CHAPTER -7

SPECIAL PROBLEMS OF MARKETING OF FRUIT AND VEGETABLE BASED UNITS IN ASSAM.

PACKAGING AND LABELLING: IMPORTANCE OF PACKAGING, PACKAGING COST, LEGAL STANDARDS OF PACKAGING, PACKAGING OF THE PROCESSED FRUIT AND VEGETABLE PRODUCTS OF ASSAM, LABELLING, LABELLING OF THE PROCESSED FRUIT AND VEGETABLE PRODUCTS OF ASSAM.

ADVERTISING: IMPORTANCE OF ADVERTISING, ETHICS AND THE PROMOTION PROCESS, ADVERTISING IN THE FRUIT AND VEGETABLE PROCESSING INDUSTRY OF ASSAM.

WAREHOUSING: WAREHOUSING SYSTEM OF THE FRUIT AND VEGETABLE PROCESSING UNITS OF ASSAM.
TRANSPORTATION: IMPORTANCE OF TRANSPORT IN MARKETING, TRANSPORTATION PROBLEMS OF THE FRUIT AND VEGETABLE UNITS OF ASSAM.

EXPORT MARKETING: EXPORT PROFILE OF THE INDIAN FRUIT AND VEGETABLE PROCESSING INDUSTRY, EXPORT MARKETING BY THE FRUIT AND VEGETABLE PROCESSING UNITS OF ASSAM.

MARKETING RESEARCH: IMPORTANCE OF MARKETING RESEARCH, TYPES OF MARKETING RESEARCH, MARKETING RESEARCH IN THE FRUIT AND VEGETABLE PROCESSING UNITS OF ASSAM.

CHANNEL OF DISTRIBUTION: TYPES OF CHANNEL, CHANNEL CHOICE, CHANNEL OF DISTRIBUTION IN THE FRUIT AND VEGETABLE UNITS OF ASSAM.
PACKAGING AND LABELLING:

Packaging:

Packaging can be defined as the activities of designing and producing the container or wrapper of a product. Most of the physical products are sold in packages. Packaging plays a very important role in today's marketing world. A beautiful package or wrapper of a product helps in attracting customer towards the product. Therefore packaging has been rightly described as the silent salesman.

According to the Indian Institute of Packaging, 'It is the embracing function of package, selection manufacture, filling and handling.'

IMPORTANCE OF PACKAGING:

In recent times packaging has become an important marketing tool. Modern methods of packaging are valuable to the manufacture to establish his branded products as distinct from those of his rivals. The more effectively a product is packaged the more effective is its identity and individuality. Packaging is advertising on the shelf a means of attractive display in the retailer's shop. Thus a good package
ensures ultimate success of the product. It provides an invaluable aid to decision making by the customers. It also acts as an important information clue to the buyers. Packaging helps the consumer and establish preferences that ensures reported repurchase of a particular product.

In the present age of consumer oriented marketing approach packaging has gained unique importance. The utility reasons for packaging that is protection, identification and convenience are themselves exploited in selling and some features of the packages may serve as a sales appeal, for example, reusable jar packaging decorates and beautifies the product so as to lead the impulsive buying. Packaging also serves as a device of sales promotion.

Packaging is essential for the safe and easy marketing of any food products and for the retention of their natural characteristics till consumption or utilisation otherwise. Food packaging is an integral part of food processing. Today consumers are very much conscious about the outside package of the product. They are seen to be much more attracted towards the beautifully packaged products. Since food is directly connected with the health therefore the manufactures and the packer must be over conscious while packing the products. Besides giving an attractive outward look, packaging also pro-
tect the products especially the food items from getting contaminated. That is why manufacturing and packaging of the food products should be done in a clean and hygienic manner.

PACKAGING COST:

Packaging cost can vary from one country to another depending on the availability of raw materials, cost of local manufacturer, degree of protection provided against competition, imports etc. Indian consumers are accustomed to buying products loose for which they bring their containers. They believe that expenditure or elaborate packaging is a waste. But over a period of time consumers buying habits have changed and modern consumers look forward to easy to handle, convenient to take home and eye catching packs. On the other hand, manufacturers had to pay much on T.V, radio, printing media for sales promotion. As a result, at times the cost of packaging is as much as the cost of the contents. To reduce the high cost of packaging recycling of containers or reuse of glass bottles are much in use.

RECENT DEVELOPMENT OF PACKAGING:

Over the years, great changes have taken place in packaging materials. In the earlier days, wood was the main
material used for packing. But gradually due to the shortage in the supply of wood this was replaced by paper and paper boards. Paper boards, paper bags and corrugated boards have become popular forms of packaging for a variety of products from groceries to garments.

Metal containers are excellent for packaging of processed food items, fruits and vegetables, meat products, oil paint etc. However, this type of packing is very costly due to the acute shortage of tin in India. Therefore in recent years, aluminium based packaging has become popular.

