

CHALLENGES IN RETAIL MARKETING: A STUDY WITH REFERENCE TO ORGANIC FOOD IN MANGALORE CITY AREA

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ABSTRACT

Currently there is expanded worry about purchaser's wellbeing and environment Organic sustenance is getting to be the one of the quickest developing agrarian markets .it is imperative to investigate the potential business for clients, it is essential to know how purchasers relate issues of nourishment quality and nourishment framework. The point of this paper is to figure out behavioural methodology of clients regarding natural nourishment. Because of quick developing populace there was enormous change in sustenance generation where cross breed seed concoction composts, pesticides were utilized. Government is additionally making fundamental move to enhance agribusiness cultivating and horticulture and transformed nourishment items trade advancement power is actualizing the national project for natural generation.

Key Words: natural nourishment, organic sustenance

Introduction:

Retailing incorporates all the exercises included in offering products and administration straightforwardly to last purchasers. Also, it is going through modernization, advancement broadening. Retailers attempt to fulfil buyers need at right value and spot. There is real change in disposition of Indian buyers. They are getting to be more cognizant about their wellbeing. At first, Indian retail industry was basically chaotic yet with the tastes and inclination of the customers, the industry is getting more prominent and sorted out too. Composed retailing alludes to exchanging exercises which is embraced by authorized retailers who are enrolled for deals charge, pay charge, and so on. These incorporate the corporate sponsored hypermarkets and retail networks furthermore the exclusive substantial retail organizations. Sloppy retailing alludes to the conventional arrangements like the nearby kirana shops.

Patterns in the Retail business

- Emergence of sorted out retail: Real domain is blasting in the nation. Numerous shopping centers are built in India.
- Spending limit of youth of India: in India populace of youth is huge furthermore we can discover development in this segment
- Raising salaries and acquiring force: we can likewise see that there is enormous development in pay and buying force
- Changing outlook of clients: The client psyche set is slowly moving from low cost to better comfort, high esteem item.
- Easy client credit: bank additionally have thought of cutting edge managing an account benefit that gives simple credit to client advances, EMIs, advance through Visas, has made buying feasible for Indian shoppers, for items, for example, buyer durables
- Higher brand awareness: youth are getting to be high bran

Largest private industry in the world economy

A Study by Mc Kinsey states that organized retail accounts for just around 2 percent (out of which modern retail formats account for 7 percent of trade) presently is set to grow at exponential exceeding 35 percent. Because of purchaser expanded worry about their wellbeing and environment Organic sustenance is getting to be the one of the quickest developing agrarian markets. It is imperative to investigate the potential business for clients, it is essential to know how purchasers relate issues of nourishment quality and nourishment framework. The point of this paper is to figure out behavioral methodology of clients regarding natural nourishment. Because of quick developing populace there was enormous change in sustenance generation where cross breed seed concoction composts, pesticides were utilized. Government is

additionally making fundamental move to enhance agribusiness cultivating and horticulture and transformed nourishment items trade advancement power is actualizing the national project for natural generation. Fare of natural sustenance is upto 700 crores. India has involved 4.4 million hectare of area.

| Retail Consumption areas | US \$ billion | Existing Companies in the organized sector |
|----------------------------------|---------------|--|
| Food Retailing | 130 | Food Bazaar (Pantaloon) Food World Subhishka. |
| Clothing & Apparel | 12 | Pantaloon Westside, Shoppers Stop |
| Jewelry, Watches | 7 | Tanishq, Titan , Gold Bazaar (Pantaloon) |
| Home Furnishing | 5 | Home Store, Arcus (Pantaloon) |
| Foot wear | 1.7 | Bata , Woodland |
| Beauty Care | 3.6 | VLCC, Health & Glow |

Source: economic time's industry report

Objective of The Study:

The paper has been prepared with the following objectives.

- To know Organic food market in general.
- To understand Consumer knowledge and perception about organic food.
- To find out various factor influencing purchase of organic food.

Literature Review:

- “Indian retail industry-its growth challenges and opportunity” by Dr M Dhanabhakym and Shanthy - their paper provides detailed information about the growth of retailing industry in India. They have examined the growing awareness and brand consciousness among people across different socio-economic classes in India and how the urban and semi-urban retail markets are witnessing significant growth. In India the vast middle class and its almost untapped retail industry are the key attractive forces for global retail giants wanting to enter into newer markets, which in turn will help the Indian Retail Industry to grow faster. They have an opinion that there is impact of the entry of global players into the Indian retailing industry.

