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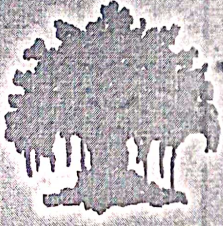
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2	Problems of Production and Marketing of fruits and Vegetables	Dr. Santosh Bhagwant Wadkar	Studies in Indian Place Names	2020	ISSN 2394-3114
3	Effectivness of Distribution Channels of FMCG: A Study of rural Markets of western Maharashtra	Dr. Santosh Bhagwant Wadkar	Studies in Indian Place Names	2020	ISSN 2394-3114
4	Importance of Online Marketing on Integrated Marketing Communication	Mr. Rahul Laxmikant Chitnis	Studies in Indian Place Names	2020	ISSN 2394-3114
5	“Study Of Consumer Buying Behavior Towards Online Shopping In Palus City”	Mr. Rahul Laxmikant Chitnis	Studies in Indian Place Names	2020	ISSN 2394-3114
6	Effectivness of Distribution Channels of FMCG: A Study of rural Markets of western Maharashtra	Dr. Avinash M. Kharat	Studies in Indian Place Names	2020	ISSN 2394-3114
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9	Changing Consumer Buying Behaviour in Rural areas	Dr. Pravinkumar Bharatkumar Lupane	Studies in Indian Place Names	2020	ISSN 2394-3114
10	Micro Finance – A Ray of Women Empowerment”	Dr. Pravinkumar Bharatkumar Lupane	Studies in Indian Place Names	2020	ISSN 2394-3114
11	Changing Consumer Buying Behaviour in Rural areas	Mr. Amit Shivaji Patil	Studies in Indian Place Names	2020	ISSN 2394-3114
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## **Production and Marketing of Fruits and Vegetables**

**Santosh B. Wadkar**

### **Abstract :**

The study has been undertaken in Sangli and Kolhapur Districts with specific focus on selected Fruits and Vegetables such as Mango, Grapes, Pomegranate, Banana, Sapota, Tomato, Potato, Cauliflower, Chilli, Brinjal. Generally it has been seen that in case of less production demand is high and need less marketing and in case production is high demand is less requires more marketing. Over production require more marketing, less production require less marketing, over production sometimes incur losses, less production reduces the chain of middlemen, over production gives unnecessary invitation to middlemen, middlemen exploit the producers as well as consumer.

Study has been undertaken to see the scenarios of need of marketing of vegetables and fruits. Hypothesis put to test is, there is no significant relationship between production taken per acre in tones and amount spent on marketing. 400 sample farmers have been interviewed selected conveniently using structured schedule to collect the data. The data has been processed using Ms-Excel and SPSS for analysis and hypothesis testing. Study found that 88% samples are at opinion that the marketing needs when production is more compared to average. In case with Banana only the null hypothesis is rejected and alternative hypothesis i.e. Production and marketing of fruits and vegetables are having negative partial co-relation in the sample area is accepted, in case of vegetables the null hypothesis is accepted.

**Keywords :** Vegetable Marketing, Fruits Marketing, Sangli, Marketing of Fruits and Vegetables.

### **Introduction :**

In a planned economic development transaction of goods and services plays a very vital role in maintaining balance between production and marketing. In fact marketing expands most rapidly than either agricultural production or gross national production in most developing countries. Due to perishable nature and forces of demand and supply the fruits and vegetables cannot

provide assured returns to the farmers. The dominance of middlemen could not give the expected profit to the farmer and customers get it for with higher prices. The enthusiasm of agriculturist and customer is not conducive due to middlemen. The strength of middlemen gives a poor arrangement to farmers and the buyers. Mediators control the market, yet don't include much esteem. The system used by the middlemen does not give justice to producer and customers.

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The quality and the brand of seeds, fertilizers, pesticides etc. are used by the farmers without seeking advice of the agriculture experts. This causes over production and ultimately increases the cost of marketing or inviting middlemen.



### Research Methodology:

Hypothesis put to test are, there is no significant relationship between production taken per acre in tones and amount spent on marketing. Study has been undertaken to see the scenarios of need of marketing of vegetables and fruits. Required data has been collected using primary and secondary data sources. Primary Data has collected from farmers/ producers, sellers, middlemen, customers of fruits and vegetables. The researcher has also discussed with Regional Agriculture Officer, Kolhapur, District Agriculture Officer, Kolhapur, District Agriculture Officer, Sangli, Taluka Agricultural officers of several talukas from Kolhapur and Sangli districts, Various Bazar Samitis about the development, potential actual farming government's economic support, their role in marketing of such commodities, etc. The primary data has been collected through questionnaire. Secondary Data has been obtained by the researcher from the sources such as Census of Kolhapur District, Census of Sangli District, Gazette of Maharashtra, Gazette of India, articles published in news papers, from journals, from Internet, reference books, research dissertations, study reports completed by working group of experts/ NGOs, Governments, etc. The secondary data has also been collected from the Government Agriculture offices, i.e. i) Regional Agriculture Office, Kolhapur, ii) District Statistical Office, Kolhapur, iii) District Statistical Office, Sangli, iv) District Agriculture Office, Kolhapur and Sangli, v) Tahasil Agriculture Offices, Kolhapur and Sangli districts, vi) Apeda.

Use of Excel spread sheet, SPSS has bring in use for data feeding and analysis. Researcher has focused on analysis in relation with production and marketing of fruits and vegetables in the study area.

For study following five fruits and five vegetables have been taken. Fruits taken for study are, Mango, Grapes, Pomegranate, Banana, Sapota. Vegetables taken for study are Tomato, Potato, Cauliflower, Chilli, Brinjal. The production has been taken tones per acre and marketing has been rated on the amount of expenses in rupees on marketing activities.

### Data Analysis:

The data collected has been arranged in tables and presented. Testing of hypothesis is done using Karl Pearson correlation coefficient.

**Table 1 : Need of marketing when production is low**

Sr.	Particulars	Number of Respondents	Percentage
1	Yes	37	09
2	No	363	91
3	Total	400	100

*Source: (Field Survey)*

The researcher has taken this attribute to check the need of marketing when production is low. Generally when the production is low; demand is high and less marketing is needed.

Table 1 infer about need of marketing when production is less. It is clear that 91% of the producers said that there is no need of marketing when production is less and the remaining 09% said that there is a need of marketing.

From the above discussion it is understood that when production is less then demand is high and when demand is high the efforts required to sell are less i.e. less use of marketing is needed. The minimum quantity of produce can be sold directly in the market or the middlemen easily come to producer and purchases with higher price.

**Table 2: Need of marketing when production is more.**

Sr.	Particulars	Number of Respondents	Percentage
1	Yes	353	88
2	No	47	12
3	Total	400	100

*(Source: Field Survey)*

The researcher has taken this attribute to check the need of marketing when production is high. Generally when the production is high; demand is low and more efforts for marketing are needed.

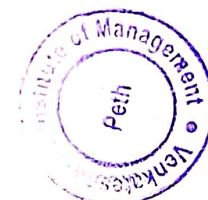


Table 2 shows the need of marketing in case of over production. It is clear that 88% of the producers said that there is a need of marketing when production is over and the remaining 12% said that there is no need of marketing.

From the above discussion it can be observed that when production is more than demand is less and when demand is less the extra efforts are required to sell the products. This can be followed by making heavy promotion for marketing of produce. In case of overproduction the producer cannot sale all the produce on his/her own. They

have to take the help of middlemen as a result of this the producer purchase produce at low prices. Thus the producer comes under losses.

**Hypothesis testing:**

Pearson correlation has been used to test the hypothesis between production tones per acre and marketing expenses.

Following table shows Pearson correlation between production tones per acre and marketing expenses.

**Table 3: Pearson correlation between production tones per acre and marketing expenses.**

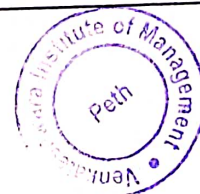
Correlations			
		Marketing cost Acre Rs	Production In tones Acre
Marketing cost Acre Rs.	Pearson Correlation	1	-.010
	Sig. (2-tailed)		.850
	N	395	395
Production In tones Acre	Pearson Correlation	-.010	1
	Sig. (2-tailed)	.850	
	N	395	400

Source: (Compiled by researcher)

Above table number 3 shows, The correlation coefficient is -0.010 signifies very poor negative correlation which is not significant since significance at 2 tailed is 0.850 reveals null hypothesis is accepted and alternative hypothesis i.e. Production and marketing of fruits and vegetables are having negative partial co-relation in the sample area is rejected.

Since study involves five fruits and five vegetables, hypothesis tested independently for sample fruits and vegetables as follows.

Pearson correlation between production tones per acre and marketing expenses as per sample fruits and vegetable.



Following table shows Pearson correlation between production tones per acre and marketing expenses as per the sample fruits and vegetables.

**Table 4 : Pearson correlation between production tones per acre and marketing expenses as per the sample fruits and vegetables.**

Sr.	Fruit	Pearson Correlation	Sig (2-tailed)	N	Sr.	Vegetables	Pearson Correlation	Sig (2-tailed)	N
1	Mango	0.034	0.839	39	1	Tomato	0.108	0.502	41
2	Grapes	0.019	0.899	46	2	Potato	0.136	0.414	38
3	Pomegranate	0.047	0.777	38	3	Cauliflower	-0.182	0.297	35
4	Banana	-0.412	0.007	41	4	Chilli	-0.171	0.306	38
5	Sapota	0.043	0.804	35	5	Brinjal	0.087	0.574	44

Source: (Compiled by researcher)

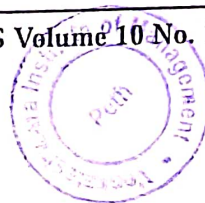
From above table number 4 shows that in fruits Mango, Grapes, pomegranate and Sapota shows very weak positive correlation between production tones per acre and marketing expenses. Whereas the significant negative correlation have shown in case with Banana since the correlation coefficient is  $-.412$  at  $.007$  sig (2-tailed). No significant correlation found in case of vegetables. With Tomato, Potato and Brinjal very weak positive correlation found with production tones per acre and marketing expenses and in case of Cauliflower and Chilli very weak negative correlation found.

To conclude the discussion on this hypothesis it can be stated that in case with Banana only the null hypothesis is rejected and alternative hypothesis i.e. Production and marketing of fruits and vegetables are having negative partial correlation in the sample area is accepted. And in case of vegetables the null hypothesis is accepted.

#### Findings:

1. It is found that the variable cost has increased day by day, as a result, the cost of production of fruits and vegetables under study area has also increased. There is an increase in the cost of fertilizers, pesticide/insecticides, labour charges etc. in big proportion but the selling price of fruits and vegetables has not been increased in the same proportion. So the gap between production cost and selling price has increased.

- It is found that producers face the problems of low prices to their produce especially when they sell their produce to middlemen, the problem of electricity, natural problems of cultivation. The other problems like finance, scarcity of proper market, seeds, fertilizers and water, etc. have been faced by the producers. The main problem is exploitation by middlemen dot to which the producers do not get satisfactory prices. The problems of electricity and water in the summer season (March, April and May) in Jath, Kavathemahankal and Khanapur taluka make it very difficult sustain crop alive.
- It is found that 91% of the producers say that there is no need of marketing when production is less. When production is less then demand is high and when demand is high the efforts required to sell are less i.e. less use of marketing is required. The producers sell their products directly in the market or to the middlemen easily come to producer and purchase his produce at higher price. Hence it is concluded that, "plenty production perishes the producer" and vice-versa.
- It is found that 88% of the producers are of the view that bumper production needs the marketing. When production is more than demand is less and when demand is less the extra efforts are required to sell the products. This can be followed by making heavy



promotion for marketing of produce. In such cases the producers take the help of middlemen, as a result of this the producer purchases the produce at low prices. And thus the producers suffer losses.

