

A study on dealers perception of organic food products with respect to vellore district.

Dr.Elantheraiyan.P^a, Dr.M.S.R.Mariayappan^b

^a Associate Professor School Of Management Veltech Rangarajan Dr.Sagunthala R&D Institute Of Science & Technology Avadi Chennai,

^bDean School Of Management & Professor Veltech Rangarajan Dr.Sagunthala R&D Institute Of Science & Technology Avadi Chennai

Abstract

Enlightened dealers have changed their business gears towards organic food products. But a huge challenge before them is making the consumers to buy it. These dealers unlike huge retail outlets and organic food companies they are finding it a bit difficult to market the organic products to the Vellore consumers who are bit price conscious and they fail in the convincing the consumers and gaining their trust. Most of the consumers nowadays have become health conscious but apart from it price, certification, reliability, accessibility and ready availability are the hardships which they face in the current situation. The dealers of organic food products fail miserably in these areas and they try their level best by marketing the organic food products nutritional value which in most of the cases doesn't work. Unlike other inorganic products the organic products production cost and meeting the consumers demand at the right time is huge head for most of the dealers. They need to brainstorm and devise plan to create awareness in such away the consumers accept their products and integrate these products in their daily routine and fuel the organic food products market which build a healthy society and benefit mutually in all aspects. In future one day on the other the people may boycott all the food products which can create hazards and breed diseases and bank upon the healthy organic food products.

Keywords-Certification, Organic food products, accessibility reliability.

1. Introduction

Organic food products have a great future in a bustling city like Vellore where the people have a good purchasing power, educated and the people with some kind of ailment due to the city's environment and its a kind of population which always welcomes the new business product or any other concept whole heartedly. The organic food products is not a new concept to these people but its like an old wine in a new bottle .They were already consuming organic food products in the yesteryears but due to the advent of globalization,industrialization and commercialization.The corporates in order to achieve super profit and produce the products economically and efficiently they've marketed and sold their products as a life style products and they had a huge business along with the dealers for atleast three to four decades.But due to the advent of technology and good

exposure some people are slowly turning back to basics, which is again a problem for the dealers who were well settled by selling the in organic food products. Now it's a tough tide for them to make a U-turn and change all their marketing and promotional strategies which can gain the confidence of a literate consumer. They don't bother about rural consumers who are already consuming organic food products because a major chunk of them are farmers. But its not the case in a city like Vellore were you hardly find farmlands and people mostly depend on the dealers. But the obstacle sometimes the producers of organic food products from the farm directly organize a shopping festivals, weekend markets and through other means try to eradicate the middle men between them and the consumers. Dealers face a double impact from the consmuers as well as farmers. They have to give farmers a good price and then they need to sell it at a bit of higher price which they conusmers will not accept over a period of time. The dealers are in delicate position and they need to play strategically to survive in the market. They have to rework on all their marketing and promotional startegies, they have to build the trust ,proper network in all aspects of business and market so that they can achieve what they intend in this organic food products market.

2. Significance Of The Study

1. The study helps the dealer in understanding the pros and cons of organic food industry.
2. The study highlight the pitfalls of the dealers in gaining consumer confidence.
3. The study enlightens the dealer with right promotional strategies.
4. The article may serve as a future source of record and paves way for further research.

3. Review Of Related Studies

Christos and Athanasios (2002) said that there are three type of consumers in terms of their attitude ,intention and awareness they are the unaware, the aware non-buyers and the buyers of organic products. **Sanjuan et al(2003)** studied that only a scarce portion of consumers and distributors show their preference that might tend to favour demand expansion. The most important segments of consumer are willing to pay premium for organic products but it is not up to the level to fulfill the gap between the non-organic and organic food products. **Dolezalova** investigated the selling techniques of organic food retailers and defined the their SWOT. The organic food market shows a promising big market. The organic food purchase has become a lifestyle which shows only a few people are interested in purchasing organic products. Not only from the consumer side but also from the farmer ,logistics, dealers and governments which are supporting organic farming need to fine tune their approach to increase the demand for organic food products among consumers. **Shamsollahi A.(2013)** revealed that intelligence, literacy, health awareness, government support and schemes, environment concerns, perceived values and attitudes drives the purchase of consumers towards organic food products. Among these six factors literacy and health awareness factors top the table and accelerate the consumers towards organic food products. **Ahmed and Rahman** expressed that lack of awareness ,knowledge about organic food products, certification, labeling, high price are the factors hampering the purchase of organic products in supermarkets. Young and Senior people prefer organic food the most and in gender wise female top the table than male.