With the growth of petro-chemical industry a new range of packaging materials has entered to the Indian marketing scene in recent years. Films of low density and high density polyethylene (LDPE AND HDPE), metalised polyester film, metalised polyester laminates and polypropylene (BOPP) have become preferred packaging medium for several products. Moreover, plastics are now dominating the packaging field in India. Further more, one of the latest among the various innovation in the packaging field is the tetrapack bricks or aseptic packaging. It is the new development in food packaging. The special feature of this type of packaging is that the package as well as the contents are sterilised and human handling is dispensed with. They are used in pack fruit juices
and fruit drinks. Tetrapacks have an edge over cans since their contents have a shelf-life of three months without the addition of preservatives. Moreover, flexible containers are also in use nowadays to pack consumer goods but also in the bulk transportation of commodities.

LEGAL STANDARDS OF PACKAGING:

The marketing of goods especially of consumable items has undergone tremendous innovations over the years. This is in step with the rapid modernisation taking place in trade and industry all over the world. Already in the west, commodities including foodstuffs are made available in a ready to use condition, off the shelf in packages. The trend towards marketing the commodities in a packaged form in continuing and large number of items dealt in trade channels are being made available presently in a pre-packed condition. The protection of consumers interest vis-a-vis the sale and distribution of goods in pre-packed form calls for special regulation to be introduced at various levels of trade and industry. When a commodity is sold in pre-packed form, it is not easy for the consumers to know at the time of purchasing anything about the contents of the package. It is also not possible for him to ascertain the quality of the goods contained inside the package. The economies of the world have
been conscious to the need to regulate suitably the trade in commodities in packaged form.

The rules relating to packaged commodities initially required only the mention of the net contents on the packages. But gradually need for a detailed legislation was felt necessary to regulate their trade. So an expert committee was formed to review the weight and measures Act which suggested elaborate provisions in respect of packaged commodities. These provisions were found to be so important that they were promulgated in the year 1975 under the Defence and Internal Security of India rules, in the form of Packaged Commodities (Regulation) Order 1975. Although prior to this order, drugs sold in packaged form were being marketed with indication as to price since 1962 (under the Drugs Display and Prices Order, 1962 issued under the Defence of India rules, immediately after the Chinese invasion) other articles of mass consumption sold in pre packed form were not subject to any regulation as regards their price till the issue of the Packaged Commodities (Regulation) Order in 1975. But after the revocation of emergency, the Packaged Commodities (Regulation) Order 1975 ceased to have legal form on 1977. The Government however did not want to terminate the provision of the said order and therefore elaborate provisions were made in the form of the standards of

The rules contain detailed provisions regarding declarations to be made on every packages, the manner in which the declarations are to be made, examinations of packages, export and import of packaged commodities etc.

According to the rules prepacked commodity means, a commodity which without the purchaser being present is placed in a packaged of whatever nature so that the quantity of the product contained therein has a pre-determined value and such value cannot be altered without the packaged or its lid or cap, as the case may be being opened or undergoing a perceptible modification and the expression 'package' whatever it occurs shall be construed as a package containing a pre-packed commodity.

Therefore, as per the provisions of the definition, the processed fruit and vegetable products fall under the category of packaged commodities.

Rule 6 of the Packaged Commodities Rules, 1976 states the declarations to be made in every package including those containing processed fruit and vegetable products. They are as follows:
(a) Name and address of the manufacturer or where the manufacturer is not the packer, of the packer or with the written consent of the manufacturer, of the manufacturer.

(b) The common or generic name of the commodity contained in the package. Generic name means the name of the genus of the commodity,

(c) The net quantity, in terms of the standard unit of weight and measures of the commodity contained in the package or where the commodity is packed or sold by number, the number of the commodity contained in the package.

(d) The month and year in which the commodity is manufactured or pre-packed.

(e) The retail sale price of the product.

(f) Where the size of the commodity contained in the package are relevant, the dimensions of the commodity contained in the package and if the dimensions of different pieces are different, the dimensions of each such different piece.

(g) Such other matters are as specified in these rules. The proviso to Rule 6 (1) states that no declaration as to month
and year in which the commodity is manufactured or pre-packed shall be required to be made on.

(i) Any bottle containing liquid milk, liquid beverages containing milk as an ingredient soft drink, ready to serve beverages or the like which is returnable by the consumer for being refilled.

(ii) Any package containing bread and any uncanned package of (a) vegetables, (b) Fruits (c) ice-cream (d) butter** (e)* (f)** (g) meat or (h) any other like commodity. **

(iiia). liquid milk in pouches.

(iii) any package containing metallic product.

(iv) any cylinder containing liquified petroleum gas or any other gas.

(v) any package containing chemical fertilizer. The month and year in which the commodity is pre-packed may be expressed either in words or by numerals indicating the month and the year or by both.

* The word 'Cheese' appearing against (c) has been omitted vide amendment to the rules on 17.1.1992

** The words 'butter' and 'any other like commodity' have been omitted w.e.f 7.3.1996 w.e.f amendment dated 7.12.1995
Also, no declaration as to the sale price shall be required to be made on.

(i) any uncanned package of vegetables, fruits, ice-cream, butter, fish, meat or any other like commodity.

(ii) any bottle containing liquid milk, liquid beverages containing milk as an ingredient which is returnable by the consumer for being refilled.

(iii) any bottle containing alchoholic beverages or spirituous liquor.

(iv) any package containing animal feed exceeding 15 kg or 15 litre.

(v) any package containing a commodity for which a controlled price has been fixed under any law, and

(vi) package containing printing ink.

