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Analysis of retailing and competitor scenario of organic Onion, Ginger and Garlic in Hyderabad city of Telangana

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Abstract

Organic Agriculture is a production system that sustains the health of soils, ecosystems, and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. (IFOAM, 2023). There is an increase in consumer awareness about health benefits obtained from the consumption of organic foods and health hazards associated with consuming high levels of pesticide and chemical residue foods. Among the several vegetables, onion is one of the intensively consumed and most important cash-generating crops for farmers and the consumption of ginger is a traditional remedy for many health problems. Similarly, garlic has several medicinal properties which is used for ages. The study was taken to analyse the retailing and competitor scenario of organic onion, ginger and garlic in Hyderabad city. Purposive sampling method was used to select the sample. Total sample size was 60 retailers which include exclusive organic product sellers and retailers. Out of total sample, 41 sample respondents are selling organic produce. The study is Descriptive in nature. Hence, simple descriptive measures like Percentages were used to present the findings of the study.

Keywords: Organic market, retailing scenario, competitor strategies

1. Introduction

The spotlight on safe and healthy food has been gradually increasing, changing the perception regarding organic food and becoming the most preferred choice among several healthy foods. Several other factors like strong economic growth, urbanization, rising income levels and raising consumer expenditure on health and wellness products are aiding in the raising demand for organic agriculture produce. The rise in profits due to greater prices for organic products and favourable initiatives by the government are also other encouraging factors for increased organic farming practices. (TECHSCI, 2016) [8].

The demand of organic food in India is also being catalyzed by the strong support of the government. The Indian government is promoting organic farming by providing financial support to farmers who are adopting organic farming under various government schemes such as Paramparagat Krishi Vikas Yojana (PKVY), Mission for Integrated Development of Horticulture (MIDH), National Food Security Mission (NFSM), National Mission for Sustainable Agriculture (NMSA) and Rashtriya Krishi Vikas Yojana (RKVY). (PIB, 2022) [7]. The Indian Organic food market size reached US\$1,278 Million in 2022 and is expected to reach US\$ 4,602 Million by 2028 exhibiting a CAGR of 23.8% during 2023-2028. (IMARC, 2022) [4].

The main objectives of the study are:

1. To analyse the retailing and competitor's scenario of organic produce (Onion, Ginger and Garlic) in the study area.

2. Material and Methods

The present study was carried out in Hyderabad city of Telangana. Hyderabad was selected as study area as it has number of retail outlets which are involved in selling organic products.

Purposive sampling method was employed to select exclusive organic retailers and retail stores. From five different zones of Hyderabad, six exclusive organic retail stores and six retail stores were selected. Hence, total of 60 sample opinions were collected. Out of total sample responses collected, 41 retailers are into selling of organic produce in the study area. The study is an exploratory and descriptive in nature. Hence simple descriptive measures like percentages and graphical analysis are used to present findings of the study.

Percentage

Percentage is a way of expressing a number as a fraction of 100. It is often represented with the "%" symbol. Percentages are commonly used to compare proportions, ratios, or quantities in various contexts. To calculate a percentage, we typically divide the part we are interested in by the whole (the total or the base), and then multiply the result by 100.

$$\text{Formula} = (\text{Part} / \text{Whole}) * 100$$

Graphical Analysis

Graphical analysis, also known as graphical method, is a visual approach to analyze and interpret the data. It involves using graphs, charts, and other visual representations to understand relationships, trends, patterns, and insights within the data. In graphical analysis, we typically create various types of graphs and charts, such as bar charts, line graphs, scatter plots, pie charts, histograms, and more, depending on the nature of the data.

3. Results and Discussion

3.1. Major Retail organic players in the study area

The study on the current scenario of retailing sector information and specifically major brands involved in the organic food market is very much essential for understanding the existing competition.

Table 1: Major retail players in organic food market

S. No	Retail Player	Products
1	24 Mantra Organic	Staples, Millets, Oils, Spices, Fresh produce, Sweeteners, Beverages, Nuts & Seeds.
2	Terra Greens Organic	Staples, Millets, Spices, Beverages, Nuts & Seeds, Snacks, Cold pressed oils, Sweeteners, Fresh produce.
3	Phalada Pure & Sure	Cereals, Pulses, Cold pressed oils, Hot beverages, snacks, Super foods, Gourmet cooking essentials.
4	Organic Tattva	Cereals, Pulses, Whole & Ground Spices, Masala Blends Oils, Super Foods, Beverages, Dry fruits, Flours.
5	Pro nature	Millets, Flours, Oils, Pulses, Spices & Masala, Dry fruits, Sweeteners, Super foods
6	Nature Land Organics	Millets, Dry fruits, Cereals, Pulses, Pickles, Sweeteners, Oils, Juices, Flours, Seeds.
7	Organic India	Staples, Sweetener, Nuts & Seeds, Oils, Spices, Beverages
8	Conscious Foods	Cereals, Grains, Pulses, Millets, Flours, Spices, Oils, Dry fruits, Super foods.

