

# Marketing Strategies of Food Processing Industries in Manipur: A Case Study

Rajkumar Romensana Singh<sup>1</sup> and Dr. A.S. Yarso<sup>2</sup>

<sup>1</sup>Research Scholar, Department of Commerce, Assam University, Silchar  
<sup>2</sup>Assistant Professor, Department of Commerce, Assam University, Silchar  
E-mail: <sup>1</sup>romensana11@gmail.com, <sup>2</sup>asyarso@gmail.com

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**Abstract**—The food processing industry, which is globally referred to as the sunrise sector, has gained importance in India in the recent years. It contributes immensely to economic development of the country, provides employment opportunities and assists in income generation. With the modern organization of the process of production and exchange, specialization and division of labor and large scale production in anticipation of demand depend upon successful performance of marketing functions. The aims of every manufacturing unit are to meet the consumers' need and wants. Hence, an attempt was made in this paper to find out the various marketing strategies adopted and also to identify the marketing problems faces by food processing units in Manipur. Efficient marketing practices are found to be neglected by most of the fish fermentation units. The problems mainly faced by such units are non-availability of packaging materials and raw materials in the state, lack of awareness and knowledge about the marketing practices, supports from the government. Apart from various problems faced by the units, its earning is increasing from year to year. This shows that the fish fermentation units are a promising one.

**Key Words:** Food processing, fish fermentation, marketing strategies, marketing problem.

## 1. "Introduction"

With the emergence of Liberalization, Privatization and Globalization in the country, the institutional framework for freer multilateral movement of goods and services has been strengthened. In this changed economy, the employment generation (including women) also increased in various sectors, thereby reducing their hours for household work like cooking, washing etc. All these have resulted changing the consumption pattern of household and people are experiencing a transition from homemade food to readymade food. The popularity of consuming packaged foods and abundant availability of raw materials lead to the increase of food processing industries. With the growth of this sector leads to immense benefit to the economy in terms of its contribution to GDP, creating employment opportunities and raising standards of life for the large number of people across the country, especially in remote areas.

## 2. "Food processing industry"

The food processing is the transformation of raw ingredients, by physical or chemical means into foods, or of food into other form. Food processing combines raw food ingredients to produce consumable food products that can be easily prepared and served. Food processing usually involves activities like mincing and macerating, liquefaction, emulsification, and cooking, pickling, pasteurization, and many other kinds of preservation, and canning or other packaging.

## 3. "Marketing practices / strategies"

Marketing practices remain the central standard to be met by all business and no business organization or firm can grow without effective marketing practices. In marketing practices of the firm; segmentation of market, marketing strategies, marketing mix, channels of distribution are of important factors to be considered. The marketing mix is the combination of marketing tactics to reach a particular target or market segment. Those tactics can be categorized as the 4Ps of marketing i.e. product, price, promotion and place.

## 5. "Objectives of the study"

1. To examine the marketing practices adopted by the food processing units.
2. To identify and study the marketing problems of food processing units in Manipur.

## 6. "Research methodology"

### 6.1. Types of data

Both primary and secondary data are used for the study.

### 6.2. Sources of data

A set of schedule was prepared and the units were interviewed to collect the relevant data and facts of the present situation of the units. Secondary data relating to the study were also collected from available sources like books, journals, periodicals, official annual report, web sites etc.

### 6.3. Population / Sample size

The total population of Food processing units in Manipur was 166 units which have registered with office of DICs across the districts of Manipur.

**Table 1: Population of food processing units in Manipur:**

Sl no	Segment	Population/Sample
1	Consumer foods	48
2	Grain and oil seed	25
3	Fruits and vegetable processing	24
4	Milk and dairy products	06
5	Fisheries and marine aquaculture	43
6	Poultry/meat product	20
Total		166

Sources: Compiled by researcher on the basis of data obtained from Department of Commerce and Industries (2008-2015).

In the present study, the researchers have selected Fisheries and Marine aquaculture segments as the sample units. In order to evaluate the marketing strategies adopted by food processing industry in Manipur the researchers has selected 43 fish fermentation units in Manipur by adopting purposive sampling method.

### 6.4. Tools for analysis

For this study, the data collected will be analyzed by using appropriate statistical tools and techniques for bringing out the findings on all aspects on performance of food processing firms. The data are to be presented by using tables, frequencies, percentages etc.

### 7. "Analysis of data"

In order to study the marketing practices of Fish fermentation units in Manipur a structured interview schedule was prepared which dealt with product, pricing strategies, distribution techniques, promotional strategies, and other issues relating to fish fermentation units.

#### Types of fish products produce by the units

**Table 7.1: Different products produced by the fish fermentation units:**

Product mix	Responds	Percentages
Kane fish	-	-
Fermentation fish and dry fish	02	05
Fermentation fish only	41	95
Total	43	100

Sources: Field survey

The above table shows the product mix decision of the fish fermentation units. Out of forty three (43) units' only two (02) units (05%) do not confine their production with a particular product and the remaining forty one (41) units (95%) shows in producing a single product only.

