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## To examine the value proposition of the selected agribusiness models in Telangana state

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### Abstract

Telangana's economy depends heavily on the agricultural sector, which makes a considerable contribution to both overall growth and rural livelihoods. Traditional agribusiness methods have, however, encountered difficulties because of things like varying market conditions, climate change, and resource limitations. In order to better understand how these models contribute to value creation throughout the agricultural value chain, this study examines the growing agri-based business models in the state of Telangana. Telangana, a significant agricultural state in India, has seen a transition from conventional farming methods to more creative and diversified agribusiness strategies. The goal of this study is to look into the emerging agri-based business models that have appeared in Telangana in order to deal with these issues and produce lasting value and how they affect the creation of more valuable economic, social, and environmental consequences. The purpose of the study is to understand how technology based business models have created value and have been successful in agribusiness and to study their application and feasibility in the markets to gain competitive edge. Business model provides information about an organisation's value proposition, target market, the market needs, role that the business products or services will play in meeting those needs. The research perspective aims to study the areas of innovation, change and evolution, and design that are significant for the future development of agribusiness units in Telangana. The study involves the analysis of existing Agri business models in Telangana state.

**Keywords:** Agri based business models, value proposition, business products or services

### 1. Introduction

The term value proposition is thought to have first appeared in a McKinsey and Company industry research paper in 1988, defining it as a clear, simple statement of the benefits, both tangible and intangible, that the company will provide, along with the approximate price it will charge each customer segment for those benefits.

A value proposition refers to the value a company promises to deliver to customers should they choose to buy their product. A value proposition is part of a company's overall marketing strategy. A value proposition can be presented as a business or marketing statement that a company uses to summarize why a consumer should buy a product or use a service. A company's value proposition tells a customer the number one reason why a product or service is best suited for that particular customer. Value propositions can follow different formats, that they are on brand, unique, and specific to the company.

Exploring the value proposition of the selected agribusiness models is done by taking agribusiness units and consumer aspects related to value proposition.

### 2. Materials and Methods

The study requires collection of both primary and secondary data. The primary data intends to collect data with respect to agribusiness models, value proposition and constraints faced by these selected agribusiness models. The study utilises a combination of open ended and closed ended questionnaires to collect data. The questionnaire will be communicated to the respondents through e-mail, telephonic interview or personal interview for data collection to know the business models that the selected units are based on Primary data collection.

The secondary data is collected from the reports published by different institutions and from the official websites of concerned agribusiness units. The secondary data focuses on data pertaining to background of the study.

### 3. Results and Discussions

The Value proposition of the selected Agribusiness models were presented as following.

#### 3.1 Findings related to the agribusiness units

Eleven agribusiness units offer customized product/service and one agribusiness unit offer both standardized and customized product/service. The Unique Selling Proposition (USP) of product/service of four agribusiness units in rural category are in enhanced quality and remaining agribusiness units performs well in areas of affordability, easy to use, cost saving, easy to buy, saving time respectively. The Unique Selling Proposition (USP) of product/service of three agribusiness units in urban category are in cost saving and remaining agribusiness units performs well in areas of affordability, easy to use, saving time, enhanced quality, easy to buy respectively. Four agribusiness units have been provided with standard certification of a product/service, among four, three agribusiness units are provided with FSSAI, 1 agribusiness unit is provided with ISI respectively. Nine agribusiness units are provided with IPRs status for product/service, among nine, 4 agribusiness units are provided with copyright, 1 agribusiness unit is provided with patent, 3 agribusiness units are provided with trademark and 1 agribusiness unit is provided with block chain.

