

An Analysis on the Supply Chain and Marketing of Wild Honey Products –with Reference to Coimbatore

*¹Ranga Ram & ²Dr. Joshua Selvakumar

^{*1}Research Scholar, PSG Institute of management, Coimbatore, Tamil Nadu (India)

²Assistant professor, PSG Institute of management, Coimbatore, Tamil Nadu (India)

ARTICLE DETAILS

Article History

Published Online: 07 March 2018

Keywords

Marketing Mix, Supply chain, Attitude, Perception, Wild Honey, Promotion, Consumer Behavior

*Corresponding Author

Email: rangaram11@gmail.com

ABSTRACT

The study is aimed at understanding the marketing mix, supply chain, consumer attitude and preference towards agro products with special reference to wild honey. The core study is to survey and analyze the consumer and the marketer's perception by various parameters. These factors evaluate the attitude and preference of consumers to buy wild honey. Supply chain system of wild honey in Coimbatore was analyzed by focus group interview. A survey was conducted through online and offline to general public in Coimbatore. Results were recorded to understand the nature of respondents. These respondents are people who are conscious about their health and aware of organic products within Coimbatore city. Supply chain roadmap of wild honey is also identified. At the end of the discussed study, the outcomes are studied and interpretations are drawn and suggestions are put forth setting a path for future studies.

INTRODUCTION

In the hills and forest areas of Coimbatore, tribal people who are living by depending on forest products concentrate on Beekeeping activities. There are four species of bees found in India, viz. Apis Cerana, Apis Dorsata, Apis Flora and Trigona. Among these, the highest honey producing species is Apis Dorsata. There are three families of social bees, which produce honey. These are: the Bombidae, Meliponidae and Apidae (Smith, 1960). The Bombidae are found mainly in temperate climates. Their nests are very small, often in the ground and are of no commercial importance except as pollinators of certain plants. The Meliponidae, or stingless bees, occur throughout the tropical regions of the world. Their nesting places may be holes in the ground, in hollow trees or small cavities in walls and on the underside of branches. The family Apidae, to which the honeybee belongs, is indigenous only to Europe, Africa and Asia (FAO, 1986; Crane, 1990). The forests in Coimbatore region are moist deciduous and rich in commercial species. The rosewood, teak, pilla maradu, karuvaghai and vengai are important trees in this forest area, while gallnut, soapnut, shikakai, avaram, konnai bark, honey and bees wax are also collected (Snehlata Nath 2001).

Research and development training programs are taken up by the Central Bee Research and Training Institute, Pune and Khadi and Village Industries Commission (KVIC), Mumbai. The Khadi and Village Industries (KVIC) was established in 1957. KVIC is entrusted with the task of providing financial assistance to persons who are engaged in the development and operations of Khadi and Village Industries and guiding them through the supply of designs, prototypes and other technical information required for bee keeping. The Beekeeping industry comes under the category of Agro and Food industry of KVIC.

KVIC marketing technique of honey products by beekeepers co-operative societies as well as institutions are also marketing honey having established their own processing plants and agmarking facilities. Besides this, the private limited

such as, Dabar, Baidyanath, Charak, Zandu, etc. are also processing and marketing honey through their own marketing outlets (Naresh pal, 2001)

Supply Chain can be understood as a value-creation process, wherein all firms in a chain, link and align, to enhance the value of the chain as a whole. Supply chains are forms of industrial organization which allow buyers and sellers who are separated by time and space to progressively add and accumulate value as products pass from one member of the chain to the next. There are 14 factors to be considered while selling bee products including honey like Sorting, Packaging, Storing, processing, Transporting and Costing Martin Hilmi (2010).

