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Research Paper

A STUDY ON CONSUMER PREFERENCE FOR RYTHUBAZAARS IN TWIN CITIES

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ABSTRACT

Rythu Bazars' works on the concept of direct agricultural marketing are the most successful markets in the State of Andhra Pradesh. The consumers well received the concept of Rythu Bazar in Andhra Pradesh and Lakhs of the consumers are going to benefit from these markets in the State. Consumers feel that Rythu Bazar is the most affordable and accessible market where all the vegetables and grocery items are available in one place. These markets are being run and organised by Government officials to eliminate the intermediaries and facilitate the farmers with marketing information to sell their produce directly to consumers. Due to the excellent organisation and proper price fixation of the products, Rythu bazaars are the most successful markets in the State. In this context, the present Paper deals with the consumer preference for rythu bazars based on the factors like availability, affordability, accessibility, and quality comparatively with supermarkets, street vendors and other mandies based on the survey conducted in the twin cities of Andhra Pradesh.
KEYWORDS: Direct Agricultural Marketing; Marketing information; Price Fixation; Mandies.

INTRODUCTION

The concept of Direct Agriculture marketing in India has changed the fate of the farmers who crumbled at the hands of the intermediaries and inefficient marketing practices. The Government of India passed an Act called Agriculture Produce Marketing Committee Act (APMC), intending to promote organised marketing and ensure that farmers should get a reasonable share of profits. Today many of the States in India adopted direct agriculture marketing. States like Andhra Pradesh, Punjab, Haryana, Tamilnadu, Maharashra and Orissa are among those. In Andhra Pradesh, the concept is named Rythu Bazar. The concept of rythu bazar originated from Kal Ghoj, a farmers' market in Russia. In India, in the late eighties, the States of Punjab and Haryana adopted this concept under the name Apna Mandi. Andhra Pradesh government started rythu bazars in the year 1999.

e-ISSN 2320 –7876 www.ijfans.org
Vol.11,S Iss.1, 2022

Rythu means farmer in Telugu language (local language of Andhra Pradesh).and bazar, a Persian word which means place of prices. Rythu Bazars in Andhra Pradesh are a most successful model of Direct Agriculture marketing that helps farmers by eliminating intermediaries and inefficient market practices. And the consumer gets qualitative products at a lower cost. The price is 25% more than the wholesale rates to give some incentive to the farmers for selling their products, and on the other hand, the prices are 25% less than the retail price, which is an incentive for consumers to come to the farmer. An online market information system helps keep consumers aware of the current prices and know the kind of products available at a rythu bazar. It provides a platform for direct interaction between farmers and consumers. Currently, more than 106 rythu bazars exist in the State of Andhra Pradesh.

ORGANISATION STRUCTURE OF RYTHUBAZARS

The Agriculture Marketing Department of the Government of Andhra Pradesh oversees the implementation of the entire direct marketing concept. Joint collectors are responsible for the effective functioning of rythu bazars. Estate officers are responsible for maintenance, allotment of shops and fixing prices. Horticulture consultants and agriculture officers provide pre and post-harvest consultancy to farmers. DWCRA and SHGs sell the product as a group in rythu bazars.

The facilities like transportation, electricity, water supply, sheds, storage for unsold produce, weighing scales, telephone, fax, arrangements for removal of garbage, toilets with sanitation facility and parking for vehicles provided to Rythu bazars.

OBJECTIVES OF THE STUDY

1. To know the extent of consumer preference on rythu bazar over other markets.
2. To analyse the satisfaction level of the consumer in buying at rythu bazars.
3. To study the quality and availability of vegetables and provisions at rythu bazar.
4. To compare the performance of rythu bazaars over other markets.
5. To study the pricing policy of the rythu bazar.

METHODOLOGY

Research design:

The research design adopted is descriptive and analytical. The non-probability sampling procedure is adopted, and the type of sampling collected is convenience sampling.

e-ISSN 2320 –7876 www.ijfans.org
Vol.11,S Iss.1, 2022

Data collection:

Primary data

Primary data is collected using a structured questionnaire; a Sample size of 120 was randomly collected by canvassing questionnaires to the customers of rythu bazars from 10 rythu bazars in Hyderabad and Secunderabad at a rate of 12 questionnaires from each rythu bazar. And also, primary data is collected by interviewing a few sellers in Rythu Bazaars.

Secondary data:

Secondary data was collected from various magazines, articles, websites and publications.

Tools and techniques of analysis:

Simple statistical tools like percentages, Mean, and standard deviation was used for analysis. Comparative tables with the select constructs and certain demographic variables were used cross tabulation with demographic and study's target variables. Bar charts were prepared to analyse the tabulated data.