#### 3.2 Findings related to the consumer

58 percent of the respondents belongs to 35-50 years age group. 25 percent of the respondents belongs to less than 35 years followed by 17 percent of the respondents belongs to more than 50 years respectively. 56 percent of the respondents involved in agribusiness units are female and 44 percent of the respondents are male. 45 percent of the respondents are from middle income group followed by 28 percent of the respondents are from high income group followed by 27 percent of the respondents are from low income group. 39 percent of the consumers of the agribusiness units have expressed their own interest in purchasing of product/service followed by 27 percent of the consumers of the agribusiness units felt that their family members influenced them to buy the product/service followed by 18 percent of the consumers felt that they are influenced by sales person followed by 16

percent of the consumers felt that they are influenced by others such as friends, colleagues respectively. 58 percent of the consumers of agribusiness units average money spent in a month for product/service is thousand to five thousand rupees followed by 31 percent of the consumers of agribusiness units average money spent in a month for product/service is five thousand to ten thousand rupees followed by 9 percent of the consumers of agribusiness units average money spent in a month for product/service is more than ten thousand rupees. 55 percent of the consumers of agribusiness units felt that their source of awareness is social media followed by 44 percent of the consumers of agribusiness units felt that their source of awareness is others (relatives, fnds etc) followed by 13 percent of the consumers of agribusiness units felt that their source of awareness is newspaper followed by 6 percent of the consumers of agribusiness units felt that their source of awareness is television followed by 2 percent of the consumers of agribusiness units felt that their source of awareness is school/universities. 53 percent of the consumers duration of usage of product/service of agribusiness units is between six months to one year followed by 31 percent of the consumers duration of usage of product/service of agribusiness units is less than six months followed by 15 percent of the consumers duration of usage of product/service of agribusiness units is one year to two years followed by 1 percent of the consumers duration of usage of product/service of agribusiness units is two to four years respectively. 47 percent of the consumers purchasing frequency is once in three months followed by 28 percent of the consumers purchasing frequency is once in a month followed by 18 percent of the consumers purchasing frequency is once in six months followed by 7 percent of the consumers purchasing frequency is once in three months respectively. 77 percent of the consumers of agribusiness units did not switch to new brand, as they felt the product is affordable and 23 percent of the consumers switched to other agribusiness units because of more price and affordability respectively.

#### 3.3 Value proposition related to Agribusiness units

##### 3.3.1 Analysis of product/service offering by selected agribusiness units

The analysed data represents that among twelve agribusiness units, 11 agribusiness units offer customized product/service, 1 agribusiness unit offer both standardized and customized product/service and none of the agribusiness units in the sample offered standardized category.

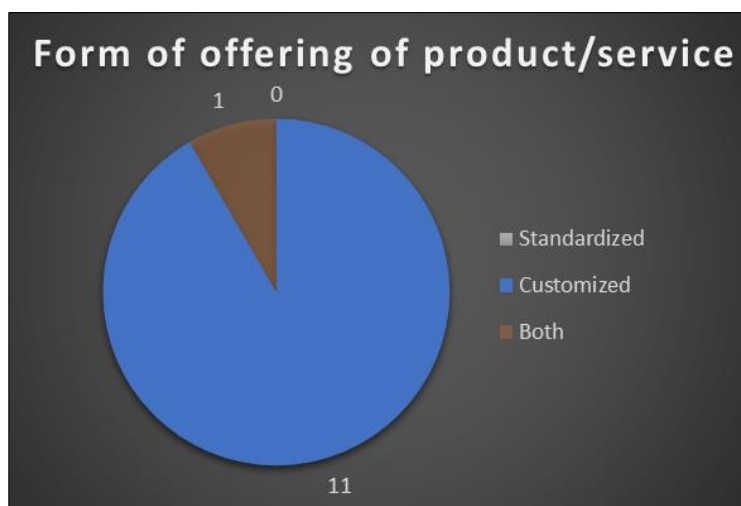


Fig 1: The graphical representation of form of offering of product/service of selected agribusiness units

**3.3.2 Analysis of Unique Selling Proposition (USP) of product/service in comparison with other agribusiness units in rural and urban category**

**3.3.2.1 Analysis of Unique Selling Proposition (USP) of product/service of selected agribusiness units in rural category**

The analysed data revealed that among twelve agribusiness units, the unique selling proposition of 1 agribusiness unit is in the segment of saving customers time, the unique selling

proposition of 1 agribusiness unit is in the segment of easy to buy, the unique selling proposition of 2 agribusiness units are in the segment of cost saving, the unique selling proposition of 2 agribusiness units are in the segment of easy to use, the unique selling proposition of 2 agribusiness units are in the segment of affordability and the unique selling proposition of 4 agribusiness units are in the segment of enhanced quality respectively.



