

Consumer Satisfaction and Preferences towards Rythu Bazaar: A Study in Warangal District Andhra Pradesh

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ABSTRACT

One of the weakest links in the chain of activities concerned with production and disposal of agricultural products is marketing. Besides the farmers, other major sufferers due to lack of proper marketing facilities are the consumers who are deprived of the fresh farm products. This paper analyses the preferences, needs and wants of the vegetable buyers and make them available to farmers so that they can take correct decisions regarding the marketing strategies to be implemented in Rythu Bazaars of Andhra Pradesh State of India. The findings of the study indicate that majority of consumers felt the location of Rythu Bazaar is not conducive; 58% of the respondents faced some or the other problem in making purchases in Rythu Bazaar. The study also reveals that majority of respondents felt the behavior of sellers at Rythu Bazaar has been impolite; and 63% of the respondents felt very bad about the parking facility and other amenities at the Rythu Bazaar. The paper recommended that the government should take adequate measures to educate both farmers and consumers, about farmers' markets, and orient them the benefits of participating in the Rythu Bazaar. Local administration should also enlighten the farmers to acquaint themselves with the latest marketing strategies and help them become efficient and self-sufficient farmers. Location should be more effective where parking and other amenities should be there to make more conducive.

Keywords: Consumers Satisfaction; Preferences; Rythu Bazaar; Warangal

JEL. Classification: D11; D12; D13; D31; D33; O12; O15

1- INTRODUCTION

The material presented by the authors does not necessarily represent the viewpoint of editors and the management of Indus Institute of Higher Education (IIHE) as well as the authors' institute.

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One of the weakest links in the chain of activities concerned with production and disposal of agricultural products is marketing. Besides the farmers, other major sufferers due to lack of proper marketing facilities are the consumers who are deprived of the fresh farm products. Direct marketing is a long felt need of the farmers and consumers of the country as it goes a long way in ensuring higher remuneration to the farmers and meeting the satisfaction level of the consumers through direct sale of the agricultural commodity by the farmers to the consumer at affordable prices. Direct marketing of agricultural produce helps in complete elimination of middle men and commission agents who charge high level of commission fee from the agriculturists/farmers, coming to the market yards for selling their produce and then artificially inflate the retail prices. Marketing of fruits and vegetables is more complex in nature in comparison with the other field crops because of special traits like highly perishable nature, seasonality and bulkiness, which needs special care and immediate disposal. Regulated market yards for fruits and vegetables are functioning only at a few centers. The marketing system for fruits and vegetables is now in the hands of middlemen. Middlemen exist at various levels between the farmers and the consumers and exploit through malpractice in weighing, handling and payments (www.farma.org.uk). Large numbers of small farmers are unable to effectively bargain for better prices in the wholesale market. Inefficiencies in the wholesale markets result in a long chain of intermediaries, multiple handling, and loss of quality and increase the gap between the producer and consumer prices (http://en.wikipedia.org/wiki/Farmers'_market). Large number of small retailers, each handling small quantities, creates high overheads leading to high margin on produce. It is, therefore, felt necessary to evolve an alternate marketing strategy where both growers and consumers are benefited through **Farmers' markets**, sometimes called **greenmarkets**. Hence, the marketing system like farmers' market, if properly organized not only facilitates the proper and smooth disposal of what the farmer products, but also acts as a catalyst to stimulate increased production and satisfy the consumers' needs. These markets are usually held out-of-doors, in public spaces, where farmers can sell their produce to the public (<http://en.wikipedia.org/>).

Produce which is sold in Farmers' market is renowned for being locally-grown and very fresh. People argue farmers' markets allow farmers to pick produce at the peak of flavor, preserve the nutritional content of fresh produce, and since locally-grown produce does not travel as far to get to your table, the difference in mileage saves fossil fuels. Advocates of Farmers' markets believe these markets help farmers stay in business as well as preserve natural resources. The wholesale prices which, farmers get for their produce are very low, often near the cost of production. Farmers, who sell directly to the public without going through a middle man, will obviously get a better price. It can be shown that the preservation of farmland is important for the health of the environment and water supply.

Farmers' markets are a traditional way of selling agricultural and home manufactured products. A weekly market day is a part of normal life in villages and town squares throughout the world. A good way for a traveler to sample local foods and learn about local culture is to attend market day, especially when it coincides with a festival, such as Sankranti, Dussehra etc.

