer's produces. However, it may be noted that only 35 percent of the respondent were regular customers of the society, the largest number of regular buyers being professionals, followed by government employees. It is heartening to note that only about four per cent of the respondents were buying rarely' from the society. As high as 61 per cent of the customers were 'occasional' buyers It implies that the society has been able to provide some amount of satisfaction to its customers that motivated them to buy repeatedly from the society This calls for more the customer oriented marketing efforts on the part society, so that the occasional buy occasional buyers, as high as 50 per number of regular customers were of the Among can be transformed into regular buyers the 49 Instead the then cent

were government employees largest number of regular customers were professionals Hence, a detailed study is to be made to see why the government employees were not buying regularly from the society and appropriate corrective measures may be taken

Educational Level and Purchasing Behavior of Customers

It can be seen from Table 2 that there exists some association between the level of education and peoples' inclination to be customers of the society Graduates and post- graduates constituted almost 70 per cent of the customers of the society Only about four per cent of the customers were with primary education This is indicative of the fact that the society, knowingly or unknowingly, has woven its business around the educated class

Income Level and Purchasing Behavior

Among the selected respondents less 14 percent belonged to the lower income group around 60 percent were in the average income category and the remaining 29 percent could be considered as belonging to higher income group according to our income classification scheme (Table 3). The reason for this may be that the society has targeted its business mainly to a well education and employed class (Table 1 and 2).

Consumer Satisfaction towards the Society and Private Traders

Having studied the purchasing behavior of the individual consumers, it may be worthwhile to analyze the consumer satisfaction towards the society An analysis of consumer's satisfaction towards the society in isolation may not convey much unless it compared with the consumer satisfaction towards the private agencies. Hence, an attempt was made to analyze the consumer satisfaction towards the society and the private traders based on seven parameters The parameters used were quality of vegetables price of vegetables, availability of all kinds vegetables, accuracy in weights and measures absence of malpractices, provision of credit facilities and convenience of working hours Based on the primary data collected in this regard, a composite consumer satisfaction index was calculated taking into account all the parameters.

Composite Consumer Satisfaction Index

The composite consumer satisfaction index shows that the consumers satisfaction towards the society was not appreciable Though the Index was positive (18.93), it was very low since a strong satisfaction towards the society would have lifted the index closer 100. It is interesting to note that the consumer satisfaction towards the private trader was also at a similar level (Composite index of 18.75) It implies that the consumers t differentiate much between the society and private traders while making their purchase choice. However, this is a picture at the aggregate level and hence it does not mean that the consumers rate the society and

private trader equally on all parameters constituting the satisfaction index Therefore the consumers satisfaction with each parameter was also examined .

Quality of Vegetables

As can be discerned from Table 4 consumers were fairly satisfied with the quality of vegetables supplied by the society The index in this regard was 53.15 for the co-operative society This was in sharp contrast with private traders In their case, the consumers were unsatisfied with the quality of vegetables supplied by them as the index was only 1.88 Hence it can be safely concluded that the society had though moderately, achieved its objective of supplying good quality vegetables to the consumers.

Price of Vegetables

It can be inferred from Table 4 that the price of vegetables charged by the society was moderate and affordable to the consumers. The respondents expressed fair degree of satisfaction with the price charged by the society. That is why the co-operative society attained a consumer satisfaction index of 51.88 compared to 3.75 obtained by the private traders. It indicates that the private traders were charging higher prices from the customers hence; in this regard also the society has fulfilled one of its social as well as organizational objectives of supplying vegetables at reasonable prices to the consumers.

Availability of All Kinds of Vegetables

When a consumer is shopping, if all the vegetables of his liking are available in a single shop, the consumer would naturally be tempted to choose that shop for repeated purchase Therefore, this parameter was also considered for the study. The enthusiastic response of the consumers towards this parameter has well justified its inclusion in the study The society could not offer sufficient variety of vegetables and as a result the consumers expressed dissatisfaction on this parameter The consumer satisfaction index in respect of this parameter was-14.38 (Table 4) This was serious weakness of the society which persuaded the consumers to depend upon private traders for variety At the same time this was a strength of the private traders as they were able to offer a good amount of variety to the consumers. Hence, they had scored an index of 53.13 on this parameter This is an area where the society has to make dent as it is increasingly becoming an era of consumer choice and consumer supremacy The private traders had outsmarted the society on this parameter.

Accuracy in Weights and Measures

Vegetable vending is notorious for frauds in weights and measures. There would be hardly a consumer who had not ever complained about the inaccuracy of weights and measures It is heartening to see that the society has scored over the private traders on this parameter It had achieved an index as high as 74.38 on this

parameter. It means that consumers satisfaction towards the society was very much influenced by its ability to ensure accurate weights and measures. The private traders remained infamous on this parameter. The consumers expressed a high degree of dissatisfaction on the private traders performance on accuracy of weights and measures. This made the index to be as low as -32 for the private traders. Hence, there is every justification in saying that the society had realized yet another social as well as organizational goal of providing vegetables in accurate weights and measures to the consumers.