**Fig 2:** The graphical representation of Unique Selling Proposition (USP) of product/service of selected agribusiness units by rural category

**3.3.2.2 Analysis of Unique Selling Proposition (USP) of product/service of selected agribusiness units in urban category**

The analysed data revealed that among twelve agribusiness units, the unique selling proposition of 1 agribusiness unit is in the segment of easy to buy, the unique selling proposition of 2 agribusiness units are in the segment of saving customers

time, the unique selling proposition of 2 agribusiness units are in the segment of enhanced quality, the unique selling proposition of 2 agribusiness units are in the segment of easy to use, the unique selling proposition of 2 agribusiness units are in the segment of affordability, the unique selling proposition of 3 agribusiness units are in the segment of cost saving.



**Fig 3:** The graphical representation of unique selling proposition of product/service of agribusiness units by urban category

**3.3.3 Analysis of Standard certification of a product/service of selected agribusiness units**

The analysed data revealed that the standard certification of a product/service of agribusiness units, among twelve agribusiness units, 4 agribusiness units are provided with a

standard certification of a product/service. Among 4 agribusiness units, 3 agribusiness units are provided with FSSAI, 1 agribusiness unit is provided with ISI and remaining 8 agribusiness units are not having any standard certification.



Fig 4: The graphical representation of standard certification of product/service of selected agribusiness units

**3.3.4 Analysis of Intellectual Property Rights (IPR) status of the selected agribusiness units**

The analysed data revealed that among twelve agribusiness units, 9 agribusiness units are provided with IPRs for a product/service and 3 agribusiness units lack affiliation with

any Intellectual Property Rights (IPR). Among 9 agribusiness units, 4 agribusiness units are provided with Copyright, 1 agribusiness unit is provided with Patent, 3 agribusiness units are provided with Trademark, 1 agribusiness unit is provided with Block chain.

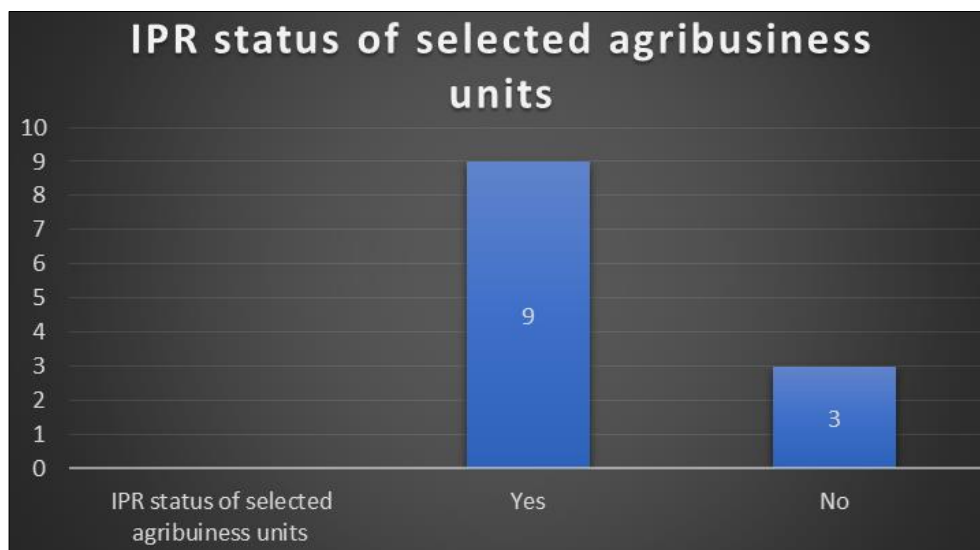


Fig 5: The graphical representation of IPR status of the selected agribusiness units

**3.3.5 Analysis of value proposition using customer research**

Value proposition describes the unique benefits and value that a product or service offers to its target customers. Different types of values such as functional value, monetary value, social value, psychological value. Sources of value are not equally important to all consumers. How important a value is, depends on the consumer and the purchase and value proposition was added by consumer level by the survey which was carried out by respondents of agribusiness units.

