

# **SOUTH ASIAN JOURNAL OF MANAGEMENT RESEARCH (SAJMR)**

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## Editorial Note

In the last two decades India has experienced number of changes in the business and industrial environment. The New Reforms of 1991 has been able to provide a dynamic business environment that was lacking in the first five decades after independents. Accordingly new and hitherto unobserved business opportunities have emerged for budding entrepreneurs. The traditional and conventional business lines have taken a back seat. Sum of these emerging areas of business are outsourcing, consultancy, hospitality, tourism and others.

The Food Technology, Management and Food Services Sector also are under this important emerging area. Late Prof. Dr. A. D. Shinde, The Founder Director of CSIBER Trust, realized the importance of this field way back in early eighties. To realize his dream he started the College of Non-Conventional and Vocational Courses for Women (CNCVCW) at Kolhapur. He introduced innovative courses especially for women. These courses are skill oriented and help the women to find suitable placement in Food, Fashion and Interior Designing fields. At the same time they are equipped and trained to start their own business and become a source of employment for others in the society.

As a part of the academic responsibility and make the stakeholders aware about the recent trends in the three sectors, the college regularly conducts seminars, workshops and conferences. This year the college conducted a National level conference on the Recent Trends in Food Technology and Management on 28<sup>th</sup> and 29<sup>th</sup> March 2014. The conference received overwhelming response. There were almost 35 participants from different parts of the country presenting their research papers on different sub themes of the conference. In the poster presentation category there were almost 15 participants displaying their ideas and innovations in the area of Food and Management.

The topics covered in the papers submitted for the conference dealt with innovations in Food Processing industry, Bio technological aspects, Legal environment for food industry and the management trends in the sector. The national conference was able to attract good research papers on different themes from participants hailing from various states of our country. In the present issue we publish selected research papers of the conference. These papers will serve as an academic input for all those scholars interested in this specialized and emerging area.

**Dr. T. V. G. Sarma**

Editor



# Marketing Management in Food Industry : A Case Study of Jaggery Marketing

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**Abstract :** Jaggery is the symbol of Indian 'Pahunchar'. The Kolhapur is the pioneer district in Maharashtra states in manufacturing and marketing of jaggery in India. Jaggery can use for Chiramura ladu, Shira, Poli, Modak, Chikkee, Aurvedic products and GIFT ITEMS. The marketing problems have observed like seasonal production, lack of branding, lack of awareness etc. These units should be rural tourist centers. Jaggery can be used for different value added products. Through jaggery business one can do "Gram Vikas" by local resources and Mahatma Gandhi's rural India will be come into existence. Jaggery should be introduced to the school going students as a "Madhayan Bhojan Yojana".

**Key words:** Jaggery, Pahunchar, Aurvedic, By products, Eco tourism, Gram Vikas, Madhayan Bhojan Yojana.

## 1.0 INTRODUCTION:

Jaggery is the symbol of Indian 'Pahunchar' (hospitality) and consumption of jaggery is the birth right of Indian people. In our Vedas and Upnishadaja, references of consumption of jaggery are found. The Maharashtra state is one of the pioneer states in manufacturing and marketing of jaggery in India and Kolhapur district too. One of the important small scale agro based industries is jaggery industry in Kolhapur and Maharashtra. This industry is helpful for employment generation through manufacturing process & marketing activities. At international level jaggery is a widely consumed & demanded product at present so; the local, national and international customers become habitual to consume jaggery.

Jaggery is the food of common man. It is used by the poor as well as the rich people from all age group. It is one of the energy foods available in low cost. It is used as an Ayurvedic Medicine with various purposes. Jaggery, also

known as gur, has a mineral content of approximately 60 times that of refined white sugar. One teaspoon of jaggery contains approximately 4-5 mg calcium, 2-3 mg phosphorus, 8 mg magnesium, 48 mg potassium, 0.5 mg iron, as well as zinc, copper etc. Jaggery is light brown in color with flavor which is truly superior to white sugar.

## 2.0 SIGNIFICANCE OF THE STUDY:

The study has vast importance in the present scenario. Jaggery is the herbal eatable in India as well as at international level. The production and marketing of jaggery is helpful for employment generation at local, national and at international levels. At present, about 1150 jaggery manufacturing units (licensed and non licensed) are working in Kolhapur district of Maharashtra. These units has produced about 12,54,659 quintals with turnover of Rs. 350 cr. in 2013 -14 in the district. This study will help to the manufacturers, traders and consumers of the jaggery.

