

# **Agricultural Marketing Management of Bangladesh: The New Era of Marketing**

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*A Three month study conducted in 2010 to better understand the need for agricultural marketing management in Bangladesh, which can be the new era of Marketing for Bangladesh. The study involved total 300 samples that are surveyed. 180 samples are observed. Data were collected from 6 different areas of Dhaka division in Bangladesh. The response rate was 60%. Time period of the study was July 2010 to September 2010. For the purpose of this paper, the study has been undertaken to identify new marketing linkages with agriculture based products to the large retailers and farmers require to be developed with those who are working in marketing processes being assisted to promote their common goals. Most of the participants of survey strongly agreed with the gaining information and communication from influencers while moving through the purchase process. In the business process, agricultural marketing management can be performed as the key function within each of the agricultural sector. Agricultural marketing management may provide an integration of several different activities that focus on customer needs, wants and the demand for customer satisfaction in the diversified agricultural products. Agricultural Marketing Management is being required so that bridge between gap of suppliers and demanders can be arranged for the betterment of the country.*

**Field of research:** Agricultural marketing, Marketing Management, Customer need, Agricultural commodity, Profitability, Marketing information Technology.

## **1. Introduction**

Basically this study conducted to give the importance of growing interest in agricultural marketing. Agricultural marketing activities include market information development, marketing extension, training in marketing and infrastructure development. It also involves understanding customer needs and effectively positioning and selling products and services in the marketplace.

In agricultural marketing management, it is a key function within each of the sectors of agricultural marketing that are-the food sector, the production agricultural sector, and the input supply sector.

Now a day's Agricultural marketing management focuses on various performances. The economic growth of an agro-based country like Bangladesh mainly depends on the development of agriculture sector. Since provision of food security, improvement of the living standard and generation of employment opportunities of the huge population of the country are directly linked to the

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development of agriculture, there have been continued efforts by the Government for the overall development of this sector. Marketing Management is the planning and implementation of programs designed to create, build, and maintain sales of a product. This is achieved by the marketing mix. Agricultural Marketing Management may perform for all business activities that involved in the flow of food products and services from the point of initial agricultural production to reach in the hands of consumers. Markets play an important role in rural development, income generation, food security, developing rural-market linkages and gender issues. Planners need to be aware of how to design markets that meet a community's social and economic needs and how to choose a suitable site for a new market. Agricultural Marketing Management is being required so that bridge between gap of suppliers and demanders can be arranged for the betterment for the country. Agricultural marketing management can create value by encouraging competing firms to improve their prices, services, products, and values for consumers. This can be assist in the efficient allocation of resources in the food industry, which in turn may improve the living standards of a society.

The objectives of this study are-

- To understand the concepts of agricultural marketing management.
- To establish the linkage between agriculture and marketing management.
- To understand the effectiveness and usefulness of agricultural marketing management.
- To provide some policy implications.

On the basis of a foresaid literature review, this study want to see whether agricultural marketing management can be able to create any sort of new marketing strategy in Bangladesh.

In this article the research question will be-

- Where a developing country like Bangladesh can be benefited through proper agricultural marketing management?
- Does marketing have an important role in the farmer's decision-making process?
- How critical are customer reviews?
- Who can help the farmer's to give new technology and ideas related with agricultural activity?

And the research question is now being expanded as agricultural marketing management, that is very important which act like in quest of search of origin. In this article various data are used to determine the actual scenario of the research. As a researcher, the main task is to find the right marketing mix and messaging to reach the farmers in an era where the purchase process includes powerful new influences. To find the answers of all questions, six areas are surveyed in Dhaka city of Bangladesh. Their responses provided great insight to how this selected segment continues to accept new technology, participate in promotional campaign, market penetration and use the changeable the traditional sales process. In the latest situation, purchase process includes Awareness of new product and their uses, Consideration of new ideas,

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Evaluation of alternatives, taking purchase decision and finally post purchase conditions. Marketing management represents an integration of several different activities such as selling, advertising, marketing research, new product development, customer service, physical distribution, pricing—all focused on customer needs, wants, and ultimately the quest for customer satisfaction. Agricultural marketing management can create value by encouraging competing firms to improve their prices, services, products, and values for consumers. This can assist in the efficient allocation of resources in the food industry, which in turn may improve the living standards of a society.

## 2. Literature Review

From web definition (2010) Agricultural marketing covers the services involved in moving an agricultural product from the farm to the consumer. Numerous interconnected activities are involved in doing this, such as planning production, growing and harvesting, grading, packing, transport, storage, agro- and food processing, distribution, and sale.