**PACKAGING OF THE PROCESSED FRUIT AND VEGETABLE PRODUCTS OF ASSAM**

The processed fruit and vegetable products of As-
sam are sold in a pre-packed form. They are packed in both rigid (bottles) and flexible (ploythene bags) packages. However, it is often seen that the products sold in rigid packages have received a bright response from the consumers, Moreover, in this form of packages the products remain in a good condition for a pretty long time.

But one of the most important problems faced by the local fruit and vegetable based units of Assam is the procurement of the containers for packing the products.

The containers that is the bottles used for packing the finished products are not easily available within the state. Although polythene bags can be used for packing the items yet such type of packaging stands inferior when compared to the packing of the products in bottles. As a result, people do not like to buy the products packed in polythene bags. Moreover, there is a chance of the packet being spoiled by insects and ants if not taken proper care. Further in this kind of packing there is always a chance of the label being spoiled especially in case of pickles which are usually dipped in oil.

These containers are usually brought from places outside the state mostly from Kolkatta. While doing so, the expenses of procuring the packaging material becomes very high.
and as a result it has an impact on the price of the finished products. Although, sometimes containers are found in the local markets but their prices are very high and therefore could not be afforded by the local entrepreneurs. Furthermore, the quantity of the packing materials available are not in proportionate to the quantity required.

Due to such difficulties it is often seen that the entrepreneurs, with the limited capital could not afford to purchase new containers either from the local market at an exorbitantly high price or from outside the state. As a result, such entrepreneurs often buy bottles for packing their finished products from the scrap material vendors and use them after sterilising. Therefore the local fruit and vegetable units face great difficulty regarding the procurement of packaging material. As a result, the cost of packaging the finished products becomes very high and as such the prices of the local products could not compete with the prices of the products from outside the state.

LABELLING:

A label may be a small slip or a piece of paper placed on, or a printed statement on the merchandise (goods) or its package describing the nature of the product, the content of the package or
indicating the destination, ownership, origin or piece. Label is a part of a product. It gives verbal information about the product and the seller. The purpose of labelling is to provide information to the consumer about the product and its uses. Labelling has got social significance too. Consumer criticism centres round charge of false, misleading and defective packaging and labelling. In U.S.A. there is a special Act, Fair packaging and labelling Act (1967) to ensure truth in packaging and labelling to provide consumer protection. But legislation alone cannot do the job unless consumerism consumer pressure and business ethics go a long way in safeguarding innocent and ignorant poor consumers in many countries particularly in India.

Labels in products provide many useful information about the products. These includes the brand name, the name and address of the producer, weight, measure, count, ingredients by percentages where possible. Directions for the proper use of the products, cautionary measures concerning the product and its use, special care of the product if necessary, recipes on food products, nutritional guidelines, date of packing and date of expiry, retail price and unit price for comparison. Since 1991, the rule of mentioning the maximum retail price on the labelling has also been made compulsory in order to avoid the charges of different rate of taxes charged by different manufactures and thereby exploiting the consumers. Labels on food products and drugs contain factual information on which consumers can rely.
Any legal restriction imposed on the packaging of the product is evidenced through labelling. Packaged commodities (regulation) order 1975 makes it obligatory on the part of manufacturers to show details about the identity of the commodity, its weight, date of manufacture etc. The provision of the enactment is carried out with the help of labelling.

LABELLING OF PROCESSED FRUIT AND VEGETABLE PRODUCT OF ASSAM:

So far as the processed fruit and vegetable products of Assam are concerned the labelling of such products are not up to the mark. Though labelling is done by the units through offset printing within the state of Assam yet the quality of such labels printed through offset printing in Assam is not adequate in terms of quality, that is, their colour combination and other presentation. As such these labels are inferior compared to those printed outside the state. This is shown in table 7.1.

Table 7.1
Opinion of the entrepreneurs in percentage regarding the quality of labels used in the containers of the local fruit and vegetable processed products printed within the state of Assam.

<table>
<thead>
<tr>
<th>Opinion of entrepreneurs regarding the</th>
<th>Adequate</th>
<th>Inadequate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10%</td>
<td>90%</td>
</tr>
</tbody>
</table>
quality of the labels
printed within the
state as compared to
outside

Source :- Field study.

According to the table, 90% of the entrepreneurs survey are of the opinion that the quality of such labels are inadequate while 10% of them opined that these are adequate.

Therefore in order to complete with the outside products the labels are to be printed outside the state which increases the cost of labelling. As a result, it has its impact on the price of the product. Again many a times, the entrepreneurs prefer ordinary label than an offset one due to lack of finance.

Therefore the fruits and vegetable based units of Assam face great difficulties in packaging and labelling their products. Many a times the units could not produce the products in bulk due to the non availability of packing material and labels.

ADVERTISING :

The dictionary meaning of the term advertising is to
give public notice or to announce publicly. Advertising may be defined as the process of buying sponsor identified media space or time in order to promote a product or an idea. The American Marketing Association has defined advertising as follows:

'Any paid form of non personal presentation or promotion of ideas, goods or services, by an identified sponsor.'