- “Growth and challenges of retail industry In India: an analysis” by Sunita Sikri & Ms. Dipti wadhwa – The Authors in their paper have an opinion that Indian organized retail market will be Very big in 2011. The status of the retail industry will depend upon various external factors like Government regulations and policies and real estate prices, besides the activities of retailers and Demands of the customers also show impact on retail industry. As the retail market place changes Shape and competition increases, the potential for improving retail productivity

and cutting costs is likely to decrease. It is important for retailers to secure a distinctive position in the Market place based on values relationships or experience.

- Netravathi Vasudevaraju S., Sanjeev Padashetty “Global Trends and Buying Behaviour of Organic Food Products” – The Authors have an opinion that there is an increase in the awareness of organic food products because of overall health benefits and consumers strongly perceive organic foods are healthier than conventional alternatives. They also found various factors that stimulate to buy organic food products and upward there are growth of Organic Agriculture and are become an emerging marketing trend. In today’s society, consumers are well educated to choose the food products of their choice keeping in mind the health and nutritional value as paramount. Thus, there is an increasing demand for the organic food product in the market. The marketers should increase the supply and availability of the organic food products matching to the demand.
- Nur Fathonah Sadek and Yuananda Parama Oktarani “Consumer Knowledge and Perception about Organic Food: A Challenge for Consumer Education on The Benefits of Going Organic.” - The result indicates that consumer’s interest in organic food is influenced by their belief that Organic food is better for health and the environment. This may provide a basis for worldwide Education on the benefits of going organic and for the growing market of organic retail sales.

Research Methodology:

Information has been used from various books, trade journals etc. and Data presented in the form of tables and analyzed in form of percent trends and chart.

Sample size 50.

Sample area is Mangalore.

Data Analyses:

Organic food market in Asia

Asia accounts to around 60 percent of the world populace, Asia has a little market for natural items. Creation of natural products is expanding in the Asian area; however deals are to a great extent in the most well-off nations. The Asian market for natural sustenance was esteemed at around 750 million USD in 2004 (an update of earlier years gauge as more exact information got to be accessible). The biggest business sector is in Japan, which is assessed at 400 million USD. This business sector estimate just alludes to offers of natural items meeting Japanese Agricultural Standards (JAS). Deals are much higher in the event that we incorporate other natural items, particularly those specifically advertised by makers to purchasers. Natural items like organic

product, vegetables, rice, and green tea are for the most part developed in Japan. Different items, particularly handled nourishment, are foreign made from nations like Australia, USA and Germany. The most elevated business development is happening in China, which has the biggest zone of natural farmland in Asia. Generation of natural harvests has expanded essentially as of late. The developing abundance of Chinese purchasers and extending exile group is adding to a residential market for natural nourishment. Remote grocery stores like Carrefour are importing natural nourishment from Europe to take care of developing demand. The quantity of natural nourishment shops, particularly in the major urban areas, is expanding to take care of prospering customer demand. Other Asian nations with substantial markets for natural sustenance are South Korea, Taiwan, Singapore, also, Malaysia. Asian purchasers in these nations have moderately high dispensable livelihoods and natural items are famous as they are seen to be healthier and nutritious nourishment. Nourishment alarms like flying creature influenza are making Asian shoppers more mindful of the creation contrasts between natural nourishment and non-natural sustenance. There is likewise developing interest for natural nourishment in nations like India, Thailand and the Philippines. Not at all like the first-level nations, household items in these nations take care of a great part of the demand for natural sustenance.

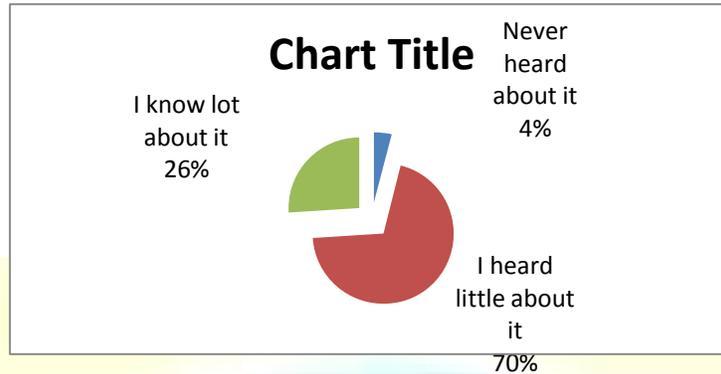
According to the study directed via Research on India "Natural Food Market – India" in April 2010, natural nourishments may have advantages over ordinary sustenances. Some of these are recorded beneath

