REVIEW OF LITERATURE AND RESEARCH METHODOLOGY

Some of the important researches carried out in the field of marketing and pricing are briefly discussed below:

Speaking about the marketing strategy Kerin and Roger\(^1\) stated “The word strategy” has been used in a variety of ways. Its most common usage has been in connection with the individual elements contained in the “marketing mix” e.g. product strategy, price strategy, channel strategy and promotion strategy. Some writers have chosen to define it as the marketing mix itself, given a certain set of market conditions including competitive product positioning and distribution opportunities. In more recent year the literature has indicated use of product market relationships as the basis for alternative marketing strategies.

Describing the function of a manager Mr. Blankenship and Doyle\(^2\) said “The research manager must stress results rather than techniques. He owes it to his customer or management. In the past he was often drawn from an especially back ground: psychology, sociology, statistics or survey research. His orientation was towards technique and he was little concerned with being practical. As his Function grew in importance it came to need a practical manager,
not a theoretical one”.

Practically it is beneficial in other ways too. A completely defensible in home consumer product test with 500 cases, may be priced at $ 9000. But if the brand can not afford such an expensive consumer test, the research manager who insists on maintaining high standards instead of seeing what he can do for a more restricted budget simply is not being practical.

Daver & Daver have defined marketing as “Marketing is challenging and exciting. The solving of marketing problems requires insight experience and analytical ability. Take the case of a company faced with the problem of increasing its sales. Increase in the sales at the expense of profits may not be a desirable objective. Again there are many ways in which sales can be increased e.g. by finding new customers or by selling more to existing customers, by increasing advertising and by reducing the price. The marketing manager must decide which strategy or combination of methods he should adopt for increasing his sales profitably. He also keeps in touch with the changing needs and desires of the consuming public as well as to competitors activities. Thus marketing is interesting as it requires the
marketing manager to be dynamic and not Complacent for continuous prosperity of his organization”.

He further stated about distribution channels, “There are three main channels of distribution, as under,


   (i) From the manufacturer or producer to the wholesaler, then to the retailers and finally to the consumers;

   (ii) From the manufacturer or producer to the retailers and then to the consumer and;

   (iii) From the manufacturer directly to the consumer.”

Marketing is completely based on research with out defining research the meaning of marketing seems incomplete. Describing the functions of research manager and research design Harper, Ralph and Stanley expressed their views about research design for segment models, there are three major approaches- research designs to identifying and measuring difference between market segments. The first and oldest is the Priori design which starts by selecting the basis for segmentation using such variables as demographics and then proceeds to collect data such as product usage or ownership, media habits and attitudes. The results show how the segments vary with respect to such variables as purchasing behavior, overall size and worth and media exposure.
In contrast, the second approach to segmentation uses a Cluster-based research design, which groups respondents on the basis of their similarities with reference to some set of selected variables the most common of which deal with attitudes needs, benefits wanted, and lifestyle. The third approach is a combination of the cluster and a priori approaches. An example of this approach is where a sample of consumer is first divided into users and non users of a particular brand and then respondents in each segment are clustered on the benefits wanted”.

MARKETING OF FRUITS AND VEGETABLES

Marketing reforms in India have mostly been concerned with the food grains sector and the marketing of fruits and vegetables have received little attention so far. As a result, a large number of intermediaries operate at the unregulated and unsupervised fruits and vegetables market, resulting in a large gap between the producer price and consumer price. A study conducted in 1998 found that, 48 cities with a population of more then 5 lacks each (1981 census), as many as, 102 fruits and vegetables markets were found to be operated with only 54 markets being regulated. The wholesaler trade of fruits takes place in 65 markets, while 81 markets handled with wholesale trade of
vegetables. On an average 6.96 lacks population is served by each market. As noted by the Economic Survey\textsuperscript{1}, 1998-99 “The priced of fruits and vegetables traded in these markets are governed by market forces of demand and supply. The regulated marketing committee has no role to play in price, correction and their fluctuation”. This shows that Fruits and Vegetables marketing is one area and the field of agricultural marketing that required immediate and urgent attention of the government.


**PRICING**

In their study of “structure of farm prices in the Punjab” Kahlon and Johl\textsuperscript{1} advocated on the basis of their study that “prices of competing crops should be fixed simultaneously to achieve production targets”.

Dr. Thamarajakshi\textsuperscript{2} has found a negative correlation between terms of trade and agricultural real out put in the case of India in the decade 1948-49 1958-59. According to her “when agricultural prices have been rising faster than industrial prices (thus improving the terms of trade of agriculture), the agricultural real out put has been increasing”.

The prices spread has been defined by I.S chatha and D.S. Sidhu\textsuperscript{3}as “Price spread consists of marketing cost incurred plus the margins retained by various functionaries involved in the marketing
channel. The functionaries add from place and time utilities to the transfer of goods and services from the primary producer to the ultimate consumer”.

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L.B. Hugar and K.C. Hiremath\(^1\) stated about pricing that “It is often complained that the vegetables growers do not get remunerative price for their produce while the consumers have to pay higher prices. The market intermediaries particularly the private agencies are blamed for this phenomenon. The study of the prices spreads is therefore essential to understand the real beneficiaries of Potato-farming.”

