

Agriculture marketing trends in India: challenges and prospects

Alok Dangi^{1*}, Dr. Ravindra Tiwari²

¹ Research Scholar, LNCT University, Bhopal, M.P. India

Email: dangialok26@gmail.com

² Associate Professor, LNCT University, Bhopal, M.P. India

Abstract - Market signals drove market players to alter their marketing methods in order to offset the negative externalities that damage ecological sustainability, both inside and outside the system. With the advent of environmentalism, marketing has become more complicated, and marketers must now deal with the problems and possibilities that come with changing customer needs. This research is both explanatory and descriptive. It adheres to the theoretical aspects' descriptive model. It includes significant current literature to improve the results of literature evaluations. Comprehensive Literature Review The review of the relevant literature illuminates and brings our study issue into closer focus. Our strategy has been enhanced, and our knowledge base has grown as a consequence. The findings indicated that there are several challenges to overcome when seeking to join the rural market. The primary purposes are as follows: first, to transport goods to faraway locations; second, to meet the needs of destitute areas; and third, to provide storage facilities for the items.

Keywords: agriculture market, rural marketing and agricultural development

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INTRODUCTION

As previously mentioned, marketing endeavours have the potential to contribute to environmental degradation due to their role in promoting unsustainable levels of consumption and production. Notwithstanding the fact that marketing has played a role in exacerbating the problem, it also constitutes a crucial component of the remedy for attaining sustainable expansion. In the subsequent section, we shall examine the marketing sector's reaction to social and environmental issues. The last few decades have seen a growing emphasis on environmentalism in marketing, partly due to customers expressing concerns about the environment. Stakeholders, including consumers and environmental advocacy groups, communicated market indicators to key decision-makers such as marketers, processors, and producers with the aim of reducing the excessive exploitation of resources in the food marketing sector. This action was undertaken with the aim of safeguarding the natural surroundings. The inclusion of externalities as environmental costs in the decision-making procedures of producers and consumers has been advocated for by environmentalists (Kotier, 1997; Henion, 1976). The proponents of this approach advocated for the use of taxes and regulations as a means of internalising the externalities associated with

environmentally detrimental actions. This involved mandating businesses allocate resources towards the implementation of anti-pollution measures, imposing levies on non-recyclable packaging, and prohibiting the production or consumption of goods that have adverse environmental effects. The Environmental Working Group (EWG) provided support for these concepts. The notion prevailed that these constituents were indispensable to guide enterprises and clientele towards environmentally sustainable agricultural methodologies. This perspective posits that the principal aim of a marketing channel should shift from emphasising quantity to prioritising sustainable quality, particularly in terms of durability. The market signals prompted market participants to modify their marketing strategies and mitigate the adverse externalities that impact ecological sustainability, both within and beyond the system. Considering the emergence of environmentalism, marketing has encountered increased complexity and must now grapple with the associated challenges and opportunities that arise from evolving consumer demands. Organisations have incurred significant costs to implement modifications in their production systems. However, to maintain their competitiveness, they have

endeavoured to enhance their input utilisation and distribution strategies.

So, this study investigates the theoretical perspective to assess the challenges and opportunity in Indian.

OBJECTIVE OF THE STUDY

To examine and discuss the various issues and challenges of Indian agriculture market.

METHODOLOGY

This study is explanatory and descriptive in nature. It follows the descriptive model of theoretical aspects. It incorporates major contemporary literatures to get the better outcome of the literature reviews. Extensive Literature Review Our research topic is illuminated and brought into sharper focus as a result of the evaluation of the relevant literature. Our approach is refined, and our knowledge base is expanded as a result.

LITERATURE REVIEW

Gosh (2002) referred that the marketing of agricultural goods is a crucial factor in not only augmenting production and consumption, but also in expediting economic progress. The exchange between producers and consumers entails more than a mere economic transaction, as it serves to maintain equilibrium between the forces of supply and demand.

Moreover, Gulati (2008) discussed about the establishment or distortion of market efficiency can be attributed to various factors such as geographical location, market linkage features, environmental circumstances, and the level of market infrastructure development. In order to capitalise on the agricultural transformation, farmers must possess a heightened level of technical proficiency, including access to current market data pertaining to supply and demand. The expansion of entrepreneurship has presented difficulties for farm management skills, including but not limited to decision-making, strategic planning, objective establishment, implementation, monitoring, and results management.

