A Study on Market Structure of Bidi Industry and Consumer Preference of Bidi Brands in Belgaum District of Karnataka.

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CERTIFICATE

This is to certify that the Project Report entitled, "**A Study On Market Structure of Bidi Industry and Consumer Preference of Bidi Brands in Belgaum District of Karnataka"** Submitted by **Mr. Rahul Rajaram More, ID NO. MBA 815** in partial fulfillment of the requirement for the degree of **MASTER OF BUSINESS ADMINISTRATION (AGRI-BUSINESS MANAGEMENT)** to the University of Agricultural Sciences, Bangalore, is a record of bonafide research work done by him during the period of his study in this University under my guidance and supervision and the Project Report has not previously formed the basis for the award of any degree, diploma, associateship, fellowship or other similar titles.

Bangalore
July, 2010

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ABSTRACT

Nipani is essentially an area growing Bidi Tobacco on large scale in the state of Karnataka. The Bidi tobacco area practically extends over the whole of Belgaum district. Several firms had been engaging in production and marketing of Bidi. Hence, the consumers had a greater option to choose from. In this context, a study on consumer behaviour was seemed to be important to understand the buying behaviour and preferences of different consumers. The present investigation made an attempt to analyze the brand preference, factors influencing brand preference for Bidi brands, price spread among different stakeholders and constraints faced by Bidi manufacturers of Belgaum district, Karnataka state. A total sample of 78 respondents was selected for the study. The results of the study revealed that 30 number Bidi, Sambar and Royal Bidi were the most preferred brands in Bidi. Quality, reasonable price and taste were the main factors influencing brand preference in Bidi. The analysis of price spread indicated that the Bidi manufacturers could get only 81.80 per cent of consumer’s rupee in channel-I. Whereas in channel-II the share of producer in consumer rupee was 83.93 per cent. Price fluctuations, lack of curing facilities, lack of labour, and high excise duty were the major problems in Bidi marketing. It can be concluded that brand preference varies from consumer to consumer and also several factors influence these preferences.

Signature of the student

Dr. M.S. Ganapathy
(Majoradvisor)

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CHAPTER –I

INTRODUCTION

Indian economy is vitally linked with agricultural development, about 75 per cent of the population is directly or indirectly dependent upon agriculture. It is often seen that a good harvest leads to economic stability, its failure spells havoc. India is by tradition an agricultural country bestowed with abundant natural resources. Development of agricultural to its fullest potential is, therefore, the king-pin of the Indian economy and a prosperous farm economy can usher in an area of lasting peace and economic stability. It thus leads to the conclusion that traditional methods should be changed by modern scientific system of farming.

In general, more emphasis has been given to food and fibre crops in various agricultural development programmes particularly in high yielding varieties programme. Relatively lesser attention has been given to the development of commercial crops like tobacco. Although the official history of the development of tobacco on commercial scale in this country dates back to the advent of the Portuguese in the early seventeenth century, large number of references to tobacco in 'Puranic tales' and the 'Ayurveda' show that tobacco was known to India from time immemorial.

Tobacco is the only commercial non-food crop that enters the world trade as a leaf. It is priced for aroma, taste and flavour. It is an important commercial crop in view of revenue generation, export earning and employment potential. It is aptly called as the golden leaf of India. India is one of the leading exporters of FCV tobacco, having 5 per cent (by vol) and 0.7 per cent (by value) share in the world's total imports and exports. Tobacco exports accounts for 3.5 per cent (by vol) of India's argil. Exports contributing Rs. 1050.22 crore to the exchequers. Tobacco provides Rs. 8182 crore as excise revenue. With cigarette contributing to 80 per cent of this amount. It provides employment for about 6.5 million people including

growers and curers. In addition, cigarette industry provides employment for 5 million people and Bidi industry for about 30 million people.

The Bidi tobacco occupies a pre-eminent position in India because it accounts for 36 per cent of the total tobacco production. There are two distinct zones of it. One is represented by Charotar zone in north Gujarat and other is Nipani in Karnataka. India is a major grower and exporter of tobacco in the world. Tobacco contributes a lot to the government exchequer through central excise on cigarettes. The cultivation, processing, manufacture and marketing of tobacco and tobacco products also provide gainful employment to millions of people in the organized and unorganized sector.

In India different varieties of tobaccos are being grown which are suitable for manufacturing Cigars and Cigarettes, Bidis, Hookah, Cheroots, Snuffs and also for chewing. The share of these tobaccos are 37 per cent for Bidis, 20 per cent for Cigarettes (flue-cured Virginia), 14 per cent for Hookah, 12 per cent for Chewing, 5 per cent for Snuff and cigars and 1 per cent other products (natu, burley, etc.). Of the total tobacco produced, 48 per cent is used in making bidis, 28 per cent for chewing and other uses and 14 per cent in Cigarettes. The consumption of tobacco in India is growing at the rate of about 1.2 per cent per annum. The cultivation of tobacco is the lifeline of 30 million people in the country. There are an estimated 6 million farmers engaged in the cultivation of tobacco, 4 million people engaged in rolling of Bidis and one million people engaged in plucking of tendu leaf. There are more than a million people engaged in selling of Cigarettes, Bidis, Betals, Gutka and other tobacco products. The fate of even Betal industry hangs on tobacco. Betals contain several other ingredients like arecanuts, katha, lime, cardamom, cloves, fennel, gulkand, etc. All these industries are inter-dependent and a ban on Gutka or Betal chewing can affect all these industries badly.

