



MARKETING MANAGEMENT AND PERFORMANCE OF PROCESSED PRODUCTS IN PUNE DISTRICT OF MAHARASHTRA

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ABSTRACT

The marketing of processed products plays an important role in effective marketing and profitability in market operations. The following research concept was undertaken to study market performance and profit margins. The objectives analysed were, to study the marketing parameters and marketing channels of processed products and to study the market profit margins and the effective objectives of the processed products. The results of the study say that the total marketing cost was Rs. 31.34 on Channel I. The wholesaler's market margin was Rs. 5.22, the retailers market margin was Rs. 12.1. The study provided a clear indication that the channel used is profitable and effective in marketing the processed product.

Key Words Market Margin, Processed Product, Forward Linkage

1. INTRODUCTION

Minor processing can occur in a "straightforward" chain of preparation and management when a product is processed, distributed, marketed or used. Many products are also treated with "disruptive series" where the product can be stored before or after processing or may be processed to varying degrees in different areas. Because of the variability in the time and place of processing, it may be helpful to be able to assess the quality of the raw material and predict the shelf life of the processed product. The marketing of processed products plays an important role in effective marketing and profitability in market operations. The following objectives were researched to study market performance and profit margins.

1. OBJECTIVES OF STUDY:

- a) To study the Marketing parameters and Marketing channel for processed products.
- b) To study the Marketing profitability ratios and efficiency goals for processed products.

2. METHODOLOGY:

Primary data was collected by taking actual survey in or region and for agricultural processing data were collected from various food processing industry in the Haweli area (Pune District). The following marketing parameters were calculated to work out the profitability and efficiency of marketing of processed products.

1. **Total marketing cost** = All cost incurred by intermediaries.

2. **Product share**: - It is the contribution of each product from all quantity of production.

$$\bullet \text{ Product Share} = \frac{\text{Quantity of processed product}}{\text{Total quantity of Processed}}$$

3. **Price Spread**: - It refers to the Difference between the two prices, i.e., the price paid by consumer and the price received by the producer.

- Price Spread = Price paid by consumer - price received by producer
- 4. **Marketing Margin of Middleman:** - This is the difference between the total payment and receipts of the middleman.
 - **Producer's Margin** = Selling price – Cost incurred by producer
 - **Wholesaler's Margin** = Selling Price – Cost incurred by wholesaler
 - **Retailer's Margin** = Selling Price – Cost incurred by retailer
- 5. **Producers share in consumer rupee:** - It is the price received by the producer expressed as a percentage of the retail price.
 - Producer share in consumer rupee = $\frac{\text{Price received by producer}}{\text{Price paid by consumer}} \times 100$
- 6. **Current Ratio:** -
 - Current Ratio = $\frac{\text{Current assets}}{\text{Current liabilities}}$
- 7. **Net profit ratio:-**
 - Net profit ratio = $\frac{\text{Net sale}}{\text{Net profit}} \times 100$

3. RESULT AND DISCUSSIONS:

4.1 Marketing Management:

Marketing Strategies

1. Product

Anything which is offered by an organization is called as product. The company used various marketing strategies related to the product.

- Good test of tomato ketchup.
- It can be used with snacks.
- Product available in variety of size like squeeze pet bottle, sachets to suit the customer's needs.
- Brand Image.
- Can be carry anywhere at any time.

2. Price:

The value expressed in terms of money is called as price.

- Profit Maximization
- Consumer Satisfaction
- Reasonable price of the Tomato ketchup.

3. Place:

- The place is where you can expect to find your customer and consequently, where the sale is realized.
- Weikfield tomato ketchup target group of customers. (middle-class & upper middle class families)
- The marketing channels are vast in urban areas.

4. Promotion:

a. The company used the various way for promotion are,

A. Advertising

This is the paid form of non- personal promotion method done by the company. There are advertise show on radio for the Weikfield tomato ketchup.

a. Radio advertising are used for the advertising.

B. Direct Marketing

The direct marketing is done with the potential users of the tomato ketchup it include the hotels and malls.

C. Sales Promotion

Here the various push and pull strategies done by the company to attract the customers

i) Push Strategy

- Free Display
- Offers
- Free Sampling
- Trade Discounts

ii) Pull Strategy

- Free Cookery class and contest

4.2 Marketing Channel (Forward Linkage):

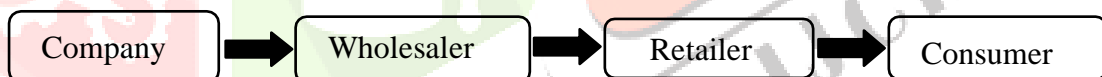


Fig No.3.4 Marketing Channel

4.3 Marketing Cost of Channel - I

Table No. 4.1 Marketing cost of channel – I

Sr. No.	Particulars	Rate (Rs / Kg)
A)	PRODUCER	
1.	Packaging Charges	11
2.	Transportation Charges	1
3.	Loading Charges	2
4.	Advertising Charges	0.4
5.	GST (12%)	5.0
	SUB TOTAL	18.66
B)	WHOLESALE	
1.	Transportation Charges	0.96
2.	Labour Charges	1.12
3.	Storage Charges	1.5
4.	GST (12%)	1.2
	SUB TOTAL	4.78
C)	RETAILER	
1.	Labour Charges	1.6
2.	Transportation Charges	1.8
3.	Storage Charges	2.1
4.	GST (12%)	2.4
	SUB TOTAL	7.9
	TOTAL(A+B+C)	31.34

CHANNEL-1

Net Producer Price (Rs.) = Selling Price – Cost Incurred by Producer

$$= 100 - 18.66$$

Net Producers Price = Rs. 81.34/-

3.4 Market Margin of Channel - I

Formula,

Market margin = Selling price – (Purchase Price + Cost Incurred)

1) **Market Margin of Wholesaler:** Selling Price – (Purchase Price + Cost incurred by wholesaler)

$$= 110 - (100 + 4.78)$$

$$= 110 - 104.78$$

Market Margin of Wholesaler = 5.22

2) **Market Margin of Retailer:** Selling Price – (Purchase Price + Cost incurred by retailer)

$$= 130 - (110 + 7.9)$$

$$= 130 - 117.9$$

Market Margin of Retailer = 12.1 Table No.4.2

Total Market margin

Sr. No.	Particulars	Channel (Rs.)
1.	Wholesaler Margin	5.22
2.	Retailer Margin	12.1
	Total	17.22

4.5 Price Spread

Table No.4.3 Price spread

Particulars	Channel I	
	Amount (Rs.)	Percent share (%)
Net Producer Price	81.34	62.57
Total Marketing Cost	31.34	24.11
Total Market Margin	17.32	13.32
Price Paid By Consumer	130	100

4. CONCLUSIONS:

Marketing	
Total marketing cost -Channel I	Rs. 31.34
Wholesaler margin Channel-I	Rs.5.22
Retailer margin Channel-I	Rs.12.1

- The marketing cost in total was Rs. 31.34 for Channel I.
- The price spread comprises net producer margin in Channel I i.e; 62.57 per cent.
- **Net Producers Price = Rs. 81.34/-**
- **Market margin of wholesaler = Rs. 5.22/-**
- **Market margin of retailer = Rs. 12.1/-**

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