**IMPORTANCE OF ADVERTISING:**

Advertising has become increasingly important to business enterprises both large and small. Advertising helps to promote additional sales. It would be difficult for a firm to survive if it does not attempt to promote its product in some manner or another. Not only the business enterprises the non business enterprises too have also recognised the importance of advertising.

Advertising is equally important both for new and old established product. If an old and established product is not advertised, it will gradually fade away from the notice of the public. Moreover, it acts as a potent instrument in the hands of the new entrant in a competitive market dominated by large and long established firms.
Advertising has offered to society benefits not otherwise available. The criticism that advertising costs too much views an individual expenses item in isolation. It fails to consider the possible effort of advertising on other categories of expenditure. Advertising strategies that increase the number of units sold stimulate economies in the production process too.

ETHICS AND THE PROMOTION PROCESS:

The promotion area is accused of more unethical behaviour than any other marketing area. Ethics deal with what is right and wrong with moral duties and obligations and with a set of moral principles.

Unethical promotion practices include such things as fraud, creating erroneous impression, use of phony testimonials, misleading brand names and labels. Permanent objective and ethical standards are not available for use by most promotion managers. Each manager determines a standard of promotion ethics based upon moral training in our society, a sense of what is right or wrong, competitive conditions in a particular industry and perhaps some guidance by top management and professional groups. Ethical standards become lower as competition increases. The more competi-
A great deal of progress has been made since the turn of the century in promotion ethics. Many federal state and local laws are passed by the government in order to improve the promotion ethics.

**ADVERTISING IN THE FRUIT AND VEGETABLE PROCESSING INDUSTRY OF ASSAM**

The fruit and vegetable based units of Assam are mainly run on sole proprietorship basis with limited capital. The Government too have not provided much incentive in regard to the capital contribution to this industry. Therefore lack of finance is one of the root causes for non advertisement of the products of such units. The products of the local fruit and vegetable based units are hardly advertised through any media. This is shown in table 7.2

<table>
<thead>
<tr>
<th>Opinion of entrepreneurs in percentage regarding the advertising of the fruits and vegetable based products manufactured locally.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Opinion of entrepreneurs</td>
<td>Advertised</td>
</tr>
<tr>
<td>Whether the local</td>
<td>20%</td>
</tr>
</tbody>
</table>
fruit and vegetable processed products are advertised or not by the entrepreneurs.

Source: Field study.

From the above table it is seen that majority of the entrepreneurs of the local fruit and vegetable processed products do not advertise their products, only a few have recourse to advertising of their products. As a result even the local people are quite unaware of the products. This leads to low sales in comparison to the products from outside the state which are widely advertised. Even the retailers hesitate to keep the local products for sale due to their lack of advertisement.

Moreover, due to the lack of business knowledge or managerial crisis, the entrepreneurs do not pay much interest on the advertisement of the products. Furthermore, the scale of operation of such units are very small covering only the customers from the neighbourhood market. As a result, the idea of advertising covering a vast market is still a dream for the entrepreneurs. However, the trade fairs and exhibition help much in this regard.

The products exhibited in these fairs and exhibitions attract people and they come to know about the existence of the
product which indirectly advertises the products. In order to boost up the sales of the products the same should be advertised in the local newspapers, magazines, journals, television and radio. Moreover, free samples of the products should be distributed to make the customers aware about the local products.

WAREHOUSING:

Warehousing means the storing of goods in order to create time, place and form utility. It has two distinct and equally important part. Firstly, the physical job of creating and running the network of storage points and secondly the managerial task of controlling the inventory levels.

Every company has to store its goods which they want to be sold. A storage function is necessary because production and consumption cycle rarely matches. Many agricultural commodities are produced seasonally whereas demand is continuous. The storage function overcomes discrepancies in desired quantities and timing.

Storing of both raw materials and finished products are equally important. In case of fruit and vegetable processed products the storing of the finished products and the raw materials are very important because the raw materials
are seasonal and perishable in nature while the demand for the finished products remain throughout the year. Therefore cold storage is one of the essential requirements of this industry. Moreover, this industry demands quite a huge premises for the production and storage to be carried on smoothly. However, the public warehouses can also be used to store the products. In such cases the cost of warehousing goes up.

WAREHOUSING SYSTEM OF THE FRUIT AND VEGETABLE PROCESSING UNITS OF ASSAM:

The fruit and vegetable processing units of Assam are started by the entrepreneurs mostly in their own houses as household units. Therefore, the space available for production and storing facilities are quite insufficient which causes great inconveniences to these units. This is shown in table 7.3

Table 7.3
Opinion of entrepreneurs in percentage regarding the space available for storing of the finished products of the fruit and vegetable processing units.

<table>
<thead>
<tr>
<th>Opinion of entrepreneurs regarding the space available for storing of the finished products of the fruit and vegetable processing units.</th>
<th>Sufficient</th>
<th>Insufficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>37%</td>
<td>63%</td>
<td></td>
</tr>
</tbody>
</table>

Source :- Field study.
As per table, 7.3 majority of the entrepreneurs are of the opinion that the space available for storing of the finished products are insufficient, only a few are of the opinion that such are sufficient enough.