**Demographic analysis of customers**

Value proposition is carried out by demographic analysis of consumer level by different categories such as purchase and usage of product/service of agribusiness unit, gender, income group.

**3.3.5 Analysis of age groups of customers using product/service**

The analysed data revealed that respondents were divided into three groups namely young age group (< 35 year), middle age group (35 to 50 years) and old age group (> 50 years) based on their age. Majority of the customers (58%) were belong to middle age (35 to 50 years). 25 percent of the respondents were young and 17 percent belong to old age groups respectively.

**3.3.6 Analysis of gender distribution based on the customer demographics of the selected agribusiness units:**

The analysed data revealed that 56 percent of the respondents in the overall study area are female. 44 percent of the respondents are male.

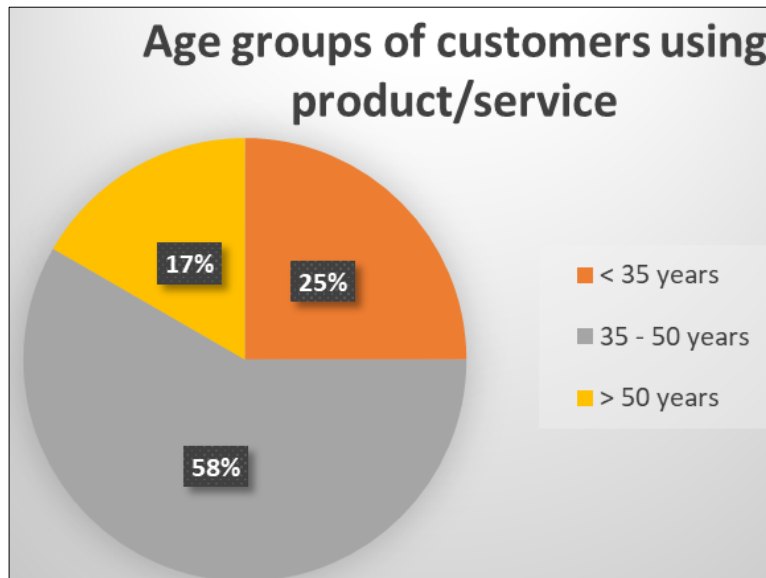


Fig 6: The graphical representation of age groups of customers using product/service of agribusiness units

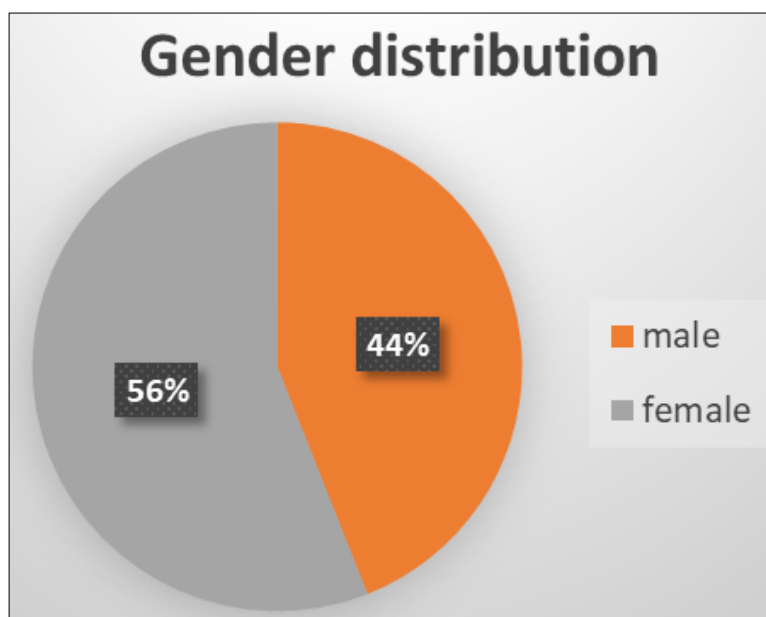


Fig 7: The graphical representation of gender distribution based on the customer demographics of the selected agribusiness unit