Tobacco is a drought resistant crop mainly grown in unirrigated lands in the country. Its normal cropping season is from June to December.

Andhra Pradesh, Gujarat, Karnataka and Uttar Pradesh are major tobacco cultivating states in the country accounting for over 90 per cent of the area and output of tobacco in the country. The cultivation of tobacco is now extended to Bihar, Maharashtra, Orissa, Tamil Nadu and West Bengal respectively.

Two species of genus Nicotiana are commercially cultivated for the production of tobacco in most of the countries (species viz., *N. rustica and N. tabaccum*), whereas, the cultivation of *N. rustica* is restricted to India, USSR and some other Asiatic countries.

India ranks forth in the world in tobacco exports, after the Brazil, Zimbabwe and USA. The exports of leaf tobacco from India in 2000-01 was 1,00,537 tonnes of leaf tobacco valued at Rs. 677 crores. Indian Virginia flue cured tobacco is exported to over 30 countries; of these U.K., U.S.S.R. and Bangladesh are the largest buyers (twenty per cent of the total production has been exported and remaining is used locally). During 2001- 2002, 1.42 million Kg of cigarette with a value of Rs. 37.22 crores have been exported; whereas, 2.90 million Kgs of bidi worth of Rs. 79.05 crores has been exported. It is estimated that over 85 billion numbers cigarettes and over 900 million numbers of bidis are manufactured annually in India.

In tobacco production, India ranks second after the China with an annual production of 5,99,400 million tonnes from an area of about 2.85 lakh hectares. Almost all States in India grow tobacco but the important ones are Andhra Pradesh, Gujarat, Karnataka, Tamil Nadu, Bihar, West Bengal and Uttar Pradesh in that order and account for about 90 per cent of the annual production.

Among the various commercial types of tobacco cultivated in country, most of cigarette tobacco (Flue Cured Virginia.) is concentrated in Andhra Pradesh, while in Tamil Nadu, cheroot and chewing tobacco are extensively grown. Bihar and West Bengal grow varieties of both the hookah and chewing. Bidi tobacco is almost entirely localized in Gujarat, Karnataka and

part of Maharashtra. While Uttar Pradesh and Punjab grow extensively hookah and snuff making varieties.

The annual area under bidi tobacco is estimated at about 2,50,000 acres representing nearly a fourth of the total acreage under tobacco in the country. Kaira and Baroda districts of Gujarat and Nipani area of Karnataka are the two main tracts of bidi tobacco cultivation.

In Karnataka, Bidi tobacco occupies an area of 75,000 acres spread over in the districts of Belgaum, Bellary, Mysore, Chitradurga, Hassan and Shimoga. In the State, Belgaum district ranks first with an area of 29,218 ha and production of about 18,176 tonnes, wherein Nipani area dominates both in production and area coverage. The average yield of bidi tobacco in Belgaum district has been in the range of 200 to 350 kg per acre; whereas, it is mainly grown as a rainfed crop during kharif and rabi season.

While tracing its origins to the rituals of Amerindians where tobacco smoking had a central place, its assimilation into other cultures and continents was facilitated both by the medicinal properties attributed to it and its easy assimilation into cultural rituals. The intake of snuff prevailed in China, chewing of tobacco predominated in India, betel chewing was common in Malaya and Indonesia and, in Africa, the pipe prevailed. In India, tobacco was chewed along with betel and offered to guests. It was routed into India in medieval times when it was presented to Emperor Akbar as a medicine for an illness (not documented) by some European doctors. Historically, tobacco use has been prevalent across class, caste, ethnicity, gender and other social divisions. Poorer people used cruder forms of tobacco but the rich more refined tobacco products. India was the second largest tobacco producer in the nineteenth and early twentieth centuries. Tobacco was used primarily for domestic consumption in different forms, including Bidis, cheroots and hookahs. The production of tobacco (Agricultural Marketing in India, 1939: 383) in India shot up in the 1930s when official British records reflect a concern for stepping up tobacco use in regions where its consumption was low and to introduce it in new regions.

In addition, those records express satisfaction with regions where tobacco consumption had led to substantial profits. In 1936-37, India ranked first in tobacco production and its area under tobacco production was expanding at 2 per cent per annum. It is clear that economic profits weighed more than health and ecological concerns in British India then, but the same debate has revived in recent years

1.1. Popularity of Bidi in India

Bidi is a very popular form of smoking tobacco in India. Over 800 million bidis are sold in India every year, outselling cigarettes by 8 to 1 (Bidi monograph, 2008). About 20 per cent of tobacco consumption in India is in the form of cigarettes, while 34 per cent is smoked as bidi, the rest is used mainly in smokeless form. Bidis tend to be smoked by lower economic strata and have a different level of social acceptance in different cultures. There are over 100 million bidi smokers in India and the estimated annual deaths due to bidi smoking are about 6,00,000. *(Bidi and Public Health, 2008)*

There are about 300 manufacturers producing major branded bidis in India; thousands of small-scale manufacturers and contractors are involved in the bulk of the bidi production and promotion. The bidi industry is an important source of revenue for the government. The estimated revenue collected in 2007 totalled Rs 709.50 crores ($165 millions) in excise, and Rs. 860crore ($200 millions) in foreign exchange. The bidi industry has always received preferential treatment as a cottage industry, and has managed to escape paying higher taxes because of its unorganized and unregulated nature. Bidi manufacturing units that produce less than 20 lakh bidis per annum are exempt from paying any taxes, which leads many manufacturers to report production as being below the actual figures. Bidi exports have doubled over the last eight years, with bidis now being exported to around 30 countries. Nearly 1029 tons of bidis are exported each year earning nearly Rs. 35,00,000.