| Parameters | Organic foods | Conventional Foods |
|---------------------------------|---|--|
| Pesticides and Chemicals | <ul style="list-style-type: none"> Grown without use of any synthetic pesticides and synthetic chemicals | <ul style="list-style-type: none"> Grown with extensive use of synthetic pesticides and chemicals which may lead to diseases like cancer |
| Food Additives | <ul style="list-style-type: none"> Only x additives are permitted which include Iron, Thiamine, Nicotinic acid and are beneficial for health | <ul style="list-style-type: none"> Around n additives are used to improve the appearance and taste of the food Use of artificial colorings and sweeteners leading to allergies and headaches |
| Hydrogenated Oils | <ul style="list-style-type: none"> Does not contain any fatty acids and oils | <ul style="list-style-type: none"> Contains fatty acids which increases risks of heart attacks |
| Vitamins | <ul style="list-style-type: none"> Contains higher levels of vitamin | <ul style="list-style-type: none"> Does not contain higher levels of vitamins |
| Minerals | <ul style="list-style-type: none"> Contains essential minerals such as calcium, magnesium & Iron | <ul style="list-style-type: none"> Does not contain higher amounts of minerals |

1. Respondents Knowledge of organic food

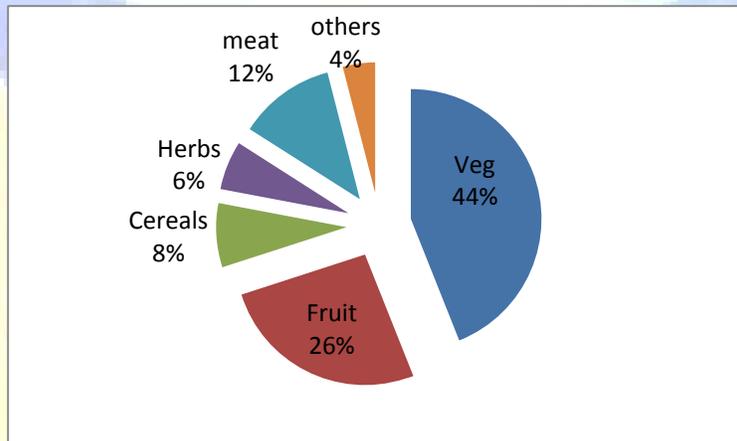
| | No of respondents |
|-------------------------|-------------------|
| Never heard about it | 2 |
| I heard little about it | 35 |
| I know lot about it | 13 |

2. Type of organic food purchased by respondents



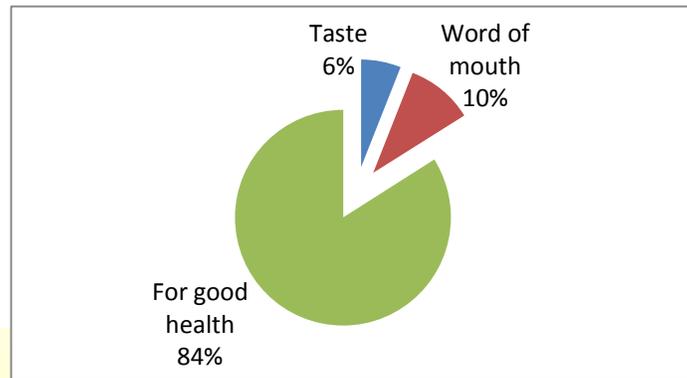
Type of organic food purchased No of respondents

| Type of organic food purchased | No of respondents |
|--------------------------------|-------------------|
| Veg | 22 |
| Fruit | 13 |
| Cereals | 4 |
| Herbs | 3 |
| meat | 6 |
| others | 2 |



3. Reason of purchase of organic food

| Factors | No of respondents |
|-----------------|-------------------|
| Taste | 3 |
| Word of mouth | 5 |
| For good health | 42 |



Most of the respondents purchase organic food for good

4. Brand which customer prefer

| Factors | No of respondents |
|---------------|-------------------|
| Indian | 28 |
| International | 3 |
| No preference | 19 |

Most of the respondents purchase Indian brand

5. Frequency of purchase of organic food

| | |
|------------------|----|
| Weekly | 30 |
| Once a fortnight | 5 |
| Once a month | 15 |

Most of the respondents purchase organic food weekly

6. Quantity of purchase of organic food

| | |
|------------------|----|
| Less than one kg | 12 |
| 1-2 | 29 |
| More than 2 kg | 9 |

7. Price is the main factor in deciding purchase of organic food

Research hypothesis: price is major factor influencing purchase.

H0: there is no relationship between price and organic food

H1: there is relationship between price and organic food

H0 is accepted. There is no relationship between price and organic food

| | <i>Observed</i> | <i>Expected</i> | <i>Difference</i> | <i>Difference Sq.</i> | <i>Diff. Sq. / Exp Fr.</i> |
|--------------------------|-----------------|-----------------|-------------------|-----------------------|----------------------------|
| Strongly agree | 8 | 0.2 (10) | -2.00 | 4.00 | 0.40 |
| agree | 14 | 0.2 (10) | 4.00 | 16.00 | 1.60 |
| neutral | 17 | 0.2 (10) | 7.00 | 49.00 | 4.90 |
| disagree | 6 | 0.2 (10) | -4.00 | 16.00 | 1.60 |
| Strongly disagree | 5 | 0.2 (10) | -5.00 | 25.00 | 2.50 |
| | | | | | 11.000 |

The Chi² value is 11. The P-Value is 0.027. The result is not significant at $p \leq 0.01$

8. Availability is the main factor in deciding purchase of organic food

Research hypothesis availability is major factor influencing purchase.