The basic concept hinges on the objective of building up farmer's prosperity. All the years' farmers have been performing the role of producers of commodities. Though over the years, through the extension guidance provided to them, they have excelled in increasing production, but their prosperity has hardly been transformed. This is due to their lack of knowledge and control on the marketing of their produce. As such Farmers Market is an exercise to build up farmers' orientation towards market and in turn to increase their income and prosperity. Hence, the essential philosophy

behind the above model is to help the farmers not only to control his production of commodities but also to assume the role of seller of his own produce in the market. This would lead eventually to build up farmer's prosperity and consumer satisfaction. This is also a mechanism to avoid middlemen and help consumers by providing fresh products from the farm.

Organization of the paper is as bellow: In section 2 literature review is given with international and national scenario. In section 3 objectives of market, scope and objectives of the study are given. Section 4 is about methodology and limitations. Section 5 analyses and gives the results. Section 6 shows the findings and finally section 7 concludes and gives brief recommendations.

2. LITERATURE REVIEW

2. 1. Global Scenario

According to the American Farmland Trust, sustainable and managed farms conserve soil and clean water and provide a habitat for wildlife. Moreover, modern farmers' markets help maintain important social ties, linking rural and urban populations and even close neighbors in mutually rewarding exchange (Singh and Raghbir Singh 1981).

In the U.S. and Canada, due in part to the increased interest in healthier foods, a greater desire to preserve local types of cultivars or livestock (some of which may not be up to commercial shipping or yield standards) and an increased understanding of the importance of maintaining small, sustainable farms on the fringe of urban environments, farmers' markets in the US have grown from 1,755 in 1994 to 4,385 in 2006 (Khushal, Raghubanshi and Sinha 1976). In New York City, there are currently 44 markets in operation fitting this description. Scattered across all five boroughs, each market supports farmers as far away as New England, selling produce, meat, breads, pies, cheeses, honey, and shellfish for consumption and even allot some time for seasonal items, like orders for Thanksgiving turkeys and wreaths for Christmas. Some farmers' markets have wholesale operations, sometimes limited to specific days or hours. One such wholesale farmers' market is the South Carolina Farmers' Market, which is a major supplier of watermelons, cantaloupes, and peaches for produce buyers in the northeastern US (Engel, Kollatt and Blackwell 1978).

In the UK an umbrella organization, FARMA the National Farmers Retail and Markets Association, maintains a code of conduct for farmers' markets, and acts as a certification body. Its guidelines include rules on the maximum distance that producers should come from, and the traceability of foods on sale (www.farma.org.uk/).

2.2. Indian Scenario

The concept of farmers' markets in India had its roots originating to Kal Khoj in Russia and street side shops in the U.K. Kal Khoj is a farmers' market in Russia, which was started by the farmers to sell spinach and vegetables. After observing these, the idea of setting the farmers markets exclusively for selling fruits and vegetables grown by the local farmers was conceived in the early 1990's by Union Agricultural Ministry. The first farmers' market namely *Apni Mandi* or *Kisan Mandi* was started in Chandigarh, Punjab in 1987 and later on at Karnal, Haryana in 1988. Basic infrastructure facilities like market yard, lighting etc. are provided at the Farm level, extension services of the relevant departments are also pooled in, securing the benefit of on-going Government scheme to "*Apni Mandi*" farmers (www.hindu.com/). The benefits include input subsidies, better

quality seeds and loans at reasonable rates of interest from the Bank. *Apni Mandi* scheme provides self -employment to the producers and also remove the social inhibition among them for retail sale of the produce. *Apni Mandis* are being organized at about 23 cities and towns of the State including Chandigarh. Noticing their success The Union agricultural Ministry suggested to all the states to establish Farmers Markets. Tamil Nadu Government took steps to start *Uzhavar Sandhai* (Farmers' Market) in 1999 with first one setup in Madhurai. The stated objectives of Farmers' Markets in Tamil Nadu are to eliminate middlemen and traders from the marketing of vegetables in the Farmers' Markets, and to establish direct contact between farmers and consumers. As per latest data there are about 102 *Uzhavar Sandhais* operating in various urban and semi-urban centers of Tamil Nadu (www.hinduonnet.com/).

In the year 2002, Government of Maharashtra has decided to set up Shetkari Bazaars in the State and the Maharashtra State Agriculture Marketing Board has been appointed as nodal agency for implementing this scheme. The Shetkari Bazaars were established in all Districts and key Taluka places by APMCs. The produce brought by farmers from the local area will not be levied any tax (www.hinduonnet.com/).