### Package

**Table 7.2: Use of packaging by fermentation units:**

Use of Packaging	Responds	Percentages
Yes	04	09
No	39	91
Total	43	100

Sources: Field survey

It is clear from the above table that only nine (09) per cent of the fish fermentation units used packaging for their products to make it distinct and easily identifiable from those of the rivals and ninety (90) per cent of the units do not engage in packaging function.

### Procurement of packaging materials

**Table 7.3: Procurement of packaging materials of the fish fermentation units:**

Place	Responds	Percentages
Within the state	-	-
Outside the state	04	100
Total	04	100

Sources: Field survey

The above table shows that hundred (100) per cent of the respondents procured their packaging materials from outside the state. Non availability of raw materials in the state is one of the main reasons for not packaging of fermented fish in Manipur.

### Packaging function perceived by fish fermentation units

**Table 7.4: Performed function of packaging by fish fermentation units:**

Perceived function	Mean	Rank
Containing	2.25	2
Protecting	3.50	4
Promoting	1.75	1
Facilitating storage, use and convenience	2.50	3

Sources: Field survey

We found that promoting is preferred to be the foremost important function perceived by the fermentation units. Containing is also considered to play an important function in packaging and stood 2<sup>nd</sup> rank in preference given by the units and followed by facilitating storage, use and convenience were stood 3<sup>rd</sup> rank and 4<sup>th</sup> rank respectively.

### Availability of raw materials

**Table 7.7: Availability of raw materials of the fish fermentation units:**

Availability of raw materials	Responds	Percentages
Yes	09	21
No	34	79
Total	43	100

Sources: Field survey.

The above table shows that twenty one (21) per cent of the respondents were expressing their concern about the availability of raw materials and satisfying their opinion for the procurement of raw materials and the remaining seventy nine (79) per cent of the respondents reported the non availability of the raw materials and expressed their lack of satisfaction in the procurement of raw materials.

### Procurement of raw materials

**Table 7.8: Procurement of raw materials of the fish fermentation units:**

Raw materials	Responds	Percentages
Directly from farmers	-	-
Local market	-	-
Vendors	27	63
Outside the state	34	79

Sources: *Field survey*

Out of the total forty three (43) units' twenty seven units (63%) procure their raw materials from the vendors and thirty four units (79%) procure from outside the state. We found from the analysis that seventy one (71) percent of the fish fermentation units procure their raw materials from both vendors and outside the state.

### Pricing method

**Table 7.9: Pricing method adopted by the fish fermentation units:**

Method	Responds	Percentages
Cost plus pricing	31	72
Demand based pricing	12	28
Total	43	100

Sources: *Field survey*

It is clear from the above table that seventy two (72) per cent of the fish fermentation units have adopted cost plus pricing method and twenty two (22) per cent of the units have adopted the demand based pricing method. None of the fish fermentation units has gone after competitor based pricing, value pricing, product line pricing, tender pricing, affordable based pricing, differentiated pricing, and psychological pricing.

### Pricing strategies

**Table 7.10: Pricing strategies of the fish fermentation units:**

Strategies	Responds	Percentages
Skimming pricing	-	-
Penetration pricing	43	100
Total	43	100

Sources: *Field survey*

The table shows that all the forty three (43) Fish fermentations units adopt penetration pricing as a pricing strategy. None of the units adopt skimming pricing for their product.

### Channel levels

**Table 7.11: Channel levels selected by the fish fermentation units in Manipur:**

Channel levels	Responds	Percentages
0 level	-	-
1 level	30	70
2 level	13	30
3 level	-	-
Other levels	-	-
Total	43	100

Sources: *Field survey*.

The above table reveals us, that majority of the fish fermentation units are using 1 level channel with the percentage of 70 and 30 per cent of the units selected 2 level channel. None of the units selected 0 level channel, 3 level channel as well as other level channel. The one (1) level channel are mostly preferred and selected by the units because the units itself are also engaged in retail store in home and some opened its own retail shops.

### Market location

**Table 7.12: Area of market of the fish fermentation units in Manipur:**

Location	Responds	Percentages
Within the district	-	-
Throughout the state	43	100
Outside the state	02	05
Outside the country	01	02

Sources: *Field survey*

The above table shows that all the forty-three (43) fish fermentation units are operate their business at the state level and among these Forty three (43) units, two (2) units engaged their business operations at the national level, and one (1) units engaged at the international market through online marketing.

### Promotion

**Table 7.13: Promotion mix of the fish fermentation units:**

Modes of communication	Responds	Percentages
Advertising	04	09
Sales promotion	-	-
Public relation and publicity	20	47
Personal selling	43	100

Sources: *Field survey*

From the above table we found that nine per cent (09%) out of the total units used their communication through advertising, forty seven per cent (47%) of the respondents used public relation and publicity, and hundred per cent (100%) of the units used persona selling as their modes of communication.