### Suggestions:

1. It is suggested that to minimize the production cost as well as to maintain good health the producers have to use less fertilizers, pesticides/insecticides. They also have to use organic farming. Family members of the producers should put their hands while ripening season. If the contribution of family laborers is high productivity will be higher and the production cost will be lower. Being family members they do their work without any limit of time and their involvement is also considerable and effective.
2. It is suggested that, the awareness programmes should be organized from time to time to provide knowledge of marketing regarding market research, grading, advertising, branding and positioning etc. and to protect the producers from exploitation by middlemen. The Agricultural Produce Market Committee should organize these types of programmes. The producers also get marketing knowledge from various sources like media, government organizations and agricultural organizations etc.
3. It is found that the producers sell their produce to middlemen because they cannot bear transportation expenses, they can avail of credit facility from middlemen, they have scarcity of human resources and large quantity of produce, etc. The producers choose middlemen by default not by choice. The middlemen take the advantage of these problems and purchase produce at lower price and sell it to customers at higher price. Therefore it is suggested that producers should use the method of self sell in the market for desirable benefit. This can be done by community market like "farmers market" where there should be sponsoring, organizing or promoting group involved.

4. It is suggested that producers should do processing of their excess production like juices of fruits, tomato paste, vegetable soup and frozen vegetables, etc. The government should provide finance or subsidy for small-scale processing units. It converts perishable products in to more durable processed products. Producers should sell these processed products in domestic market or export. It will also help for employment generation.

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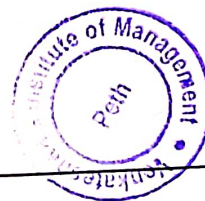
<https://mahades.maharashtra.gov.in/district.do?districtname=SANGLI>

<https://mahades.maharashtra.gov.in/district.do?districtname=KOLHAPUR>

Economic survey of Maharashtra 2014-15

Socio Economic survey of Sangli District 2013-14

Socio Economic survey of Kolhapur District 2013-14





**“PROBLEMS OF PRODUCTION AND MARKETING OF FRUITS AND VEGETABLES”**

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**Abstract :**

The study has been undertaken in Sangli and Kolhapur Districts with specific focus on selected Fruits and Vegetables such as Mango, Grapes, Pomegranate, Banana, Sapota, Tomato, Potato, Cauliflower, Chilli, Brinjal. The producers are unaware about marketing knowledge or very few producers use these marketing practices. Lack of these knowledge leads to suffer losses by getting less prices to their produces. The middlemen take the advantage of this unawareness and exploit the producers. So it necessary from producer's side to acquire marketing knowledge from various sources like media, government organizations and agricultural organizations etc. it results to increase the profit.

Study has been undertaken to see the scenarios of awareness of marketing of vegetables and fruits. Hypothesis put to test is, The producers of fruits & vegetables are not aware of marketing knowledge which leads to less price and demotivation of the producers. 400 sample farmers have been interviewed selected conveniently using structured schedule to collect the data. The data has been processed using Ms-Excel and SPSS for analysis and hypothesis testing. Study found that almost all producers are unaware about marketing knowledge in the study area. there exists relation between knowledge of marketing and demotivation of samples. Lesser the knowledge more is the demotivation. Since value of r square is very less reveals that beyond knowledge of marketing many more reasons are existed which need to be explore.

Having discussed this hypothesis in two parts it concludes that null hypothesis is accepted and alternative hypothesis is rejected.

**Keywords :**Vegetable Marketing, Fruits Marketing, Sangli, Marketing of Fruits and Vegetables.

**Introduction:**

In India the agriculture plays a role of the main occupation provider. It is necessary to adopt advanced scientific method of cultivation in order to improve the agriculture. Due to perishable nature and forces of demand and supply the fruits and vegetables cannot provide assured returns to the farmers. The dominance of middlemen could not give the expected profit to the farmer and customers gets it for with higher prices. The enthusiasm of agriculturist and customer is not conducive due to middlemen. Indian farmers commonly depend intensely on middlemen especially in products like fruits and vegetables. The strength of middlemen gives a poor arrangement to farmers and the buyers.

Low awareness about market, too many intermediaries, the faulty sale and distribution procedure have become so complex that producer do not know the right place and right time to market the produce. There are too many problems for producer; they totally depend on middlemen, private traders and pre-harvest contractors. The present marketing system has many problems which have direct impact on producer and farmer.

**Research Methodology:**

Hypothesis put to test is, The producers of fruits & vegetables are not aware of marketing knowledge which leads to less price and demotivation to the producers. Study has been undertaken to see the scenarios of need of marketing of vegetables and fruits. Required data has been collected using primary and secondary data sources. Primary Data has collected from farmers/ producers, sellers, middlemen, customers of fruits and vegetables. The researcher has also discussed with Regional Agriculture Officer, Kolhapur, District Agriculture Officer, Kolhapur, District Agriculture Officer, Sangli, Taluka Agricultural officers of several talukas from Kolhapur and Sangli districts, Various Bazar Samitis about the development, potential actual farming government's economic support, their role in marketing of such commodities, etc. The primary data has been collected through questionnaire. Secondary Data has been obtained by

the researcher from the sources such as Census of Kolhapur District, Census of Sangli District, Gazette of Maharashtra, Gazette of India, articles published in news papers, from journals, from Internet, reference books, research dissertations, study reports completed by working group of experts/ NGOs, Governments, etc. The secondary data has also been collected from the Government Agriculture offices, i.e. i) Regional Agriculture Office, Kolhapur, ii) District Statistical Office, Kolhapur, iii) District Statistical Office, Sangli, iv) District Agriculture Office, Kolhapur and Sangli, v) Tahasil Agriculture Offices, Kolhapur and Sangli districts, vi) Apeda.

Use of Excel spread sheet, SPSS has bring in use for data feeding and analysis. Researcher has focused on analysis in relation with production and marketing of fruits and vegetables in the study area. For study following five fruits and five vegetables have been taken. Fruits taken for study are, Mango, Grapes, Pomegranate, Banana, Sapota. Vegetables taken for study are Tomato, Potato, Cauliflower, Chilli, Brinjal.

#### Data Analysis:

The data collected has been arranged in tables and presented. Testing of hypothesis is done using chi-square Eta.

Table No. 1 Knowledge/ use of marketing practices

Sr. No.	Particulars	Not at all	a little	Rather	Much	Very much	Total
1	Grading	103 (26%)	176 (44%)	94 (24%)	23 (06%)	4 (01%)	400 (100%)
2	Segmentation	154 (39%)	145 (36%)	51 (13%)	42 (01%)	8 (02%)	400 (100%)
3	Target to customer	126 (32%)	98 (25%)	154 (39%)	15 (04%)	07 (02%)	400 (100%)
4	Positioning	321 (80%)	52 (13%)	23 (06%)	02 (01%)	02 (01%)	400 (100%)

5	Branding	286 (72%)	56 (14%)	40 (10%)	12 (03%)	06 (02%)	400 (100%)
6	Advertising	321 (80%)	56 (14%)	23 (06%)	0 (0%)	0 (0%)	400 (100%)
7	Self sell	241 (60%)	90 (23%)	21 (05%)	32 (08%)	16 (04%)	400 (100%)
8	Competitors Policy	245 (61%)	59 (15%)	56 (14%)	28 (07%)	12 (03%)	400 (100%)
9	Sell at lean marketing period	300 (75%)	27 (07%)	20 (05%)	28 (07%)	25 (06%)	400 (100%)
10	Market Research	345 (86%)	30 (08%)	10 (03%)	08 (02%)	07 (02%)	400 (100%)

(Source: Field survey)

The researcher has taken this variable to know the marketing knowledge of producers. If the producer has less marketing knowledge then the middlemen take undue advantage and exploit the producers.

Table No. 1 give information about knowledge of marketing to the producers. It is observed that in case of grading 44% of the producers said that they have a little knowledge, 24% said not at all, 24% said rather, 06% said much knowledge and remaining 01% said that they have very much knowledge about grading. In case of segmentation 39% of the producers don't have knowledge about segmentation, 36% have little knowledge, 13% said rather, 02% have very much knowledge and only 01% has much knowledge about segmentation. In case of target to customer, 39% of the producer said rather, 32% said not at all, 25% said a little, 04% said much and 02% said very much. 80% of the producers don't have knowledge about positioning, 13% have a little knowledge, 06% said rather, & 02% said much and very much

knowledge about positioning. In case of branding, 72% of the producer said that they don't have knowledge about branding, 14% said a little, 10% said rather, 12% said much and remaining 02% said very much knowledge. 80% of the producer said that they have not at all knowledge about advertising, 14% said a little, 06% said rather and no one said much and very much knowledge about advertising. In case of self sell 60% of the producer don't use self sale practices, % a little use, 08% said much use, 05% said rather and remaining 04% said very much use of self sell. 61% of the producers said not at all knowledge about competitor's policy, 15% said that they have a little knowledge, 14% said rather, 07% said much and 03% said very much knowledge about competitors policy. 75% said that not at all, 07% said much and a little each, 06% said very much and remaining 05% said rather use the technique like sell at lean marketing period. And in case of market research 86% of the producers don't know about market research, 08% have a little knowledge, 10% have rather and 02% have much and very much knowledge about market research.

From the above analysis it is clear that, the producers are unaware about marketing knowledge or very few producers use these marketing practices. Lack of these knowledge leads to suffer losses by getting less prices to their produces. So, it is necessary to make awareness about these practices in producers mind.

**Table no. 2 Lack of marketing knowledge leads to less price**

Sr. No.	Particulars	No. of respondents	Percentage
1	Yes	374	94
2	No	026	06
3	<b>Total</b>	<b>400</b>	<b>100</b>

(Source: Field survey)

The researcher has taken this variable to check the result of lack of marketing knowledge of producers. To get more profit and for fair trade practices the marketing knowledge is most important.

Table no. 2 infer about lack of marketing knowledge leads to less price. It has found that, 94% of the producers said lack of marketing knowledge leads to less price and remaining 06% said that lack of marketing knowledge does not leads to less price.

The middlemen take the advantage of this unawareness and exploit the producers. So it necessary from producer's side to acquire marketing knowledge from various sources like media, government organizations and agricultural organizations etc. it results to increase the profit.

**Hypothesis testing:**

The producers of fruits & vegetables are not aware of marketing knowledge which leads to less price and demotivation of the producers.

**H1:** The producers of fruits & vegetables are not aware of marketing knowledge which leads to less price and demotivation of the producers.

For the sake of testing purpose two independent null hypotheses have been proposed as follows.

**H0:** There is no significant association between marketing knowledge of producers of fruits and vegetables and fewer prices they get for their produce.

**Hypothesis tested using chi-square Eta**

**Table No. 3**

Directional Measures				
			Value	
Nominal Interval	by	Eta	Knowledge of MKT Dependent	0.006
			Leads to less price Dependent	0.211

Above table reveals value of Eta is 0.006 and 0.211 which is very poor shows that these two variables i.e. knowledge of marketing and less price are not associated.

Hence the null hypothesis is accepted and alternative hypothesis is rejected.

The second hypothesis of the said major hypothesis has been tested using regression as follows.