Bidi rollers are employed in both the organized and unorganized sectors. However, those employed in the unorganized sector are largely

illiterate and paid lower wages, because of which they face a lot of deprivation. Since the requirement of technical skill is very low, that helps to keep it in the unorganized sector. The Central Tobacco Research Institute (CTRI) has estimated that about 6 million farmers and 20 million farm labourers are engaged in tobacco farming extending across nearly 15 states. Bidi rolling provides employment to 4.4 million people. In addition to 2.2 million tribal workers involved in tendu collection, nearly 4 million people are engaged in the wholesale/retail trade of tobacco.

The bidi industry, on the other hand, is domestically owned. The production process is highly labour intensive and is critically dependent on the availability of cheap labour. However, the conditions of work in the bidi industry raise serious concerns about unethical labour practices which run contrary to the spirit of the Declaration on Fundamental Principles and Rights at Work – a declaration adopted by the International Labour Conference in June 1998. The Declaration calls on ILO member States to respect and promote freedom of association and collective bargaining; the abolition of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of all forms of discrimination in respect of employment and occupation. Isolated case studies and media reports indicate that the bidi industry employs large numbers of women and children in inhospitable and exploitative conditions. Labour laws are grossly flouted. The workers' living conditions are also poor. The industry therefore presents a typical case where concerted social action on the part of the government, workers, employers, civil societies and international organizations is needed to promote and realize the goal of "decent work".

Another concern, which has been voiced frequently in the media and by the bidi associations and the trade unions, relates to the future prospects of the bidi industry. Fears have been expressed regarding uncertainties facing this industry due to competition with adequate income, with adequate social protection. It also means sufficient work, in the sense that all should have full access to income-earning opportunities. The cigarette industry and the likely impact on the bidi market of tobacco-free initiatives and anti-

tobacco legislation. Competition with cigarettes is likely to be fierce when restrictions on import of cigarettes into India are withdrawn, in compliance with World Trade Organization obligations. Any threat to this industry, if real, has very serious implications in terms of loss of income and earning opportunities for millions of poor unskilled workers consisting of women and children in overwhelming proportions. These workers, with hardly any savings or asset base and no insurance coverage, would be thrown into destitution.

Devising an appropriate social policy and a plan of action to remedy the continuing evils of exploitative practices in this industry and protect the workers from any threat of prospective unemployment through sustainable diversification strategies and skill development require a diagnostic study on the working and living conditions of the bidi workers in this industry, assessing the threat potential and the possibility of their rehabilitation through employment diversification strategies.

1.2 Importance of Tobacco in the economy of Nipani

Nipani is essentially an area growing Bidi Tobacco on large scale in the state of Karnataka. The Bidi tobacco area practically extends over the whole of Belgaum district. In Nipani area, the tobacco crop is mostly dependent on the monsoons. Irrigation is resorted to only when necessitates by inadequate or uncertain rains. Though the yields of Bidi Tobacco are low, the quality is superior. The Nipani area has been producing some of the best varities of bidi Tobacco. The peculiar soil and climatic conditions are largely responsible for this high quality Bidi tobacco.

The Bidi Tobacco here is generally grown on medium black soils which are well drained, with pH tending towards neutrality. The optimum annual rainfall conditions of 625-1000 mm are also available here, especially in talukas of Chikodi, Hukkeri and western Gokak. All major rivers of the region, namely Gataaprabha, Malaprabha and Krishna, flow through this area, thus providing an environment most conducive for producing high quality tobacco. The flavor, aroma and keeping quality possessed by Bidi

tobacco of this area, are lacking in that of Charotar Tract of Gujarat (which produces 80 per cent of the total Bidi tobacco production in India). Nipani tobacco is brownish red, with a green tinge.

On curing and powdering the leaf, a granular powder, which is highly desirable, is obtained. On account of its sweet aroma (smokewise), Bidi manufacturers all over India prefer to use Nipani tobacco in their tobacco mixtures, for imparting sweetness to bidi smoke. Among all the tobacco of Nipani area, tobacco grown at the village Akol fetches highest price in India. The area under tobacco cultivation in Nipani area is 22,000 hectare (2007). The production of Bidi tobacco is 23,600 tons(2007) and productivity is 1,024 kg per hectare(2007).The average price for tobacco is 80 rupees per kg.There are thirteen Bidi factories and among them only six are major. The major six factories are, Sambhar Bidi works Pvt. Ltd, Vilas Bidis Pvt. Ltd, Royal Bidi Pvt. Ltd, Oont Bidi Works Pvt. Ltd, GS Bidi Pvt. Ltd and A. A Momin Bidi Works Pvt. Ltd.

There are two types of workers working in Bidi Factories of Nipani 1. Factory workers 2. Home workers. In factory workers there are 5 men workers and one female worker. In home workers there are 23 male and 5,871 female workers. The wage is Rs. 68.14 for 1,000 Bidi.