A study on dealers perception of organic food products with respect to vellore district.

4.Objectives Of The Study

- To understand perception of dealers regarding organic food products.
- To identify the dealers marketing strategies with respect to organic food products.
- To find out the short comings of the dealer in promoting organic food products.
- To find out the gap between the dealers and consumers.
- To find of the business trend of organic food products in future.

5.Hypotheses Of The Study

- A Study On Dealers Perception Of Organic Food Products With Respect To Vellore District.
- There is no significant difference between between the dealers age and their perception on marketing organic food products.

6.Population And Sample

The population includes prospective organic food product dealers in Vellore District. The investigators used convenience sampling technique and selected 125 prospective organic food product dealers in Vellore District

6.1.Statistical Techniques Used in the Present Study

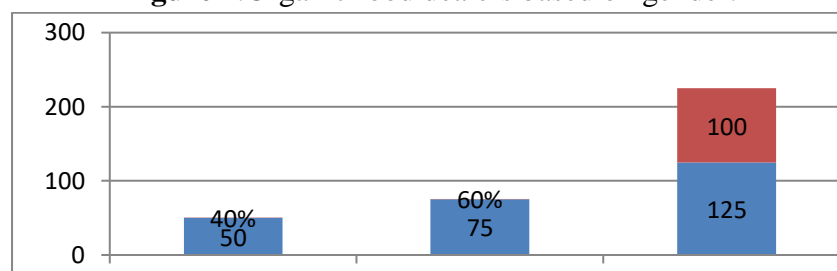
A Study On Dealers Perception Of Organic Food Products With Respect To Vellore District validated by Dr.ElantheraiyanP, Dr.M.S.R.Mariayappan.Percentage ,regression analysis,weighted average method and chi-square method were used to analyze the data.

6.2.Data Analysis and Interpretation

Table 1.Organic food dealers based on gender.

	PARTICULARS	RESPONDENTS	PERCENTAGE
1	FEMALE	50	40%
2	MALE	75	60%
	TOTAL	125	100

Figure 1.Organic food dealers based on gender.

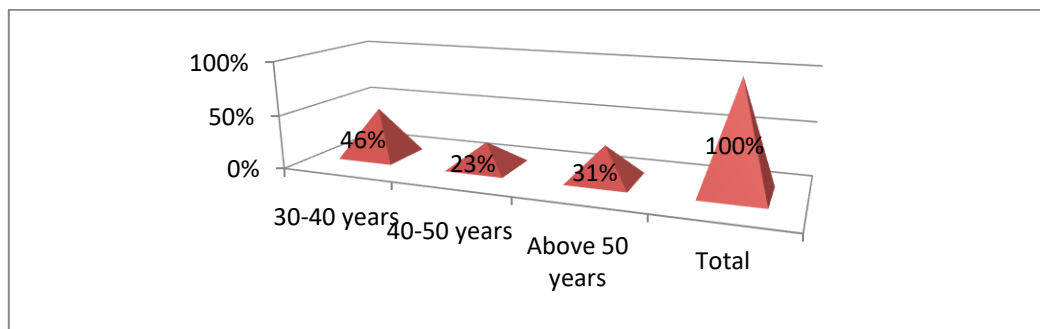


Interpretation Of Table 1: Its inferred that 60% & 40% of the gender are male and female.

Table 2.Distributors Age classification.

S.NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	30-40 years	57	46%
2	40-50 years	29	23%
3	Above 50 years	39	31%
	Total	125	100%

Figure 2: Distributors Age classification.