Moreover, there is no cold storage facilities available. The units also cannot recourse to hire space in public warehouses due to lack of finance. Furthermore, due to the non availability of space the finished products could not be stored in large quantities and as a result the supply of the products are not proportionate to the needs of demand. Therefore the area of the market is small and confined only to that locality in which the unit is located. Though very negligible number of units have made an effort to send their products outside the state yet they are not much successful in this regard. Moreover, there is also difficulty in preserving the fruits and vegetables to check their wastage and decay due to the lack of cold storage facilities. This is also proved by the hypothesis No.1 which runs as a follows:

That the preservation facilities for fruits and vegetables are not adequate to check wastage and decay.

As the result of the survey done on the various local fruit and vegetable processing units it is found that none of the units surveyed throughout the state has cold storage fa-
ility to preserve the fruit and vegetables on their own. Therefore most of the units could not make bulk purchases of the raw materials required. The fruit and vegetables being perishable can hardly be stored for 2 to 3 days without cold storage. These units could not afford cold storage because they are mostly started by the entrepreneurs in their own houses as household units and therefore on one hand there is lack of finance and on the other there is also lack of space. So though these are production units their inventory level is nil. This hampers their production as the raw materials are seasonal and perishable in nature. Therefore there is no adequate preservation facilities of the fruits and vegetables to check wastage and decay. However, a negligible number of units have hired cold storage space in the public and private sector warehouses which is shown in table 7.4 but the rate of such spaces are extravagantly high.

Table 7.4

Table showing opinion of the entrepreneurs in percentage regarding the availability of cold storage facility.

<table>
<thead>
<tr>
<th>Availability of cold storage facility</th>
<th>Opinion of entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: Field study.
Out of the total entrepreneurs surveyed which stands to 43, majority of them that is 82% are of the opinion that there is no cold storage facility available. Only a few that is 18% have a positive attitude regarding the availability of cold storage facility.

Regarding the total capacity of cold storage required to preserve the fruits and vegetables as per the wholesale merchants dealing in the free trade there is no prescribed fix size of space required for the preservation of fruits and vegetables. This depends upon the demand and supply of the materials. The fruits and vegetables are hardly preserved. They are sold off to the retailers soon after their delivery. Some particular fruit like apples and grapes are stored and the cold storage space for such are enough which are kept in a private sector cold storage named Chitra cold storage situated at Changsari, Guwahati. Fig 7.1 showing opinion of entrepreneurs regarding availability of cold storage facility.

TRANSPORTATION:

Transportation is the physical means of moving goods from one place to another. It plays an important role in the economic development of a nation. Rapid industrialisation cannot take place unless sufficient facilities for transportation is available. Transportation helps in creating time, place
Fig. 7.1 Opinion of entrepreneurs regarding availability of cold storage facility.
and utility. It is with the help of various means of transport that raw materials are transported from the place of their production to the industrial centres where they are converted into finished goods demanded by the customers. It is again transportation which facilitates movement of goods from producers to users.

**IMPORTANCE OF TRANSPORT IN MARKETING:**

Transport plays an important function in marketing. It consists of all pervasive activities which includes handling, hauling, warehousing, inventory control, physical transportation and delivery. The entire work of assembling and dispersing of goods is done with the help of some form of transport. Transportation today constitutes an important managerial activity primarily due to the fact that it is one of the most costly elements of distribution. Due to this reason that transportation has become the main target of cost cutting elements of distribution. With the improvement in speed, transit time in transport has been shortened to a great extent thereby increasing the turnover of capital and products of the business and preventing the risk of price charges. Therefore in a vastly expanded market with cost conscious customers, demanding more value, better service and better transportation management has assumed paramount importance. It is only
through better transportation management that the twin objective of quick delivery of merchandise at a relatively cheaper cost could be effectively met.

Transport imparts place utility of goods by moving them from different centres of production to the places of consumption. Goods are now produced thousand of miles away from places where the consumer resides. Nevertheless, a marvellous transport system has ensured a steady flow of goods to the consumer within his easy access. Not only does it give place utility but it also renders time utility in various ways. With the improvement in speed, transit time in transport has been shortened to a great extent, thereby increasing the turnover of capital and products of the business and preventing the risk of price changes.

TRANSPORTATION PROBLEMS OF THE FRUIT AND VEGETABLE UNITS OF ASSAM:

Assam, a prominent state in the North eastern India is backed by many transportation hurdles. It is cut off from the rest of India during the rainy seasons due to the floods. Not only this, even the linkage between the upper and the lower Assam is very often cut off during floods. As a result transportation within the state also becomes difficult.
The raw materials of the fruit and vegetable processing industry are mostly perishable and seasonal in nature and as such when the raw materials have to cover a long distance from the place of production to the place of processing refrigerated vans are the only useful carrier. But such vans are seldom possessed by the entrepreneurs due to their financial hardships. Therefore most of the raw materials get wasted and decayed till they reach the place of processing. Further the entrepreneurs are not financially so sound enough to hire the services of refrigerated vans. Therefore, the raw materials could not be brought from distant places and the products are to be manufactured from those raw material locally available. Moreover, the cost of transportation of the finished products are also very high. Furthermore, during the rainy season often the upper and the lower Assam is cut off which causes great difficulty in the transportation of raw materials and the finished goods. Therefore due to these transportation problems the entrepreneurs are unable to market their products to the distant places.