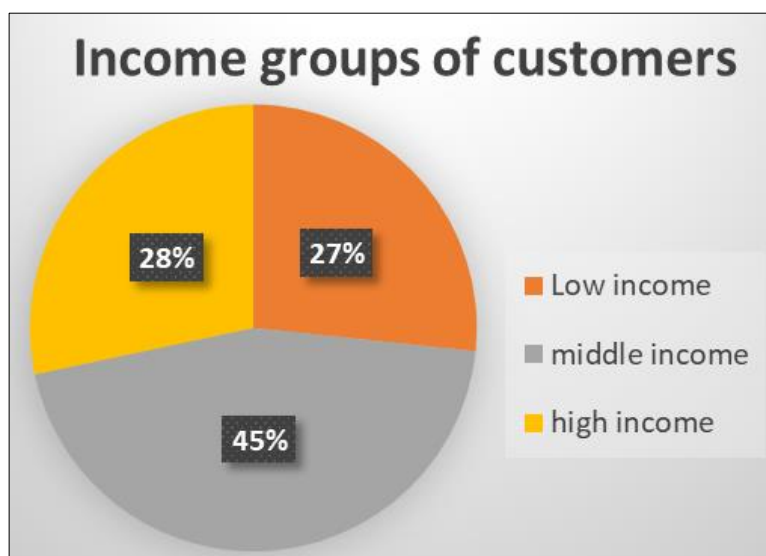


Fig 8: The graphical representation of Income groups of customers base of the selected agribusiness units



**3.3.8 Analysis of Influencing factors for consumer purchase decision:** The analysed data represents that 27 percent of the respondents felt that their family members influenced them to buy the product/service. 39 percent of the

respondents influenced by their own interest, 18 percent of the respondents felt that they are influenced by sales person and 16 percent of the respondents felt that they are influenced by others such as friends, colleagues respectively.