### 3.0 OBJECTIVES OF THE STUDY:

To study, jaggery marketing and find out applied and practical suggestions for jaggery marketing.1.

### 4.0 METHODOLOGY:

Primary and secondary data collection methods were used for this research. Stratified cluster sample respondents have interviewed for data collection. The 110 sample respondents have covered on the basis of age, gender, financial position, habits, purchasing decision, familiar status, residential location, life style, occupation, etc. Jaggery consumers have interviewed with the help of pretested questionnaire in the selected sample area. Close-ended 30 questions were asked to jaggery consumers for data collection. Survey, observation, discussion, field visit etc. methods were used for data collection.

### 5.0 JAGGERY MARKETING:

Kolhapur district is known as "Dakshin Kashi" due to the famous temple of Mahalaxmi. The Mahalaxmi temple is believed to have been built over a thousand years ago during the Chalukyas rule in the 7<sup>th</sup> century A.D and represents the best Hindu architectural model of its kind. It also indicates that the city was the center of learning art and culture. Kolhapur district, at the tail end of Maharashtra state, borders on Belgaum district of Karnataka State; but geographically, it is a part of Sahyadri hill ranges.

Kolhapur district has 1150 total jaggery manufacturing working units, of which majority

units are in Karveer and Shahuwadi talukas in Kolhapur district. From India about 3000 to 4000 tones of jaggery has exported to America, Canada, England, Pakistan, Saudi - Arabia, Shrilanka etc. countries out of which majority jaggery export from Kolhapur district as a "Kolhapur Gur".

The jaggery sellers in market yard, Kolhapur are working last 40-60 years in this business. Majority of the traders are from second generation who are dealing with this business. Another notable factor is found that majority of the jaggery traders are completed their 7<sup>th</sup> - 10<sup>th</sup> standard of education. It means that majority of the jaggery traders (Adatyas) are less educated. The traders are doing lakhs of rupees turnover in six days of a week. They are coming daily 9.00 a. m. to 1.00 p.m. for jaggery selling by way of auction sale. The farmers are bringing jaggery from their manufacturing centre to market yard at specific trader (Adatya) at early morning. The Adatya's are starting auction between 9.00 a.m. to 1.00 p. m. in front of 'Market Committee Members'. The jaggery sale is by auction and the highest price offering bidder is eligible to get jaggery through this auction. It is an open auction method. At present daily 40-50 jaggery purchasers are coming to purchase jaggery in Market Yard. The 80% of the jaggery purchasers are from Gujarat state. Only 20% jaggery purchasers are from local market. The majority of Gujarati purchasers are coming because in the Gujarat, 10-15 kg jaggery has been consuming per family per year i.e. 2-3 kg per person and it is a considerable volume of jaggery consumption in Gujarat state.

In India on an average 18 kg of sugar has consumed per person per year. It means that an average consumption of sugar per person per month is 1.5 kg and it is very low. In this context jaggery consumption per person per year or per month is negligible i.e. 'O' (zero). We are consuming jaggery in urban area for only traditional festival and in rural area only poor and below poverty line (BPL) persons (source by observation). Considering this situation it can be concluded that per person per year jaggery consumption is very low, that's why jaggery marketing become difficult. One more thing has observed by the researcher that the almost all jaggery producers have been consuming 2 to 3 kg jaggery per month i.e. 25 to 36 kg per year. Another point is noted here that the majority of the jaggery manufacturers and workers in the jaggery manufacturing units are consuming jaggery only (except some exceptions) (source: discussion with concern persons). Under such circumstances increasing sales of jaggery is very difficult and this is one of the obstacles in the jaggery marketing. It is suggested that government should supported and motivated the jaggery consumption and develop the jaggery consumption habit among the rural and urban area people. One should develop branded jaggery like "Mangala" brand developed by Shri Gopalrao Manaku Patil, Hiravade – Khalasa, farmer, "Shahu Gur" by Shahu Gur Kharadi – Vikari Sangh, "Natural Jaggery", by Kaneri Math, etc. which are helping for easy marketing of jaggery.

