

IDENTIFICATION OF VARIOUS MARKETING RELATED CHALLENGES OF AGRO BASED PUBLIC SECTOR UNDERTAKINGS IN KERALA

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Abstract: *The Kerala's economy is basically agrarian. In spite of economic development and industrialization, agriculture is the spine of the Kerala's economy. Distant from those who are unswervingly occupied in the agrarian sector, a large number of the population is also betrothed in agro-based activities. Agriculture meets the foods desires of large population of Kerala. It warrants food security for the state. Marketing is the crux of the whole food and agricultural problem in almost all states, especially in the state of Kerala. It would be ineffective to raise the agricultural production as well as output, if not means could be found to move the agricultural produce from the producers' field to the consumers' storeroom at a price which corresponds to flaxen remuneration to the producers on the one side and the consumers' capability to pay on the other side. It is in this deference, that the Agro Based Public Sector Undertakings in Kerala afford an organized forum for selling the agricultural produce of farmers at a fair price and also proffer dependable and contemporary means to vie with the private enterprises which is better placed in terms of technical and financial resources. Thus, the agricultural marketing and the agri-business of Agro Based Public Sector Undertakings dwell in an imperative place in the overall stratagem for agricultural development in Kerala. Hence, the marketing of Agro Based Public Sector Undertakings are essential for the expansion of agricultural community and the government must catch all the indispensable steps to revitalize them from their dormancy and thereby facilitate the agriculturists to get the maximum promising prices*

Key Words: *Public Sector, agricultural community, industrialization, economic development, agri business and agro processing.*

1. INTRODUCTION:

The barely obsession that unvarying is change. We are practicing transform in our everyday life and at marketplace too. Consumer desires, needs, outlooks are varying more hastily; consumers are progressively more demanding improved eminence and consistency in products and services; novel products and services are impending to market more swiftly, competition is reaching powerful and universal relatively than just domestic; technology is shifting hurriedly; and e-commerce and Internet is having an enormous blow on marketing practises. In such a fast varying marketing settings, it is in truth tricky for business organizations to compose rapid and excellent conclusions, and facing an assortment of marketing challenges. The situation is not so different for the agro based public sector undertakings in Kerala. In fact, in Kerala, agro based public sector undertakings are facing severe and critical competition, especially from the private enterprises. Since the public sector enterprises are performing with the support of the State money, it is very imperative to examine its performance. In this regard, an attempt has been done by the researcher to examine what marketing challenges the agro based public sector undertakings in Kerala are facing, and how to trounce these challenges.

To make the study more meaningful and logical, the researcher has selected Kerala State Horticultural Products Development Corporation (**KSHPDC**), The Kerala Agro Industries Corporation Limited (**KAICO**), Meat Products of India (**MPI**), and Kerala State Cashew Development Corporation Limited (**KSCDC**). In this regard, an attempt has been done by the researcher to examine what marketing challenges the agro based public sector undertakings in Kerala are facing, and how to trounce these challenges.

2. NEED AND SIGNIFICANCE OF THE STUDY:

The Kerala's economy is basically agrarian. In spite of economic development and industrialization, agriculture is the spine of the Kerala's economy. Distant from those who are unswervingly occupied in the agrarian sector, a large number of the population is also betrothed in agro-based activities. Agriculture meets the foods desires of large population of Kerala. It warrants food security for the state. Considerable augment in the production of food grain like rice, tea, coffee, spices, fruits and vegetables has made Kerala independent. But it is required that Kerala use its vast potential of agriculture in a systematic and planned manner. We have to develop some of the techniques which

the developed countries have been using. Marketing is the crux of the whole food and agricultural problem in almost all states, especially in the state of Kerala. It would be ineffective to raise the agricultural production as well as output, if not means could be found to move the agricultural produce from the producers' field to the consumers' storeroom at a price which corresponds to flaxen remuneration to the producers on the one side and the consumers' capability to pay on the other side. It is in this deference, that the Agro Based Public Sector Undertakings in Kerala afford an organized forum for selling the agricultural produce of farmers at a fair price and also proffer dependable and contemporary means to vie with the private enterprises which is better placed in terms of technical and financial resources. The role of the Agro Based Public Sector Undertakings has increasingly prolonged in the field of agricultural marketing. Above and beyond, there are numerous agro-processing units that guarantee superfluous budding to improve Kerala's Economy. Thus, the agricultural marketing and the agri-business of Agro Based Public Sector Undertakings dwell in an imperative place in the overall stratagem for agricultural development in Kerala. Hence, the marketing of Agro Based Public Sector Undertakings are essential for the expansion of agricultural community and the government must catch all the indispensable steps to revitalize them from their dormancy and thereby facilitate the agriculturists to get the maximum promising prices.