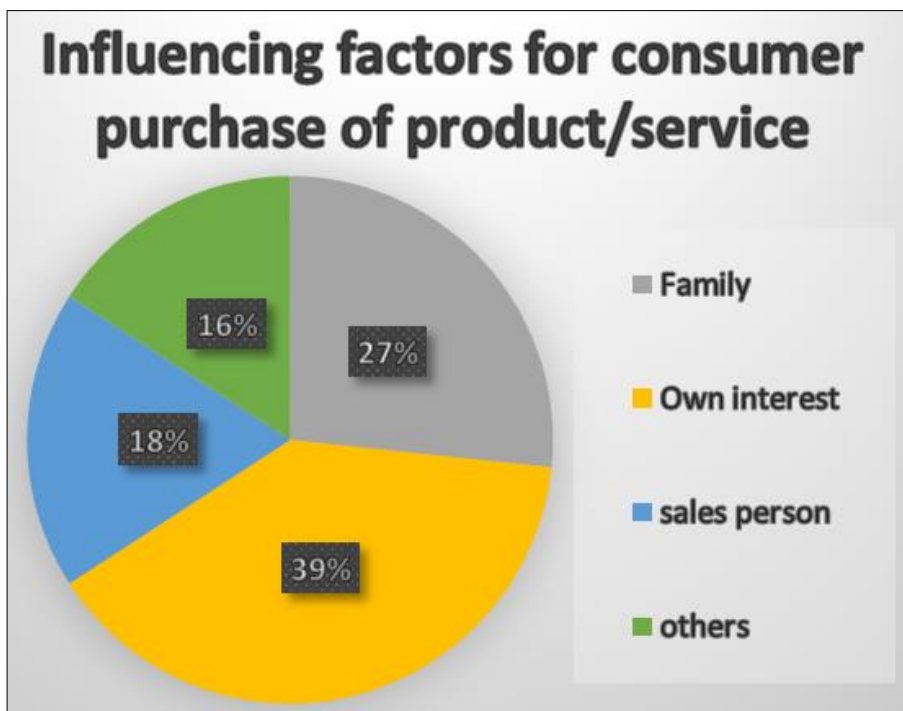


Fig 9: The graphical representation of influencing factors for consumer purchase decision

**3.3.9 Analysis of average money spent by customers on a product/service offered by selected agribusiness units**

The analysed data revealed that < 1000 is the average money spent by customers for 2 percent of the respondents. 1000 to 5000 is the average money spent by customers for 58 percent

of the respondents. 5000 to 10,000 is the average money spent by customers for 31 percent of the respondents and > 10,000 is the average money spent by customers for 9 percent of the respondents respectively.

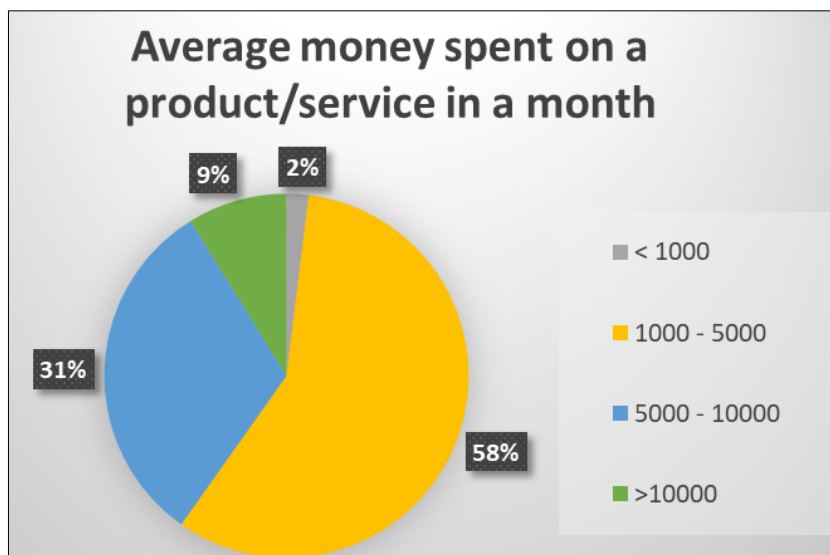


Fig 10: The graphical representation of average money spent on a product/service in a month

**3.3.10 Sources of awareness about the product/service of the selected agribusiness units by customers**

The analysed data revealed that 6 percent of the respondents felt their source of awareness about the product/service of agribusiness unit is television. 2 percent of the respondents felt their source of awareness about product/service of agribusiness unit is school/universities, 13 percent of

respondents felt their source of awareness about product/service of agribusiness unit is newspaper, 55 percent of the respondents felt their source of awareness about the product/service of agribusiness unit is social media and 44 percent of the respondents felt their source of awareness about the product/service of agribusiness unit is others respectively.

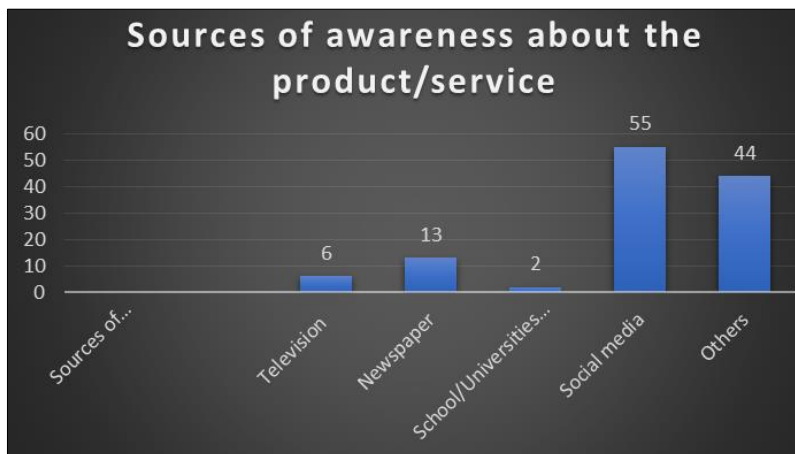


Fig 11: The graphical representation of sources of awareness about the product/service is shown in the figure 3.3.10