(Primary Data, 2023)

3.2. Factors influencing in stocking a particular organic brand in the store: The survey regarding factors associated to stock particular brand in the store helps to understand the

factors considered by the retailers while sourcing the product of particular brand.

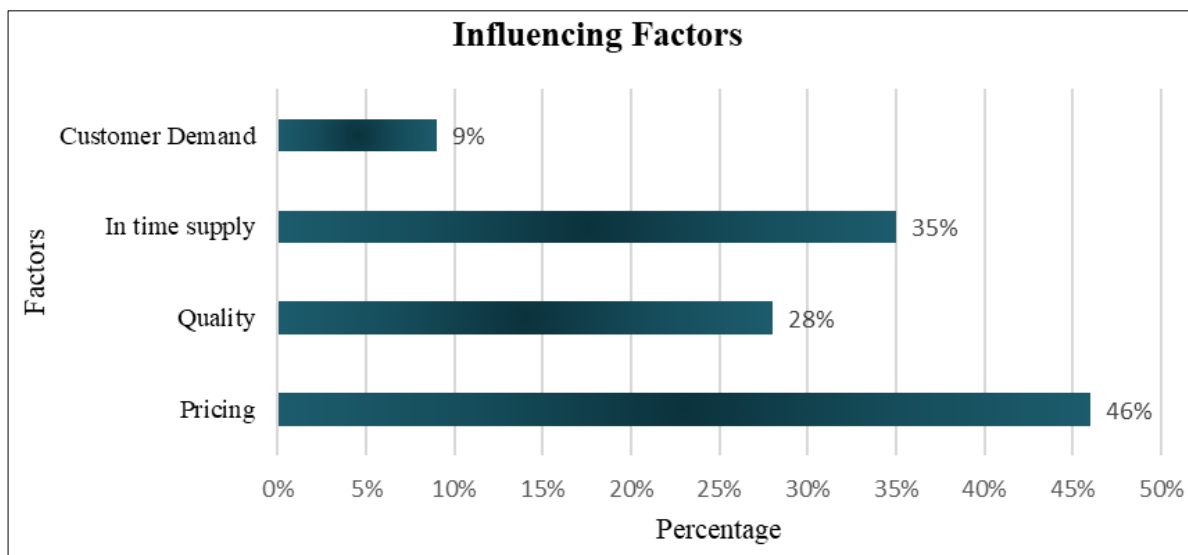


Fig 1: Factors influencing to stock the particular brand in store

3.3. Retailing Formats involved in selling of organic produce

The retail format that supports Hyderabad organic food market is observed and presented in this section. Hyderabad has a large number of retail locations including supermarkets, hypermarkets, farmer markets, exclusive organic stores and online marketplaces where customers may purchase a wide range of organic pulses, fruits, vegetables, cereals, millets, dairy and other products.

Table 2: factors influencing in stocking a particular brand in the store

S. No	Factors	Frequency	Percentage
1	Pricing	19	46
2	Quality	13	28
3	In time supply	16	35
4	Customer Demand	4	9

(Primary Data, 2023).

Table 3: Format of retailing organic produce in Hyderabad

S. No	Retail format	No. of stores
1	Farmer Market	1
2	Exclusive Organic store	29
3	Supermarket	9
4	Hypermarket	1
5	Online	1
	Total	41

(Primary Data, 2023).

3.4. Platforms used by the sample retailers to sell organic produce in Hyderabad

Organic retailers in Hyderabad are using online and offline mode to sell the organic produce. In online mode of selling, they sell through their own website, e-commerce platforms and mobile based app. In offline mode of selling, sales are done through established stores in different areas.

Table 4: Platforms used by retailers to sell organic produce

S. No	Mode of Selling	No of stores	Percentage
1	Only Online	1	3
2	Only Offline	23	56
3	Online and Offline	17	41
	Total	41	100

(Primary Data, 2023).