Ali and Nupur (2009) suggested that create awareness among the producers and the consumers about organic farming by improving the level and quality of information through materials ranging from simple field training, media programs, leaflets, cell phone up to web sites and comprehensive campaigns.

Akridge, Barnard and Downey (2002) suggested that the set of decisions agribusiness managers make as part of the strategic marketing planning process may be among the most fundamental choices facing an agribusiness firm. Decisions about what markets to pursue and what position to take in these markets drive much of the rest of the firm's business activities.

To the consumer, marketing may refer to the food marketing as the performance of all business activities involved in the flow of food products and services from the point of initial agricultural production until they are in the hands of consumer, given by Kohl and Uhl (2002).

Kotler (1994) describe this concept as selling what you make rather than making what you sell. He also explain that some marketers have raised the question of whether the marketing concept is an appropriate organizational goal in an age of environmental deterioration, resource shortages, explosive population growth, world wide inflation, and neglected social service. The question is whether the firm that does an excellent job of sensing, serving, and satisfying individual consumer wants is necessary acting in the best long run interests of consumers and society.

Webster (1992) comments, it is sobering to recall that the study of marketing did not always have a managerial focus. The early roots of marketing as an area of academic study can be found, beginning around 1910, a strong involvement with the sector created a concern for agricultural markets and the processes by which products were brought to market and prices determined.

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Kohls and Uhl (1990) define agricultural marketing as the performance of all business activities involved in the flow of food products and services from the point of initial agricultural production until they are in the hands of consumers.

Ritson (1986) explain that agricultural marketing is the process where by in order to fulfill its objectives, an organization accurately identifies and meets its customer's wants and needs.

Such activities cannot take place without the exchange of information and are often heavily dependent on the availability of suitable finance. Marketing is the way in which any organization or individual matches its own capabilities to the need of its customers given by Christopher (1980).He also explain that it is philosophical concept and founded on the belief that profitable sales and satisfactory terms of investment can only be achieved by identifying, anticipating and satisfying customer needs and desires.

Bateman (1976) in the classic review article on agricultural marketing for the Journal of Agricultural economics mention that agricultural marketing policy has been the traditional subject matter of agricultural marketing and marketing has developed with a business orientation, It is a policy that accounts for the facts that the two approaches sometimes appear to have the same. Businesses that have lower costs, are more efficient, and can deliver quality products, are those that prosper. Those that have high costs, fail to adapt to changes in market demand, and provide poorer quality, are often forced out of business.

Drucker (1958) said, marketing is not only much broader than selling. It is not a specialized activity at all. It encompasses the entire business. It is the whole business seen from the point of view of its final result, that is, from the customer's point of view, Concern and responsibility for marketing must therefore permeate all areas of the enterprise. Marketing has to be customer-oriented and has to provide the farmer, transporter, trader, processor, etc. with a profit. This requires those involved in marketing chains to understand buyer requirements, both in terms of product and business conditions.

### 3. Methodology

This research is based on qualitative judgment. Time period of the survey is July 2010 to September 2010. This time is selected because some primary data was collected in this period that reflects some ideas for this research. Here, secondary sources also been used. 300 structured questionnaires were used to collect primary data. In this study, total 300 samples are observed and 180 samples are participating properly. Here, the data were collected from 6 different areas of Dhaka division in Bangladesh. The area includes- Savar, Tongi, Narayan Ganj, Manikganj, Gazipur and Keraniganj. These areas selected for producing lots of useful agricultural products as well as marketing products. Sample size was 50 for each area of this division and approximately 30 samples participating finally. Five point Likert -type scale ranging from 1(strongly disagree) to 5 (strongly agree) are used for data analysis. This scale used because research is based on questionnaire.

**4. Present Situation**

All business activities involve interpersonal relations and decisions: Such as- What is the correct buying and selling price? Should the farmer sell now or store for later sale? How much should be spent on advertising and new product development? The quality of food marketing management decisions influences to a great extent the cost and efficiency of the food marketing system. Modern marketing system has several functions. Its important function is to move the desired varieties of farm products to consumers in the desired forms and conditions at the lowest possible cost. There are three major marketing functions such as-1) Assembling (Procurement, concentration), 2) processing (preparation for consumption), 3) Dispersion (Distribution). There are other secondary services such as grading, packing, transporting, storing, financing, assuming risk and selling. Now a days marketing information system started works in the agricultural sector. After conducting the survey on total 300 samples, 180 various consumer perceptions are found. Most of the time agricultural consumers express their inner feelings about agricultural marketing management. They gave their opinions on the basis of this study. The questions was based on Impact on agricultural product, Promotional campaign, Importance on Demand and supply, Distribution channel, Market Penetration pricing. This research based on survey and Likert scale was used for collect all the information. All the following table shows stake holder response scale.