Menon (2008) focused on the primary objective of the aforementioned skills in farm management was to convert farm revenues into novel and remarkable ventures. The replacement of customary cultural practises, high levels of agro-biodiversity, and reliance on revenue crops that heavily rely on chemical fertilisers has resulted in a decline in household food security and an increase in social and environmental hazards. This phenomenon may be a contributing factor to the diminished welfare of small-scale farmers.

In addition, Modi (2009) the production of cash crops intended for exportation, such as potatoes in this particular case, resulted in a significant surge in market value, primarily favouring prosperous farmers, thereby creating regional and market disparities. The study also examined the primary challenges associated with each subsystem of the agricultural

supply chain, spanning from input to consumer, with the aim of achieving seamless integration that is both efficient and effective. An efficient supply chain subsystem is imperative for addressing current challenges and facilitating agricultural expansion. Consequently, the government endeavours to tackle infrastructure development challenges with the objective of attaining universal food security.

In response to national and global market demands, Andreyeva (2010) elaborated the agricultural systems underwent a process of specialisation, which led to the phenomenon of crop decoupling and a significant disparity in cropping patterns. This was primarily caused by the disruption of lifestyle production within the farm nutrient cycle. The escalation in export demand necessitated the utilisation of a significant amount of synthetic fertilisers to expedite crop growth, a practise that had adverse environmental and ecological implications. As a result, there would be a decrease in quality, leading to concerns regarding the worldwide grading system and standards.

In their study, Acharaya and Agarwal (2010) emphasised the significance of local rural marketplaces and determined that such markets offer an ideal avenue for marginal and small-scale farmers to vend their perishable surplus and realise prompt returns on their investments. Due to inadequate infrastructure in the surveyed region, the majority of farmers opt to vend their produce at rural markets rather than specialised markets or the adjacent urban centre. The research investigated the obstacles and concerns linked to the phenomenon of globalisation and revealed that individuals who possess small landholdings and lack formal education encounter difficulties in adjusting to the changes and enhancing their skills. Additionally, they face restricted opportunities to connect with market networks.

Raffidun et. al. (2011) presented the aspect of the inadequate realisation of prices had an adverse effect on agricultural producers, thereby affecting both the farmers and consumers. Intermediaries garnered a significant portion of the market value, thereby taking advantage of farmers and compelling them to vend at reduced rates. The inadequate realisation of the market by the concerned parties was attributed to various factors such as inadequate linkages, insufficient market information, absence of cold chain infrastructure, and non-uniform processing protocols. These factors collectively impeded the marketing endeavours and failed to mitigate the associated challenges.

Pradhan (2012) focused on the enhancement of policy measures, provision of increased technical and financial support, creation of communal infrastructure, and development of farmers' associations have been identified as essential factors in facilitating the involvement of smallholder farmers in value chains, thereby augmenting their capacity to withstand challenges. The agricultural

stakeholders were affected by the market integration inefficiencies, resulting in significant consequences.

Rao (2013) discussed the implementation of the government's marketing strategy was impeded by several challenges, such as inadequate agricultural resources, transportation, storage and logistics, and processing technology. Additionally, the authors emphasised the importance of implementing agricultural quality management practises and establishing institutions for agro-product certification. The authors contend that there exists a necessity for further specialised investigation into consumer behaviour that is geographically targeted within the domain of agricultural marketing. The authors proposed enhancing the promotional efforts of the market committee to disseminate information among farmers regarding the advantages of engaging in commercial activities within regulated marketplaces. As a consequence of this, farmers would be empowered to make more informed decisions.

According to Rani and Srivastava (2014), an efficacious marketing system would yield appropriate advantages to both consumers and manufacturers of goods. It is imperative to initiate reforms in the research, teaching, and extension networks of state agricultural institutions. In order to achieve this goal, it is imperative to augment the financial resources allocated to these academic institutions, thereby establishing a connection between them and specific, time-sensitive targets. It is imperative to augment the capacity of the agricultural industry to facilitate rural economic progress and alleviate poverty in India.