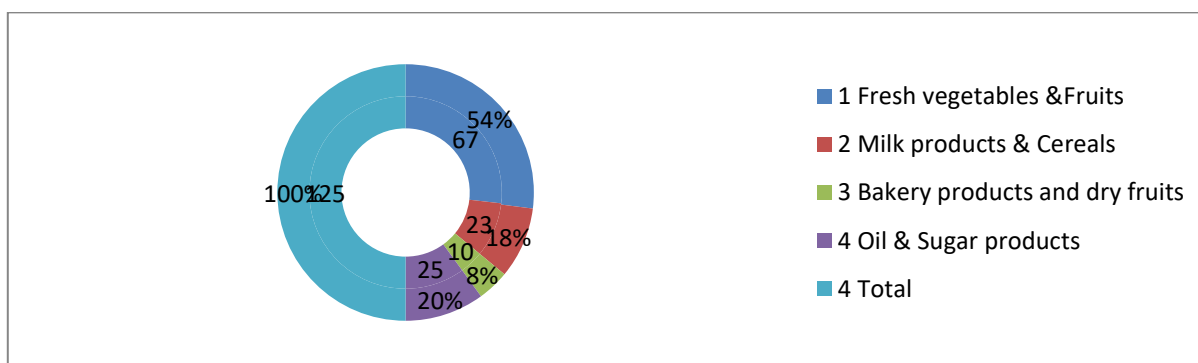
Interpretation of table-2.

The majority of 46% distributors age fall under 30-40 years of age,31% of distributors come above 50 years and 23 % of the respondents come under 40- 50 years. .

Table.3. Organic food products traded.

S.NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	Fresh vegetables &Fruits	67	54%
2	Milk products & Cereals	23	18%
3	Bakery products and dry fruits	10	8%
4	Oil & Sugar products	25	20%
	Total	125	100%

Figure 3



Interpretation of table-3.

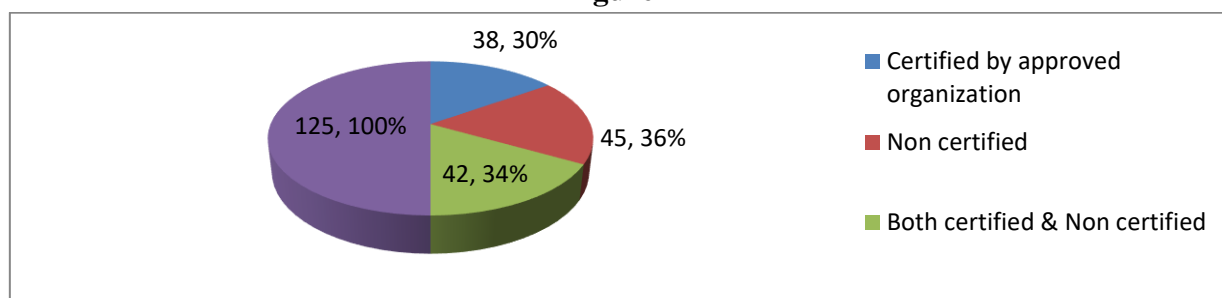
A study on dealers perception of organic food products with respect to vellore district.

54% of the distributors trade fresh vegetables and fruits,20% of the distributors trade oil and sugar products ,18 % of the sell milk products & cereals and only 8% of them sell bakery products & dry fruits.

Table.4. Certified organic food products traded by dealers.

S.NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	Certified by approved organization	38	30%
2	Non certified	45	36%
3	Both certified & Non certified	42	34%
	Total	125	100%