**Table No. 4** Regression model summary of knowledge of marketing and demotivation of samples.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.126 <sup>a</sup>	0.016	0.013	0.4545
a. Predictors: (Constant), Knowledge of MKT				

Above table shows that value of r is 0.126 and that to of r square is 0.016 which is very poor and statistically does not allow to proceed for further calculations still to facilitate further study calculation of ANOVA and regression coefficients have been worked out as follows.

**Table No. 5** Anova of knowledge of marketing and demotivation of samples.

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regressi on	1.319	1	1.319	6.384	0.012 <sup>b</sup>
	Residual	82.229	398	0.207		
	Total	83.548	399			

a. Dependent Variable: Demotivation Of Producer
b. Predictors: (Constant), Knowledge ofMKT

The table reveals that the model is significant since f test is significant with value of significance is 0.012 at 1 df.

**Table No. 6 Regression coefficients of knowledge of marketing and demotivation of samples.**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.442	0.128		34.662	0.000
	Knowledge of MKT	-0.190	0.075	-0.126	-2.527	0.012

a. Dependent Variable: Demotivation Of Producer

Above table shows that the constant is significant and independent variable feed in i.e. knowledge of marketing is also significant since value of significant is 0.012. The discussion on regression reveals that there exists relation between knowledge of marketing and demotivation of samples. Lesser the knowledge more is the demotivation. Since value of r square is very less reveals that beyond knowledge of marketing many more reasons are existed which need to be explore.

Having discussed this hypothesis in two parts it concludes that null hypothesis is accepted and alternative hypothesis is rejected.

**Findings:**



1. It is found that, 44% of the producer said that they have a little knowledge and 24% said that they have not all knowledge about grading of produce. In case of segmentation, 39% of the producers don't have knowledge and 36% have little knowledge. 39% of the producer said rather, 32% said not at all, 25% said a little knowledge about target to customer. 80% of the producers don't have knowledge about positioning and 13% have a little knowledge. In case of branding, 72% of the producer said that they don't have knowledge and 14% said a little knowledge. 80% of the producer said that they have not at all knowledge about advertising, 14% said a little knowledge. In case of self sell, 60% of the producer don't use self sale practices and 23% a little use self sale practices. 61% of the producers said not at all knowledge about competitor's policy, 15% said that they have a little knowledge. 75% said that not at all, 07% said much and a little sue the technique of sell at lean marketing period. In case of market research, 86% of the producers don't know about market research and 08% have a little knowledge. It is also found that almost all producers are unaware about marketing knowledge in the study area.

2. It is found that, according to 94% of the producers lack of marketing knowledge leads to less price and 06% said lack of marketing knowledge does not leads to less price. In present scenario it is necessary to have marketing knowledge. Otherwise the producers suffer losses by selling the produce to middlemen and middlemen undue the advantage and exploit the producers.

3. It is found that 46% of the producers sell their produce to middlemen on the farm, 23% in the market to middlemen, 12% self sell in the market and only 01% use the agri- tourism. If these methods are divided in to knowledge of the market and ignorance of market knowledge, 69% of the producers have lack of market knowledge therefore they take the help of middlemen and only 31 % have a little market knowledge. It is also found that if the producers uses the methods like farm stall, self farm stall, and sell in the market, restaurant sales, and create value added products then they get more benefits. The prices of the fruits and vegetables are high because of the negligible role of organized sector i.e. co-operative marketing. Hence, the middlemen are getting the advantage of this situation and they are earning high profit.

**Suggestions:**

1. It is suggested that government should make the producers aware about the various state level and local level agricultural organizations which are established to strengthen the agriculture field with the help of information exchange, improving communication and developing high agricultural output. Also they should provide up-to-date knowledge about market condition, quantity of production, demand, market nature, marketing policies to be adopted for particular product especially when production is over, and how to eliminate middlemen etc.
2. It is suggested that, the awareness programmes should be organized from time to time to provide knowledge of marketing regarding market research, grading, advertising, branding and positioning etc. and to protect the producers from exploitation by middlemen. The Agricultural Produce Market Committee should organize these types of programmes. The producers also get marketing knowledge from various sources like media, government organizations and agricultural organizations etc.
3. It is found that the producers sell their produce to middlemen on the farm as well as in the market. The producers have lack of market knowledge therefore they take the help of middlemen. Therefore it is suggested that the farmers should take responsibilities including undertaking administrative duties of the market. Making a stall on daily basis by rent. This system provides many farmers with the opportunity to sell their products at fair price & customers also get with remunerative price. It is also suggested that the farmers having farm on road sides should use the method of farm stall. With the help of farm stall sales, farmers should attract many customers and due to this transportation cost and the price of products will decreased.

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**“EFFECTIVENESS OF DISTRIBUTION CHANNELS OF FMCG: A**

**STUDY OF RURAL MARKETS OF WESTERN MAHARASHTRA”**

**ABSTRACT:**

*The rural market offers a big attraction to marketers, it would be naïve to think that any company can enter the market without facing any problems and walk away with a sizable share. Unfortunately, it is not possible to transplant successful urban marketing strategies to rural markets, namely, deep and intensive retailing and continuous consumer-pull generation through advertising and promotions.*

*Distribution is the most important variable in the marketing plans of most consumer goods manufacturers, because managing such a massive sales and distribution network is in itself a huge task. This paper covers problems faced by channel members while distributing goods and services. Distribution channels play a pivotal role in marketing by performing a number of vital distribution functions. Firms rely mostly on their marketing channels to generate customer satisfaction and to achieve differentiation over competition.*

*This paper focused on need to access retailers in towns and larger villages and promote products there, so that the products that are purchased locally can reach smaller retail outlets in villages. Consumer loyalty can be to the brand or to the retailer. It follows that the type of consumer loyalty exhibited by the target group has implications for the marketer. The influence of the retailer is perceived to be high in the rural market.*

**KEYWORDS:** *Rural marketing, Effectiveness of channel of distribution, problem perceived by channel members, Satisfaction of channel members and rural consumers.*

### **1. INTRODUCTION:**

The rural market offers a big attraction to marketers, it would be naïve to think that any company can enter the market without facing any problems and walk away with a sizable share. Unfortunately, it is not possible to transplant successful urban marketing strategies to rural markets, namely, deep and intensive retailing and continuous consumer-pull generation through advertising and promotions.

The distribution network in India is characterized by a predominance of family-owned proprietary concerns. Urban areas have a variety of distribution outlets, ranging from large supermarkets and superstores to the smaller neighborhood retail stores. In contrast, in villages, small shops alone are the backbone of the local retail network.

There is a need to access retailers in towns and larger villages and promote products there, so that the products that are purchased locally can reach smaller retail outlets in villages. Consumer loyalty can be to the brand or to the retailer. It follows that the type of consumer loyalty exhibited by the target group has implications for the marketer. The influence of the retailer is perceived to be high in the rural market.

### **2. OBJECTIVES OF THE STUDY:**

1. To identify conventional approaches to reach Rural Maharashtra.
2. To find the problems perceived by channel members in distribution of Fast Moving Consumer Goods to Rural Market in Maharashtra.
3. To assess the level of satisfaction of rural consumers with regard to Fast Moving Consumer Goods distribution system.

### **3. PROBLEM TO BE INVESTIGATED:**

- To investigate the problems perceived by channel members in distribution of FMCG to Rural
- Market in Western Maharashtra.
- To investigate payment terms.
- To examine problem of excessive lead time.

- To investigate dearth of promotional schemes.
- To examine problem of discrimination.
- To study the menace of Fake Products.
- To examine problem of lack of cooperation and cohesiveness.

#### 4. SCOPE OF THE STUDY:

The study is limited to Western Maharashtra. Study area contains 5 districts. This study is limited to selected FMCG companies' distribution channel such as HUL (Hindustan Unilever Limited) and GCPL (Godrej Consumer Product limited).

#### 5. RESEARCH METHODOLOGY:

##### 5.1 SAMPLING METHOD:

Convenience Sampling Method has used for the collection of data from various sources such as – Distributors, Super-Stockiest, Wholesalers, Stockiest, Retailers and Consumers. Whole population is divided into different strata – Consumers, Retailers, Wholesalers and Distributors.

##### 5.2 SAMPLE SIZE OF THE STUDY

Sr. No	Sample Unit	Sample Size
1	Consumers	100
2	Retailers	60
3	Wholesalers	40
4	Distributors	11
5	Total	211

(Source: Primary data)

**6. DATA ANALYSIS AND INTERPRETATION:**

**6.1 LEVEL OF SATISFACTION OF DISTRIBUTORS:**

	Attributes	Extent of Satisfaction				
		Delighted	More Than Satisfied	Satisfied	Less Than Satisfied	Disgust
1	Mode of Payment	0	2	9	0	0
2	Lead Time	0	0	0	7	4
3	Mode of Delivery	0	0	8	3	0
4	Communication	0	0	0	7	4
5	No. of assortment	0	7	4	0	0
6	Cost	0	0	0	8	3
7	Display of Product	0	4	7	0	0
8	Coverage Pattern	0	0	0	8	3
9	Execution of Promo-Offer	0	0	0	7	4
10	Understanding of channel's Requirement	0	0	0	8	3
11	Quality of sales – kit	4	7	0	0	0
12	Credit Period	0	0	0	5	6
13	Action taken against channel's complaint	0	0	0	5	6
14	Attitude of territory In-charge	0	5	6	0	0
15	Domain knowledge with territory In-charge	0	5	6	0	0

## 6.2 LEVEL OF SATISFACTION OF WHOLESALERS:



	Attributes	Extent of Satisfaction				
		Delighted	More Than Satisfied	Satisfied	Less Than Satisfied	Disgust
1	Mode of Payment	3	16	11	10	0
2	Lead Time	4	16	10	10	0
3	Mode of Delivery	3	16	11	10	0
4	Communication	4	16	10	10	0
5	No. of assortment	3	16	11	10	0
6	Cost	3	16	12	09	0
7	Display of Product	3	16	12	09	0
8	Coverage Pattern	4	16	10	10	0
9	Execution of Promo-Offer	3	16	11	10	0
10	Understanding of channel's Requirement	4	16	11	09	0
11	Quality of sales – kit	3	16	11	10	0
12	Credit Period	3	16	11	10	0
13	Action taken against channel's complaint	4	16	10	10	0
14	Attitude of territory In-charge	3	16	12	09	0
15	Domain knowledge with territory In-charge	3	15	12	10	0

**6.3 LEVEL OF SATISFACTION OF RETAILERS:**

	Attributes	Extent of Satisfaction				
		Delighted	More Than Satisfied	Satisfied	Less Than Satisfied	Disgust
1	Mode of Payment	10	11	29	10	0
2	Lead Time	9	9	33	9	0
3	Mode of Delivery	10	10	31	9	0
4	Communication	9	10	32	9	0
5	No. of assortment	10	10	31	9	0
6	Cost	9	10	30	11	0
7	Display of Product	10	10	30	10	0
8	Coverage Pattern	7	12	32	9	0
9	Execution of Promo-Offer	10	10	31	9	0
10	Understanding of channel's Requirement	9	10	31	10	0
11	Quality of sales – kit	10	10	31	9	0
12	Credit Period	10	10	31	9	0
13	Action taken against channel's complaint	9	10	32	9	0
14	Attitude of territory In-charge	10	10	30	10	0
15	Domain knowledge with territory In-charge	10	11	30	9	0