2.2.1. In Andhra Pradesh Scenario

In Andhra Pradesh, Rythu Bazaar (Farmers' Market) are thus planned for creating a direct interface between farmers and consumers by eliminating middlemen. Rythu Bazaar (Farmers' Market) is one of the farmers' friendly direct marketing systems in operation in the country. All commodities that a farmer produces will be marketed in the Rythu Bazaars. They would include vegetables, flowers, fruits, cereals, eggs, milk, meat, honey, seeds, saplings etc. Apart from the above all products that the farmer needs for their production would also be provided in Rythu Bazaars (MG.1999).

3. OBJECTIVE AND SCOPE OF THE STUDY

3. 1. Objectives of Rythu Bazaars

The idea of establishing Rythu Bazaars was to achieve the following objectives:

- To create a venue for farmers to sell their own produce directly to consumers.
- To help consumers buy fresh items at comparatively lower prices from the producers directly.
- To act as a hub for various activities related to farming.
- To help stabilize prices in other related markets.
- To provide an understanding of consumer needs to the farmers and help dovetail the production system to the consumer requirements.
- To help producers of specific products (not generally grown in an area but having a demand) come from distant places and sell their products.
- To help the local administrations streamline all operations relating to marketing of local produce at one place.

3.2. Need for the Study

Producers use different market outlets (commission agents, local traders and Farmers' Markets) at different times of the year as a strategy to maximize profits. Farmers' Markets are especially beneficial for small producers, who have difficulties selling small volumes during the dry season on the conventional market system. Farmers' Markets have influenced producers' practices in two main

ways; diversification of production, to include a wider variety of vegetables, and intensification, to maximize the use of water and land resources throughout the year. Farmers' Markets have also stimulated producers' adoption of marketing strategies, through a better understanding of consumers' needs and preferences based on incomes, dietary habits, and religious celebrations. Experience sharing and communication between farmers has also increased. But, unlike conventional marketers who always watch the pulse of their consumers by studying their behavior, farmers are too naïve to conduct market research on behavior of the of vegetables purchasers. So it was felt a study could be undertaken to observe the preferences, needs and wants of the vegetable buyers and make them available to farmers so that they can take correct decisions regarding the marketing strategies to be implemented in Rythu Bazaars.

3.3. Objectives of the Study

The following objectives have been framed by keeping in view of the relevance of the study in the present market situation.

- To analyze the major influencing factors in buying vegetables.
- To study the demographic profile of consumers who, visit Rythu Bazaars.
- To find out the consumers' preference towards vegetables markets including farmers' markets.
- To examine the purchasing patterns of the consumers.
- To find out the consumption patterns of the consumers.
- To study the effect of Rythu Bazaars on vegetables Growers.
- To find the perception of consumers towards marketing mix of vegetables at Rythu Bazaars.
- To elicit the opinions of consumers on amenities available at Rythu Bazaar.

4. METHODOLOGY

4.1 Data Collection

This study is based on survey method. Data has been collected from both primary and secondary sources. For collecting primary data, a sample of 200 regular purchasers of vegetables at Rythu bazaar from Warangal urban area, was selected through convenience sampling method. A structured questionnaire was prepared and administered among the consumers to collect the primary data. The data has been collected by interviewing the selected consumers with the help of questionnaires at Rythu Bazaar in Warangal city. Secondary data is collected from Newspapers, Journals, and Magazines and through informal discussion with officials of the department concerned.

4.2 Limitations of the Study

The study is restricted to only 200 regular visitors at Rythu Bazaar, situated at Warangal. It is assumed that the respondents are honest in expressing their opinions. The sample size taken is small; hence, the results of the study may not represent those of the whole universe. The Study is applicable to only Warangal district. In computation averages have been rounded off.

5. ANALYSIS OF DATA AND RESULTS

This study is an empirical analysis of consumers' preferences, purchasing and consumption patterns towards Rythu Bazaars. The present study has been conducted in Warangal city.

Table – 1: Gender of the Consumers

Gender	No. Of Respondents	Percentage
Male	76	38%
Female	124	62%

Source: Primary Data

Inference: 62% of the respondents who participated in the survey were female.

Table – 2: Age of the Consumers

Age Group	No. Of Respondents	Percentage
Below 20 Years	20	10%
21-30 Years	46	23%
31-40 years	58	29%
41-50 Years	52	26%
Above 50 Years	24	12%

Source: Primary Data

Inference: It was found that majority of the respondents are in the age group of 31-40 years (29%), followed by 41-50 years (26%), and 21-30 years (23%).