EXPORT MARKETING:

Export marketing is a part of the broad marketing system. Export marketing management involves the marketing not only to other countries but also to some extent within the
foreign countries. To a great extent repetitive sales in export marketing are dependent upon how best the marketing is managed in foreign countries. International or multinational marketing refers to the marketing of products and services in more than one nation. It is the performance of business activities that direct the flow of goods and services to consumers or users in more than one nation.

To enter into the Global market a firm has to face many problems. These problems include huge foreign indebtedness, unstable governments, Exchange instability, corruption, high cost of product and communication adaptation, Tariff and non tariff barriers etc. Inspite of many constraints several companies like to go in for international marketing. There are some strong reasons for it. The first and foremost reason is to earn profit. No firm would do anything to incur losses continuously. The other vital reasons for entering into the global market are, firstly, to make fuller utilisation of capacity. One of the main reasons for a firm to export its products is to make the optimum utilisation of its physical facilities if it does not have a wide domestic market. Secondly, many firms even after having a large domestic market would go for the international market because they find the foreign market attractive enough to make profits. Thirdly, many firms may find it worthwhile to export their products which though in
the declining stage of their life cycle in their own countries are comparatively new for foreign countries. Fourthly, exports help in developing domestic trade. The products sold to in the abroad markets also receive good response among the domestic consumers too. Fifthly, the products have a bigger market area and as such the exporter is less dependent upon taste and preference of one particular country. Moreover, due to bulk selling, economical manufacturing is possible. Sixthly, the payment is guaranteed and quick. Moreover, in case of export marketing the exporter is not much affected by the business cycles and political instability of a particular country. If one country has a recession with difficult sales the exporter can export to other market where sales are prosperous.

**EXPORT PROFILE OF THE INDIAN FRUIT AND VEGETABLE PROCESSING INDUSTRY**

India produces the widest variety of fruits and vegetables and is the second largest producer in the world accounting for 11 percent of the world's production of vegetables and 7% fruits. But less than one percent of this production is commercially processed. India's share in the world trade of processed fruits and vegetables is presently less than

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one percent. However, it is readily increasing from 0.275 million tonnes in 1960 to over 0.96 million tonnes in 1998.\textsuperscript{66}

The industry in India is highly decentralised as a large number of units are in a cottage and the small scale sectors.

The market for processed food both domestic and global is quite large and its growing. The international market provides substantial opportunity for development of food processing industry. Though our export of processed food is small i.e our share in the global market is around 1 percent, however it is growing.\textsuperscript{65} The export of processed food have increased from Rs. 7.8 billion in 1988-89 to over Rs. 25 billion in 1997-98.\textsuperscript{67} During the period, the value of processed fruits and vegetables went up from Rs. 640 million to Rs. 1,960 million.\textsuperscript{68} At present the processed fruit and vegetables products are exported to the middle east countries. Price, quality, packaging and delivery schedules are the important factors to be taken into consideration for increasing market penetration abroad.\textsuperscript{66} The current international trade in processed fruits and vegetables alone is around US $ 6905 million or Rs. 23,477 billion.\textsuperscript{69} Out of this processed fruits amount for US $ 4910


\textsuperscript{67} ibid.

\textsuperscript{68} ibid.

\textsuperscript{69} ibid.
million or Rs. 14,246 billion consisting largely of fruits and vegetable juices, juice concentrates, nectares, canned pineapples, semi processed juices, pulps and berries and canned and dehydrated vegetables.\textsuperscript{70}

Because of diverse agro climate conditions varying from tropical to temperate conditions there is a good production base all the year round. With a large consumer base and fairly cheap labour a good potential exists for food processing industry in our country today. Besides liberalised polices of the government helps to export these processed foods in a big way.

**EXPORT MARKETING BY THE FRUIT AND VEGETABLE PROCESSING UNITS OF ASSAM:**

The fruit and vegetable processing industry of Assam is still in its infant stage. The units are started mostly by the sole entrepreneurs in their own houses as household units with their own limited capital as such the units are mostly unorganised in nature and could not cover a huge market. Moreover, due to the various difficulties faced by the units such as lack of cold storage facilities, lack of finance, mana

\textsuperscript{70} Dr.Kurade Naik G. Anand and Dr. Kurade A.Sangam, Food Processing Industry-Industrial and export Opportunities: Beverage and Food World. Dairy Management Consultant. Sept-Oct, 1999, pp.18
gerial crisis among the entrepreneurs there is no enthusiasm seen among the units to export their products. Further most of the units do not have the F.P.O. licence required for exporting the products. Besides this, in order to export the products the units should also have ISO 9000 registration which demands a complicated procedure which the local entrepreneurs find hard to fulfil.

Moreover in order to export the products certain special care should be taken during the process of processing the fruits and vegetables like using of certain special type of cans, maintaining of proper hygienic conditions, special type of packaging etc which the local entrepreneurs hardly fulfil. Furthermore, in case of canned fruits since cutting work is mainly done by the workers manually as such the sizes are not uniform and therefore not accepted by other countries when exported. Further the sugar content in the canned fruits are also not uniform.