Importance of the study

Several firms had been engaging in production and marketing of Bidi. Hence, the consumers had a greater option to choose from. In this context, a study on consumer behaviour was seemed to be important to understand the buying behaviour and preferences of different consumers. Understanding the consumer behaviour would help the firms in formulating strategies to cater to the needs of the consumer and thereby increase their market share. Consumer's taste and preference were found to change rapidly, especially in a dynamic environment. Keeping in view the importance of consumer behaviour and consumption pattern, the present study was under taken with the following objective

The specific objectives of the study were

i. To identify different brands of Bidi.

ii. To study the consumer preference of different brands.

iii. To study the price spread among the stakeholders.

iv. To document the constraints faced by Manufacturers

Presentation of the study

The study has been presented in six chapters as indicated below. Chapter-I deals with the nature, importance and specific objectives of the study; Chapter-II describes the comprehensive review of the relevant research work done in the past related to the present study; Chapter-III outlines the features of the study area, nature and source of data, sampling procedure and analytical tools and techniques employed in the study; Chapter-IV is devoted to present the main findings of the study through tables; Chapter-V discusses the results of the study; Chapter-VI provides the summary of the whole study and also suggests the policy implications based on findings of the study.

At the end, important references have been listed relating to the present study.

Limitations of the study

This study was based on primary data collected from sample consumers by survey method. As many of the consumers furnished the required information from their memory and experience, the collected data would be subjected to recall bias. The study area was limited to Belgaum district and the findings may not be applicable to other markets, as vast difference exist among the consumers with regard to demographic and psychographic characteristics. Hence, the findings of the study may be considered appropriate for the situations similar to study area and extra care should be taken while generalizing the results.

CHAPTER II

REVIEW OF LITERATURE

A review of past research studies helps in identifying the conceptual and methodological issues relevant to the study. This will enable the researcher to collect relevant data, analyze and interpret the same so as to draw meaningful interpretations. This chapter attempts a brief review of the relevant studies related to the present study. Keeping in view the objectives of the study, reviews are presented under the following headings.

1. Consumer preference of different brands

2. Studies on price spread

3. Studies on constraints faced by the manufacturers

2.1 Consumer preference of different brands.

Gluckman (1986) studied the factors influencing the consumption and the preference for wine. The explicit factors identified were the familiarity with the brand name, the price of wine, quality or the mouth feel of the liquid, taste with regards to its sweetness and dryness and the suitability for all tastes. Some of the implicit factors identified through extensive questioning were colour and appearance. Most consumers preferred white wine to red. Packaging, appearance, colour, use of foreign language and graphics were taken as important clues for quality and price.

Ali (1992) studied the factors influencing purchase decision for processed products. The study revealed that factors such as taste, family preference,price,good keeping quality, well known brand, colour and consistency were important in the buying decision of the consumers in that order

Jenster and Jenster (1993) analyzed the wine industry with particular focus on Europe, although more global trends are indicated. The focus is on the business aspect of the wine industry and how various segments of the

market are addressed by different sectors of activities. It also highlights how the power in the industry has moved from the producer to the retailers and to when the brand holders are key players

Samuel (1994) studied the estimates expenditure equations based on data from a market survey of Chinese urban consumers. The data were collected from interviews conducted in 1993 with a total of over 5150 customers who bought food and beverage products from 20 stores in four representative cities. The analysis covers over 40 processed food and beverage products. Income, location, and household composition were found to be important factors influencing expenditure of these products. Many of the products are at least moderately income elastic. Expenditure on wine, spirits and cooking oil are likely to outpace income growth. Market growth prospects for canned food, and processed fruits and vegetables also appear promising. However, according to the evidence, income growth is not likely to induce substantial growth in consumer expenditure on dairy based products.

Gil and Sanchez (1997) examined consumer preferences for wines in two different Spanish regions, Aragon and Navarra; by means of the weighted least squares approach for conjoint analysis. Three attributes were used in the conjoint design: price, origin and grape vintage year. Among these attributes, Navarra consumers assigned more importance to the origin of the wine, followed by price and grape vintage year. Aragon consumers also considered origin as the most important attribute, followed, in this case, by grape vintage year and price. Comparing the different attribute levels, consumers from Aragon preferred locally produced and cheaper wines, while consumers from Navarra preferred Rioja and more expensive wines.

Lockshin and Kahrimanis (1998) investigated the attributes of wine shoppers use to evaluate retail wine shops. 127 personal interviews conducted with customers over a three-week period in a major Australian city were used to elicit a range of wine store attributes and then a survey

was constructed incorporating those attributes. Respondents rated the importance of attributes and then rated a specific wine shop's performance on the same attributes. Affective attributes relating to staff performance rated highly, as did functional attributes such as the range of wines and pricing. The 45 attributes were formed into six general factors and these factors were used in a discriminate analysis to produce a positioning map of eight different wine stores. The managerial significance of the results is discussed in the context of the proper positioning of wine stores.

Mandanna *et al.* (1998) study has revealed that USSR the largest market for India unmanufactured tobacco, showed a high degree of loyalty for Indian tobacco during 1980-81 to 1985/86 to 1994/95.The markets of Western Europe, Asia and middle-east taken the place of USSR. Among the products only cigarettes had a dominant presence in the export basket. The diversification of export markets is clearly evident, necessitating in the direction of brand building for Indian tobacco. The Tobacco Board of India can initiate this exercise measures should also be initiated to improve the export competitiveness of Indian tobacco in the World market.

Lenten and Moosa (1999) examined a univariate time series analysis of the consumption of beer, wine and spirits in the UK over the period 1964-95 is presented. The analysis shows that the consumption of beer and wine exhibits stochastic seasonality whiles the consumption of spirits exhibits deterministic seasonality. Moreover, the three series are found to have stochastic trends. Analysis of the out-of-sample forecasting power of the various models reveals that the model with stochastic trend and seasonality is superior to other models. The results cast doubt on the validity and soundness of the practice of modeling the consumption of alcoholic beverages by assuming deterministic trend and seasonality.