Balwinder Singh and D.S. Sidhu\(^2\) studied the price spreads in case of sale through primary whole seller, the secondary wholesaler and retailer and said the “The price spreads vary in case of different marketing channels. The price spreads also vary over time and over place.”
National commission on Agriculture (1976)\textsuperscript{1} Submitted in its report that, “The Agricultural price policy should keep in view its impact on general price situation and on the economy as a whole. It should be in consonance with country’s overall economic policy and should be to correct distortion, which are generally socially or economically harmful and which emerge from time to time because of the imperfections of the market mechanism. Being part of the

\begin{itemize}
\item[2.] Balwinder Singh and D.S. Sidhu “Price structure and price spreads in potatoes in Punjab.” Agricultural situation in India, Vol. xxxv No-6. P-461
\end{itemize}

imperfections of the market mechanism. Being part of the same policy, the interests of the producers should be safe guarded through price support operations when there is sharp fall in prices, and the interests of the consumers, particularly the vulnerable sections of population, should be protected through procurement and distribution of part of the marketable surplus and below the market price when there is a sharp rise in prices of basic necessities, such as cereals.”

Sixth five year plan\textsuperscript{1} (1980-85) stated that “It is necessary that the agricultural price policy must be so framed that it ensures a careful
balance between the need for providing incentive to the farmers for production with a suitable measure of protection also the consumers. One must recognize that these consumers are not confined to urban areas only. In rural areas, there are a large number of agricultural laborers, artisans and other who do not produce their food requirements but have to buy from other. It is in this wide context that we must see price policy concerning agricultural development.”

On going through the literature available on pricing and marketing, it has been observed that most of eminent authorities emphasized on the pricing and marketing of agricultural produces as a whole and about fruits and vegetables rarely any authority expressed his views. Anyhow this study formed a part of giving proper guide line in carrying on this research study.


RESEARCH METHODOLOGY

Research Methodology is the powerful tool which provides the line of action to start and carry on any research study. The following methodology has been adopted to conduct the proposed research work:

➢ SAMPLE DESIGN
To conduct the survey five Fruits and five Vegetables mandies have been selected taking in view that these are from different places of the District and are of different sizes. Total 400 i.e. 200 Fruits and 200 Vegetables merchants have been selected i.e. 80 from each mandi at random basis.

➢ PERIOD OF STUDY

The proposed research work has been conducted at both macro and micro levels. For macro level study the period from 1994-95 to 2003-04 and for micro level study the year 2003-04 has been taken.

➢ COLLECTION OF DATA AND INFORMATION

In this study both primary and secondary data were used frequently. Primary data and informations were collected through three Questionnaires which were prepared for this purpose. Because of the language problem the Questionnaires were prepared in Hindi and the secondary data were collected from the office records of the related departments.

➢ TABULATION AND ANALYSIS OF DATA

The secondary data and the data collected through personal interviews from selected units were tabulated in various tables
according to the requirements of the study. It helped the researcher in working out the marketing charges and margins at different levels and producer’s share in the price paid by the ultimate users.

After completing the tabulation work, an analysis was made using different statistical and mathematical tools so that the factual position of related aspects might be find out and the logical conclusions might be drawn from the study. Finally it can be said that the form of tabulation and analysis of the data and information available for the purpose, thus adopted, helped in interpretation of the facts in judicious manner.

In the end the results of the study were interpreted in such a simple and systematic way so that these may prove useful to both growers and others who deal in Fruits and Vegetables.

- **STATISTICAL TOOLS USED**

  For the purpose of analyzing the data, the following statistical tools were applied:

  **ARITHMETIC MEAN**

  Arithmetic Mean is used to find out the Average price of the produces during the whole year as the prices of these
produces vary daily. Monthly observations were collected and after applying Arithmetic Mean annual average prices have been calculated. Following formula was used for this purpose-

\[
\bar{X} = \frac{\sum X}{N}
\]

Where

\[
\bar{X} = \text{Arithmetic Mean}
\]

\[
\sum X = \text{Sum of the different values}
\]

\[
N = \text{Number of observations}
\]

**TREND VALUES**

For this purpose we fit a straight line, \( Y = (a + bx) \) to a set of ‘n’ Point \((X_i, Y_i)\); \(i = 1, 2, 3 \ldots n\).

Where

‘a’ and ‘b’ are arbitrary constants which may be obtained with the help of the following normal equations:
\[ \Sigma Y = Na + b\Sigma x \]
\[ \Sigma XY = a\Sigma x + b\Sigma x^2 \]

On solving these equations we can find the values of ‘a’ and ‘b’ and if we put these values in the equation \( Y = (a+bx) \), we obtain the required trend values.

**INDEX NUMBERS**

Index numbers are statistical tools designed to measure the relative change in a variable or a group of related variables with respect to time. The following formula was used for Fixed Base Index Number-

\[ \frac{P_1}{P_0} \]

Where,

\[ R = \text{Represents Price Relatives.} \]
\[ P_1 = \text{Represents Price of the Current Year.} \]
\[ P_0 = \text{Represents Price of the Base year.} \]
CHAIN BASE INDEX

To measure the change in variable in comparison with preceding year, chain base index number was used and for this purpose the following formula was applied-

\[ R = \frac{P_1}{P_X} \]

Where,
- \( R \) = Represents Price Relatives.
- \( P_1 \) = Represents Price of the Current Year.
- \( P_X \) = Represents Price of Previous Year.

➢ CONCLUSION AND SUGGESTIONS

In the end findings of the research study have been given with appropriate suggestions so as to make pricing and marketing system of fruits and vegetables more systematic and logical.
HYPOTHESIS

This research study was based on the following presumptions:

1. The pricing structure is not stable and systematic in case of fruits and vegetables.
2. The marketing structure of fruits and vegetables is not up to mark at local, national and international levels.
3. Marketing charges and margins are too high in case of fruits and vegetables.
4. Government is not sincere for the promotion of marketing of fruits and vegetables.
5. Marketing charges and margins may be reduced by improving marketing system of the produces under study.

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