**Table 1: Narayanganj Area**

Types of Questions	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly Agree
1.Impact on agricultural product	2	1	8	6	7
2.Promotional campaign	3	4	4	9	11
3.Importance on demand and supply	7	5	6	5	10
4.Distribution channel	5	2	0	8	12
5.Market penetration	2	5	4	7	10

Source: Survey report (July –September 2010)

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**Table 2: Gazipur Area**

Types of Questions	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly Agree
1.Impact on agricultural product	5	3	10	7	8
2.Promotional campaign	4	5	3	8	10
3.Importance on demand and supply	6	4	6	6	8
4.Distribution channel	5	3	2	9	13
5.Market penetration	3	5	5	7	12

Source: Survey report (July –September 2010)

**Table 3: Savar Area**

Types of Questions	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly Agree
1.Impact on agricultural product	7	3	7	8	9
2.Promotional campaign	2	5	4	10	10
3.Importance on demand and supply	6	6	5	4	8
4.Distribution channel	3	3	4	8	14
5.Market penetration	3	4	5	8	10

Source: Survey report (July –September 2010)

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**Table 4: Tongi Area**

Types of Questions	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly Agree
1.Impact on agricultural product	6	4	8	6	8
2.Promotional campaign	3	6	4	7	9
3.Importance on demand and supply	7	5	4	5	10
4.Distribution channel	6	4	2	7	11
5.Market penetration	3	5	6	7	9

Source: Survey report (July –September 2010)

**Table 5: Manikganj Area**

Types of Questions	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly Agree
1.Impact on agricultural product	6	4	4	6	8
2.Promotional campaign	5	6	3	7	8
3.Importance on demand and supply	8	5	4	5	6
4.Distribution channel	6	4	0	10	10
5.Market penetration	5	6	5	6	7

Source: Survey report (July –September 2010)

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**Table 6: Keraniganj Area**

Types of Questions	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly Agree
1.Impact on agricultural product	4	5	3	7	10
2.Promotional campaign	3	4	2	9	12
3.Importance on demand and supply	6	5	5	5	8
4.Distribution channel	5	4	2	8	10
5.Market penetration	4	5	5	5	12

Source: Survey report (July –September 2010)

**Table 7: Total Stake holder response rate**

Types of Questions	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly Agree	Total
1.Impact on agricultural product	30	20	40	40	50	180
2.Promotional campaign	20	30	20	50	60	180
3.Importance on demand and supply	40	30	30	30	50	180
4.Distribution channel	30	20	10	50	70	180
5.Market penetration	20	30	30	40	60	180

Source: Survey report (July –September 2010)

### 5. Result of Findings

For this research 300 structured questionnaires were used to collect primary data. Here, 180 samples are participating properly. 6 Different areas in Dhaka city of Bangladesh are used for collecting data. Response rate are 60% for this research.

In the table 1 Narayanganj area shows the response rate which reflects, stake holders strongly agreed with the distribution channel, promotional campaign, importance on demand and supply.



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In the table 2 Gazipur areas, shows the response rate which reflects, Market penetration, distribution channels, promotional campaign strongly recommended by the stake holders.

In the table 3 Savar area, Most of the stake holders agreed with promotional campaign, distribution channel and market penetration.

In the table 4 Tongi area, Stake holders strongly agreed with the importance on demand and supply and distribution channel.

In the table 5 Manikganj area, stake holder focused on agricultural product, promotional campaign, and distribution channel and market penetration.

In the table 6 Keraniganj Area, respondents strongly agreed with the entire questionnaire.