Adejoro (1999) presented results of a consumer survey of Western fast food chicken products in Ibadan, Nigeria and summarized which show that there is a potential market in West Africa, given that Nigeria is a good pointer to the future of the business in the region. Consumer preferences for

various chicken products by age group are shown as well as consumers' views on product improvement. Some recommendations are made for future development of the industry given the potential for growth.

Cermakova (2000) studied consumer preferences in the soft drinks market. He found that soft drink qualities are implied by means of 6 attributes: package capacity; package sort; package recycling capacity; carbon dioxide saturation; flavor; and coloring.

Jernigan (2001) found that there is evidence of a convergence in drinking patterns among the young, towards products marketed to youth cultures and tastes, and associated in developed countries with drinking to intoxication and with acute consequences. After a review of available research and statistics on behavioral and physical consequences of alcohol use, the document describes the globalization of alcohol brands and marketing designed to embed alcohol products and consumption into the lifestyles of young people.

Savanur (2003) made the district level analysis on brand preference of fertilizers by farmers in Haveri District. The study indicated that NPK usage pattern in Karnataka had positive growth rate (13.43%) over the years (1992-2002).It was noticed that levels of NPK usage under irrigated conditions in case of cash crops,cereals,pulses and oilseeds were relatively high as compared to rain fed conditions. Retailer was the main source of information about different brands followed by peer group and progressive farmers. Brand loyalty and dealer loyalty of farmers was mainly influenced by good quality followed by retailer suggestion

Gupta (2005) in his study on the Beer industry in India in the context of consumer buying behavior found that UB (United Breweries Ltd.) is the market leader in the Indian beer market with a 40% market share. The company has, however, been focusing on strong beer. As of today while Shaw Wallace has approximately 28 to 30 percent of the strong beer market, UB already has achieved 14 to 15 percent of that strong beer market and is growing very fast.

Cunha and Bento (2005) studied to evaluate knowledge, behavior, and attitudes concerning alcoholic beverages among a population of secondary school students, so as to provide better knowledge and understanding of habits involving alcohol among adolescents and the contexts in which they operate. A questionnaire was developed with questions concerning knowledge, behavior, and attitudes with respect to alcoholic beverages. The adolescents surveyed were divided into two groups, based on gender. A descriptive analysis of the variables was performed, referring to statistical tests in cases where a comparison among the variables was undertaken. Most of the surveyed consume alcohol in bars and in the company of friends, the most commonly mentioned drinks being: “shots,” “alcohols” and “tall drinks” as opposed to wine.

Fallu *et al.* (2006) found that controlling for confounding, both volume of alcohol consumption and the frequency of binge drinking occasions were associated independently with alcohol-related problems (aggression/victimization) on the individual level. On the aggregate level, there was colinearity between volume of drinking and frequency of heavy drinking occasions. When entered in the same model, however, only the effect of volume stayed in the same direction. Conclusions of his study are that not only individual volume of drinking, but also the way alcohol is consumed influences individual problem levels. This includes individual patterns of drinking, as well as environmental influences at school. These results open up important considerations for theory, research, and prevention.

Remaud and Couderc (2006) investigates and compares some of the strategic choices made by small wine firms from two different New World wine producing countries, Australia and New Zealand, and one traditional wine producing region of France. This research was first conducted in 2003 in France with 98 wine firms being interviewed and then in Australia and New Zealand, with a total of 68 wine firms interviewed in 2004. In order to explain the differences in business practices, an effort to match wine sector perspectives and strategic management profiles is presented through a

hierarchical cluster analysis. Some complementary explanations for the clusters found can be suggested: business practices are clearly dependent upon the business activity (bottled wine versus bulk wine), and the main goal of the owner-manager (improving business economic performance versus increasing market share).

Bouzdine and Chameeva (2006) conducted series of interviews with the personnel of six wine SMEs in the Bordeaux region reveals the importance of eight core competencies (production, labour, costs, quality, investment, market, competition, and clients/sales) in devising strategy. In addition, this paper demonstrates that core factors affecting the success of strategic development include: knowledge versus know-how; investment, quality; labour difficulties, team issues, market positioning; customer relationship and trust. The implications of the practical implementation of these results are discussed. Originality/value - Shows the future prospects for French wine companies not being taken for granted. On account of radical market changes the French wine sector needs to re-evaluate the situation and investigate new strategic options that might permit it to regain a competitive advantage in a changing environment.

Thach and Olsen (2006) studied Consumer segmentation in the wine industry takes on many forms: demographic, geographic, behavioral, and others. In the USA, one of the most promising new demographic segments is the Millennial or Echo Boomer segment, which is being targeted by many consumer industries due to its size and buying power. For the wine industry, this group currently fits the legal drinking age range of 21 to 28 years. This empirical study describes the perceptions and attitudes of 108 Millennials regarding wine and what the wine industry can do to better market to them in a responsible manner. Results indicate that there is a need for greater wine advertising to this group utilizing fun, social, and relaxed settings; more innovative packaging and labels; a focus on "value" wines; as well as taste enhancements and environmental emphasis