Figure 4



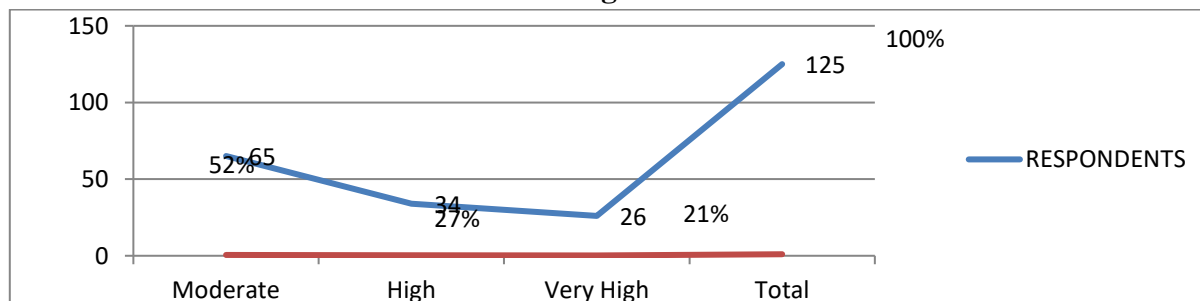
Interpretation of table-4.

36% of the dealers sell non-certified products,34% of them sell both certified & non certified products and only 30% of the dealers sell certified products.

Table.5. Dealers perception regarding marketing of organic products.

S.NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	Moderate	65	52%
2	High	34	27%
3	Very High	26	21%
	Total	125	100%

Figure 5



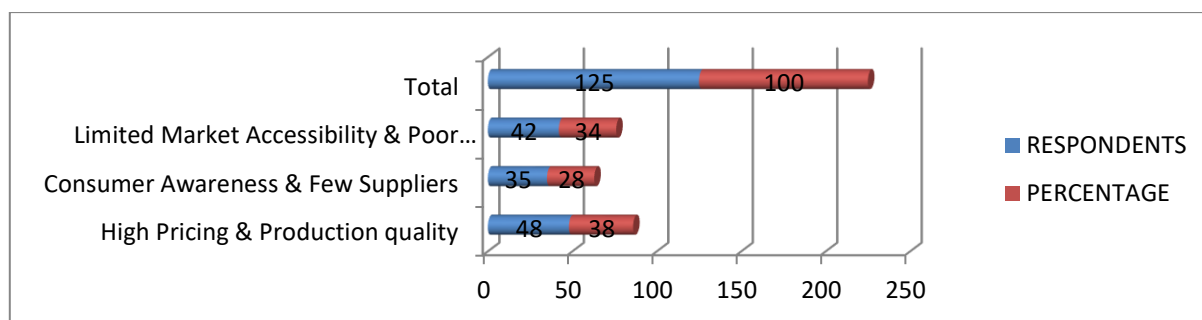
Interpretation of table-5.

52% of dealers perception regarding marketing of organic food products were moderate,27% of dealers perception were high and 21 % of them responded very high..

Table.6. Obstacles faced in the sale of organic food products.

S.NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	High Pricing & Production quality	48	38%
2	Consumer Awareness & Few Suppliers	35	28%
3	Limited Market Accessibility & Poor Logistics	42	34%
	Total	125	100%

Figure 6



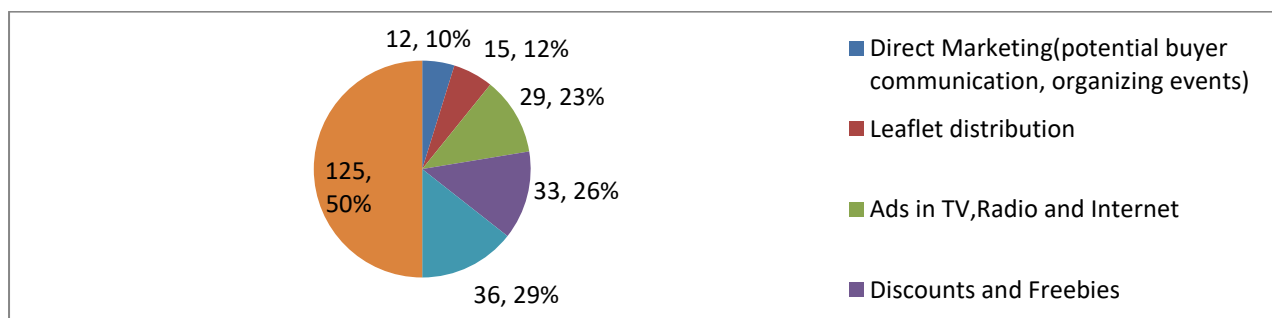
Interpretation of table-6.