**6.4 LEVEL OF SATISFACTION OF CONSUMERS:**

		Food Items (%)	Toiletries (%)	Cosmetics (%)
<b>A</b>	<b>Availability</b>			
1	Highly Satisfied	54	0	33
2	Satisfied	46	70	67
3	Neither satisfied nor Dissatisfied	0	30	0
4	Dissatisfied	0	0	0
5	Highly Dissatisfied	0	0	0
<b>B</b>	<b>Range of Product</b>			
1	Highly Satisfied	0	0	0
2	Satisfied	9	13	11
3	Neither satisfied nor Dissatisfied	22	7	29
4	Dissatisfied	69	80	60
5	Highly Dissatisfied	0	0	0
<b>C</b>	<b>Regularity of Supply</b>			
1	Highly Satisfied	69	80	66
2	Satisfied	9	13	11
3	Neither satisfied nor Dissatisfied	22	7	23
4	Dissatisfied	0	0	0
5	Highly Dissatisfied	0	0	0
<b>D</b>	<b>Proximity of Retailers</b>			
1	Highly Satisfied	0	0	0

2	Satisfied	90	80	66
3	Neither satisfied nor Dissatisfied	10	20	34
4	Dissatisfied	0	0	0
5	Highly Dissatisfied	0	0	0

**7. FINDINGS:**

- It is found that Majority of the distributors were satisfied with present system of FMCG distribution in the rural market of Western Maharashtra. Manufactures are provided the FMCG products to the distributors as per their requirement. Researcher has observed that their business relations and communication is very good. Manufactures are provided FMCG products to the distributors in time. They have taken orders on phone and provided these goods to the distributors. It is narrated that summary of level of satisfaction of distributors are satisfied due to mode of payment, mode of delivery , well communication , promotion offer, quality of sales kit, attitude of territory in charge, issue handled etc.
- It is found that Majority of the wholesalers were satisfied with present system of FMCG distribution in the rural market of Western Maharashtra. Distributors are provided the FMCG products to the wholesalers as per their requirement. Researcher has observed that their business relations and communication is very good. Distributors are provided FMCG products to the wholesalers in time. They have taken orders on phone and provided these goods to the wholesalers. It is narrated that summary of level of satisfaction of wholesalers are satisfied due to mode of payment, mode of delivery , well communication , promotion offer, quality of sales kit, attitude of territory in charge, issue handled etc.
- It is found that Majority of the retailers were satisfied with present system of FMCG distribution in the rural market of Western Maharashtra. Wholesalers are provided the FMCG products to the retailers as per their requirement. Researcher has observed that their business relations and communication is very good. Wholesalers are provided FMCG products to the retailers in time. They have taken orders on phone and provided

these goods to the consumers. It is narrated that summary of level of satisfaction of retailers are satisfied due to mode of payment, mode of delivery, well communication, promotion offer, quality of sales kit, attitude of territory in charge, domain knowledge with territory In-charge, Time taken for query resolution, Responsiveness during implementation, credit period, display of product, Meeting with territory In-charge, number of assortment, coverage Pattern, cost and different issue handled.

- It is found that rural consumers were highly satisfied with the availability of food items (54%), and satisfied with toiletries (70%) and cosmetics (67%) though the specific products / brands not available. At least one product was available under all categories which just solved their purpose without specific brand and they were least bothered about good / bad quality products. There was extremely high dissatisfaction (69% food items, 80% toiletries, and 60% cosmetics) among the rural consumers regarding range of products because product length was too short that only 2-4 products were available under each category; customers had no choice but to buy the available ones. It is also found that customers were satisfied (69% food items, 80% toiletries, and 66% cosmetics) with regularity of supply of products as well as satisfied (90% food items, 80% toiletries, and 66% cosmetics)

#### **8. SUGGESTIONS:**

- Distributors should be use effective marketing channels to generate customer satisfaction and to achieve differentiation over competition.
- Distributors try to use effective marketing channels to minimize lead time while delivering FMCG goods/services.
- Channel conflict was there among the rural and urban distributors over the jumping of territories allotted by the companies so try to maintain coordination among them
- The extending of credit by retailers to customers should be depends upon their location and product.

#### **9. CONCLUSION:**

Finally researcher has conclude that Performance of existing FMCG channels of distribution-Distributors, Wholesalers, and Retailers in rural western Maharashtra serve the consumers well and they are satisfied with existing FMCG distribution channel. On the point of view of consumers, they are also satisfied from the distribution channels of existing FMCG companies selected for the study.

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## Importance of Online Marketing on Integrated Marketing Communication

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### Abstract

Online Marketing is turning into an intriguing issue in each business division, and steadily assumes a genuinely significant job in any organization's multi-channel promoting system. Integrated Marketing Communication (IMC) is a promoting idea that guarantees all types of correspondence and messages are painstakingly connected together. Promotion is one of the P's in the marketing mix.

IMC utilizes whole showcasing endeavors through publicizing, open connection, individual selling, deals advancement, web promoting, direct-advertising so as to create most extreme effect on the intended interest group at the base expense. Deals Promotion is the Demand-invigorating action intended to help the offers of an item or administration. Individual Selling is oral correspondence with potential purchasers of an item with the goal of making a deal. The individual selling may concentrate at first on building up an association with the potential purchaser; however will in every case at last end with an endeavor to bring the deal to a close.

IMC sets aside cash as it disposes of duplication in zones, for example, illustrations and photography. They can be shared and utilized in promoting, displays and deals writing. The advances in innovation have prompted one of the most unique and progressive changes throughout the entire existence of promoting, the emotional changes in correspondence utilizing intuitive media.

**KEY WORDS:** Online marketing, effectiveness, Integrated Marketing Communication.

### Introduction:

Online marketing is becoming a hot topic in every business sector, and gradually plays a truly important role in any company's multi-channel marketing strategy. It uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing, social media marketing, many types of display advertising (including web banner advertising), and mobile advertising.

Integrated Marketing Communication (IMC) is a marketing concept that ensures all forms of communication and messages are carefully linked together.

Integrated Marketing Communication means integrate all the promotional tools so that they are work together in harmony. IMC makes the use of entire marketing efforts in the form of advertising, public relation, personal selling, sales promotion, internet marketing, direct marketing in order to generate maximum impact on the target audience at the minimum cost.

This paper is based on secondary data and attempt to provide the effectiveness of Online Marketing through Integrated Marketing Communication.

### Objectives of the study:

1. To know the Online Marketing, its benefits and limitations.



2. To know the Integrated Marketing Communication its benefits and limitations.
3. To understand the effectiveness of online marketing on integrated marketing communication.

#### Tools of online marketing:

##### 1. Display advertising

Display advertising conveys its advertising message visually using text, logos, animations, videos, photographs, or other graphics. Display advertisers frequently target users with particular traits to increase the ads' effect.

##### 2. Web banner advertising

Web banners or banner ads typically are graphical ads displayed within a web page. Banner ads can use rich media to incorporate video, audio, animations, buttons, forms, or other interactive elements using Java applets, HTML5, Adobe Flash, and other programs.

##### 3. Frame ad (traditional banner)

Frame ads were the first form of web banners. The colloquial usage of "banner ads" often refers to traditional frame ads. Website publishers incorporate frame ads by setting aside a particular space on the web page.

##### 4. Pop-ups/pop-under

A pop-up ad is displayed in a new web browser window that opens above a website visitor's initial browser window. A pop-under ad opens a new browser window under a website visitor's initial browser window.

##### 5. Floating ad

A floating ad, or overlay ad, is a type of rich media advertisement that appears superimposed over the requested website's content. Floating ads may disappear or become less obtrusive after a preset time period.

##### 6. Expanding ad

An expanding ad is a rich media frame ad that changes dimensions upon a predefined condition, such as a preset amount of time a visitor spends on a webpage, the user's click on the ad, or the user's mouse movement over the advertising. Expanding ads allow advertisers to fit more information into a restricted ad space.

##### 7. Interstitial ad

An interstitial ad displays before a user can access requested content, sometimes while the user is waiting for the content to load. Interstitial ads are a form of interruption marketing.

##### 8. Text ads

A text ad displays text-based hyperlinks. Text-based ads may display separately from a web page's primary content, or they can be embedded by hyper linking individual words or phrases to advertiser's websites. Text ads may also be delivered through email marketing or text message marketing.





#### 9. Search Engine Marketing (SEM)

Search Engine Marketing, or SEM, is designed to increase a website's visibility in search engine results pages (SERPs). Search engines provide sponsored results and organic (non-sponsored) results based on a web searcher's query. Search engines often employ visual cues to differentiate sponsored results from organic results. Search engine marketing includes all of an advertiser's actions to make a website's listing more prominent for topical keywords.

#### 10. Search Engine Optimization (SEO)

Search Engine Optimization, or SEO, attempts to improve a website's organic search rankings in SERPs by increasing the website content's relevance to search terms. Search engines regularly update their algorithms to penalize poor quality sites that try to game their rankings, making optimization a moving target for advertisers. Many vendors offer SEO services.

#### 11. Social media marketing

Social media marketing is commercial promotion conducted through social media websites. Many companies promote their products by posting frequent updates and providing special offers through their social media profiles.

#### 12. Mobile Advertising

Mobile advertising is ad copy delivered through wireless mobile devices such as smart phones, feature phones, or tablet computers. Mobile advertising may take the form of static or rich media display ads, SMS (Short Message Service) or MMS (Multimedia Messaging Service) ads, mobile search ads, advertising within mobile websites.

#### 13. Email Advertising

Email advertising is ad copy comprising an entire email or a portion of an email message. Email marketing may be unsolicited, in which case the sender may give the recipient an option to opt-out of future emails, or it may be sent with the recipient's prior consent (opt-in).

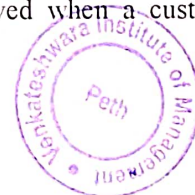
#### Benefits of online marketing:

- Internet gives you a wide access of your potential customers. It has been estimated that a couple of billion people around the world use the Internet, and more are becoming aware of Internet with each passing day. So, marketing your business to such a large group of people is only possible through Internet.
- Internet is the only medium that is able to cross geographic and national boundaries. The cost of promoting your business on the Internet is cheaper than other medium of marketing. This makes it easy for small and mid-sized businesses to advertise their products.
- Internet allows the ability to stay connected with customers on a real-time basis. If any discount going on, then it is easier to send an email to customers and they can buy the product instantly.
- Internet also allows sending multiple messages at the same time, which saves the tedious task of sending a newsletter to every client.

- Internet marketing facilitates an instant feedback from the customers. Customers can share about their experience after using the product.
- Internet marketing saves a lot of time and effort. Instead of having a customer service representative to answer the queries of customers, one can put all the information about the product or service on the Internet so that customers can go through it.
- Internet marketing allows your business to be available 24/7, which means increased sales and profits.

#### Limitations of online marketing:

- Although, Internet marketing allows a wider reach, the start-up costs of a website can be high. This includes the cost of the required software and hardware, and maintenance costs.
- There are still a lot of customers who use the Internet just for having more information about a product and prefer to buy it in person. For example, Internet marketing allows a customer to view how a phone looks like and its technical specifications, but customers prefer having a look at the phone in the store to get a hands-on experience.
- There are a lot of customers who are not proficient in using the Internet and focusing solely on Internet marketing can cause you to lose these customers.
- The rules of the trade change rapidly in Internet marketing, and it requires constant attention and monitoring to ensure that your marketing strategy does not look out-of-date.
- The biggest disadvantage of Internet marketing is its vulnerability to fraudulent activities.
- There are a lot of illegitimate websites out there which look similar to original websites and rob the customers of their money.
- Spamming is also one of the biggest challenges for Internet marketing and confidential data can be easily stolen by hackers.
- Internet marketing lacks the human touch that is involved when a customer buys a product from a salesperson.