Breslow and Grummer (2007) studied to determine the prevalence of alcohol consumption among breastfeeding and non-breastfeeding women at 3 months postpartum. Methods: they analyzed the most recent data available, which were from the 1993-1994 Food and Drug Administration Infant Feeding Practices Study I, a longitudinal panel study of infant-mother pairs. Self-reported data on alcohol consumption were analyzed for 772 breastfeeding women and 776 non-breastfeeding women age >=14 years. Results: At 3 months postpartum, 36% of breastfeeding women and 40% of non-breastfeeding women consumed alcohol (p=0.09). In multinomial regression models adjusted for age, race, education, income, marital status, region, smoking, and alcohol consumption before and during pregnancy, breastfeeding women were significantly less likely than non-breastfeeding women to consume two drinks per week (p<0.01), or equal to or more than three drinks per week (p<0.01), but equally likely to consume one drink (p=0.23). Conclusions: A substantial percentage of breastfeeding women consumed alcohol. Their infants may or may not have been exposed, as some women may have used alcohol avoidance strategies. Nationally representative data are needed on alcohol consumption and infant feeding practices among breastfeeding women.

Caleguer et al. (2007) studied the influences of various attributes (price, brand, colour and nutritional information) on consumer preference for a packaged orange flavour soft drink powder were investigated using a focus group approach. The purchasing preference of 107 participants was assessed for soft drink powders: of high or low price; having packaging of yellow or orange colour; of known or unknown brand; and containing orange juice powder labelled as with or without pulp, fibre and vitamin C in the nutritional information. A conjoint analysis of the data showed that: 63 per cent of the consumers were influenced primarily by brand; 8 per cent of the consumers valued the nutritional information mostly; for 4 per cent of the consumers price was the most important factor; and colour was main deciding factor for 5 per cent of the consumers polled. Most preferred were: low price; a pack of intense orange colour; the known brand; and products

with pulp, fibre and vitamin C. Consumers associated the known brand with higher quality.

Martinez at el. (2007 studied that conjoint analysis is used to determine the relative importance of a set of attributes which influence purchase decision of quality wine: Designation of Origin (D.O.), type of wine, price and occasion. We have considered two different purchase places (restaurants and retailers) and three segments that differ in consumption frequencies (habitual, occasional and sporadic). Significant differences have been found in preference structures between purchase places and among segments. On the one hand, consumers are specially price conscious in restaurants where formal occasions are more valued. On the other hand, the higher consumption frequency is, the lower D.O. and relative price importance is. The type of wine, therefore, acquires greater importance. All rights reserved, Elsevier.

Gokgoz and Kocoglu (2007) conducted study to determine the prevalence, starting age and reasons of cigarette smoking and alcohol drinking among adolescents. 671 students aged 11-17 years in Sivas, Turkey, answered a self-administered questionnaire. The results showed that 67.1 per cent of the students were never smokers and 18.5 per cent had tried smoking. The daily smoking student ratio was 7.5 per cent, and the regular smoker ratio among the students was 10.9 per cent (female 4.1 per cent and male 14.1 per cent). 84.8 per cent of the adolescents stated that they met no problem in purchasing cigarettes. 53.0 per cent of the fathers and 13.7 per cent of the mothers were smoking regularly. Age, sex, family income, student's success upon his own expression, to have had a disciplinary penalty, sharing problems with the family, knowing the cancer-causing effects of smoking, and living apart from the family had significant relationships with smoking behaviour ($P<0.05$). Only the effect of family' educational level on smoking behaviour was non-significant; 0.6 per cent of the students stated that they were still drinking alcoholic drinks. The ratio of students that were never drinkers was 93.8 per cent. The number of students who became drunk for more than once was 1.5 per cent. It is

concluded that smoking is quite a common behaviour for students, while alcohol trying and consumption rates are at very low levels.

Alimova and Lillywhite (2008) conducted survey at the annual Harvest Wine Festival in Southern New Mexico to determine the impact of wine attributes on consumer preferences. The hypothesis that price, reputation, and origin significantly affect the demand for New Mexico wines is evaluated using discrete choice methods. Results indicate that consumers' preferences and resulting wine choices are affected by wine attributes including wine price, winery reputation, and the origin of the wine.

Martinic and Measham (2008) indicated that the apparent increase in heavy drinking behavior by some young people, described in a number of countries, positioning it within its appropriate social, historical, and cultural contexts. The centerpiece of the research study is a series of focus groups conducted with young people of legal drinking age in Brazil, China, Italy, Nigeria, Russia, South Africa, and the United Kingdom, which examine their views on extreme drinking, motivations behind it, and the cultural similarities and differences that exist, conferring at once risk and protective factors. The authors explore the developmental, cultural and historical contexts that have surrounded this behavior, and offer a new approach to addressing it through prevention and policy.

Durand (2008) conducted survey on students from a Paris University by self-administered questionnaire during lectures. This sample comprised 875 first-year and second-year students in five main disciplines: medicine, pharmacy, law, psychology, and sociology. Nine out of ten students had drunk alcohol at least once and eight out of ten had drunk alcohol during the previous year, with no differences according to gender. Abstinent, very occasional, or very light drinkers (drinking less than two glasses less than once a month) were more frequently female, while moderate drinkers (drinking an average of three to four glasses less than once a week, or six or more glasses less than once a month) and heavy drinkers (drinking four times or more per week, more than four glasses per occasion; or having six

glasses or more at any one occasion, more than once a month) were more frequently male. Students with a working-class father were twice as likely to be abstinent as the mean (but were mostly females), and the fathers of heavy drinkers were significantly more frequently executives. No abstinent students reported an average of 3.4 episodes of drunkenness during the last year, but with very marked differences according to gender, discipline, social origin, and lifestyle (going out to a discotheque, restaurant, cafe, sports games).