3. OBJECTIVES OF THE STUDY:

To find out the various marketing related challenges of the agro based public sector undertakings in Kerala.

4. HYPOTHESIS:

There is no significant difference among the various marketing related challenges of the agro based public sector undertakings in Kerala.

5. METHODOLOGY:

The purpose of the present examination is to investigate the marketing insinuations of the agro-based public sector undertakings in Kerala. The present study is an attempt to identify whether the present marketing practices have actually percolated to the agro-based public sector undertakings in Kerala. As such, the present study has been designed as a descriptive study and Normative Survey method will be adopted as the appropriate means for gathering the data essential for the study. For achieving the above objectives and hypotheses the subsequent methodology was whispered for doing the current study. The study is methodical in nature based on survey method. Both primary and secondary data has been used for the present study.

The respondents were categorized into four group. They are from Kerala State Horticultural Product Development Corporation (KSHPDC), The Kerala Agro Industries Corporation Ltd (KAIC), Meat products of India Limited (MPI) and The Kerala State Cashew Development Corporation LTD (KSCDC), who are in the capacity of the top level, middle level and lower level cadre. Also, the sample of respondents includes 15 Top level, 130 Middle level and 55 Lower level employees. Thus the total sample size consists of 200, out of which equal division is assigned for four Agro-based public sector undertakings in Kerala.

6. RESULT AND DISCUSSION:

Table 1

Marketing related challenges- Communalities

Communalities	Initial	Extraction
Low margin on selling price	1	0.588
Poor communication/linkage with big traders	1	0.602
Effect of pricing	1	0.58
Low demand from the local market	1	0.665
Lack of exporting facilities	1	0.506
Lack of customer's awareness about the quality/standard of products	1	0.602
Existence of spurious/inferior products in the markets	1	0.549
Seasonality of demand	1	0.684
Competition from rivals	1	0.549
Exploitations by intermediaries	1	0.585
Lack of advertisement and sales promotion	1	0.584
Frequent changes in innovations and trends	1	0.538
Lack of market information/knowledge	1	0.63

Lack of marketing support from Govt. & related agencies	1	0.545
No efforts for brand promotion	1	0.603
Lack of warehousing facilities	1	0.58
Difficulty in timely marketing of products	1	0.567
Government intervention in price fixing	1	0.528

Extraction Method: Principal Component Analysis

Source:-Primary data

From the above Table 1 it is clear that the communality value of the component low margin on selling price is 0.588, found moderate effect. Similarly communality value of the components poor communication/linkage with big traders and effect of pricing is 0.602 and 0.580 respectively, found moderate effect. The communality value of the component seasonality of demand is 0.684, found moderate effect. Thus almost all components are having moderate effect on the marketing challenges of agro based public sector undertakings in Kerala.

Table 2

Marketing related challenges- Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Low margin on selling price	1.674	8.81	8.81	1.674	8.81	8.81
Poor communication/linkage with big traders	1.532	8.064	16.874	1.532	8.064	16.874
Effect of pricing	1.415	7.446	24.32	1.415	18.446	34.32
Low demand from the local market	1.362	7.166	31.486	1.362	7.166	41.486
Lack of exporting facilities	1.295	6.815	38.301	1.295	16.815	58.301
Lack of customer’s awareness about the quality/standard of products	1.196	6.296	44.597	1.196	6.296	64.597
Existence of spurious/inferior products in the markets	1.115	5.871	50.468	1.115	5.871	70.468
Seasonality of demand	1.027	5.406	55.874	1.027	15.406	85.874
Competition from rivals	1	5.261	61.135			
Exploitations by intermediaries	0.949	4.996	66.131			
Lack of advertisement and sales promotion	0.94	4.946	71.077			
Frequent changes in innovations and trends	0.843	4.439	75.516			
Lack of market information/knowledge	0.833	4.383	79.9			
Lack of marketing support from Govt. & related agencies	0.736	3.874	83.773			
No efforts for brand promotion	0.685	3.608	87.381			
Lack of warehousing facilities	0.655	3.447	90.828			
Difficulty in timely marketing of products	0.615	3.236	94.064			
Government intervention in price fixing	0.538	2.83	100			