LITERATURE REVIEW

Marketing Mix is the blend of twelve controllable marketing component later labelled the 4Ps of marketing product, price, place, and promotion (McCarthy EJ, 1964). Marketing mix can be called "a set of tools intervention in the market" (Horovitz J, 2003). The wide acceptance of the Mix among field marketers is their being identified as the controllable parameters likely to influence the consumer buying process and decisions (Kotler P, Armstrong GM, 2010)

The term "marketing mix" became popularized after Neil H. Borden published his 1964 article, The Concept of the Marketing Mix. Borden began using the term in his teaching in the late 1940's after James Culliton had described the marketing manager as a "mixer of ingredients". The ingredients in Borden's marketing mix included product planning, pricing, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact finding and analysis. E. Jerome McCarthy later grouped these ingredients into the four categories that today are known as the 4 P's of marketing. Product perspectives: Product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or

need (Kotler, 2002) Mitra, K., (2009), analyzed various factors contributing to competition in Indian Telecom Industry. Promotion Perspectives: According to Alvarez and Casielles (2005), promotion is a set of stimuli that are offered sporadically, and it reinforces publicity actions to promote the purchasing of a certain product. Huber et.al. (2001), Henning-Thurau et al. (2002), Wong and Zhou (2006), Avlonitis and Indounas (2006), Consuegra, Molina Impacts of Marketing Mix and Customer Perception on Brand Loyalty 623 and Banyte, Salickaite, (2008), Tamosiuniene and Jasilioniene (2007) a Price perspectives: According to Kotler and price is one the important factor which plays a vital role in brand switching, price is that amount which consumer pays for any product or service, while purchasing or using of that product or service. Place perspectives: Distribution channels are primarily set up to perform a set of essential economic functions in society, bridging the gap between production and consumption. The distributor's key function is to provide the right product to the customer when and where it is needed.

Amy Poh Ai Ling, 2006 in his study explained marketing mix is the lens through which the contemporary customer perceives value in retail stores on 4Ps is examined. From the model, we analyze what is the best practice among the four elements derived from a consumer preference and attitude

Bagie Sherchand (2009) in his book explained that this study was to develop a pragmatic and commercially viable marketing strategy that can increase market pulls and enable producers and processors to gain from enterprise, while contributing to the growth of the sector. Strategy include the peer group interview, focus group interview and survey to general consumer of organic foods.

A consumer's buying behaviour is mostly influenced by cultural, social, personal and psychological factors. To understand the complex behaviour of the consumer these uncontrollable factors has to be considered by marketers. Solomon defined consumer behaviour as the study "of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires" (Solomon MR, 1995)

Consumer behaviour research is the scientific study of the processes consumers use to select, secure, use and dispose of products and services that satisfy their needs. Firms can satisfy those needs only to the extent they understand their customers. The main objective of this paper is to study the demographic differences in consumers' buying behaviour of persons living in Madhya Pradesh and when they buy FMCG products. To attain this objective a survey was developed and administered across some part of Madhya Pradesh. The findings confirm the factors influencing consumer buying behaviour for tooth paste brands available in the market

There are two factors mainly influencing the consumers for decision making: Risk aversion and innovativeness. Risk aversion is a measure of how much consumers need to be certain and sure of what they are purchasing (Donthu N, Gilliland DI, 1996). The innovativeness, is a global measure which captures the degree to which consumers are willing to take chances and experiment with new ways of doing things.

Maggie Kisaka-Lwayo and Ajuruchukwu Obi (2012) in their study of "Consumer preference and consumption of organic products in the eastern cape province of South Africa" explained that food purchasing is an important expression of

food habits. It examines the factors associated with a household's decision to purchase organic food products because such information is not yet available for the study area despite anecdotal evidence of the growing importance of organic products in the country. Consumers considered organic products healthier and more nutritious with better appearance and taste, affordability and safety. It suggests that gender, education, employment, location, price and the person responsible for shopping are important factors in consumer awareness and choice of organic products.

C. Ganesh Kumar, M. Pachayappan, G. Madanmohan (2017) in their study "Agri-food Supply Chain Management" has identified gaps to be explored about agricultural supply chain management (SCM) practices which may be used by researchers to enrich theory construction and practitioners may concentrate on establishing the extent and frontiers of agri-food SCM. They performed content analysis and descriptive analysis.

NEED FOR THE STUDY

Most of the people prefer consuming commercial honey rather than wild honey. It is difficult to understand what attracts consumer to buy commercial honey in spite of its artificial characteristics. Production of wild honey in large quantity is a tedious process. In spite of having many medicinal value wild honey doesn't feature in the top selling categories compared to other branded honey. This raises the questions on the factors overriding wild honey market. Nowadays people are more conscious about their health and food they consume. We know that demand for organic products consumption is growing day by day. This calls for greater productivity, quality and supply of organic products like Wild honey. Efficient application of marketing mix elements for increasing the productivity and brand awareness of wild honey product is a challenge that needs to be addressed.