LITERATURE REVIEW

Kezis et al. (1995) observed that high-income, highly educated, and higher-age consumers are more attracted to farmers' markets. Hence the popularity of these markets is increasing.

Govindasamy and Nayga, Jr. (1996) observed direct marketing facilities provided a better quality of products as compared to supermarkets.

Trobe (2001) opined that direct food marketing from producer to consumer eliminates intermediaries, and consumers get fresh, locally grown and qualitative products at low cost.

Brown (2002) found that there was an enormous increase in the farmers' direct markets in the United States of America after the passage of the Farmer-to-Consumer Direct Marketing Act, 1976.

Henneberry and Haerani (2004) examined the impact of demographic factors on shopping preferences. It identified that various consumer characteristics like age, education, income and gender impact the preference for shopping at Oklahoma farmers' market.

Otto and Varuer (2005) suggested that farmers’ markets play a significant role in connecting rural producers and urban consumers to exchange goods and information. This study suggested targeting urban consumers and younger consumers with little knowledge of these markets.

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Vol.11,S Iss.1, 2022

Onianwa et al. (2005) opined that education has a higher impact on the preference of farmer-to – consumer market. Higher education people have a higher preference for shopping at farmer–to–consumer markets. Further, it is observed that families with children prefer to shop at these markets.

Saibaba, R. and Suresh, V.(2009) observed in their study conducted in Warangal District of Andhra Pradesh, India, consumer satisfaction and preferences towards Rythu bazar. It revealed that many consumers want improvements in the rythu bazaars regarding location, prices, and other amenities. Consumers opined that sellers are not selling at the market rates fixed by the officials.

Ahmed Salma and Dey Subhendu's (2012) study reveals that age, number of children and annual income impact the consumers' preference for the Rythu bazaar. The study suggested that focusing on the consumers' segment, like gender, income, the number of family members, and education, would help farmers generate increased revenue.

Prof. Subhendudey (2012) observed that farmers have benefitted from getting the better price compared to other outlets, infrastructural and administrative support and transportation provided by rythu bazaars. Consumers get vegetables at a lower cost comparatively in rythu bazaars, and the price is the critical driver that brings the consumer to the rythu bazaar., while from the farmers' end, "Administrative Support" that they receive is the fundamental drive to bring them into the rythu bazaar.

Demographic Profile					
Age Group					
	Rythu Bazar	Super Market	Street Vendor	Other Sources	Total
<25 Years	2(100.0) (2.5)	0(0.0%) (0.0%)	0(0.0%) (0.0%)	0(0.0%) (0.0%)	2(100.0%) (1.6%)
25 to 35 Years	14(50.0) (17.5)	8(28.6%) (30.8%)	2(7.1%) (25.0%)	4(14.3%) (40.0%)	28(100.0%) (22.6%)
35 to 45 Years	50(71.4) (62.5)	12(17.1%) (46.2%)	--	4(5.7%) (40.0%)	70(100.0%) (56.5%)
>45 Years	14(58.3) (17.5)	6(25.0%) (23.1%)	2(8.3%) (25.0%)	2(8.3%) (20.0%)	24(100.0%) (19.4%)

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Vol.11,S Iss.1, 2022

Family size					
<4 Members	36(52.9%) (45.0%)	20(29.4%) (76.9%)	4(5.9%) (50.0%)	8(11.8%) (80.0%)	68(100.0%) (54.8%)
4 to 6 Members	38(79.2%) (47.5%)	6(12.5%) (23.1%)	4(8.3%) (50.0%)	0(0.0%) (0.0%)	48(100.0%) (38.7%)
6 to 8 Members	2(100.0%) (2.5%)	0(0.0%) (0.0%)	0(0.0%) (0.0%)	0(0.0%) (0.0%)	2(100.0%) (1.6%)
> 8 Members	4(66.7%) (5.0%)	0(0.0%) (0.0%)	0(0.0%) (0.0%)	2(33.3%) (20.0%)	6(100.0%) (4.8%)
Monthly Income					
<Rs.10000	2(100.0) (2.5)	0(0.0%) (0.0%)	0(0.0%) (0.0%)	0(0.0%) (0.0%)	2(100.0%) (1.6%)
Rs.10000 to Rs.20000	16(80.0) (20.0)	2(10.0) (7.7)	2(10.0) (25.0)	0(0.0%) (0.0%)	20(100.0) (16.1)
Rs.20000 to Rs.40000	38(70.4) (47.5)	10(18.5) (38.5)	0(0.0%) (0.0%)	6(11.1) (60.0)	54(100.0) (43.5)
>Rs.40000	24(50.0) (30.0)	14(29.2%) (53.8%)	6(12.5) (75.0)	4(8.3) (40.0)	48(100.0) (38.7)

DATA ANALYSIS

Table – 1

Note 1. Figures in side brackets indicate per cent of Row Total.
2. Figures in lower brackets indicate per cent of Column Total.