Source:-Primary data

From the above table it is clear that there are eight factors contributing to the marketing related challenges of the agro based public sector undertakings in Kerala. The effect of the first factor is 8.81%. Whereas the effect of the second, third and fourth factor is 16.874%, 34.32% and 41.486% respectively. To sum up the cumulative effect of the eight factors together constitute 85.874%, which is reasonably high.

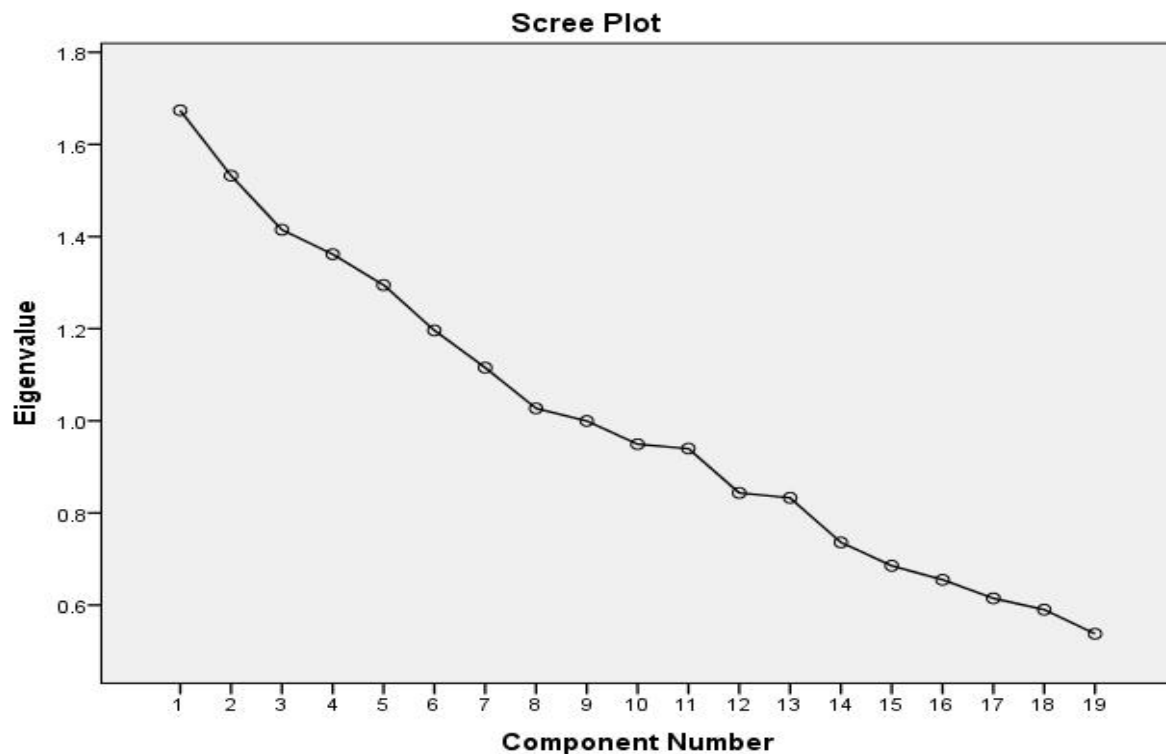


Figure 1
Marketing related challenges- Scree Plot

Source:-Primary data

From the above Figure 1 it is clear that there are eight factors appearing whose eigenvalue greater than one. This is same as explained above. Thus in the given objective the marketing related challenges of the agro based public sector undertakings in Kerala can be defined with the help of eight factors.