It is observed in last two years in two seasons of the jaggery marketing the price of the

jaggery per kg. is between Rs. 25 to 28 in the market yard on wholesale basis and at the same time in the retail market the price of jaggery per kg. is between Rs. 50 to 70. The farmers are really doing hard work about 12 to 15 months for sugar cane plantation, development, cultivation, harvesting and jaggery production and after that they are getting very less amount of return from sale of jaggery in the market. The jaggery producers don't have any choice to sell their produced jaggery except market yard auction sale. The jaggery manufacturing is about October to April and consumption is through out year. On the basis of quality, colour, size, test, sweetness and hardness of jaggery, gradation has takes place. In market yard for selling of jaggery 7-8 shops lines are established. In these traders' shop once in a week auction has organized. In a selling process first step auction, second step is weighing, third step is billing and forth step is receiving the payment of sold jaggery. Generally 15 to 30 days credit is offered by the Adatyas to the purchasers of jaggery and at fifth step the Adatya is making payment to the farmer (jaggery producer) and it is called as the farmer got 'Patti'. In "Patti" process there is an exploitation of the jaggery manufacturers.

Jaggery can be used for prepare sweets like Gur Poli, Puran Poli, Shengadane Poli, Til Vadi, Khobara Vadi, Chirmoora Ladoo, Halava, Modak, Panha, Kheer and Sweets etc. In India, people often prepare sweets with jaggery. Particularly for naivedyam, jaggery sweets are preferred to sugar sweets. India is a full of culture and festivals....like Chaitra - Chaitra

padava, Ram-navami, Hanuman Jayanti, Vaishak- Mango, Shankaracharya Jayanti, Jest - Dan, Donation, Ashad- Ekadashi, Shravan- King of festivals, Bhaddrapada- Ganapati, Ashwin- Vijayadashami, Kartik- Diwali, Margshirsha- Datta jayanti, Pousha- Makar sankrantra, Magha- Ramadas Navami, Falgun- Holi etc. festivals cooking preparation jaggery

is used as a sweet. Jaggery can be provided or served as the PRASAD of the Mahalaxmi to the devotees.

By products can be produced like bottled concentrated sugarcane juice, modak, grannuls, powder, kakavi etc.

## 6.0 DATA ANALYSIS AND INTERPRETATION

**Table No. 1 Shape of Jaggery**

Sr. No.	Particulars	Respondents	Percentage
1	Modak	24	12
2	Square	46	24
3	Traditional Shape	90	46
4	Granules	12	6
5	Powder Form	24	12
6	Total	196	100

*(One respondent gave more number of responses so, total is 196)*

Table No. 1 shows that the shape of the jaggery produced. 46% of respondents are producing traditional elliptical shape, 24% of respondents producing square shape, 12% of respondents are producing modak and powder form and only 6% are producing granules shape. Majority of the sample respondents are producing traditional shape which is more convenient, easy and cost of production is less.

It is studied that jaggery size and conversion into granules and powder is costly, production of modak in bulk size is not practically possible. Smaller size jaggery production increasing cost of production. One more factor is noticed by the researcher that traditional and square shape is more suitable for godowning the jaggery and other fancy shape jaggery products godowning is somewhat difficult.

**Table No. 2 Production of Jaggery Syrup. (Kakvi)**

Sr. No.	Particulars	Respondents	Percentage
1	Yes	30	27
2	No	80	73
3	Total	110	100

Table No. 2 shows that production of jaggery syrup (Kakvi). 73% of the sample respondents are not producing jaggery syrup and only 27%

sample respondents are producing jaggery syrup. Earlier i.e. 6-7 years back no one was producing jaggery syrup for sales but at present

27% of sample respondents are producing jaggery syrup for sales i.e. commercial purpose. It indicates that jaggery syrup consumption is increasing day by day. In market, non chemical jaggery syrup is Rs.100 per kg and regular jaggery syrup is Rs.80 per kg on retail basis.

The producers are packing jaggery in glass and plastic bottles. They are producing 200 ml, 500 ml and 1000 ml size bottles. Jaggery syrup is good for health, so, one has to do more research in this area.

**Table No. 3 Net Profit Percentage to Sales**

Sr. No.	Particulars	Frequency	Percentage
A	5 %	6	5
B	10 %	104	95
C	15 %	0	0
D	20 %	0	0
E	25 %	0	0
F	Total	110	100

Table No. 3 shows that net profit percentage in jaggery trading business. It is observed that 90% sample respondents has responded that net profit is 10% and 5% sample respondents has responded that 5% net profit. Considering the majority respondents responses the jaggery sellers are getting 10% net profit in this

business and it is good. Considering Rs. 50 lakhs average turnover per selling units they are getting Rs. 5,00,000 net profit. It is necessary to study that, how much profit is getting by jaggery producers? And its answer is, they are getting very less profit percentage. In this regard more study is required.