#### Integrated Marketing Communication (Imc):

Integrated Marketing Communication (IMC) is a marketing concept that ensures all forms of communication and messages are carefully linked together. Integrated Marketing Communication means integrate all the promotional tools so that they are work together in harmony. There are four P's (Product, Place, Price and Promotion) in marketing mix according to the McCarthy. Promotion is one of the P's in the marketing mix. Promotion has its own mix of communication tools.

IMC makes the use of entire marketing efforts in the form of advertising, public relation, personal selling, sales promotion, internet marketing, direct marketing in order to generate maximum impact on the target audience at the minimum cost. All of these communication tools work better if they work together in harmony rather than in

isolation. Their sum is greater than their parts - providing they speak consistently with one voice all the time, every time.

### **Effectiveness of online marketing on integrated marketing communication (imc):**

Advertising refers to "The means of providing the most persuasive possible selling message to the right prospects at the lowest possible cost". Kotler and Armstrong (2003), provide an alternative definition: "Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services through mass media such as newspapers, magazines, television or radio by an identified sponsor".

Sales Promotion is the Demand-stimulating activity designed to boost the sales of a product or service. It may include an advertising campaign, increased Public Relations (PR) activity, a free-sample campaign, offering free gifts or trading stamps, arranging demonstrations or exhibitions, setting up competitions with attractive prizes, temporary price reductions, door-to-door calling, telemarketing, and personal letters on other methods. More than any other element of the promotional mix, sales promotion is about action. Public Relations programs are a planned communication effort by an organization to contribute to generally favorable attitudes and opinions toward an organization and its products.

### **Benefits of IMC on online marketing:**

- Although Integrated Marketing Communication requires a lot of effort, it delivers many benefits. It can create competitive advantage, boost sales and profits, while saving money, time and stress.
- IMC wraps communication around customers and helps them move through the various stages of the buying process. The organization simultaneously consolidates its image, develops a dialogue and nurtures its relationship with customers. This 'Relationship Marketing' cements a bond of loyalty with customers which can protect them from the inevitable onslaught of competition. The ability to keep a customer for life is a powerful competitive advantage.
- IMC also increases profits through increased effectiveness. At its most basic level, a unified message has more impact than a disjointed myriad of messages. In a busy world, a consistent, consolidated and crystal clear message has a better chance of cutting through the 'noise' of over five hundred commercial messages which bombard customers each and every day.
- IMC can boost sales by stretching messages across several communication tools to create more avenues for customers to become aware, aroused, and ultimately, to make a purchase. Carefully linked messages also help buyers by giving timely reminders, updated information and special offers which, when presented in a planned sequence, help them move comfortably through the stages of their buying process and this reduces their 'misery of choice' in a complex and busy world.



- Agency fees are reduced by using a single agency for all communication and even if there are several agencies, time is saved when meetings bring all the agencies together - for briefings, creative sessions, tactical or strategic planning. This reduces workload and subsequent stress levels - one of the many benefits of IMC.

#### 1) Limitations of IMC on Online Marketing:

- In addition to the usual resistance to change and the special problems of communicating with a wide variety of target audiences, there are many other obstacles which restrict IMC. These include: Functional Silos; Stifled Creativity; Time Scale Conflicts and a lack of Management know-how. Some organizational structures isolate communication, data, and even managers from each other. For example the PR department often doesn't report to marketing.
- The sales force rarely meets the advertising or sales promotion people and so on. And all of this can be aggravated by turf wars or internal power battles where specific managers resist having some of their decisions (and budgets) determined or even influenced by someone from another department..
- IMC can restrict creativity. No more wild and wacky sales promotions unless they fit into the overall marketing communication strategy. The joy of rampant creativity may be stifled, but the creative challenge may be greater and ultimately more satisfying when operating within a tighter, integrated, creative brief. Not just managers but also agencies.
- There is a proliferation of single discipline agencies. There appear to be very few people who have real experience of all the marketing communication disciplines. This lack of know how is then compounded by a lack of commitment. Understanding these limitations is the first step in successfully implementing IMC.
- The advances in technology have led to one of the most dynamic and revolutionary changes in the history of marketing, the dramatic changes in communication using interactive media such as Internet. Interactive media allows communication on a two way form instead of one way communication. And a two way communication plays vital role in IMC.

#### Conclusion:

IMC makes messages more consistent and therefore more credible. This reduces risk in the mind of the buyer which, in turn, shortens the search process and helps to dictate the outcome of brand comparisons. Un-integrated communication conveys disjointed messages which dilute the impact of the message. This may also confuse, frustrate and arouse anxiety in customers. On the other hand, integrated communication is present a reassuring sense of order. Consistent images and relevant, useful, messages help nurture long term relationships with customers. Customer databases can identify precisely which customers need what information when and throughout their whole buying life.

Finally, IMC saves money as it eliminates duplication in areas such as graphics and photography since they can be shared and used in say, advertising, exhibitions and sales literature.

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## “STUDY OF CONSUMER BUYING BEHAVIOR TOWARDS ONLINE SHOPPING IN PALUS CITY”

### ABSTRACT:-

*Electronic commerce, commonly known as e-commerce, refers to the buying and selling of products or services over electronic systems such as the internet and other computer networks.*

*Internet is the rapidest growing media during the past decade. Especially, online shopping is a rapidly growing e-commerce area. Online stores are usually available 24 hours a day, and many consumers have internet access both at work and at home. A successful web store is not just a good looking website with dynamic technical features, listed in many search engines.*

*This study aims to establish a preliminary assessment, evaluation and understanding of the characteristics of online shopping, Consumer behavior, online shopping Usage of internet, Purchase of goods, kind of goods, Method of payment, satisfaction level of inline buyers.*

**KEYWORDS:** *Consumer behavior, online shopping Usage of internet, Purchase of goods, kind of goods, Method of payment, satisfaction level of inline buyers.*

### 1. INTRODUCTION:-



Internet is changing the way consumers shop and buy goods and services and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets.

Companies also use the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product from a particular store. Many experts are optimistic about the prospect of online business.

In addition to the tremendous potential of the E-commerce market, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers. It has been more than a decade since business-to-consumer E commerce first evolved. Scholars and practitioners of electronic commerce constantly strive to gain an improved insight into consumer behavior in cyberspace.

## **2. OBJECTIVES OF THE STUDY:-**

1. To know the consumer awareness about online shopping.
2. To know the various factors which motivate a consumer towards online shopping?
3. To study the views and opinion of consumers towards online shopping.

## **3. RESEARCH METHODOLOGY:-**

The research is based upon primary and secondary data

### **3.1 DATA COLLECTION:-**

The present study follows primary and secondary method to collect the data.

#### **Primary Data:**

All primary data are to be collected through questionnaire, direct personal interviews, discussions and observations. The data will be collected from consumers.

#### **Secondary Data:**

Secondary data is of two kinds, internal and external. Secondary data whether internal or external is data already collected by others, for purposes other than the solution of



the problem on hand will be collected from reference books, newspapers, internet, and magazines, research articles , published and unpublished work , website etc.

**3.2 SAMPLE SIZE:**

Selected Samples has collected from Palus City. Researcher is selected 100 sample respondents according to directions based on central Bus Stand in Palus City.

**3.3SAMPLE METHOD:-**

SNOWBALL SAMPLING METHOD is used for the collection of data from consumers.

**3.4 RESEARCH DESIGN:**

**Table No. 1.1 Sample selection from Palus City**

Sr. No.	Sample Area	Sample Respondents
1	East area	25
2	West area	25
3	North area	25
4	South area	25
	<b>Total</b>	<b>100</b>

**4. RESULT AND DISCUSSION:**

**Figure No.1 Time Period using the Internet**

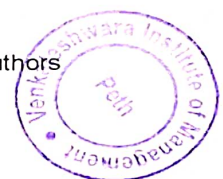
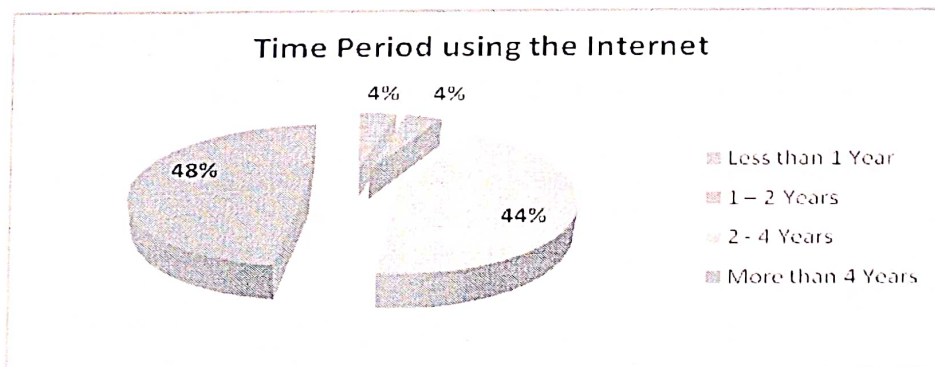