Table – 3: Monthly Family income of the Consumers

Income (Rupees)	No. Of Respondents	Percentage
Below 5,000	66	33%
5,001 – 10,000	56	28%
10,001 – 15,000	46	23%
15,001 – 20,000	22	11%
Above 20,000	10	5%

Source: Primary Data

Inference: It was found from the survey that most of the respondents have a monthly family income of Rs 5000 and Below (33%), followed by Rs 5001—10,000 (28%), and 10,001—15000 (23%).

Table – 4: Profession of the consumers

Name of the Profession	No. Of Respondents	Percentage
Student	38	19%
Govt. Employee	30	15%
Pvt. Employee	28	14%
Self Employed	18	9%
Homemaker	82	41%
Others	04	2%

Source: Primary Data

Inference: It was found from the survey that most of the respondents were Homemakers (41%), followed by Students (19%), and Government Employees (15%).

Table – 5: Family size

No. Of members in Family	No. Of Respondents	Percentage
1	22	11%
2-3	40	20%
4-5	88	44%
Above 5	50	25%

Source: Primary Data

Inference: It was found from the survey that the most of the respondents have 4 –5 members in their family (44%), followed by above 5 members (25%).

Table – 6: Education levels of consumers

Education	No. Of Respondents	Percentage
Uneducated	14	7%
Below Graduation	92	46%
Graduation	58	29%
Professional Studies	28	14%
Others	8	4%

Source: Primary Data

Inference: It was found from the survey that education of most of the respondents was Below Graduation (46%), followed by Graduation (29%).

Table – 7: Frequency of purchasing the vegetables in Rythu Bazaars

Details of Purchasing	No. Of Respondents	Percentage
Daily	22	11%
Alternate days	24	12%
Once in three days	94	46%
Weekly once	42	22%
Others	18	9%

Source: Primary Data

Inference: It was found from the survey that most of the respondents were purchasing the vegetables once in three days (46%), followed by weekly once (22%).

Table – 8: Timing of the purchase of vegetables in Rythu Bazaars

Time of Purchase	No. Of Respondents	Percentage
Morning hours	66	33%
Afternoon	80	40%
Evenings	54	27%

Source: Primary Data

Inference: It was found from the survey that most of the respondents were coming to Rythu Bazaar for purchasing vegetables in Afternoon (40%), followed by Morning Hours (33%).

Table – 9: Purchasing of vegetables by family members

Details	No. Of Respondents	Percentage
Mother	102	51%

Father	48	24%
Children	22	11%
Grand Parents	18	9%
Others	10	5%

Source: Primary Data

Inference: It was found from the survey that mostly mothers purchased vegetables (51%), followed by father (24%).

Table – 10: Major Influencing factors for selecting Rythu Bazaars for purchasing vegetables

Factors	No. Of Respondents	Percentage
Quality	52	26%
Right Measurements	42	21%
Freshness	26	13%
Location of Rythu Bazaar	12	6%
Availability	18	9%
Price	42	21%
Others	8	4%

Source: Primary Data

Inference: It was found from the survey that most of the respondents considered Quality of vegetables as the major influencing factor (26%) for purchasing at Rythu Bazaar, followed by Right Measurements (21%).

Table – 11: Quality of vegetables in Rythu Bazaar

Quality level	No. Of Respondents	Percentage
Excellent	66	33%
Good	72	36%
Average	62	31%

Source: Primary Data

Inference: It was found from the survey that most of the respondents perceived the quality of vegetables as Good (36%), followed by Excellent (33%).

Table – 12: Price of vegetables in Rythu bazaars

Price Level	No. Of Respondents	Percentage
Generally Cheap	62	31%
Average	64	32%
More than average	42	21%
Very high	32	16%

Source: Primary Data

Inference: It was found from the survey that most of the respondents perceived the price of vegetables at Rythu Bazaar as Average (32%), followed by Generally Cheap (31%).

Table – 13: Availability of vegetables in Rythu Bazaars

Availability level	No. Of Respondents	Percentage
Excellent	40	20%
Good	62	31%
Average	48	24%
Poor	50	25%

Source: Primary Data

Inference: It was found from the survey that most of the respondents felt that availability of vegetables in Rythu Bazaar was Good (31%), followed by Poor (25%).

Table – 14: Convenience of Location of Rythu Bazaar

Convenience of the location	No. Of Respondents	Percentage
Excellent	22	11%
Good	38	19%
Poor	140	70%

Source: Primary Data

Inference: It was found from the survey that most of the respondents felt the convenience of the location Rythu Bazaar was Poor (70%), followed by Good (19%).

Table – 15: Whether recommended Rythu Bazaar to others?