JiaFang and HongMei (2008) found that in the urban setting of Wuhan, over the time-period 2002-05, there was an increase in prevalence of drinkers, particularly among younger people and older women. The average frequency and quantities consumed by drinkers did not change over this period; among drinking men the volumes of alcohol consumed were comparable to those in much more saturated commercial alcohol markets. The results did, however, show an increase over time in the proportion of older men who were engaged in heavier drinking and, in 2005; the proportion exceeded that in more saturated markets. These data suggest that, given the relatively high levels of consumption among established drinking groups, increases in the prevalence of drinkers over time may result in increases in harm if effective policies are not implemented.

2. Studies on price spread.

Doshi (1965) studied the phenomenon of pricing of Bidi tobacco in the Nipani tract of Karnataka and Maharashtra states. He observed that village level prices of Bidi tobacco varied according to the percentage out turn (recovery) of jarda from Anagad, on processing the tobacco grown in a particular village. Tobacco prices increased with the general inflationary trend in the economy, the expansion of demand and accumulation of stocks of the up-country traders and Bidi manufacturers and decrease in field purchases by Dalals at low prices, and vice versa. Speculative tendencies resulting in price manipulation, subjective assessment of quality due to lack of standardization, and personal relationships between buyers and sellers,

were the major factors inducing arbitrary tendencies in prices. Prices had very little connection with the conditions of demand and supply prevailing in the markets

The Directorate of Marketing and Inspection of the Government of India (1967) studied the various determinants of the village level Bidi Tobacco prices. It was observed that prices largely depended on the quality of produce sold, credit position of the cultivator with respect to the village merchants, quantity offered for sale, general economic standing of the buyer, the extent of help that the village middleman could give in enabling the producer to get a better price, buyers reputation for prompt payment, and buyers reputation for not entering into disputes regarding quality.

Venkataraman (1964) studied the marketing of grapes in Bangalore south taluk and found that the share of the producer in the consumers' rupee was only 54.53 percent. The profit margin of the seller in Bangalore was 36.79 percent. As per the study, the growers could get much higher price by selling the produce directly in the local whole sale markets than by selling the produce to crop contractors.

Kahlon and singh (1968) studied the marketing of grapes in Punjab and found two main channels of marketing viz.., sale s through retailers in the local market and through commission agent in the terminal market and more than 80.00 percent of the grapes were disposed of through these channels in almost equal proportion. The analysis of cost incurred in the marketing of grapes revealed that in the total cost, the grading and packing operations alone accounted for 72.60 percent in the primary market and 64.13 percent in the terminal market. Another important cost was on transportation which accounted for 10.96 percent and 34.24 percent of the total marketing cost in these markets respectively.

Singh and Kahlon (1969) identified three important channels in the marketing of grapes in Punjab. They were channel-I: sale to the pre- harvest contractor who in turn supplied the produce to retailers through commission agent in the primary market, channel-II : the producer

supplying to the wholesaler through commission agent in the primary market and the former selling to the retailer in the same market and channel-III: the producer selling to the retailer through commission agent in the primary market. The net share of the producer in the consumers' rupee varied found from 53.70 percent in channel-I to 71.48 percent in channel-III. the contractors margins was as high as 20.76 percent of the consumers' margin expressed as percentage of consumers rupee was lowest (5.72%) in channel-II and was highest (15.91%) in channel-III.

Singh and George (1969) studied the marketing of sweet oranges in Punjab and reported that the pre-harvest contractor system accounted for 77.39 percent of the produce. The growers themselves sold 20.38 percent of the produce in the district terminal markets and remaining directly to the consumers.

Singh (1973) studied the marketing of grapes in Ludhiana. Through co-operative marketing the net return could be increases by reduction in marketing costs and increase in gross return by selling at right place. Through co-operative marketing costs decreasing by 10.27 percent and gross return increased by 21.29 percent.

George (1974) studied the marketing pattern of citrus fruits in Nagpur (Maharashtra) and Cuddapah (Andhra Pradesh districts by electing information from 60 farmers in each district, through a multi-stage stratified random sampling producer. The study showed that about 78 percent of the lime was sold to the agent from 7 percent to wholesalers of the gate and 14.4 percent of the produce was brought to the market by the farmers themselves. Uncertainties in the wholesale market and implications made the farmers to depend heavily on the pre-harvest contractors and others.

Sing (1975) identified two marketing channels for grapes channel:-I producer→ pre-harvest contractor→ commission Agent → retailers→ consumer. Channel-II: producer → commission agent→ retailer →consumers. The price spread and marketing margin were estimated for 5 kg of grape under both the channels. The marketing costs incurred by the

producer and pre-harvest contractor were found to be at 8.25 percent. The marketing cost incurred by the retailer was worked out to be 1.97 percent in both the channels. The profit margins of pre-harvest contractor and retailer were found to be 22.4 percent and 20.18 percent respectively. The producer shares' in the consumer's rupee' was 47.18 percent and 69.93 percent in channels-I and II respectively.