The government assistance to boost up the exports of the local products are also not very encouraging. Though a negligible number of firms have exported their products on a sample basis to some neighbouring countries yet they have not received any feedback information regarding the acceptance of their products.
Since most of the entrepreneurs are women carrying out the business as a part of their household activity in their own houses therefore their market is concentrated mostly to their neighbourhood. The production is carried on in small scale and therefore the greater part of the domestic market is still to be captured. So for them entering into the export market is still miles to go. Therefore, they hardly go for exporting their products to other country. This is shown in table 7.5

Table 7.5
Opinion of entrepreneurs in percentage regarding the export of local fruit and vegetable processed products to other countries.

<table>
<thead>
<tr>
<th>Opinion of entrepreneurs whether the fruit and vegetable processed products manufactured by them exported to other countries.</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>27%</td>
<td>73%</td>
<td></td>
</tr>
</tbody>
</table>

Source - field study.

As per the above table only 27% of the entrepreneurs surveyed have exported the products to other countries. While majority of them that is 73% have not yet done any work for exporting their products.

In order to encourage the export of the local fruit and vegetable processing units cold storage facilities should be provided near to the airports. Moreover, the conversion
the Gopinath Bordoloi airport, Borjhar, Guwahati into an international one would provide an incentive to the entrepreneurs to directly export the finished products from Assam to the foreign countries. Furthermore, the state government through its various agencies should take measures to increase the exports of the products. The entrepreneurs should be given national level training to acquire knowledge relating to exporting of the products.

MARKETING RESEARCH:

According to the American Marketing Association, 'Marketing research is the systematic gathering, recording and analyzing of data about problems relating to the marketing of goods and services'. It is the collection and interpretation of facts that help marketing management to get products more efficiently into the hands of the consumers.

IMPORTANCE OF MARKETING RESEARCH:

Marketing research facilitates the managerial decision making process for all aspects of the firm's marketing mix, pricing, promotion, distribution and product decisions. By providing the necessary information upon which to base decisions, marketing research can reduce the uncertainty of
a decision and thereby reduce the risk of making the wrong decision. Information is a source that contributes to effective marketing management. It may be used to identify opportunities for enriching marketing efforts. Marketing research can also be used to obtain detail information about specific mistakes or failures regarding managerial judgements. It can also be used to predict or forecast the future conditions of the market. Besides this, it can be used to describe the conditions of the market place.

TYPES OF MARKETING RESEARCH:

Marketing research projects are undertaken to fulfil a wide variety of purposes. This projects vary according to the needs of the various organisation. Depending upon the various types of needs the marketing research projects can be product research, promotion research, distribution research, pricing research, marketing programme research.

Product research is carried on to bring about changes, innovation and develop a variety of styles and models. It is the task of product marketing research to determine consumer requirements to keep abreast of and to channel product technical research and to reach as close to an optimum blending of the two as possible in the products pro-
budget, and drawing up sales compensation plans.

Sales effectiveness research includes analyses of time salesmen spend on each of their assigned activities determining ratios of calls to sales made and of expenses to sales, customer surveys to audit salesmen's performance and establishing sales targets and quotas and comparing them with actual sales.

Distribution channel research is concerned with selection of the channels which are to be employed to distribute their products. While conducting research on distribution channel special attention should be paid to the distribution cost analysis. Distribution channel research also includes location research. Location of units depends upon various variables as quantities of goods shipped to differing areas, transportation cost per unit, cost of warehouse operation per unit, times of delivery and service and production capacities. Solutions may be arrived at by use of appropriate mathematical techniques. Factors such as labour supply, living conditions, the political climate and other important intangible considerations must be assessed separately.

Pricing research seeks to obtain information on the qualities that will be demanded at various prices and the cor-
responding costs of supplying them. Pricing and the establishing of price policies is one of the more complicated problem areas in marketing management and the one in which there has been a least sophistication employed in making decisions. A vast amount of uncertainty surrounds most pricing decisions. The techniques that have been employed in pricing research include customer surveys, dealer surveys, observational studies, correlation and cross classification analyses and experiments of various types.

Marketing performance research is primarily concerned with the identification of problems rather than their solution. Its basic function is to provide information necessary for management to plan and to gauge the overall level of performance of the marketing effort. In the process of appraising performance first step is the establishment of specific objectives called performance standards. Marketing performance research is also concerned with the measurement of actual performances and the forecasting of future performance is considered as the second step in the performance appraisal process. The third step in the appraisal process is the comparison of actual and forecast performance with the standards.

The important types of marketing performance re-
search are market potential, market share, sales analysis and sales forecast. Market potential is the amount of a product or service that can be absorbed by the market during a specified period during optimum conditions of market development. Market share is the ratio of a company's sales to the industry sales or either a forecast on an actual basis.

Sales analysis is the analyzing of sales records by the various classification of interest. Sales forecast are estimates of sales for some given future period. Forecast are usually made for each product line and product as well as for the total company sales.

MARKETING RESEARCH IN THE FRUIT AND VEGETABLE PROCESSING UNITS OF ASSAM:

The fruit and vegetable processing industry of Assam is yet to be developed as a large scale industry. The entrepreneurs of this industry are the local people with limited capital and also limited knowledge. Therefore they do not have enough money and technical knowledge to conduct extensive research programmes regarding the acceptance of the products among the customers. Moreover, no research has been conducted regarding the fixation of prices of their products. Most of the units fix the prices of their products on
market at the very beginning of their launching in the market.