Absence of Malpractices

Vegetables selling are beset with a lot of malpractices. Since vegetables are easily perishable in nature, the traders, to guard against any possible loss, indulge in many kinds of unethical practices. This can go to the extreme level of adding harmful and poisonous chemicals that may apparently extend the shelf life of vegetables but endanger the health of the consumer. Therefore absence of malpractice was selected as another parameter for analyzing the consumer satisfaction. Just as in the case of accuracy of weights and measures, the society had made a noble effort in selling vegetables without resorting to any malpractice. The consumer's response testifies this. The index of this parameter is commendably high (76) for the society. It is on this parameter that the consumers had given the highest rating to the society. The case of private traders was diametrically opposite to that of the society. The index scored by the private traders in this satisfaction index given in Table 4. It can be seen that extending credit facility would be a good strategy to attract and retain more consumers. It is strongly advocated that the society must seriously think of extending credit facility and might be better, if it overcomes the obsession with the traditional "Rochdale principle of cash sales".

Convenience of Working Hours

It is an accepted principle of retailing that the marketers should arrange their working hours matching with the consumers convenience. This would not only enable the marketers to increase turnover but also to win over and retain, satisfied consumers. This has prompted us to select convenience of working hours as one of the parameters for analyzing the consumer satisfaction. On this parameter also the society obtained a negative index of 31. The society has failed to schedule its working hours according to the consumer's convenience. The consumers inconvenience in this regard is very obvious. This deters many consumers in purchasing from the society and naturally go for the inevitable option of falling prey to the private traders. On the other hand the private traders keep open their doors early in the morning till late night to ensure that no consumer is lost due to inconvenient timing of the shop. This

is very evident from Table 4 which shows that the private traders have got a very high index of 73 on this parameter. This is another area where the society has to make some soul searching and initiate appropriate corrective actions.

Conclusion

The society has succeeded in supplying quality vegetables at reasonable prices in accurate weights and measures without resorting to any unethical practices. However, the society was a failure in providing the consumers with a wide variety, credit facility and convenient working hours. On the contrary, the private traders wooed the consumers by offering variety, credit facility and flexible working hours. However, the consumers expressed strong resentment on the quality, price, weights and measures of the private traders. By and large neither the society nor the private traders could emerge as the market leader.

The study clearly indicates that the co-operative marketing societies have got a prominent role to play in guarding the interests of the farmers and consumers. Marketing societies as intermediaries between consumer and producer ensure regular market and remunerative price to the farmer and quality products at reasonable price to the consumer. Marketing societies, in order to play their role of a market leader, must make their operating policies and systems consumer friendly and go for vertical and horizontal networking with other producers' organizations. Marketing societies must move with time and design the marketing mix according to the needs of the customers to survive and grow in a dynamic environment.

Table 1: Occupational Structure and Purchasing Behavior of the Customers

Occupation	Purchasing Behavior			
	Regularly	Occasionally	Rarely	Total
Agriculturists	2	1	0	3 (3.75)
Businessmen	5	6	1	12 (15.00)
Government Employees	7	29	2	38 (47.50)
Professionals	10	10	0	20 (25.00)
Others	4	3	0	7 (8.75)
Total	28 (35.00)	49 (61.25)	3 (3.75)	80 (100.00)

Source: Data collected from field survey.

Figures in parenthesis show the percentage to total.

Table 2: Education Level and Purchasing Behavior of the Customers

Occupation	Purchasing Behavior			
	Regularly	Occasionally	Rarely	Total
Primary	1	2	0	3 (3.75)
Secondary	8	5	1	12 (17.50)
Pre-degree	0	7	1	8 (10.00)
Graduate	10	18	1	29 (36.25)
Post-graduate	9	17	0	26 (32.50)
Total	28 (35.00)	49 (61.25)	3 (3.75)	80 (100.00)

Source: Data collected from field survey.

Figures in parenthesis show the percentage to total.

Table 3: Income Level and Purchasing Behavior of the Customers

Monthly income	Purchasing Behavior			
	Regularly	Occasionally	Rarely	Total
< 2000	5	6	0	8 (13.75)
2000 to 5000	13	32	2	46 (57.50)
>5000	11	11	1	23 (28.75)
Total	28 (35.00)	49 (61.25)	3 (3.75)	80 (100.00)

Source: Data collected from field survey.

Figures in parenthesis show the percentage to total.

Table 4: Customer Satisfaction towards the Co-operative Society and Private Traders

S. N.	Parameters	Co-op. Society Index	Private Traders or Agencies Index
1.	Quality of Vegetables	53.15	1.88
2.	Price of vegetables	51.88	3.75
3.	Availability of all Kinds of Vegetables	-14.38	53.13
4.	Accuracy in Weights and Measures	74.38	-31.88
5.	Absence of Malpractices	75.63	-51.25
6.	Provision of Credit Facility	-70.50	83.13
7.	Convenience of Working Hours	-30.63	72.50
	Composite Index	18.93	18.75

Source: Data collected from field survey.

Figures in parenthesis show the percentage to total.

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