SCOPE

This study focus on the existing marketing methods and supply chain operation of wild honey in Coimbatore. This paper also concentrate on consumer attitude and preference towards wild honey. Honey product cycle starts from beekeepers or honey hunters then to processing, packaging and promotion. Research is pivoted to distribution channels and consumer interest towards organic product especially wild honey. Geographic location is also constraint to Coimbatore region of India.

OBJECTIVE

After carefully examining the literature on past studies the following objectives have been stated for study

- ✓ To understand the consumer attitude & preference towards wild honey
- ✓ To find out the promotional method that attract consumer to buy and marketers to trade
- ✓ To draw the supply chain operation path for wild honey
- ✓ To understand the reason and preference of marketers in promoting wild honey

RESEARCH METHODOLOGY

The study adopts a descriptive research design where it describe the characteristics of a population are studied. The survey instrument was developed after focus group discussion with producers, suppliers, marketers of wild honey. A sample design consists of Sample method and Estimator. The sample method implemented is Purposive or Judgmental Sampling for consumer and random sampling for marketers. The variable for studying the consumer and marketers perspective where extracted after careful study of the literature for the preparation of survey instrument. As for supplier, focus group study carried out by interviewing the wholesale suppliers.

Respondents for this study are people who are more conscious about organic product like natural honey. The sample size is 152 which has been arrived at through power analysis on G power 3 software. The study has used both primary and secondary data for collection of facts.

RESULTS AND DISCUSSION

Understanding the consumer attitude and preference towards wild honey

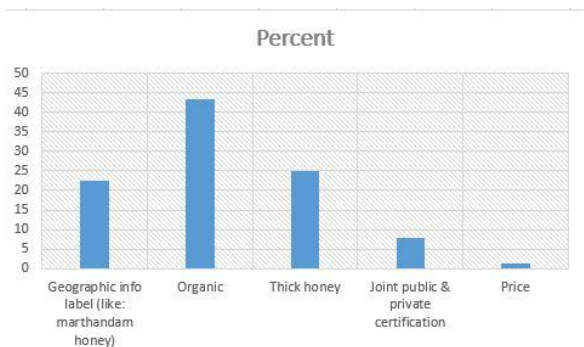


Figure 1: Consumer Preference While Buying Wild Honey

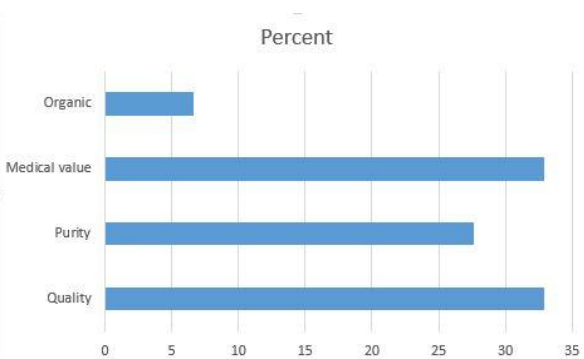


Figure 2: Wild Honey Advantage over Commercial Honey

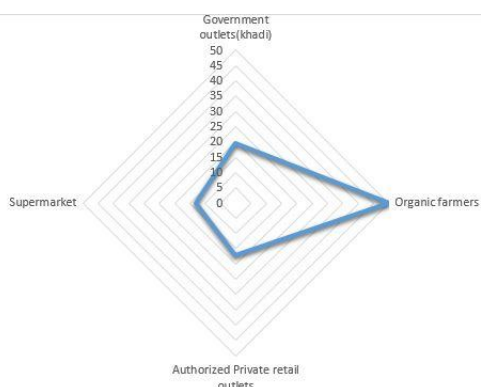


Figure 3: Consumer Preferred Outlet to Buy Wild Honey

Above Figure 1 shows preference which influences the consumer to buy wild honey. Organic is the key term that attracts consumer to buy wild products. Figure 2 shows factor that consumer think of wild honey as advantage over commercial honey. Consumers prefer Wild honey for its Quality and medicinal values. Figure 3 Shows consumer preferred outlet. Coimbatore population prefers to buy organic foods especially wild honey from the organic farmers and followed by government outlet like khadi.