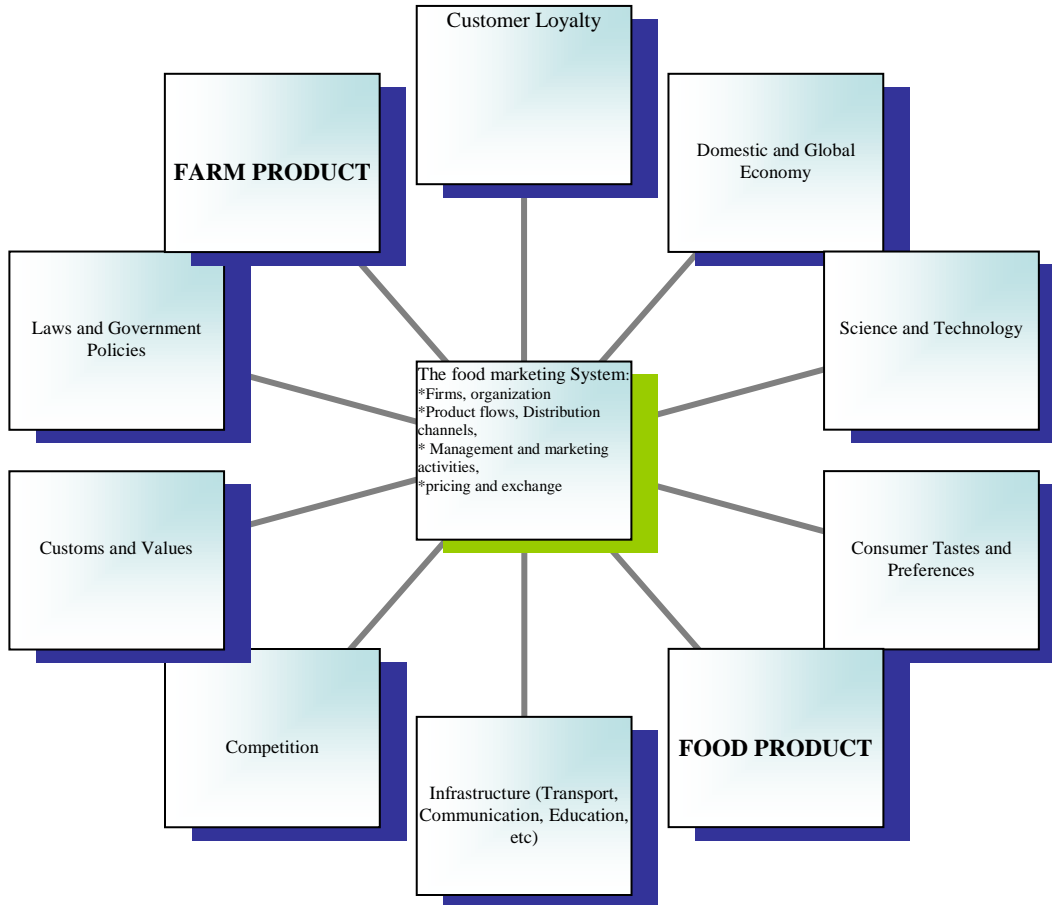
In the table 7 Total Stake holder response rate, result of stakeholder response scale shows that 70% respondents agreed with the need of distribution channels, Respondents claim that there are many lacks in distribution channel and 60% strongly agree with market penetration pricing. They explain that, some times they need some information about seeds, weather forecasting, fertilizer, soil, etc. But they do not know the ideas about the place that they could collect their information. They want more promotional activities because they do not get any news about new technology and ideas. In this sector 60% respondents strongly agree with the need for promotional campaign. 50% respondents strongly agree that impact of agricultural product is so important for the agricultural stakeholder. And finally 50% respondents strongly agreed that demand and supply of the agricultural commodity has a great importance for them.

Marketing is the business activities involved in the flow of goods and services from the point of initial production until they reach to the ultimate consumer, two essential characteristics of the marketing process become evident. First, the marketing process is one of movements; it is a series of actions and events that take place in some sequences. Second, some form of coordination of this series of events and activities is necessary if goods and services are to move in some ordinary form to the hands of producers in to the hands of consumers. The following figures bring more clearly in to focus some of the more pertinent aspects of this marketing process. It shows the agricultural marketing system starting with the farmer. The nature and way in which this production initially offered to the marketing system has a major influence on the organization and operation of the system itself. At the same time, the dynamics of the marketing process may have a direct influence on agricultural production. Food consumers and their wants and needs are also reshaping the nature of the food system. Today's consumer demands increasingly diverse, healthy, conveniently prepared, and economical food products. As food production and marketing has become more customers driven, the relationships between food producers, processors and marketing firms have to be changed. Now successful food marketing people need to understand and anticipate the needs and wants of consumers. Following figure shows the changing

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food market systems that have an effectiveness of marketing system in the agricultural sector.