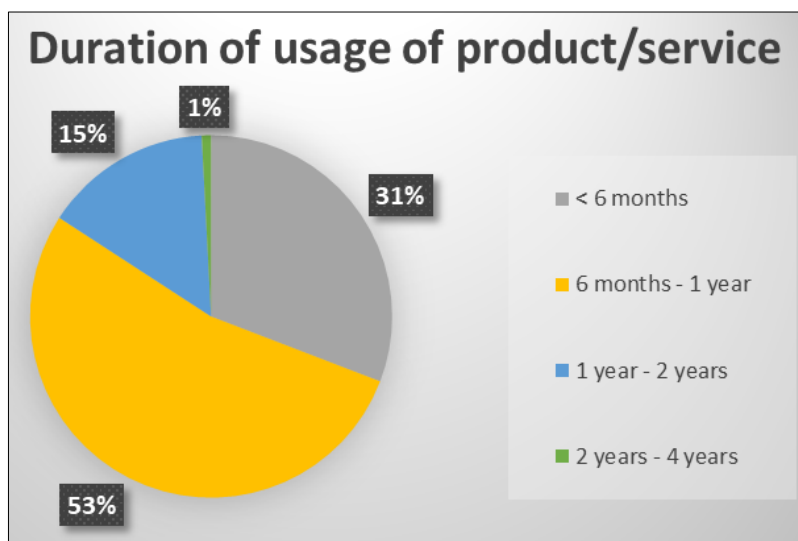


Fig 12: The graphical representation of duration of usage of product/service by customers is shown in the figure 3.3.11

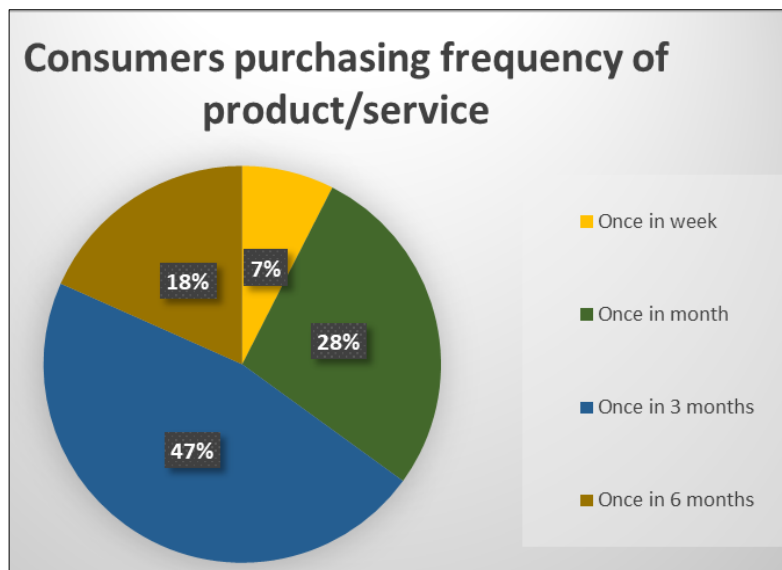


Fig 13: The graphical representation of consumers purchasing frequency of product/service is shown in the figure 3.3.12

**3.3.11 Analysis of duration of usage of product/service by customers**

The analysed data revealed that 31 percent of the respondents used the product/service less than six months, 53 percent of the respondents used the product/service for six months to one year, 15 percent of the respondents used the product/service

for one year to two years and 1 percent of the respondents used the product/service for two to four years respectively.