The Promotional methods that attracts consumer to buy and marketers to trade



Figure 4: Factors That Attract Consumer to Buy Commercial honey

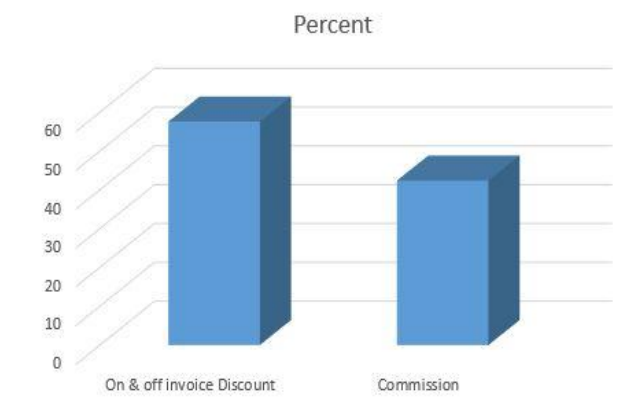


Figure 5: Methods That Attract Marketers to Buy Wild Honey

In market, commercial honey are selling more than wild honey reason(Figure5) behind that is identified through survey from marketers perspective. Packaging & labelling of the commercial honey attracts the consumer more to buy the products is the identified inference. Which factors will attract traders to keep stock of wild honey is analysed and results are shown in Figure 5

Supply chain process was mapped during physical intervention and observation on the field at various places of Coimbatore district in Tamilnadu.

Four independent supply chain process is identified and recorded in Coimbatore. Supply chain process flow chart is given below



It starts with the producer in the forest of aanaikatti to consumer a direct method of selling. People of aanaikatti and surrounding Western Ghats tribal people are involved in production and collection process of wild honey. Table shown below are the tribal population in that region.

Table 1.1 Tribal population of Coimbatore

TRIBES	POPULATION
Sholagars	4,827
Paniyas	6,393
Mudughas (mainly in Kerala)	11,213
Kattunaickens	26,383
Iralas (state total)	1,05,757
Kurumbas	4,354

Source: Census of India, 1981

Between producer and consumer enters the Intermediaries like local retailers into the supply chain process. Government taking initiatives to produce and market wild honey is also seen in this geographic location of study. Initiatives comprise of providing equipment for beekeeping, bottling, labelling &

marketing through their government owned intermediaries (khadicraft)

Consumer survey was taken on Quality and labelling preference among consumer is shown in below table

H1: Product labelling is an important claims for product superiority, quality, price and content

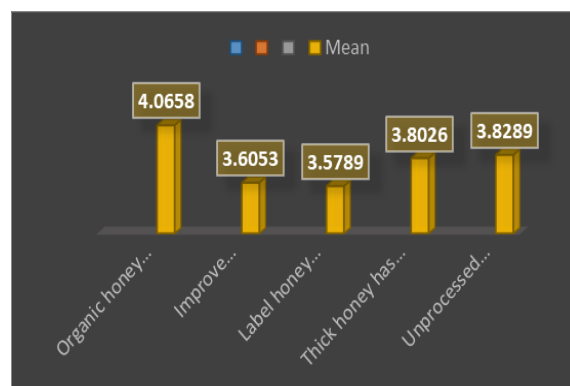


Figure 7 Bar graph representation of Quality and Labelling preference among consumers

Table 1.1 Quality and Labelling preference among consumers

Quality and Labelling preference among consumers							
Statement	N	Min	Max	Mean	t	Sig. (2-tailed)	Rank
Organic honey is more superior	152	1	5	4.0658	49.106	0	i
Improve labelling for food safety	152	1	5	3.6053	38.212	0	iv
Label honey with origin and floral source	152	1	5	3.5789	37.865	0	v
Thick honey has better quality than loose honey	152	1	5	3.8026	39.937	0	ii
Unprocessed honey is better than processed one	152	1	5	3.8289	37.324	0	iii

As we can see from the above diagram, among the five already mentioned preference characteristics, the high ratings attracts the respondents most. The mean value is found to be 4.06 and attracted towards organic honey. The second position with mean of 3.82, processing method as a preference perspective. The third position as far as the preference of the respondents is quality and its mean value is 3.80. Fourth position is found to have mean of 3.60 and preference related to labelling of wild honey products. Finally the respondents are least attracted towards labelling with specific details.