**Figure 1: The changing food market system**



Marketing process is one of movements as it is a series of actions and events that take place in some sequence. Agricultural marketing system starting with the farmer, then the nature and way in which this production is initially offered to the marketing system has a major influence on the organization and operation of the system itself. Most of the agricultural producer could not understand to manage their product. They need to adept at using all the 4p's in developing value added products that will improve their competitive positions in the market place by better satisfying consumers' needs and wants. In this regard market segmentation; target marketing, product differentiation and positioning of their value added, branded products may have a valuable impact for agricultural marketing management. In the marketing system, new information technology concept can provide some information about agriculture that can be used all over the country. Most farmer's or agricultural consumers in Bangladesh wants to get new information about agricultural product. Information booth in every area may help them to collect new information and ideas. Firms need to maintain some procedure for individual and corporate customers. Facilities for Individual Customers are-Lucrative

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and light design, immediate delivery, more frequent updates, access to more products and services, better pricing. Facilities for Corporate Customers are- Improved communication, access to new markets, broader products offering, lower cost of doing business, new ways of adding value.

### **6. Some problems may be arises for Agricultural Marketing Management**

1. Farmers do not have control over the output of their production activities to the same degree as non farm firms. The production is to a great extent dependent on weather and biological patterns of production.
2. It takes long periods to change the production of some commodities; market situation may change during this period.
3. Some firm production is slow and difficult, once an investment is made in buildings, equipments and other fixed assets, changes are very difficult and expensive to make.
4. The inability to adjust quickly to changing conditions creates a high risk element in agriculture.
5. There are some difficulties in improving their prices through independent or group activities.
6. Cost price squeeze is another component of the farm marketing problem.
7. The superior bargaining power of the buyers of farm products creates a serious problem.
8. Farmers do not have proper knowledge, skills, and abilities about marketing decisions.

Marketing management is the process by which firms and organization develop and implement programs that assist agricultural marketers in satisfying consumers and making a profit. Firm should find wants and fill them. Firms need to distinguish their product in many ways. Firm must find out differences on customers tastes and preferences. Foods firms need to develop and employ different competitive marketing strategies to satisfy customer market segments. Each firm will develop a unique marketing mix to take advantages of its resources, attract its target market customer. This research is conducted to give some information, techniques and ideas to the agricultural stake holders that they can use it in their field to improve the economical condition of this country. Efficient market information can be shown to have positive benefits for farmers and traders. Up-to-date information on prices and other market factors enables farmers to negotiate with traders and also facilitates spatial distribution of products from rural areas to towns and between markets. Most governments in developing countries have tried to provide market information services to farmers, but these have tended to experience problems of sustainability. Modern communications technologies open up the possibility for market information services to improve information delivery through SMS on cell phones and the rapid growth of FM radio stations in many developing countries offers the possibility of more localized information services. In the longer run, the internet may become an effective way of delivering information to farmers. However, problems associated with the cost and accuracy of data collection still remain to be addressed. Even when they have access to market

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information, farmers often require assistance in interpreting that information. For example, the market price quoted on the radio may refer to a wholesale selling price and farmers may have difficulty in translating this into a realistic price at their local assembly market.

### 7. Conclusions

Farmers frequently consider marketing as being their major problem. However, while they are able to identify such problems as poor prices, lack of transport and high post-harvest losses, they are often poorly equipped to identify potential solutions. Successful marketing requires learning new skills, new techniques and new ways of obtaining information. Extension officers working with ministries of agriculture or NGOs are often well-trained in horticultural production techniques but usually lack knowledge of marketing or post-harvest handling. Ways of helping them develop their knowledge of these areas, in order to be better able to advise farmers about market-oriented information, need to be explored. Agricultural marketing needs to be conducted within a supportive policy, legal, institutional, macro-economic, infrastructural and bureaucratic environment. Traders and others cannot make investments in a climate of arbitrary government policy changes, such as those that restrict imports and exports or internal produce movement. Inappropriate law can distort and reduce the efficiency of the market, increase the costs of doing business and retard the development of a competitive private sector. Poor support institutions, such as agricultural extension services, municipalities that operate markets inefficiently and export promotion bodies, can be particularly damaging. Poor roads increase the cost of doing business, reduce payments to farmers and increase prices to consumers. Finally, the ever-present problem of corruption can seriously impact on agricultural marketing efficiency. New marketing linkages between agribusiness, large retailers and farmers are gradually being developed, e.g. through contract farming, group marketing and other forms of collective action. Donors and NGOs are paying increasing attention to ways of promoting direct linkages between farmers and buyers. Nevertheless, “spot” markets will continue to be important for many years, necessitating attention to infrastructure improvement such as for retail and wholesale markets. This is a new concept of Marketing for Bangladesh perspective. There are some scope for conduct various analysis, choose a target market, choose a position, develop appropriate marketing mix and may be provide appropriate marketing plan for better implementation. There are some limitations of this study. Most of the respondents could not understand the subject of research. Insufficient secondary data has been collected for this research because this concept is totally new for the Bangladesh perspective. In spite of all limitations there are lots of scopes for further study.

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