Details	No. Of Respondents	Percentage
Recommended	128	62%
Not Recommended	76	38%

Source: Primary Data

Inference: It was found from the survey that most of the respondents recommended the Rythu Bazaar to others (62%).

Table – 16: Whether faced any problems while purchasing in Rythu Bazaars?

Details	No. Of Respondents	Percentage
Yes	84	42%
No	116	58%

Source: Primary Data

Inference: It was found from the survey that most of the respondents did not face any problems while purchasing in Rythu Bazaar (58%).

Table – 17: The behavior of the sellers in Rythu Bazaars

Details	No. Of Respondents	Percentage
Very courteous	44	22%
Somewhat Courteous	52	26%

Impolite	70	35%
Very impolite	34	17%

Source: Primary Data

Inference: It was found from the survey that most of the respondents felt the behavior of the sellers (farmers) was Impolite (35%), followed by Somewhat Courteous (26%).

Table – 18: Satisfaction towards Parking and other amenities at Rythu Bazaar

Level of Satisfaction	No. Of Respondents	Percentage
Excellent	42	21%
Good	32	16%
Poor	126	63%

Source: Primary Data

Inference: It was found from the survey that most of the respondents felt that Parking and other amenities at Rythu Bazaar were Poor (63%), followed by Good (16%).

Table – 19: Is there any Scope for further development of Rythu Bazaar?

Details	No. Of Respondents	Percentage
Yes	154	77%
No	46	23%

Source: Primary Data

Inference: It was found from the survey that most of the respondents felt that there is a scope for further development of Rythu Bazaar (77%).

6. FINDINGS

The following are the findings, which have emerged from the present study.

- Most of purchasers at Rythu Bazaar are females (62%).
- Majority of consumers are between 31—40 years of age.
- The Monthly family income of majority of consumers is below Rs 5000/-.
- Most of the consumers are housewives (41%).
- Most of the consumers have rather big families with 4 to 5 members (44%).
- The education of most of the consumers is below graduation (46%).
- Many consumers purchase vegetables once in three days (46%).
- Majority of the respondents purchased vegetables in the afternoon timings (40%).
- Generally mother purchased vegetables (51%).
- Most of the respondents considered quality of vegetables as major influencing factor in purchasing at Rythu Bazaar (26%).
- Majority of the consumers perceived the quality of vegetables at Rythu Bazaar as good (36%).
- Majority of the consumers perceived the Price of vegetables at Rythu Bazaar as average (32%).
- Most of the consumers felt the availability of vegetables at Rythu Bazaar as good (31%).
- Majority of consumers (70%) felt that location of Rythu Bazaar is poor.
- Most of respondents (62%) have recommended Rythu bazaar to others.
- 58% of the respondents faced some or other problem in making purchases in Rythu Bazaar.
- Majority of respondents felt the behavior of sellers at Rythu Bazaar as impolite.

- 63% of the respondents felt very bad about the parking facility and other amenities at Rythu Bazaar.
- Most of respondents (73%) opined that there could be a scope for further development of Rythu Bazaar.

7. COCLUSIONS AND RECOOMENDATIONS

The linking of farmers to Market is a dynamic and ongoing process and there can never be a one solution to all the regions of a country or one country's solution cannot be another country's 100% solution. The social, cultural, historical, regional, agricultural practices, the varieties that are grown and the resource inputs that goes into agriculture are remarkably different in different regions. The networking that can happen in terms of enlarging the primary processing such as sorting, grading, drying, primary packaging, proper storage, preservation and extension of shelf life with a clear process of good transportation results in an immediate benefit to the farmer as he links up to the market. It is this "Value addition to the Agricultural products" that will build an every firm rural base for a stable growth in the economy by exploring the local market itself.

This is what one looks forward with an enlightened farmers who can have not only access to the latest market information but also en-cash it by proper strategy and becomes a part of the Food Chain itself as he reaches out to the market place.

The government should take adequate measures to educate both farmers and consumers about farmers' markets and explain them the benefits of participating in the mutual exchange process. Local administration should also enlighten the farmers to acquaint themselves with the latest marketing strategies and help them become efficient and self-sufficient farmers.

Farmers should be trained to preserve their products to keep it fresh. Hybrid varieties should be introduced to increase the productivity. Research may be conducted to know that the demand of consumers and availability of products in the market along with existing rates and projected rate of their products. To bring the products at doorsteps farmers should be given place of market with the help of local (Panchyat) organizations. To control the lack of water, drip irrigation, Pitcher irrigation, rain water harvesting and other suitable ways may be introduced by government with the help of local organization and NGOs.

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