Table 3
Marketing related challenges- Rotated Component Matrix

	Component							
	1	2	3	4	5	6	7	8
Competition from rivals	0.693	-0.061	0.186	0.101	0.019	0.066	0.102	0.066
Difficulty in timely marketing of products	-0.565	0.043	0.577	0.019	-0.043	0.075	0.248	0.185
Lack of warehousing facilities	0.49	0.422	0.071	-0.01	-0.327	-0.107	0.048	-0.19
Seasonality of demand	-0.179	0.761	-0.025	0.134	0.077	0.5	-0.02	-0.1
Lack of marketing support from Govt. & related agencies	0.15	0.478	0.036	-0.16	0.076	-0.345	0.118	0.171
Government intervention in price fixing	0.137	-0.145	0.677	-0.05	-0.094	0.044	-0.13	-0
Lack of exporting facilities	-0.067	0.17	0.618	-0.08	0.194	-0.113	0.181	-0.03
Exploitations by intermediaries	0.03	-0.119	-0.19	0.706	0.131	-0.126	-0.03	-0.04
Poor communication/linkage with big traders	0.247	-0.049	0.567	0.499	0.269	0.259	-0.04	0.116
Existence of spurious/inferior products in the markets	0.123	0.059	-0.191	0.057	-0.604	0.163	0.584	0.078
Low margin on selling price	0.034	0.069	-0.017	0.171	0.538	0.029	0.207	-0.14
Effect of pricing	0.204	0.573	-0.261	-0.17	0.489	-0.005	0.131	0.212
Lack of advertisement and sales promotion	-0.079	-0.048	-0.083	0.03	0.06	0.724	0.174	-0.1

No efforts for brand promotion	0.152	0.159	0.102	-0.17	-0.226	0.651	-0.16	0.115
Low demand from the local market	0.149	-0.015	-0.092	-0.07	0.098	0.138	0.774	0.025
Frequent changes in innovations and trends	-0.234	0.15	0.212	0.159	-0.06	-0.153	0.513	-0.01
Lack of market information/knowledge	0.137	-0.068	-0.01	-0.04	-0.148	-0.065	0.5	0.734
Lack of customer’s awareness about the quality/standard of products	0.597	-0.063	-0.01	-0.06	-0.018	-0.023	0.237	-0.67
Rotation Method: Varimax with Kaiser Normalization.								

Source:-Primary data

From the above table the extraction value of the components namely Competition from rivals (0.693), Lack of warehousing facilities (0.49) and Lack of customer’s awareness about the quality/standard of products (0.597) are high and is included in the first factor as **Dealing with competitive disadvantages**.

The extraction value of the components namely Seasonality of demand (0.761), Lack of marketing support from Govt. & related agencies (0.49) and Effect of pricing (0.573) are high and is included in the Second factor as **Scarcity of resources**.

The extraction value of the components namely Difficulty in timely marketing of products (0.577), Government intervention in price fixing (0.677), Poor communication/linkage with big traders (0.567) and Lack of exporting facilities (0.618) are high and is included in the Third factor as **Low profile of extrinsic communication link**.

The extraction value of the components namely **Exploitations by intermediaries** (0.706) is included in the Fourth factor.

The extraction value of the components namely **Low margin on selling price** (0.538) is included in the Fifth factor.

The extraction value of the components namely Lack of advertisement and sales promotion (0.724) and No efforts for brand promotion (0.651) are high and is included in the Sixth factor as **Deprived Sales promotion**.

The extraction value of the components namely Existence of spurious/inferior products in the markets (0.584), Low demand from the local market (0.774) and Frequent changes in innovations and trends (0.513) are high and is included in the Seventh factor as **Influence of Inferior products**.