H0: there is no relationship between availability and organic food

H1: there is relationship between availability and organic food

| | <i>Observed</i> | <i>Expected</i> | <i>Difference</i> | <i>Difference Sq.</i> | <i>Diff. Sq. / Exp Fr.</i> |
|--------------------------|-----------------|-----------------|-------------------|-----------------------|----------------------------|
| Strongly agree | 11 | 0.2 (10) | 1.00 | 1.00 | 0.10 |
| agree | 15 | 0.2 (10) | 5.00 | 25.00 | 2.50 |
| neutral | 20 | 0.2 (10) | 10.00 | 100.00 | 10.00 |
| disagree | 3 | 0.2 (10) | -7.00 | 49.00 | 4.90 |
| Strongly disagree | 1 | 0.2 (10) | -9.00 | 81.00 | 8.10 |
| | | | | | 25.600 |

The Chi² value is 25.6. The P-Value is < 0.001 . The result is significant at $p \leq 0.01$ there is relationship between availability and organic food

9. Certificate is the main factor in deciding purchase of organic food

Research hypothesis certificate is major factor influencing purchase.

H0: there is no relationship between certificate and organic food

H1: there is relationship between certificate and organic food

| | <i>Observed</i> | <i>Expected</i> | <i>Difference</i> | <i>Difference Sq.</i> | <i>Diff. Sq. / Exp Fr.</i> |
|--------------------------|-----------------|-----------------|-------------------|-----------------------|----------------------------|
| Strongly agree | 8 | 0.2 (10) | -2.00 | 4.00 | 0.40 |
| Agree | 18 | 0.2 (10) | 8.00 | 64.00 | 6.40 |
| Neutral | 20 | 0.2 (10) | 10.00 | 100.00 | 10.00 |
| Disagree | 3 | 0.2 (10) | -7.00 | 49.00 | 4.90 |
| Strongly disagree | 1 | 0.2 (10) | -9.00 | 81.00 | 8.10 |
| | | | | | 29.800 |

The Chi² value is 29.8. The P-Value is < 0.001. The result is significant at $p \leq 0.001$. There is relationship between certificate and organic food

10. Information is the main factor in deciding purchase of organic food

Research hypothesis information is major factor influencing purchase.

H0: there is no relationship between information and organic food

H1: there is relationship between information and organic food

| | <i>Observed</i> | <i>Expected</i> | <i>Difference</i> | <i>Difference Sq.</i> | <i>Diff. Sq. / Exp Fr.</i> |
|--------------------------|-----------------|-----------------|-------------------|-----------------------|----------------------------|
| Strongly agree | 11 | 0.2 (10) | 1.00 | 1.00 | 0.10 |
| agree | 15 | 0.2 (10) | 5.00 | 25.00 | 2.50 |
| neutral | 16 | 0.2 (10) | 6.00 | 36.00 | 3.60 |
| disagree | 7 | 0.2 (10) | -3.00 | 9.00 | 0.90 |
| Strongly disagree | 1 | 0.2 (10) | -9.00 | 81.00 | 8.10 |
| | | | | | 15.200 |

The Chi² value is 15.2. The P-Value is 0.004. The result is significant at $p \leq 0.0$. there is relationship between information and organic food

- When we compare all the factors using chi square it is observed that information is most important factor influencing purchasing of organic food.

Implication of the Study:

Indian customer are living in element world .from the above study it is comprehended that Indian purchaser are running over new things in the realm of sustenance and natural nourishment is one among them, which is fiercely talked yet seldom caught on. Despite the fact that individuals realize that natural sustenance is seen as solid alternative, there is absence of clear

comprehension among customers about natural nourishment. the expense of going natural is too high as prove by deficient supply of natural fertilizer. Utilization of natural farming has vital part on the grounds that natural item has great quality and nourishment content.

Conclusion:

There is a general absence of mindfulness among the purchasers about the natural sustenance items and the medical advantages connected with it. This requires instructing and making mindfulness about natural nourishment items on a substantial scale .Often shoppers feel that the medical advantages connected with the natural items don't defend the high premium charged by the natural item suppliers/merchants .The organic food business does not have the same level of push showcasing through the media channels or retail channels that the routine items do.Owing to these reasons the current natural sustenance business is constrained just to those buyers who look for a healthier option.

Reference:

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