To understand the reason and preference of marketers in promoting wild honey

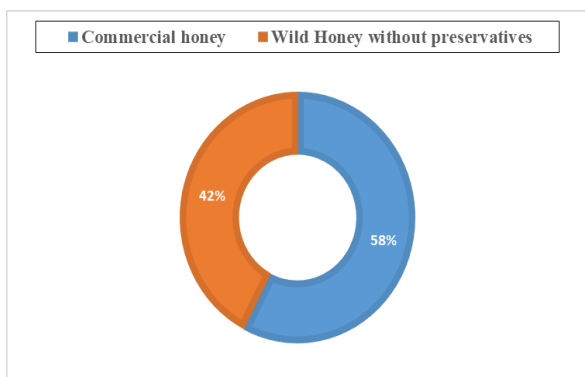


Figure 8 Preference of Wild Honey Marketers Sell

58% of Marketers prefer to sell commercial honey because of its awareness and packaging than wild honey products.

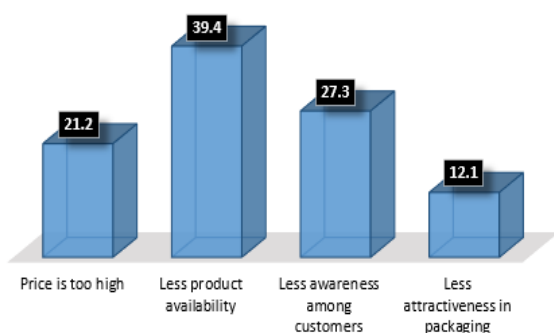


Figure 9. Various Factors Prevent Marketers to Buy & Sell Wild Honey

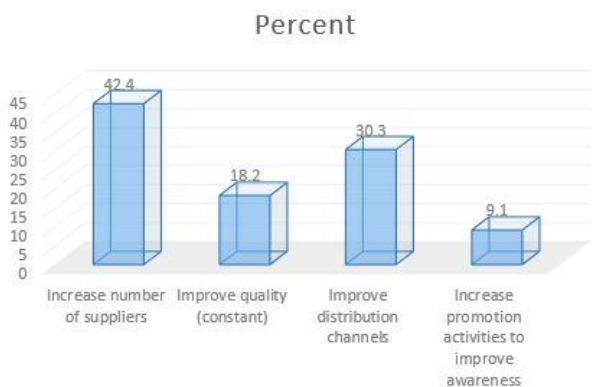


Figure 10. Factors That Can Improve Selling Of Wild Honey from Marketers Perspective

Marketers are less motivated to trade wild honey because of their limited supply and lack of brand awareness among consumers. In spite of that they are willing to sell because of its medicinal values and general demand of natural food products. They are willing to buy wild honey if the number of suppliers and distribution channels are increased along with their promotional activity.

MAJOR FINDINGS

- Organic is the key word that pulls people to buy wild honey products irrespective of their gender and annual income
- Most of the consumers prefer to buy wild honey from organic honey producer (direct sellers). Which implies that Coimbatore region people are more health conscious while buying any food products especially wild honey.
- It is identified that buying behaviour is influenced by the product availability in the market. Wild honey is not commonly available to consumers in Coimbatore. Most of them prefer to buy wild honey from specific organic product marketing store. This shows that willingness of consumer to purchase wild honey is high but their availability is the constraint to achieve sales volume.
- Marketers are not ready to risk in investing on organic products because of their inconsistent availability. Alternatively commercial honey products are selling on high volume because of their efficient distribution network and extension promotional activities.
- Natural honey is marketed and distributed by government through their exclusively owned and funded networks.
- Current promotional methods adopted by the government is not adequate to motivate wild honey producers. Poor packaging and inefficient trade promotional offers restrict marketers from stocking wild honey products.