Figure No.2 Usage of Internet for searching Product Information

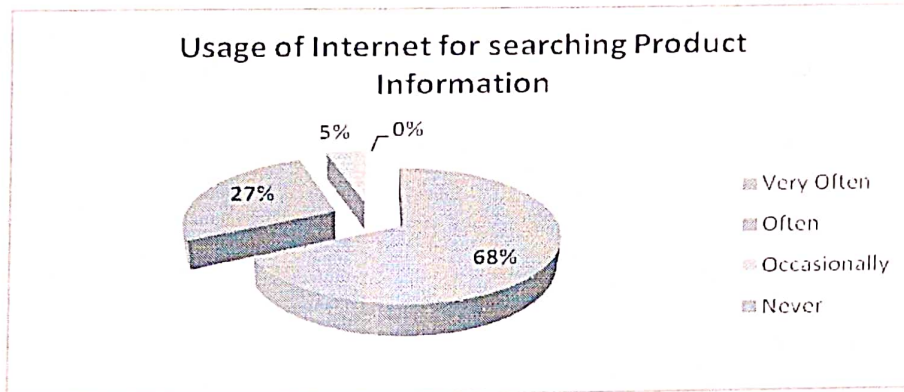


Figure No. 3 Preference of consumers for online shopping website

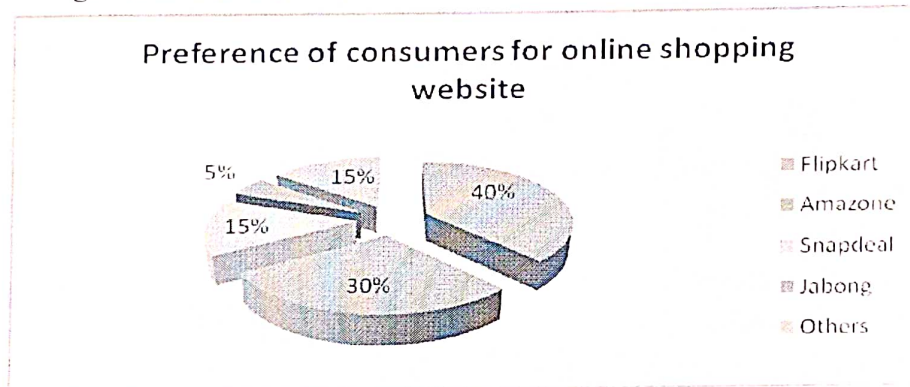


Figure No.4 Kinds of goods purchased from the internet



Figure No. 5 Medium preferred for online shopping

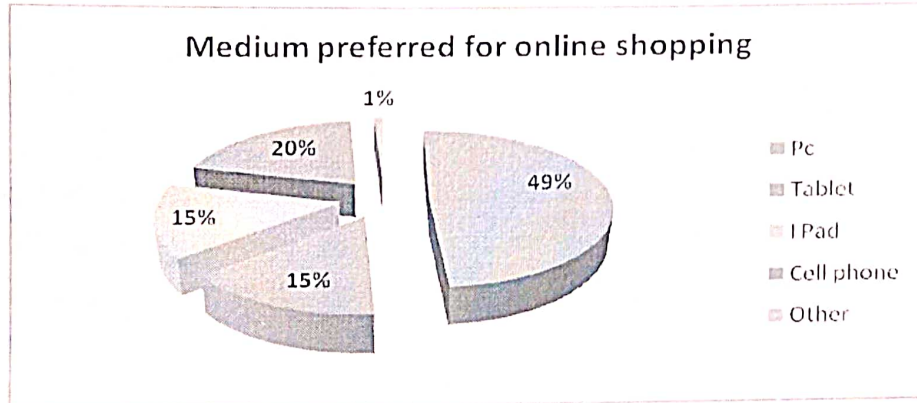


Figure No.6 Methods used for making payments

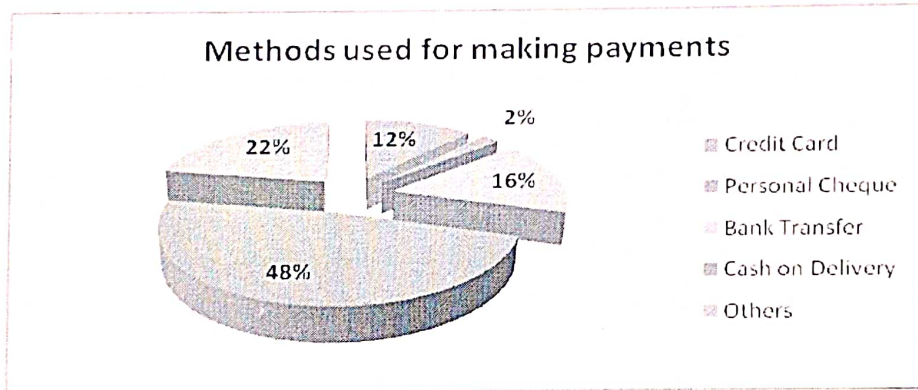
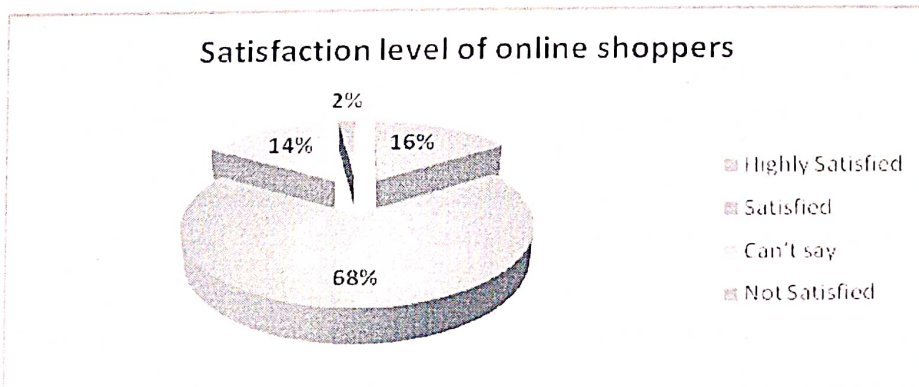


Figure No. 7 Satisfaction level of online shoppers



## 5. FINDINGS:-

1. It is found that Most of the online shoppers use internet for searching product information.
2. It is found that among the categories of goods available online, tickets is the highest category of goods purchased online, followed by computer components, clothes, electronics, fashion accessories, gifts, books, house wares, CD / video, toys and software.
3. It is found Flipkart is the most favorite shopping site of the respondents.
4. It is found PC is the most popular medium used for internet shopping by the online shoppers.
5. It is found that among the various options of payment available online, Cash on delivery is the most common method used for payment whereas credit card and personal cheque are the least common method of payment online.
6. It is found that majority of the respondents are satisfied with online shopping.

## 6. SUGGESTIONS:-

1. It is suggested that consumers should be made aware that one of the safety aspects of using credit cards online is that in case of disputed credit card payments for online transactions.
2. It is suggested that consumers should be made payment after getting product i.e. cash on delivery.
3. It is suggested that consumers should take precaution from online bad marketing practices

## 7. CONCLUSION:-

The e-commerce is one of the biggest things that have taken the business by a storm. It is creating an entire new economy, which has a huge potential and is fundamentally changing the way businesses are done.

More consumers are indulging into internet shopping as seen by the research because of the value proposition it offers to a customer such as convenience, 24x7 shopping, doorstep



delivery, a broad product selection and the ever-expanding range of unique and unusual gift ideas as well as increased consumer confidence in shopping on the internet is increasing.

Here the Researcher conclude that majority of the consumer are shifting from traditional shopping to the online shopping.

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## Changing Consumer Buying Behaviour in Rural areas

-Dr. Pravinkumar Bharatkumar Lupane\* and Amit Shivaji Patil\*\*

### Abstract

*According to Census 2011, it consists of more than 740 million Indians, forming 73% of the Indian Population in rural areas. The number of rural households is in excess of 120 millions and accounts for over 70% of total households in India. There are around 12 million sales outlets at the retail level in rural India. The total area of Sangli district is 8,572 sq. Mt. and the total population is 28, 20,505. There are 10 talukas and 734 towns in Sangli district and 5,741 registered Kirana shops in the sample area. The objectives of the study are-to understand the various reasons affected on consumer behavior and to study the impact of 4P's (Product, Price, Place and Promotion) on consumer behaviour. The primary data is collected through questionnaire. The sample size is 400 for customers. The study of customer is the most essential to understand the changing behaviour. The study of customers guides to decide the policies related to marketing mix decisions. Without them marketing is not successful. This study of customers changing behaviour facilitates why, what and when the customers purchase the goods and services. Also study the 4P's have affected on consumer behaviour.*

**Key Words:** Consumer, behaviour, rural, marketing, Kirana Shops

### 1. Introduction:

According to Census 2011, it consists of more than 740 million Indians, forming 73% of the Indian Population in rural areas. The total number of villages including uninhabited ones are 6, 38,365. The number of rural households is in excess of 120 millions and accounts for over 70% of total households in India. The urban population in India lives in 3,200 cities and towns and just 90,040 villages have population of 5,000 or more. The remaining villages have less than 5,000 people in each village. It means there is huge population lives in rural areas.



The private village shops are the backbone of rural retail marketing. Private retail shops are ideal agencies for village distribution. There are around 12 million sales outlets at the retail level in rural India. One retail shop is serving around 600 families in the rural retail marketing. The retailer to consumer ratio has been very low with many such shops often located close to people residence, near to home and at the corner of the street, thus making location and convenience a major factor for their popularity. Kirana shop is one of the easiest ways to generate self-employment as it requires limited investment in land, capital and human resource. Kirana shops are unique business models in India especially in rural areas which are offering personal services and quality products as per demand of customers. A Kirana shop normally a range from 25 to 400 square feet with a various range of products which are daily requirement of customers. A significant historical reason underlying the perceived increasing importance of retailing is that its contribution to the economy is much more visible in the modern era than it was in the past. Now, retailing is up-coming as one of the major non-farming occupations in India. The total area of Sangli district is 8,572 sq. Mt. and the total population is 28, 20,505. There are 10 talukas and 734 towns in Sangli district and 5,741 registered Kirana shops in the sample area.

The business is always moving around the consumer. Understanding changing consumer behaviour means why, when, how and where consumer do or do not buy a product. The main objective of the study is to understanding of changing consumer behavior. In order to understand this concept, researchers attempts to solve some consumption problems of consumers.

## **2. Objectives:**

- 1) To understand the various reasons affected on consumer behaviour.
- 2) To study the impact of 4P's (Product, Price, Place and Promotion) on consumer behaviour.

## **3. Research Methodology:**

### **3.1 Primary data:**



The primary data is collected through questionnaire, discussion, interviews, observation and necessary field work. The researchers have collected required information and data of the consumers from Kirana Shopkeepers in Sangli district. While customers are purchasing the kirana goods these customers are selected.

### 3.2 Secondary data:

The researchers have collected necessary information from books, M. Phil and Ph.D. research works, magazines, internet, different websites, Daily newspapers, articles and government publications etc.

### 4. Sampling:

The researchers have selected sample respondents on the basis of scientific statistical parameters. There were 28, 20,605 population of Sangli district as per census 2011. The researchers have selected appropriate number of samples on the basis of Taro's formula i.e.

$$\text{Taro Yamane formula for sample size} = n = \frac{N}{1 + N(e)^2}$$

Where-

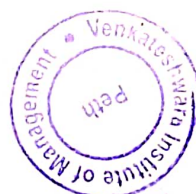
n = Sample to be selected, N = total Population, e = Confidence Level / Error (0.05)

After the calculations as per Taro Yamane's formula sample size is 400 for customers. With the population of location, age, sex, educational qualification, family size, etc. variables has also considered for the data collection of customers.

### 5. Data analysis and interpretation:

The study of customer is the most essential to understand the changing behaviour. The study of customers guides to decide the policies related to marketing mix decisions. Without them marketing is not successful. Marketing means to understand and respond to customer's needs. This study of customers changing behaviour facilitates why, what and when the customers purchase the goods and services. Also study the 4P's have affected on consumer behaviour.

#### 5.1 Reasons for purchasing kirana goods from the sources





Due to changing consumer behaviour, they are purchased kirana goods from local bazaars. There are some reasons are affected to consumers for purchasing the kirana goods either from kirana shops or bazaars.

Table No. 5.1.: Reasons for purchasing kirana goods from the sources

Sr. No.	Reasons	Frequency	(%)
		N = 400*	
1	Near to Home	297	23
2	Getting Qualitative Goods	47	03
3	Getting Goods on Credit	345	26
4	Handling of Goods	58	04
5	Reasonable Rates	111	08
6	Telling the information about the Goods	151	11
7	Good Business relations	261	19
8	Attractive Schemes & Incentives	70	05
9	Getting goods in a single roof	10	01
10	<b>Total</b>	<b>1350**</b>	<b>100</b>

Source: Field Work

\* Indicates actual frequency (400)

\*\*Indicates respondents have given multiple answers, so frequency is greater than actual (400)

Table No. 5.1 has shows that the various reasons affected on purchasing kirana goods from kirana shops. Location plays an important role while purchasing the kirana goods. In rural areas. Consumers are purchased kirana goods as and when they needed. So, they preferred kirana shops which are located nearby the home or corner of the street. 23% (297 out of 400) consumers have purchased kirana goods in kirana shops because it is near to home. There is the custom that kirana shops are not provided good qualitative goods. So, only 3% consumers have purchased

kirana goods in kirana shops. 26% consumers are purchased kirana goods in kirana shops because of kirana shopkeepers have given goods on credit basis. Kirana shops are not provided the services like to handle the goods and to choose the goods those they needed. So, 4% respondents have purchased kirana goods in kirana shops. 8% consumers are purchased kirana goods in kirana shops because of reasonable rates. 11% respondents have purchased kirana goods in kirana shops because they have told the necessary information about the goods. The consumers are very well known to kirana shopkeepers and maintain good business relations with them. So, 19% consumers have purchased kirana goods in kirana shops because of goods business relations. Kirana shops have not provided attractive schemes and incentives, that's why 5% consumers have purchased kirana goods from kirana shops. Only 01% consumers have purchased kirana goods from kirana shops because of they are getting goods in a single roof.