38% of the respondents felt that high pricing & production quality are the most prominent obstacle,34% of them felt it was limited market accessibility & poor logistics ,consumer awareness & few suppliers was chosen as obstacle by 28% of the respondents.

Table.7 Promotional strategies followed by dealers selling organic products

S.NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	Direct Marketing(potential buyer communication, organizing events)	12	10
2	Leaflet distribution	15	12
3	Ads in TV, Radio and Internet	29	23
4	Discounts and Freebies	33	26
5	Specific Logo& Consumer meetings & Farm visits	36	29
	TOTAL	125	100

Figure 7



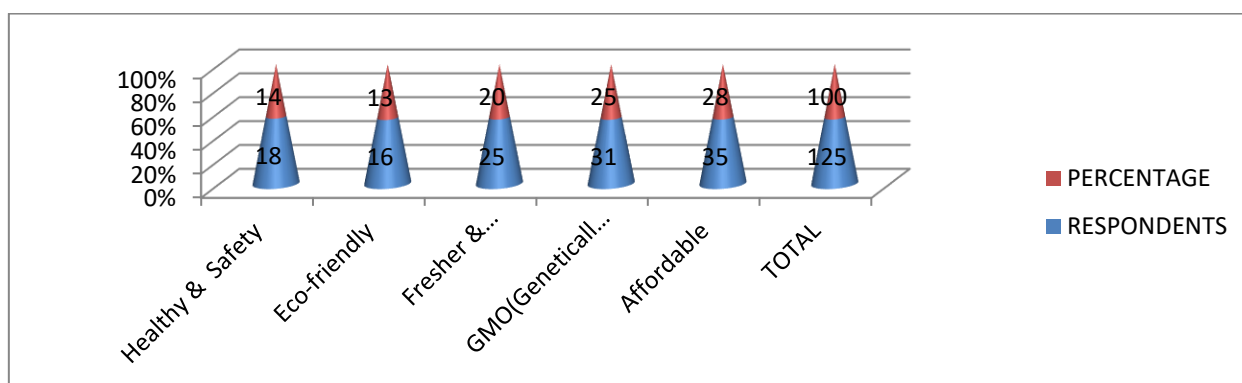
A study on dealers perception of organic food products with respect to vellore district.

Interpretation of Table 7 :26 % & 24 % of the distributors felt that discounts & freebies, ads in tv, radio and internet are effective promotion methodologies.29% of them feel specific logo,consumer meetings and farm visits is an effective promotional tool,12% of them are of the view that leaflet distribution are effective promotional tools and 10% of them responded that direct marketing is the best promotional tool.

Table 8 :Dealer’s perception regarding consumer benefits.

S.NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	Healthy & Safety	18	14
2	Eco-friendly	16	13
3	Fresher & Nutritious	25	20
4	GMO(Genetically Modified Organisms) free	31	25
5	Affordable	35	28
	TOTAL	125	100

Figure 8



Interpretation of Table 8:25% of dealers feel GMO free as a consumer benefit,20% of them feel it as fresh & nutritious,28% of the dealers feel affordability as consumer benefits,13% of them feel eco-friendliness as consumer benefits and 14 % are of the view that health & safety benefits the consumer.

Table 9: Chi-Square Analysis-Testing the relationship between the dealers age and their perception regarding the marketing of organic products.

S,No	Dealers Age		Dealers Perception Of Marketing Organic Food Products			
			Moderate	High	Very High	Total
1	30-40 years		16	11	7	34
2	40-50 years		22	28	9	59
3	More 50 years		19	5	8	32
	TOTAL		57	44	24	125
S.No	Observed Frequency	Expected Frequency	O-E	$(O-E-0.5)^2$	$(O-E-0.5)^2/E$	
1	16	15.504	0.496	0.000016	0.00000103199	
2	22	26.904	-4.904	-29.20322	-1.0854	

A study on dealers perception of organic food products with respect to vellore district.