CONCLUSION

This study inferred that Corporate and government should increase their initiatives to encourage bee keeping activity which in turn will increase the wild honey supply. Though there is a preference by consumers towards wild honey, there seems to be lack of awareness on the brands and outlets to procure these products. Retail and distribution network for wild honey has to be strengthened through trade promotion. Improved packaging, labelling and branding of wild honey appears to take centre stage while competing with commercial players. On the whole the finding of this study which spreads out into the area of purchase behaviour, marketing mix and supply chain when executed correctly will also pave way for rural employment and open avenue in the micro and cottage industry in the state.

REFERENCES

- [1] Alvarez, Begoña Alvarez and Casielles, Rodolfo Vázquez (2005), "Consumer Evaluations of Sales Promotion: The Effect on Brand Choice", *European Journal of Marketing*, Vol. 39, No. ½, pp. 54-70
- [2] Amy Poh Ai Ling, "The impact of marketing mix on customer satisfaction: A case study deriving consensus rankings from benchmarking," National University of Malaysia, Bangi, 2007.
- [3] Avlonitis, G. J.; Indounas K. A. (2006). Pricing Practices of Service Organizations. *Journal of Services Marketing*, 20(5), 346-356
- [4] Banyte, J., & Salickaite, R. (2008). Successful diffusion and adoption of innovation as a means to increase competitiveness of enterprises. *Inzinerine Ekonomika-Engineering Economics*(1), 48-56
- [5] Crane, "The world's beekeeping - past and present," Dadant and Sons (ed.), *The Hive and the Honey Bee*. Dadant and Sons, Inc, Hamilton, Illinois, U.S.A. , E. 1976.
- [6] Donthu N, Gilliland DI, "The infomercial shopper," *Journal of advertising Research*, 1996, p.36.
- [7] Ganeshkumar.C, M. Pachayappan, G. Madanmohan, "Agri-Food Supply Chain Management: Literature Review", *Intelligent Information Management*, 2017, Vol-9, pg-68-96.
- [8] Henning-Thurau, T.; Gwinner, K. P.; Gremler, D. D. (2002). Understanding Relationship Marketing Outcomes: an Integration of Relational benefits and Relationship Quality. *Journal of Service Research*, 4 (3), 230-47
- [9] Horovitz J,"Seven secrets of service strategy," "Translate to Persian by Abdolreza Rezaeinejad, Publisher of Rasa. Tehran, Iran, 2003
- [10] Huber, F., Herrmann, A. & Wricke, M. (2001). Customer Satisfaction as an Antecedent of Price Acceptance: Results of an Empirical Study. *Journal of Product & Brand Management*, 10(3), 160-9
- [11] Kotler P, Armstrong GM, "Principles of Marketing," Prentice-Hall International Series in marketing, 2010.
- [12] Kotler, P., Roberto, N., & Lee, N. (2002). *Social marketing: Improving the quality of life* (2nd Ed.). Thousand Oaks, CA: Sage Publications
- [13] Maggie Kisaka-Iwayo and Ajuruchukwu Obi, "consumer preference and consumption of organic products in the eastern cape province of south africa," 2006
- [14] Martin Hilmi, "The Marketing of bee products,"Italy, December 2005.
- [15] Mc Carthy EJ. *Basic Marketing*. IL: Richard D. Irwin; 1964
- [16] Mitra, K. (2009, 12 11). Zero Phone tariffs anyone? *Business Today*
- [17] Naresh pal and Daisy Thomas, "Role of KVIC in Beekeeping and Rural Development in India", pg 3-8, November 2001.
- [18] Smith, F.G, "Beekeeping in the Tropics," John Wiley and Sons Inc,New York, U.S.A, pp.8-16,1960.
- [19] Snehlata Nath, Pratim Roy, Mathew John, Robert Leo, "Honey hunters and beekeepers of tamilnadu," Keystone Foundation with financial assistance from Hill Area Development Programme (HADP), pp.16-22.December 2001.
- [20] Solomon MR, "Consumer Behaviour," 3rd Ed, Prentice Hall, 1995.
- [21] Tamosiuniene, R., & Jasilioniene, R. (2007). Customer relationship management as business strategy appliance: Theoretical and practical dimensions. *Journal of Business Economics and Management*, 8(1), 69-78.
- [22] Wong, A.; & Zhou, L. (2006). Determinants and Outcomes of Relationship Quality: a Conceptual Model and Empirical Investigation. *Journal of International Consumer Marketing*, 18(3), 81-96