## **5.2 Impact of 4P's on consumer behaviour**

Following tables' shows 4 P's (Product, Price, Place and Promotion) have affected on consumer while they purchase the kirana goods. Researcher has asked the opinion about the 4P's of five sub-questions each. The 'Five-Point Likert-type scale' has used to represent the customer's opinion of Strongly Disagree to Strongly Agree towards the 4P's.

### **5.2.1 Impact of 'Product' on consumer behaviour**

The first P is Product. Product is the most tangible and important single component of the marketing. A product is anything that satisfies human wants. The product mix has included product related aspects which includes packaging, quality, cleaned and selected goods, information, and handling of kirana goods are affects on purchases.

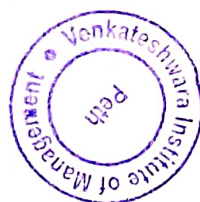


Table No. 5.3.2.1 Impact of 'Product' on consumer behaviour

Sr. No.	Particulars	Strongly Disagree	Disagree	Can't Say	Agree	Strongly Agree
1	Packing of kirana goods	00 (0%)	07 (2%)	09 (2%)	311 (78%)	73 (18%)
2	Quality of kirana goods	00 (0%)	07 (2%)	33 (8%)	191 (48%)	169 (42%)
3	Cleaned & selected kirana goods	00 (0%)	00 (0%)	69 (17%)	178 (45%)	153 (38%)
4	Information about kirana goods (Label, brand, identity)	33 (8%)	41 (10%)	106 (27%)	69 (17%)	150 (38%)
5	Handling of kirana goods	10 (2%)	42 (10%)	133 (33%)	177 (45%)	38 (10%)

Source: Field Work

Table 5.2.1 is related with 'Product'. 78% (311 out of 400) customers have agreed that they have affected by packing of kirana goods at the time of their purchases. 48% customers have agreed that they affected quality of kirana goods at the time of their purchases. 45% customers have also agreed that they have affected on cleaned and selected kirana good sat the time of their purchases. 38% customers have strongly agreed that they have also affected information about kirana goods like label, brand, and identity of goods while they have purchased the kirana goods. 45% customers have agreed that they have affected handling of kirana goods at the time of their purchases. It is found that majority (90%) 'Quality' aspect of a product have positively affected on customers' behaviour while customers have purchased the kirana goods.

#### 5.2.2 Impact of 'Price' on consumer behaviour

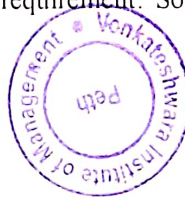
The second P is Price. Price is the amount of money needed to acquire a product. Price is very sensitive factor according to the customers. Price mix has included reasonable and affordable price, adjustment in prices, effect on increasing prices, personal discount in kind of cash, pricing policy, different prices of purchasing goods are affects on purchases.

**Table No. 5.2.2 Impact of 'Price' on consumer behaviour**

Sr. No.	Particulars	Strongly Disagree	Disagree	Can't Say	Agree	Strongly Agree
1	Reasonable & affordable price	19 (5%)	32 (8%)	31 (8%)	250 (62%)	68 (17%)
2	Adjustment in prices	30 (8%)	81 (20%)	89 (22%)	170 (42%)	30 (8%)
3	Effect on Increasing prices	71 (18%)	50 (12%)	89 (22%)	111 (28%)	79 (20%)
4	Personal discount	41 (10%)	53 (13%)	101 (25%)	107 (27%)	98 (25%)
5	Pricing policy	91 (23%)	81 (20%)	107 (27%)	121 (30%)	00 (00%)

Source: Field Work

Table No. 5.2.2 shows that 'Price' related aspects that affect on customers while they purchase kirana goods. 62% (250 out of 400) customers have agreed that they have affected reasonable and affordable prices. 42% customers have agreed that they have affected adjustment in prices which they have purchased the kirana goods. 28% customers have narrated that they have agreed that effect of price on their behaviour while purchasing the kirana goods. 27% customers have agreed that they have affected on personal discount at the time of purchasing the kirana goods. 30% customers have agreed that pricing policy have affected their purchasing. Customers in rural area are mainly farmers and farm workers. Their income is very low. They earned and purchase goods daily as per requirement. So the 'price' factor is much dominant



while they purchase the kirana goods. Researcher has observed that customers have very keenly observed the prices of kirana goods. If price of any product is increased, they purchase less quantity of kirana goods. So, reasonable and affordable prices of the product have affected their purchasing. Overall 57% (38% +19%) customers have agreed that the 'Price' aspect have dominated on behaviour at the time of purchasing the kirana goods.

### 5.2.3 Impact of 'Place' on consumer behaviour

The third P is Place. It has covered goods purchased in a single roof, near to home services given by shopkeeper, getting goods as per the need, attractive arrangement of goods, place and facilities are affects on purchases.

Table No. 5.3.2.3 Impact of 'Place' on consumer behaviour

Sr. No.	Particulars	Strongly Disagree	Disagree	Can't Say	Agree	Strongly Agree
1	Goods purchased in a single roof	41 (10%)	38 (10%)	33 (8%)	230 (57%)	58 (15%)
2	Near to home	21 (5%)	62 (15%)	49 (13%)	170 (42%)	98 (25%)
3	Services given by shopkeeper	39 (10%)	69 (17%)	70 (17%)	131 (33%)	91 (23%)
4	Getting goods as per need and necessity	30 (8%)	61 (15%)	59 (15%)	201 (50%)	49 (12%)
5	Attractive arrangement of goods	71 (18%)	81 (20%)	69 (17%)	109 (27%)	70 (18%)

Source: Field Work

Table No. 5.2.3 shows that 'Place' related aspects affected on customers while purchasing kirana goods. 57% (230 out of 400) customers have agreed that the single roof have affected on their purchasing. 42% customers have agreed that the distance of kirana shops has affected on their purchasing. 33% customers have agreed that they have affected the services

given by the shopkeepers while purchasing their kirana goods. Half (50%) of the customers agreed that they are affected on getting goods as per need and necessity. 27% customers are agreed to affect the attractive arrangement of goods while they purchased kirana goods. It is interpreted that 'place' is also an important aspect affected on consumer behaviour while purchasing the kirana goods. Customers' in rural area also purchases kirana goods at a particular shop. They do not want to go another shop for purchasing. They purchased essential goods daily in daily earnings. Customers' are preferred neighbor kirana shop for purchasing the kirana goods. Researcher observed that customers are purchased kirana goods as per need. If any goods are finished, they promptly purchased in neighbor kirana shop.

**5.2.4 Impact of 'Promotion' on consumer behaviour**

The fourth and last P is Promotion. It includes advertising, after sale services, credit facilities, attractive plan and concession, imitation by others and good and healthy business relations are affects on purchases.

**Table No. 5.3.2.4 Impact of 'Promotion' on consumer behaviour**

Sr. No.	Particulars	Strongly Disagree	Disagree	Can't Say	Agree	Strongly Agree
1	Advertising	51 (13%)	101 (25%)	70 (18%)	169 (42%)	09 (2%)
2	After sales services	70 (17%)	89 (23%)	110 (27%)	98 (25%)	33 (8%)
3	Credit facilities	81 (20%)	67 (17%)	61 (15%)	181 (45%)	10 (2%)
4	Attractive plan and concession	39 (10%)	81 (20%)	41 (10%)	179 (45%)	60 (15%)
5	Imitation by others	38 (10%)	99 (25%)	62 (15%)	170 (42%)	31 (8%)

Source: Field Work

Table No. 5.2.4 shows that 'Promotion' related aspects affected on customers while they purchases kirana goods. 42% (167 out of 400) customers strongly agreed that they are affected advertising while they purchased kirana goods. 27% customers are also neutral that they are affected after sales services at the time purchasing. 45% customers told that they are agreed that they have affected credit facilities given by the kirana shopkeepers. 45% customers answered that are affected attractive plans and concessions given by the shopkeepers. 42% customers are narrated that they are agreed that they imitated by others while purchasing the kirana goods. It is interpreted that advertising is the new art or an essential part or new mantra for selling goods. Every company is doing advertising of its products. In the point of view of, kirana goods, customers' are narrated that they somewhat affect on advertising while purchasing. There are some reasons like kirana goods are essential goods and are used daily. So, the customers' must be purchased it. That's why they answered that they little bit affected advertising while purchasing.

#### 6. Conclusion:

It is concluded that new retail formats changed the total concept of shopping and shopper's buying behaviour, ushering a revolution in shopping in India. There is high growth being registered in the retail in the sample area, which is almost on the verge of a retail revolution. In addition to the high growth in the organized retail in the recent times, the retail format choice becomes an area of concern for a retailer as well as consumer. Customer prefers conveniently located kirana shops. It should be close to their house or business or working place. Customers have preferred those kirana shops that are known for their quality and service. Some kirana shops become popular due to extremely fine handling customers and "Feel Good" ambiance. Prompt service is also an important criterion for attracting the customer at a particular kirana shop. The attitude and humble inquiry of kirana shopkeeper plays a significant role in the kirana business.

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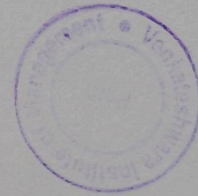




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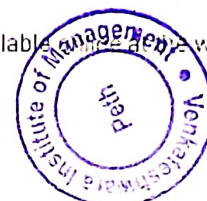
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**“Micro Finance – A Ray of Women Empowerment”**

- Amit Shivaji Patil\* and Dr. Pravinkumar Bharatkumar Lupane\*\*

**Abstract**

*Women are an integral part of every economy. Empowerment of women is a holistic concept. The scheme of micro-finance through SHG create empowerment promoting conditions for women to move from positions of marginalization within household decision making process and exclusion with community, one of greater centrality, inclusion of voice. Thus, micro financing through SHGs has transferred the real economic power in the hands of women and has considerably reduced their dependence on men. But the lack of education often comes in the way and many a times they had to seek help form their husbands or any other educated men/women for day- to- day work. Self Help Groups (SHGs) is now well known concept. The objectives of the study are-To understand the role of micro finance through Self Help Groups (SHGs) towards Women empowerment. To know about status of Self Help Groups (SHGs) in India. To know the achievement through women empowerment. The paper is based on secondary data and some discussion with women members of Self Help Groups. Micro-finance programme are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women’s empowerment. There were certain misconception about the poor people that they need loan at subsidized rates of interest on soft terms, they lack skills, capacity to save, credit worthiness and therefore are not bankable. Nevertheless, the experience of several and SHGs reveal that rural people are actually efficient managers of credit and finance.*

**Key Words:** Women Empowerment, Self Help Group, Micro Finance

**1. Introduction:**

The origin of micro finance could be traced back to the beginning of the cooperative movement in Germany. The movement was started in 1944 in the field of co-operative based credit system by the Raiffeisen Societies as well as Rochadale pioneers in England. Similarly, the enactment of the co- operative credit societies Act, 1904 could be considered as the beginning of micro- finance in India.