									Y ⁻)
1	Direct Marketing(potential buyer communication, organizing events)	12	Healthy & Safety	18	-13	-7	169	324	91
2	Leaflet distribution	15	Eco-friendly	16	-10	-9	100	81	90
3	Ads in TV,Radio and Internet	29	Fresher & Nutritious	25	4	0	16	0	0
4	Discounts and Freebies	33	GMO(Genetically Modified Organisms) free	31	8	6	64	36	48
5	Specific Logo & Consumer meetings & Farm visits	36	Affordable	35	11	10	121	100	110

$$X^{-} = \sum X/N = 125/5 = 25 \quad Y^{-} = \sum Y/N = 125/5 = 25$$

$$\text{Coefficient of } y \text{ on } x \quad b_{yx} = (X-x^{-})(Y-y^{-}) / \sum (X-X^{-})^2 = 339/470 = 0.72127$$

$$\text{Coefficient of } x \text{ on } y \quad b_{xy} = (X-x^{-})(Y-y^{-}) / \sum (X-X^{-})^2 = 339/541 = 0.6266173$$

Equation line of x on y

$$(X-x^{-}) = b_{xy} (Y-y^{-})$$

$$X-25 = 0.6266173(Y-25) \quad ; X = 0.6266173Y-25+25 \quad ; X = 0.6266173Y$$

Equation line of y on x

$$(Y-y^{-}) = b_{yx}(X-x^{-}) \quad ; Y-25 = 0.72127(X-25); Y = 0.72127X+50$$

$$\text{Correlation coefficient } r^2 = b_{xy}b_{yx} = 0.72127 \times 0.6266173 = 0.45196 = 0.6722703$$

Intpretation Table 10 :Both the coefficients are positive where both independent and dependent variable increases at the same time.

SUGGESTIONS

Organic food industry is a booming industry in India but properly articulated it could yield better outcomes to the economy and society. Women play a pivotal role in each and every aspects of the society so their role as an dealer is of immense value because compared to other fields of business the participation of women organic food market is bit lagging which needs to be accelerated. More of people need to participate in this field at the very young age to put on more thrust in this area. In todays are scenario organic food industry is a multi -billion business and everyone wants to stay healthy and lead ailment free life so apart from middle aged men and senior citizens whose

participation is more in this industry ,youngsters have more energy and span to accelerate the growth of this industry.Only sale of fruits organic vegetables and fruits is on a high note where as other products is on downward trend hence organic industry should extend to other products too. The dealers should try to sell more organic products certified from professional bodies to gain the trust of the customers. The marketing activity needs to be much more innovative to lure the customers and reduce the dealers marketing burden.In modern world instead of conventional marketing methodologies more of social media marketing can pay rich dividends. The price and consumer awareness regarding the organic products needs to be largely communicated to increase the market share,morever the typical Indian customer relies on the price and quantity.This mindset needs to be changed towards quality and eco friendliness because the well being of the environment is the well being of the people this need to be understood properly.

CONCLUSION

Vellore is the best place where you have a proper mix of industries and agricultural lands that too less polluted lands with artificial fertilizers and it is surrounded by lots of agricultural villages which has much more credibility in organic food business.The dealers have awareness regarding organic food industry is gaining momentum.The dealers need to find out what are the creative ways to the to lure the customers.In place like vellore there may be customers who're are reluctant to buy the organic food products because of its high price and it validity of its production,so its in the hands of the dealers to make them buy it.The dealers need to be vigilant to target the right kind of customers and understand their pulse and push the products to them.The dealers should be able to provide a wide range and variety of products,so that the customer have a huge choice to opt like that of any other inorganic products in other stores.Moreover the upcoming generation should take this as career and start promoting organic food products to produce a healthy generation.Dealers need to have a proper coordination with the farmers to get the products in time to meet the demands of the customer at the right time so that the business go steadily if there is a mismatch in the supply of the demanded products there is tendency for the customer to go back to the inorganic food products whose availabilty seems to be seamless. Dealers of vellore need to look around the market and based on that they need to shift the gears accordingly which would bring them success in the organic food industry.

REFERENCES

1. www.ssrn.com
2. www.google.com
3. www.academia.edu.
4. www.shodganga.inflibnet.ac.in