Therefore the entrepreneurs of the fruit and vegetable processing units of Assam are yet to learn about the various techniques of marketing research applicable in this industry. For this the central and the state government should conduct seminars and workshops on market research of processed food items where experts should be called from noted institutions of the country. Moreover, delegation of entrepreneurs should be sent to the large scale fruit and vegetable processing industries outside the state for taking training on their market research programme. Furthermore, the entrepreneurs can conduct a house to house campaign through travelling salesmen by distribution of free samples of the products and thereby take the reactions of the customers regarding the acceptance of the products.

**CHANNEL OF DISTRIBUTION**

Distribution means to spread out or disseminate. In the field of marketing, channels of distribution indicate routes or pathways through which goods and services flow or move from producer to consumers.

The distribution channel can be formally defined as
the basis of competition. They adopt a competitive pricing policy. Besides this, not much research has been conducted for the selection of the distribution channel to sell the products. The products are sold through retailers in the market or through door to door salesman engaged by the entrepreneur. Some units sell their products through their own retail outlet. In the field of advertising too till date no sophisticated research technique has been adopted. Since the units are mostly unorganised the products of these units are hardly advertised.

But however in order to know the consumer taste and preference the units have occasionally taken up market research of their products on a very small scale basis. In this context, occasionally the door to door salesman employed by a certain negligible number of units bring information regarding the consumer preference and acceptance about the products yet the number of such salesman employed are very few to cover a huge market. Moreover certain information are also collected by the entrepreneurs from the retailers selling the products. But no effective research technique has been adopted in this regard. Due to the lack of finance the entrepreneurs could hardly afford much expenses in conducting the market research programmes. Moreover, no test marketing is carried regarding the launching of the new products in the market. As a result, certain products are thrown out of the
'a set of marketing institutions participating in the marketing activities involved in the movement or the flow of goods or services from the primary producer to the ultimate consumer'.

**TYPES OF CHANNELS:**

Channels of Distribution may be of two types, Conventional and vertical.

Conventional channels includes,

Producer- Consumer, which is a direct channel and has no intermediary.

Producer- Retailer- Consumer, which is used in case of speciality goods.

Producer- Wholesaler- Retailer- Consumer, which is the most widely used channel.

Producer- Agent -Wholesaler- Retailer -Consumer which is used mostly by relatively small manufacturer with a limited product line selling products in a widely dispersed market.

In case of industrial goods the following channels are used.

Producer- Industrial user (Direct channel)
Producer-Industrial distributor -User.
Vertical integrated marketing channels are of three types.

Corporate system where single firm owns both product and distribution facilities. Contractual system where independent firms are employed on a voluntary basis to develop an efficient distribution channel.

Administrative system where the manufacturer controls the marketing of a particular line of merchandise than a complete store operation.

Channel choice:

A large number of distribution channels are available to the manufacturer for bringing his product to ultimate consumers. Out of the various channels available the manufacturer has to choose one which would best be suited for the distribution of his products. In doing so, various factors should be taken into consideration which includes the nature of the product, its unit value, its technical characteristics, its degree of differentiation from competitive products and other product characteristics, financial resources and available ex-
pertise with the company and the availability of suitable middlemen.

Channel of Distribution in the Fruit and Vegetable units of Assam:

Most of the fruit and vegetable processing units of Assam are operating on a small scale basis with limited capital and production. The products are mostly sold in the local market. Only a few entrepreneurs send their products to the distant markets. Because of the limited capital, narrow circulation of production and the concentration of the products in the local markets, the entrepreneurs do not go for a very long channel of distribution. Usually the entrepreneurs employ certain persons as their selling agents who travel from shop to shop and deliver the products to the retailers who in turn sell those to the consumers. Again in certain cases it is also found that the entrepreneurs send their agents that is the travelling salesman for direct marketing. In other words, they adopt a door to door selling system. Only a very few units have their own retail outlet where they sell their own products.

The local retailers too play an important role on the sale of the products. During the field study among the retail-
ers it was found that the retailers hesitate to keep the local products in their stores firstly, as the rate of sale of such products are low due to lack of advertisement and also at times due to the poor quality of the same. This is the shown in table 7.6

<table>
<thead>
<tr>
<th>Opinion of retailers</th>
<th>Locally processed fruit and vegetable based products</th>
<th>Fruit and vegetable based products coming from outside the state.</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>opinion of retailers as to in which type of fruit and vegetable based products do they deal the most.</td>
<td>Nil</td>
<td>63%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Source: Field study

Out of the 150 retailers surveyed all over Assam, only 36% deal in both the locally processed fruit and vegetable products along with those coming from outside the state, while 63% of them deal exclusively on the fruit and vegetable based products coming from outside the state. There is no retailer dealing exclusively on the local fruit and vegetable based product because the rate of sale of such products are very low compared to the those marketed from outside. Secondly, the lo-
cal entreprenuers usually do not give credit on their products to the retailers. At times even if they allow credit the expected period of such credit is only 1 week which is very short compared to the credit facility received from the products marketed from outside the state.

So, inspite of the good margin of profit on the local fruit and vegetable processed products the retailers hesitate to deal in them as their demand is less compared to the products from outside the state.