Micro- finance programme are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment. Before 1990's credit schemes for women were almost negligible. There were certain misconception about the poor people that they need loan at subsidized rates of interest on soft terms, they lack skills, capacity to save, credit worthiness and therefore are not bankable. Nevertheless, the experience of several and SHGs reveal that rural people are actually efficient managers of credit and finance. Availability of timely and adequate credit is essential for them in their enterprises rather than subsidies. Earlier government efforts through various poverty alleviation schemes for self- employment by providing credit and subsidy received little success since most of them were target based involving various government agencies and banks.

**2. Objectives:**

1. To understand the role of micro finance through Self Help Groups (SHGs) towards Women empowerment.
2. To know about status of Self Help Groups (SHGs) in India.
3. To know the achievement through women empowerment.

**3. Research Methodology:**

The paper is based on secondary data and some discussion with women members of Self Help Groups.

Women are an integral part of every economy. All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men. Women labour in the main stream of economic development. Empowerment of women is a holistic concept. It is multi- dimensional in its approach and covers social, political, economic and social aspects of all these facts of women's development, economic empowerment is of utmost significance in order to achieve a lasting and sustainable development of society.

Empowerment is not essentially political alone; it is a process having personal, economic, social and political dimensions with personal empowerment being the core of the process. In fact political empowerment will not succeeded in the absence of economic empowerment. The scheme of micro- finance through SHG create empowerment promoting conditions for women to move from positions of



marginalization within household decision making process and exclusion with community, one of greater centrality, inclusion of voice.

The social process of micro finance programme strengthens women's self esteem and self worth, instills a greater sense of awareness of social and political issues leading to increased mobility and reduced traditional seclusion of women. Most importantly micro finance programme enables women to contribute to the household economy, increasing their intra- household bargaining power. Thus, micro financing through SHGs has transferred the real economic power in the hands of women and has considerably reduced their dependence on men. But the lack of education often comes in the way and many a times they had to seek help from their husbands or any other educated men/women for day- to- day work. The political as well as economic empowerment will not succeed in the absence of women education in skills and vocations they require the most.

The Government in developing countries therefore must take effective steps to enroll the members of SHGs in the schemes of open schooling or any other distance made to impact education. Although it is alone true that economic empowerment alone does not always had to reversal in gender relationship.

The success of any strategy of women empowerment depends upon the following factors—

- Level of education, hard work.
- Social custom.
- Family planning, small family.
- Health, medical services, cleanliness.
- Environment, tree growing, kitchen gardening.

Micro- Finance Programme (MFP) intends to arrest the most burning issuers i.e. poverty and unemployment, which are main hurdles in the process of development. Micro- finance can be defined as provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi- urban of urban areas for enabling them to raise their income levels and improve living standards.

The principal objectives of the MFP are as under—



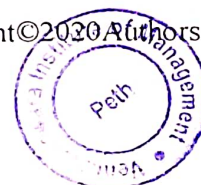
- To make the participating agencies well acquainted with the needs of different target groups e.g. women, tribal, scheduled castes and tribes, micro entrepreneurs and unemployed youth.
- To imitate and implement micro- enterprises development programme and support the programme by way of an effective micro- finance delivery mechanism.
- To strengthen capabilities of micro- finance organizations in the areas of planning, managing and coordinating micro- enterprises i.e. identification of feasible business projects, encouraging the entrepreneurs to execute these projects and supporting them with managerial, financial and marketing assistance.

Self Help Groups (SHGs) is now well known concept. It is now almost two decade old. It is reported that the SHGs have a role in hastening country is economic development. SHGs have new evolved as a movement.

Mainly members of the SHGs are women. Consequently, participation of women in the country's economic development is increasing. They also play an important role in elevating the economic status of their families. This has led boost to the process of women's empowerment.

Self Help Groups (SHGs) is a small voluntary association of poor people, preferably from the some socio- economic background and which disburse micro credit to the members and facilitate them to enter into entrepreneurial activities. They come together for the purpose of solving their common problems through self- help and mutual help. The SHGs promotes small savings among its members. The savings are kept with a bank. This common fund is the name of SHG. Usually, the number of members in one SHG does not exceed twenty. The concept of SHG is based on the following principles:--

- Self help supplemented with mutual help can be powerful vehicle for the poor in their socio-economic development.
- Participative financial services management is more responsive and efficient.
- Poor need not only credit support, but also savings and other services.



- Poor can save and are bankable and SHGs as clients result in wider out reach, lower transaction cost and much lower risk costs for the banks.
- Lower risk costs for the banks.
- Creation of a common fund by contributing small savings on a regular basis.
- Flexible democratic system of working.
- Loaning is done mainly on trust with bare documentation and without any security.
- Amounts loaned are small, frequent and for short durations.
- Defaults are rare mainly due to group pressure and
- Periodic meeting non- traditional savings.

#### 4. Historical Background:

##### A) World Scenario:

We can trace the origin of the concept of SHGs in Bangladesh. Bangladesh has been acknowledged as a pioneer in the field of micro- finance. Dr. Mahmud Yunus, professor of Economics in Chitgaon University of Bangladesh, was an initiator of an action research project 'Grameen Bank'.

The project started in 1976; it was formally recognized as a bank through an ordinance, issued by the government in 1983. Even then it does not have a scheduled status from the central bank of the country, the Bangladesh bank. The Grameen Bank provides loans to the landless poor, particularly women, to promote self- employment. At the end of December 2007, it had a membership of 23.78 Lakh and cumulative credit disbursements of TK 14,653 corer.

##### B) Indian Scenario:

India has adopted the Bangladesh's model in a modified form. To alleviate the poverty and to empower the women, the micro- finance has emerged as a powerful instrument in the new economy. With availability to micro- finance, SHGs and credit management groups have also started in India. And thus the movement of SHGs has spread out in India.

In India, banks are predominant agency for delivery of micro- credit. In 1970, Llaben Bhat, founder member of 'SEWA' (Self Employment Women's Association) in Ahmadabad, had developed a concept of 'women and micro- finance'. 'The



Annapurna Mahila Mandal' in Maharashtra and 'Working Women's Forum' in Tamilnadu and many National Banks for Rural Development (NABARD) - sponsored groups have followed the path laid down by SEWA. SEWA is a trade union of poor, self employed women workers.

In 1991-92 NABARD started SHGs on a large scale. And it was the real take-off point for the 'SHG movement'. In 1983, the Reserve Bank of India (RBI) also allowed SHGs to open saving account in banks. Facility of availing bank services was a major boost to the movement. Thus an informal credit system was evolved with assistance form formal financial institutions. The main objective were to provide the following—

- Supplementary credit to SHG.
- Reduction in transaction cost for both banks as well as SHG by reducing paper work.
- To mobilize small savings among poor rural women.
- To build mutual trust and confidence between banks, NGOs and rural poor.
- To create health relations between SHGs members and linking agencies.
- Constant supervision and monitoring by banks through NGOs.

In April 1999, the Government of India has launched "Swarnajayanti Grameen Swarozgar Yojana" (SGSY) by meeting all the poverty alleviation programs. The SGSY envisaged the routing credit preferably through SHG conduits.

The movement of SHG was a major boost to the states of Gujarat, Maharashtra, Andhra Pradesh, Rajasthan, Tamilnadu and Kerala.

Now nearly 560 banks like NABARD, Bank of Maharashtra, State Bank of India, Co- operative banks, Regional rural banks, the Govt. institutions like Maharashtra Arthik Vikas Mahamandal (MAVIM), District Rural Development Agency (DRDA), municipal corporations and more than 3024 NGOs are collectively and involved in the promotion of SHGs movement.

### **C) The SHG Movement in Maharashtra:**

The concept of SHG was not new in Maharashtra. Beginning with a tiny amount of only 25 paise, the women of Maharashtra form Amaravati district had established one SHG long back in 1947. Further in 1988, 'Chaitanya' Grameen





Mahila Bal Yuvak Sanstha started promoting SHGs in Pune district informally. Whereas in Maharashtra, the NGOs not only have catered to the economic needs to the participants, but also involved in the process of social development. Aim of 'Chaitanya' is also the same to empower the women in both ways, economically and socially. Presently, numerous NGOs and governmental institutions promote SHGs on a large scale.

**Table No.1: Cumulative progress of Self Help Groups- bank linkage programme in India**

(Rs. In Crore)

Year	No. of SHGs	Bank finance	Re- finance by NABARD
2002-03	255	0.29	0.27
2003-04	620	0.65	0.46
2004-05	2,122	2.44	2.13
2005-06	4,757	6.06	5.66
2006-07	8,598 (3271)	11.84 (3982.76)	10.65 (3844)
2007-08	14,317	23.76	21.39
2008-09	32,995	57.07	52.06
2009-10	94,645	192.98	150.13
2010-11	1,14,775(1234.90)	193.00 (1530.07)	150.10 (1309.39)
2011-12	2,63,825	480.90	400.70
2012-13	4,63,478	1026.30	796.50
2013-14	7,17,360	2048.70	1418.80
2014-15	10,79,991 (840.96)	3904.20 (1922.90)	2124.20 (1315.19)
2015-16	16,18,476	6898.00	3092.00
2016-17	22,38,565	11398.00	4160.00
2017-18	29,24,973(170.83)	18041.00 (362.09)	5459.00 (156.99)

Source: NABARD website

Note: The percentages have been computed by assuming 2002-03, 2006-07, 2010-11, 2010-15 as the base years.



## 5. Achievement through women empowerment:

- Study Tour:

The women of SHGs organize study tour to visit special villages and on return from study tour, they conducted the meetings in the village. They informed the villagers about the project and cleanliness. Accordingly, the villages became clean and some of the villages also received 'Nirmal Gram Puraskar'.

- Women Gram Sabha:

Under 'Jalswarjya' it is mandatory to hold a woman Gram Sabha prior to main Gram Sabha. This has empowered to women to take decision. Also, the subject and decision put forth by the main Gram Sabha. This provided the women a good forum.

- Gram Sabha:

In the beginning, women were not attending the Gram Sabha, nor participated in discussion. Through, IEC attendance in Gram Sabha has been increased on a large scale; women are also attending a large scale and placing their opinion.

- Representative of various committees:

In village, water and sanitation committee, women development committee, social audit committee etc., the representation of women and also as a chairperson, treasurer and secretary raised to the average of 50 percentages.

- Leadership quality:

Women are pursuing the work relating to laying down pipes, construction (digging), selection of contractors and pursuing of support organization. Some of the villages, the women are 'Sarpanch' of their villages and does good leadership.

- Decision making capacity:

Women are putting forth their opinion at various levels at the village. The decision given by the women on source selection is beneficial.

- Tribal women:

Tribal women are also coming forward in this component and have a started independent business of collecting the herbal medicine and processing it.

- Training:

Training plays an important role as it helps the SHGs in expanding their knowledge base, brings about changes in the attitudes of women/groups.

## 6. Conclusion:

For micro- finance to be a success, we need to have the strong back- up of self help groups and neighborhood communities. Formation of SHGs is essential in order to facilitate the process of providing credit to the poor. But the SHGs main purpose is not only to route credit but also to avail of allied services. Group activities undertaken and issues addressed at a micro level help strengthen the ties between group members and generate a sense of belonging. SHGs serve as support groups for the poor enabling them to avail of various services and benefits. The main principle is to 'help people help themselves'. NABARD, RBI, NGOs, other co-operative and Regional Rural Banks plays an important role for empowerment of women through SHGs.

Mahatma Gandhi said that, "Millions of women in our hamlets known what unemployment means. Give them to economic activities and they will have access to power and self- confidence to which hitherto have been strangers".

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