Consequently, Singh (2017) highlighted the Indian agriculture industry necessitates the implementation of efficacious marketing strategies to enhance its competitiveness, thereby ensuring its sustenance and growth. The extent of government involvement is contingent upon the objectives of the government and the magnitude of the system's deficiencies and irregularities. Several initiatives implemented by the state government have enhanced the conditions of agricultural marketing. In order to effectively structure an agricultural enterprise, it is imperative to conduct product-specific analyses and assess its feasibility through the selection of an appropriate business model.

Presently, Thomas (2018) emphasised the term "rural marketing" pertains to the strategy adopted by large corporations to disseminate their products among the populace residing in rural regions. Providing a precise definition of rural marketing poses a challenge due to the varying interpretations of the term by different entities such as the Reserve Bank of India (RBI), LG Electronics, the Planning Commission of India (NABARD), and the Census Bureau of India (Census India). The Indian rural market is undergoing changes due to the fact that a majority of the population now resides in urban and rural areas. It is imperative to acknowledge the fact that rural India exhibits a preference for purchasing products in smaller

quantities, albeit of superior quality. Despite initial hesitancy among companies to explore the potential of rural marketing, they have come to acknowledge its viability as a lucrative avenue for growth, owing to the changing purchasing patterns of rural consumers.

Naidu (2019) discussed about the existence of several obstacles that must be surmounted when endeavouring to penetrate the rural market. There are three primary objectives: firstly, to transport goods to remote areas; secondly, to address the needs of underdeveloped regions; and thirdly, to provide storage facilities for the items. The study conducted by the authors on rural marketing within the development paradigm suggests that the initial attempts of multinational corporations to enter the rural market and target its customers did not yield the desired outcomes. The following are the rationales for contemplating rural markets as a potential area for advancement.

Garg (2019) elaborated the effective communication with rural markets requires marketers to strategically tailor their language to ensure comprehension by the target audience. Regional languages play a crucial role in this process. Consumers residing in rural areas exhibit a higher level of brand consciousness, but display a lower inclination towards experimenting with novel products during their purchase decisions. Consequently, it is imperative to devise distinctive strategies for effectively communicating with this consumer segment.

In the context of rural marketing, Parvez (2020) asserted that the approach is not to promote a product or service to the rural market, but rather to market a rural mindset. To effectively cater to clients residing in rural areas, it is imperative to scrutinise these preconceived notions. Moreover, it is imperative that the items procured by these consumers are utilised to their maximum capacity. The significance of literacy and the diverse languages prevalent in different regions must be taken into account to ensure effective communication with rural Indian clientele. Cultural rituals and customs hold a significant priority for clients residing in rural India. Establishing close direct contact with clients is crucial for delivering goods to them. This can be accomplished through the utilisation of haats and melas. An exemplary illustration is the mandi, a collective marketplace comprising numerous villages where individuals purchase their merchandise.

Omar et.al. (2021) expressed that rural markets exhibit a relatively slower pace of change and are not characterised by a continuous and significant acceleration. It is recommended that a brand conduct product testing and trial runs prior to product launch to gain a comprehensive understanding of the product and evaluate the response of the intended audience. The authors highlight the notion that towns cannot be compared with one another, thereby necessitating a distinct and individualised

level of attention for each town. The Vardaan television model was developed by Philips in conjunction with ICICI Bank's rural marketing strategy. The aim of this strategy was to tailor remote ATMs to provide biometric verification for the bank's rural clientele.

DISCUSSION AND CONCLUSION

Prior to product launch, it is advised that a brand do product testing and trial runs to obtain a full knowledge of the product and analyse the reaction of the intended audience. The writers emphasise the idea that towns cannot be compared to one another, needing a unique and personalised degree of care for each community.

When attempting to enter the rural market, there are various barriers that must be overcome. The basic goals are as follows: first, to convey commodities to distant places; second, to satisfy the requirements of impoverished regions; and third, to offer storage facilities for the things. According to the authors' research on rural marketing under the development paradigm, multinational businesses' early efforts to join the rural market and target their clients did not provide the intended results.

Because the bulk of the population currently lives in urban and rural regions, the Indian rural market is changing. It is critical to recognise rural India's predilection for buying things in lesser quantities, yet of higher quality. Despite corporations' early reluctance to investigate the possibilities of rural marketing, they have come to see its validity as a profitable path for expansion, due to shifting buying habits of rural customers.

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Corresponding Author

Alok Dangi*

Research Scholar, LNCT University, Bhopal, M.P. India

Email: dangialok26@gmail.com