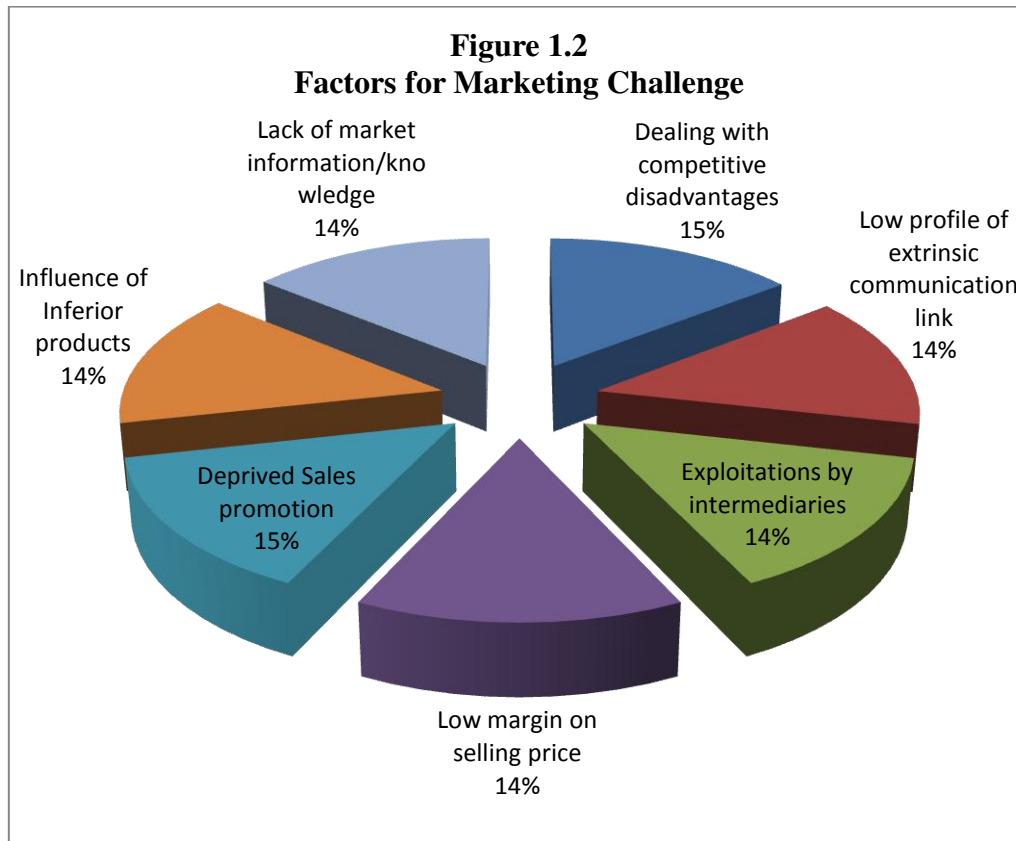
The extraction value of the component namely **Lack of market information/knowledge** (0.734) is high and is included in the Eighth factor.

Table 4
Marketing related challenges- One factor ANOVA

Mean	n	Std. Dev	Factors	Effect	
3.82	200	0.704	Dealing with competitive disadvantages	High	
3.74	200	0.826	Scarcity of resources	Moderate	
3.67	200	0.688	Low profile of extrinsic communication link	Moderate	
3.8	200	0.797	Exploitations by intermediaries	High	
3.73	200	0.799	Low margin on selling price	Moderate	
3.81	200	0.848	Deprived Sales promotion	High	
3.77	200	0.658	Influence of Inferior products	Moderate	
3.71	200	1.089	Lack of market information/knowledge	Moderate	
ANOVA table					
Source	SS	df	MS	F	p-value
Treatment	3.923	7	0.5605	0.85	0.5442
Error	1,047.30	1592	0.6579	Result	Not Sig.
Total	1,051.22	1599			

Source:-Primary data

As mentioned earlier the marketing related challenges of the agro based public sector undertakings in Kerala are influenced by eight factors and the effect of factors namely Dealing with competitive disadvantages (3.62), Exploitations by intermediaries (3.60) and Deprived Sales promotion (3.61) are high and the rest comes moderate effect. To test the statistical significance of the marketing related challenges by the agro based public sector undertakings in Kerala, Anova test was performed. Accordingly, F value 0.850 and Sig.0.5442 ($P>5\%$), shows there is no significant difference in the marketing related challenges of the agro based public sector undertakings in Kerala. This shows the fact the identified factors are equally contributing the marketing related challenges of the agro based public sector undertakings in Kerala. Thus the null hypothesis formulated is accepted.



7. CONCLUSION:

The marketing related challenges of the agro based public sector undertakings in Kerala are dealing with competitive disadvantages, Scarcity of resources, Low profile of extrinsic communication link, and Low margin on selling price, Exploitations by intermediaries, Deprived Sales promotion, Influence of Inferior products and Lack of market information/knowledge. Even though the effect of the challenges namely dealing with competitive disadvantages, Exploitations by intermediaries and Deprived Sales promotion is found high, there is no difference between the other challenges namely Scarcity of resources, Low profile of extrinsic communication link, Low margin on selling price, Influence of Inferior products and Lack of market information/knowledge which are found moderate for the agro based public sector undertakings in Kerala.

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