3.5. Analysis of Pricing and Distribution Channels for Organic Onion, Ginger and Garlic in Hyderabad City

3.5.1. Factors affecting the pricing of organic products

Certified organic products are generally more expensive for a number of reasons (FAO,2023) [3].

- Organic food supply is limited as compared to demand in the market.
- Production costs for organic foods are typically higher because of greater labour inputs per unit of output and because greater diversity of enterprises means economies of scale cannot be achieved.
- Consumer willingness to pay higher price.

3.5.2. Pricing Strategy followed by Competitors:

Understanding about pricing strategy of competitors is important to position products or services effectively in the market, differentiation, strategic planning, risk management. Several factors are considered while developing a pricing strategy for organic products (Acorn organic,2007) [1]:

- Operations, overhead, equipment, depreciation, and marketing costs

- Labor wages
- Profit desired
- Competitors’ production costs and prices
- Demand, customer motivation and priorities
- Brand, image, quality and reputation of products

3.6. Marketing and Promotional activities followed by organic retailers

The Marketing and Promotional strategies are important to increase the competitiveness of the company in the market place, attract and retain more customers and also increase customer loyalty. The different effective promotional strategies include discounts, gifts, loyalty programmes and promotions, customer feedback. (Vyshnivska,2023) [2].

Table 6: Marketing and Promotional activities followed by organic retailers

S. No	Marketing and Promotional activities	No of Stores	Percentage
1	Exhibition Stalls	12	40
2	Social media Promotion	21	70
3	Pamphlets	11	37
4	Brochures	9	30
5	Offers and Discounts	16	53
6	Coupons	9	30
7	Paid Advertisements	13	43
8	Customer Feedback	18	60
9	Awareness Programs	11	37
10	Door Delivery	14	47

(Primary Data,2023).

3.7. Constraints or Challenges faced by retailers in selling organic produce

Higher cost involved in producing organic food, lack of customer awareness regarding consumption of organic food and the health benefits, perishability of organic foods, less availability are some of the constraints involved in selling organic foods. (Sharma,2018) [6].

Table 7: Challenges faced by retailers in selling organic produce

S. No	Challenges	Frequency	Percentage
1	Pricing	21	35
2	Perishability	4	7
3	Lack of Consistent Supply	16	27
4	Lack of Awareness	12	20
5	Certification	9	15

(Primary Data, 2023).

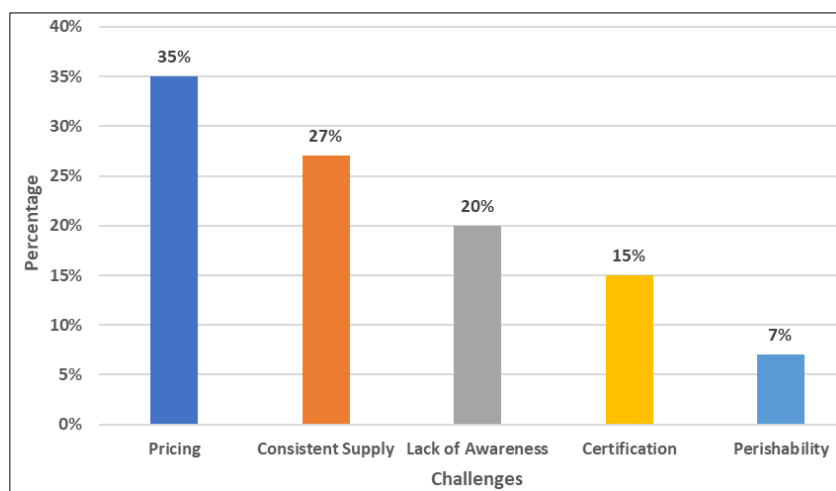


Fig 2: Challenges faced by retailers in selling organic produce

4. Conclusion

- The retail format that supports Hyderabad organic food market which has a large number of retail locations including supermarkets, hypermarkets, farmer markets, exclusive organic stores and online marketplaces where customers purchase a wide range of organic pulses, fruits, vegetables, cereals, millets, dairy and other products.
- The marketing and promotional strategies followed by competitors are exhibition stalls, pamphlets, brochures, offers, social media promotion and conducting awareness programmes.
- The major constraints faced by retailers while selling organic produce are lack of consistent supply, certification of products, lack of awareness, price difference.

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