Source: Survey

Figure – 1

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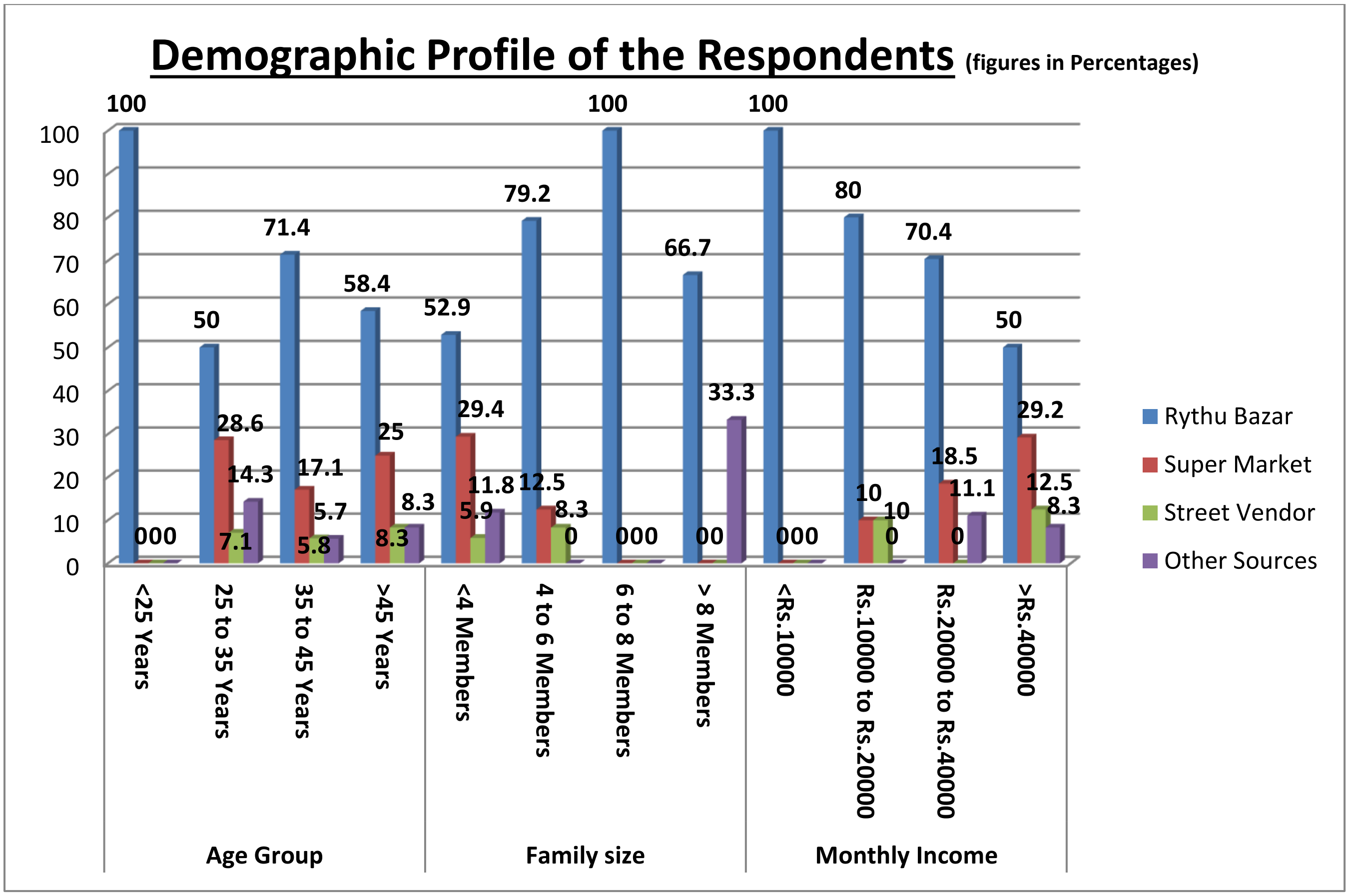
Vol.11,S Iss.1, 2022



It is observed from table -1 that when the age group of the consumers is concerned, all age group people prefer rythu bazaar over any other source. Consumers between 18 to 25 years more prefer rythu bazaars, and as the age group is increasing from 25 to 35 years, the preference is shifting to supermarkets. The age group from 35 to 45 again prefers rythu bazaar, and those above 45yearsare shifting towards super markets more. As the size of the family is increasing, the preference for rythu bazaars is increasing. When the income levels increase, there is a shift in the demand from the rythu bazaar to other markets.