### Reason for non advertisement

**Table 7.14: Reason for non advertisement by the fish fermentation units:**

Reason	Responds	Percentages
Unawareness of Advertisement	-	-
Costly	-	-
Sold through agents	34	87
Others	05	13
Total	39	100

Sources: *Field survey.*

We found from the table no. 22 that thirty-nine (29) units (91%) out of the forty-three (43) units do not advertise their products. The reason for non advertisement given by thirty-four (34) units sold their products through agents and five (05) units stated for other reasons of non advertisement. We also found from the study, that every household consumed fermented fish as a mandatory food products, this is also a main reason for non advertisement of products by majority of fish fermentation units in Manipur.

### Competitive strategy

**Table 7.17: Competitive strategies of the fish fermentation units:**

Strategy used	Responds	Percentages
Market leaders	15	35
Market challengers	-	-
Market followers	28	65
Market nichers	-	-
Total	43	100

Sources: *Field survey*

The above table stated that thirty five per cent (35%) of the respondents are found to be follower of market leader and seems to be more reactive to their competitor's strategies. Sixty five per cent (65%) of the respondents are following market followers as competitive strategy.

### Effort used for increasing sales

**Table 7.18: Effort used for increasing sales by fish fermentation units:**

Techniques used	Responds	Percentages
Cash discount	16	39
High quality	43	100
Attractive packaging	04	09
Adequate price	43	100
Effective awareness	04	09

Sources: *Field survey*

The above analysis reveals that all the forty three units (100%) improve their products quality to attract more customers and offer adequate price to increase their sales. Sixteen units (39%) used cash discount; four units (09%) used attractive packaging, and also four units (04%) gives effective awareness of the products to increase their sales.

### Marketing problems

**Table 7.19: Decrease in sales target of the fish fermentation units:**

Decrease in sales target	Responds	Percentages
Yes	36	84
No	07	16
Total	43	100

Sources: *Field survey*

From the above table the researcher found that eighty-four per cent (84%) of the units faces marketing problems and it leads to decrease in their sales target for the last few years. And the remaining sixteen per cent (16%) of the units expresses that they do not have any marketing problems, their products are in growth stage in the market.

**Table 7.20: Reason for declining the sales:**

Reason	Responds	Percentages
External reason	-	-
Internal reason	-	-
Both	36	100
Total	36	100

Sources: *Field survey.*

From the above table no. 33, we found that out of forty three (43) units thirty six (36) units faces decrease in their sales. And it is clear from the above table that all the thirty six (36) units express that they have both external and internal factors resulting in declining their sales.

**Table 7.21: Internal factors for declining the sales:**

Factors	Responds	Percentages
Improper production	05	14
Increase in cost of production	05	14
Lack of capital	26	72
Total	36	100

Sources: *Field survey*

The above table shows the internal factors resulting in declining the sales target. Fourteen per cent (14%) of the respondents face factors like improper production and increase in cost of production. And seventy two per cent (72%) of the respondents face shortage or lack of capital. We found from the analysis that majority of the units are facing lack of capital and working capital for producing their products.

**Table 7.22: External factors for declining the sales:**

Factors	Responds	Total	Percentages
Competitions	30	36	83
Entry of new manufactures	11	36	31
Frequent bands and blockage	36	36	100

Sources: *Field survey*

The above table shows the external factors resulting in declining the sales target. We found from the above table, that out of thirty six (36) units, thirty (30) units (83%) are facing tough competitions, eleven (11) units (31%) are face factor like entry of new manufacturers in the market, and thirty six (36) units (100%) facing external problems like frequent bands and blockage in the state.

#### 8. “Findings of the study”

From the above analysis it is found that maximum numbers of fish fermentation units are focused on producing particular products without diversifying to other related products. The procurement of packaging materials and raw materials of the fish fermentation are done from outside the state, as a result packaging of their products is not considered by most of the units and at the time it hinders the production level and growth of the units. Most of the units used cost plus pricing and adopt penetration pricing as their pricing strategies. A very few numbers of fermentation units used advertisement for promoting their products. The study reveals that majority of the units are facing lack of capital and working capital for producing their products. The study also found that maximum numbers of units are facing marketing problems from both internal and external factors.

#### 9. “Conclusion of the study”

The development of state depends primarily upon its industrial development. Like any other FPI, fish fermentation firm plays an important role in contributing the growth of industrialization in the state. Efficient marketing practices are found to be neglected by most of the fish fermentation units. The problems mainly faced by such units are non – availability of packaging materials and raw materials in the state, lack of awareness and knowledge about the marketing practices, supports from the government. Apart from various problems faced by the units, its earning is increasing from year to year. This shows that the fish fermentation units are a promising one. However, knowledge about the marketing, financial, and management is needed to be acquired for its long term survival.

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