**Table No. 4 Jaggery Consumption Increased**

Sr. No.	Particulars	Frequency	Percentage
A	Yes	6	5
B	No	104	95
C	Total	110	100

Table No 4 shows that jaggery consumption by the customers. As per the respondents opinion 95% Adaya respondents has stated that the jaggery consumption is not increasing and only 5% respondents has stated that jaggery consumption has increased. It indicates that jaggery consumption has not increased as per Adaya's opinion point of view. If this is the case then sales of jaggery in the market will not

increase. As per the government statistics, average Indian person is consuming 18 kg of sugar directly and indirectly. In this sugar consumption jaggery consumption is included which is negligible and this jaggery consumption is very-very negligible quantity. To increase the jaggery production, jaggery consumption should be increased.



**Table No. 5: Selling Place of Jaggery**

Sr. No.	Particulars	Respondents	Percentage
1	At Market Yard	82	75
2	Through Retail Traders	24	21
3	Self Retailing	4	4
4	Total	110	100

Table No 5 shows that selling place of jaggery. It is observed that 75% of the jaggery manufacturers are selling their production at Market Yard, Kolhapur where daily auction sales has been conducted. 21% of the sample respondents are selling through retail trends and only 4% sample respondents are selling jaggery by doing self retailing. It shows that for selling jaggery, market yard mechanism is very important and suitable to the jaggery producers where different facilities are made available. In

this study the researcher has observed that there are number of short falls in marketing of jaggery, which is discussed at appropriate place. In comparison with manufacturing and marketing there is very easy to produce jaggery but it is very difficult to market the jaggery. The basic problem of jaggery marketing is lack of organized and effective marketing set up. Jaggery is seasonal and perishable edible, so, its marketing is challenging. More study in this regard is required.

**Table No. 6 Packaging of Jaggery**

Sr. No.	Particulars	Respondents	Percentage
1	Gonpat / Jute Bags	12	11
2	Plastic Paper and Bags	72	66
3	Other e.g. Corrugated Box	16	14
4	No packing	10	9
5	Total	110	100

Table No. 6 shows that the types of packing for jaggery. 66% of the respondents are packing in plastic paper and plastic bags and 14% of respondents are packing in corrugated boxes. Only 11% sample respondents are packing in gonpat i.e. jute bags and 9% of jaggery producers are not packing in any packing material. This table shows that majority of the jaggery manufacturers are packing their production. It is observed that majority of the jaggery producers are selling their jaggery in Kolhapur Gur Market on wholesale bases, that's why they are not much bother about packing. Their packing expenses are more, so

these manufacturers are not more interested in other sophisticated and attractive packing system. One more point is considerable here that the jaggery is having more moisture content and such a moisture content product packing is difficult. At two places the jaggery manufacturers are producing granules and jaggery powder. This granules and powder is packed in the plastic bags and plastics jars (daba's). At 2-3 places it was observed that, who are producing only one kg jaggery size output, they are using polythine paper bags and corrugated boxes for packing.

**Table No. 7 Jaggery Production Size**

Sr. No.	Particulars	Respondents	Percentage
1	100 gms	7	6
2	500 gms	15	13
3	1 kg	33	29
4	5 kg	15	13
5	10 kg	33	29
6	30 - 33 kg	7	6
7	As per demand	4	4
8	Total	114	100

(One respondent gave more number of responses so, 114 is total)

Table No. 7 shows that jaggery production size. It is observed that all respondents are producing different size of jaggery, not any one type of production size. 71% respondents are producing 1 to 10 kg size, 13% respondents are producing 500 gms and 5 kg size, 6% respondents are producing 100 gm and 30-33 kg size and 4% respondents are producing jaggery as per the demand of the customers. It is specially observed by the researcher that the jaggery producers are having set pattern for jaggery production. They are not changing repeatedly the pattern size of the jaggery. Almost all jaggery producers are using traditional production pattern, so, they are producing convenient standard size of production. At 2 places they are producing jaggery in square size. 1 kg., 5 kg., 10 kg., size production is found in more places.

## **7.0 CONCLUSION :**

Considering above mentioned facts and figures the marketing strategy should be proper and innovative. The customers, young generation and doctors should attract towards the purchase and use of jaggery. Kolhapur jaggery is world famous agro based processed product. The jaggery and it's by products has Ayurvedic importance in India. Jaggery is an 'energy food' for the masses. The various products of jaggery and gift items should be introduced which have demanded and accepted by 90 percent of the sample respondents.

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