Table - 2

Respondents' Rating on Rythu Bazaar on various Aspects (figures in percentage)					
Rating on	Satisfactory	Good	Very Good	Excellent	Total
Maintenance	72.5	20	7.5	0	100
Service	37.5	42.5	20	0	100
multiple products on one roof	27.5	35	35	2.5	100
Variety	5	22.5	72.5	0	100
Quality	15	60	17.5	7.5	100

Source: Survey

Figure – 2

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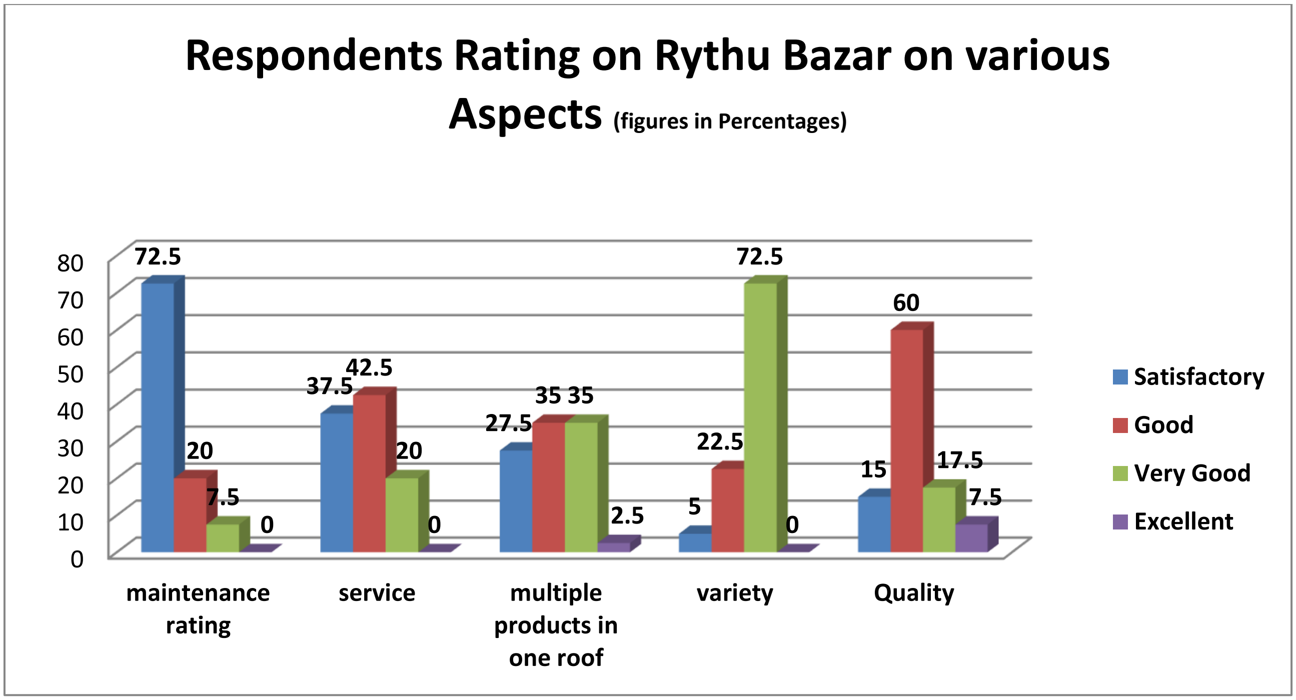
Vol.11,S Iss.1, 2022



The table shows that a maximum of the respondents (72.5%) opined that the rating on the maintenance of the rythubazaar is just satisfactory. The rating on the service provided by the rythu bazaar is good (42.5%) and satisfactory (37.5%). The rating on availability of multiple products is high at good(35%) and very good(35%). The rating for the variety of products is excellent (72.5%), and the rating for quality is high at good (60%). The average rating lies between satisfactory and very good.