**3.3.12 Analysis of consumers purchasing frequency of product/service of the selected agribusiness units**

The analysed data revealed that 7 percent of the respondents indicates that consumers purchasing frequency of

product/service from selected agribusiness units is once in a week, 28 percent of the respondents indicates that consumers purchasing frequency of product/service from selected agribusiness units is once in a month, 47 percent of the respondents indicates that consumers purchasing frequency of product/service from selected agribusiness units is once in three months, 18 percent of the respondents indicates that consumers purchasing frequency of product/service from selected agribusiness units is once in six months respectively.

### 3.3.13 Analysis of customers involvement in switching of product/service from one brand to another

The analysed data revealed that 77 percent of the respondents that they did not switch to new brands, as they felt the product/service is affordable. 23 percent of the respondents switched to other agribusiness units because of more price and affordability respectively.

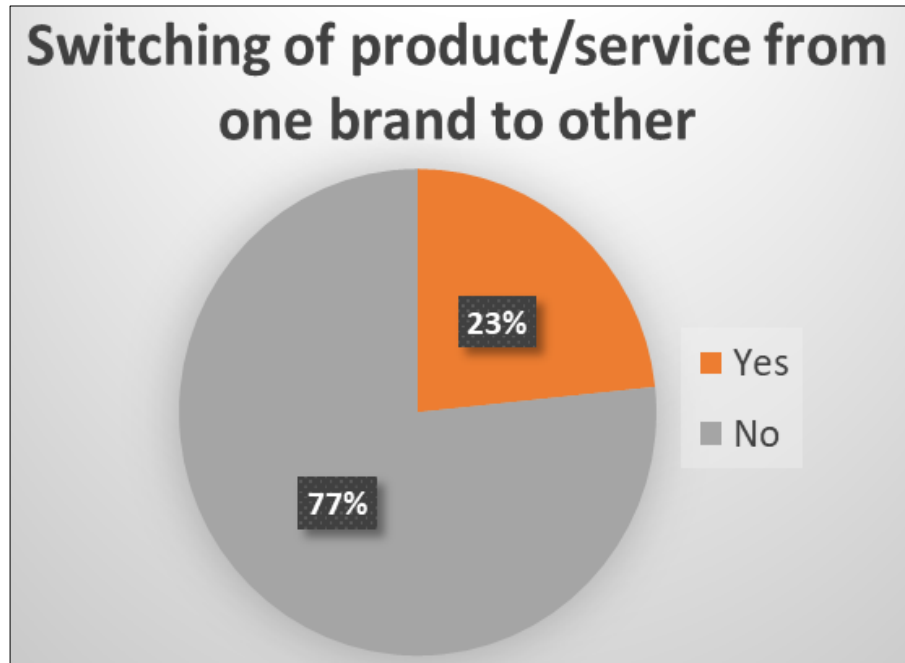


Fig 14: The graphical representation of switching of product/service from one brand to another is shown in the figure 3.3.13

#### 4. Conclusion

Findings suggest that the evolving agri based business models contribute significantly to value creation. Agri business units should have more business incubators to foster the growth of agri based Startups and small and medium enterprises (SMEs) can encourage entrepreneurship and innovation in the agricultural sector, leading to increased value creation and employment opportunities. Investing in skill development programs for farmers and agri-entrepreneurs can enhance their knowledge and capabilities, enabling them to adopt modern practices and technologies 5, which ultimately boosts the value of their product/service. It should focus on institution loans for further development of agribusiness units in need and also for consumers to be sufficient. My opinion is to open more retail outlets to provide good quality of product/service in urban and rural areas that improves the standard of agribusiness units. It should focus more on increasing the providing of product/service to reach everyone and increase the assistance and supervision. Based on the study's findings, it should focus on improving financial inclusion in rural areas, ensuring that farmers and agri-entrepreneurs have access to credit and other financial services to invest in their businesses and adopt new practices.

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