Table - 3

Comparison of Price Between various markets

Choice of Respondents	Price Comparison			Total	Mean	Standard Deviation
	Less	Equal	Moderate			
Rythu Bazar	52(65.0%) (65.0%)	10(12.5%) (62.5%)	18(22.5%) (64.3%)	80(100.0%) (64.5%)	1.58	0.839
Super Market	16(61.5%) (20.0%)	2(7.7%) (12.5%)	8(30.8%) (28.6%)	26(100.0%) (21.0%)	1.69	0.928
Street Vendor	6(75.0%) (7.5%)	2(25.0%) (12.5%)	0(0.0%) (0.0%)	8(100.0%) (6.5%)	1.25	0.463
Other Sources	6(60.0%) (7.5%)	2(20.0%) (12.5%)	2(20.0%) (7.1%)	10(100.0%) (8.1%)	1.60	0.843

Total	80(64.5%) (100.0%)	16(12.9%) (100.0%)	28(22.6%) (100.0%)	124(100.0%) (100.0%)	1.58	0.837

Note 1. Figures in side brackets indicate per cent of Row Total.
2. Figures in lower brackets indicate per cent of Column Total.
Source: Survey

Table 3 shows that 65% of the respondents opined that the prices are comparatively lower in Rythu bazaars. And only 20% of the respondents opined that supermarkets have lower prices. In contrast, only 7.5% and 7.5% of the respondents opined that fewer prices exist with street vendors and other sources, respectively. From the values of standard deviations (0.839, 0.928, 0.463, 0.843) in the table, it is observed that Street Vendors have significantly less variation in the prices (S.D=0.463) and next it is Rythu Bazaars (S.D=0.839) having less variation in the prices. At the same time, the others, like supermarkets (S.D=0.928) and other sources (S.D =0.843), have more variability in their prices.

Table - 4

Choice of Respondents	Avg. no. of visits per month	Avg. no. of minutes spent per month	Avg. distance
Rythu Bazar	3.7	16	3.7
Super Market	3.9	12.4	4.7
Street Vendor	3.5	10.7	4.4
Other Sources	4.2	12.9	3.4

Source: Survey

Comparative data on the accessibility of various markets reveals that the average number of visits to rythu bazaars is comparatively high compared with supermarkets and other sources. The average time spent on shopping is also high. Still, the average distance is less with rythu bazaars. It indicates that Rythu bazaars are more accessible to consumers than any other market. So the number of visits is high. But shopping time is high because it takes much time to locate and buy the product.

SUMMARY

The concept of the rythu bazaar changed the fate of the farmers, crumbling at the hands of intermediaries and inefficient marketing practices. Rythu Bazars in Andhra Pradesh are a most successful model of Direct Agriculture marketing that helps farmers by eliminating intermediaries and inefficient market practices. And the consumer gets qualitative products at a lower cost. It provides a platform for direct interaction between farmers and consumers. Farmers have benefitted from better prices than other outlets, infrastructural and administrative support,

e-ISSN 2320 –7876 www.ijfans.org
Vol.11,S Iss.1, 2022

and transportation provided by rythu bazaars. Consumers get vegetables at a lower cost comparatively in rythu bazaars, and the price is the critical driver that brings the consumer to the rythu bazaar.

All age group consumers equally prefer Rythu bazaars. Especially age groups from 18 to 25 and 35 to 45 years prefer rythu bazaars, and as the size of the family increases, the preference towards rythu bazaars is increasing. But as the income levels of the people increase, there is a shift in the demand from rythu bazaar to other supermarkets. And further observations prove that rythu bazaars are rated good for their service, availability of multiple products, quality and better pricing. More than 65% of the respondents opined that the prices are comparatively lower in Rythu bazaars. And it is further observed that Rythu Bazaars have less price variation than street vendors. Comparative data on the accessibility of various markets reveals that the average number of visits to rythu bazaars is comparatively higher than supermarkets and other sources. The average time spent on shopping is also high. Still, the average distance of rythu bazaars is lesser than others. It indicates that Rythu bazaars are more accessible to consumers than any other market. So the number of visits is high. But shopping time is high because it takes much time to locate and buy the product.

CONCLUSIONS

The concept of the rythu bazaar is an excellent step taken by the government of Andhra Pradesh that benefits both consumers and farmers in terms of availability and prices. It is a kind of direct marketing that eliminates mediators and transaction costs and connects farmers with consumers. Consumers benefit from the organised system supported by the government and very few price variations and availability of all varieties of farm fresh vegetables and groceries. Consumers can even buy fruits, flowers, eggs, meat and fish at rythu bazaars.

Rythu bazaars undoubtedly serve lakhs of farmers and consumers with its excellent organisation by government officials. However, there are some complaints in these markets regarding the sellers' violation of the prices fixed on the board, unhygienic conditions, and insufficient parking facilities. These issues are to be appropriately and timely and should be attended to by the officials and strengthen the online facility of price display and control the prices.

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