Pawar and Patil (1976) reported that the packing and transportation were the major items of marketing costs in all fruits in Bombay market. They estimated the marketing costs for Anab-e-Shahi grapes on accounted of packing at Rs.0.15 loading Rs. 0.20, transportation Rs.0.20, entrance fee Rs. 0.02 unloading Rs. 0.02 per kilogram and for Thompson seedless these Rs.0.0.20, Rs.0.20, Rs.0.20 Rs0.04 and Rs.0.02 per kg respectively. Producer's share in the profit margin of wholesaler was around 5 per cent of the consumer's price in case of all the fruits. The share of the marketing costs paid by the producer ranged between 5 and 19 percent of the consumers price in the case of different fruits, while the retailers expenses ranged between 8 and 25 percent and they could get 19.42 percent of the consumers price after meeting all the expenses.

Krishnamurthy et al.(1979) studied the economics of production and marketing of coorg mandarins in Karnataka and found that the pre-harvest contractor made a net profit of Rs.25.06 per 1000 fruits by incurring an expenses of Rs.24.24 on them. Various cost components cost followed by harvesting and transportation costs. The price received by the grower was Rs .57.80 per 1000 fruits.

Rao and Naidu (1979) while studying the marketing of sour lime, in Tennali market, Andhra Pradesh, found that the agents involved in marketing were broker, exporter, commission agent and retailer. The producer share in the consumer's price was found to be 57.76 per cent. The remaining was shared among the exporter (10.01%), broker and commission agent (15.31%), retailer (5.18%), transportation (9.71%), labour (8.0%) and grading and packer (4.00%).

Nagendran (1980) analysed the marketing systems of grapes in the Bangalore for Anab-e-shahi and Thompson seedless cultivars. He identified two important channels for marketing the grapes.

Channel-I: producer→ pre-harvest contractor→ wholesaler or commission agent→ Retailer →consumers.

Channel-II: producer→ pre-harvest contractor→ wholesale or commission agent→ hawker→ consumer.

The study showed that on each kg of Anab-e-shahi handled, the commission agent incurred marketing costs of little over one paisa and earned a net return of 28 paisa: the corresponding figures for Thompson seedless were a little over 3 paisa and 50 paise. Retailer incurred a cost of 37 paise in marketing each kg of grapes where as it was 76 paisa per kg in the case of Thompson seedless. Retailers earned a net retun of 93 paisae and Rs.1.26 per kg from the two varieties respectively. In the case of hawkers, it was found that the cost of marketing per kg of grape worked out to 34 paise for Anab-e-shahi and 22 paise for Thompson seedless varieties, as net return to management. The net return to management per kg of grape worked out at 99 paise and Rs.1.94 from the two varieties, respectively.

Kulkarni (1989) studied the production and marketing of grape in Bijapur district, Karnataka and worked out the per kg cost of marketing of grapes in Bijapur and Hubli markets. In Bijapur market, the total marketing cost was Rs.0.63 per kg. packing charges accounted for the largest share of 61.91 per cent followed by the commission 915.87%) and transportation charges (9.52%) where as in Hubli market the cost of marketing per kg of grapes was found to be Rs 1.08 transportation, packing charges, losses during handling and commission charge accounted for 38.89, 36.11 12.96 and 9.26 percent. Respectively.

Mallareddy (1989) while studying the marketing of sweet oranges in prakasam district of Andhra Pradesh, found that the pre-harvest contractor made a net profit of Rs. 95.90 per tone and incurred expenses of Rs.433.49.

the study indicated that the cost of transportation and commission charge were the major items of marketing cost accounting for 45.55 percent and 41.42 per cent of the total cost of marketing, for respectively. The costs on these two items amounted to Rs. 376.99 per tone of fruits contributing to 86.97 per cent of the total costs incurred by the pre-harvest contractor. Harvesting and watch and ward were the other important items of cost. The grower received Rs.2, 077.02 per tonne of fruits.

Vitonde and Bhargava (1991) studied the marketing cost of oranges incurred by the farmers in marketing of Ambiya and mrig bahar crops of oranges in Nagpur district of Maharashtra. They identified two channels in marketing of these fruits viz.,

Channel-I: producer→ wholesalers.

Channel-II: producer→ distant marketing centers like Delhi, Luck now, Amritsar, Patna and Howrah. The study revealed that the total marketing cost incurred per tonne of Ambiya bahar and mrig bahar oranges were Rs.240.34 and rs.270.84 respectively. In both the crops, the share of packing and transportation cost was more.

Nagarj and chandrakanth (1992) reported higher producers' share in consumers' rupee in Thompson seedless variety of grape 959.72%) as compared to Anab-e shahi (56.53%)

Hiremath (1993) studied the economics of production and marketing of lime in Bijapur district, Karnataka. As per the study only one marketing channel existed for the lime in the area. Channel-I: Produce--- commission Agents—trader. In the marketing costs incurred by producer the contribution of commission charge was 36.03 percent in small, 36.03 per cent in medium and 35.95 per cent in large orchards. Next important item in all the size groups was packing and grading, its contribution towards the total marketing cost was 24.16 per cent in small, 24.3 per cent in medium and 24.78 per cent in large orchards. The share of packing material and transportation was more than 30 percent in all the size groups, other items

like loading and unloading, commission to local agent and miscellaneous accounted for 8.36 per cent and 8.82 per cent respectively. Thus the total marketing cost per bag incurred by producer-seller was Rs.25.78 for small, Rs. 24.89 for medium and Rs. 23.81 for large orchards owners.

Singh *et al.* (1994) studied tobacco marketing in Bihar state, India. Data were collected from farmers in Rupauli village, Sarairanjan block, Samastipur district, and from five village traders, three outside traders, five wholesalers, ten retailers and ten consumers selected from Ujiarpur and Samastipur markets. The study indicates that tobacco growers lack basic infrastructural facilities for processing, grading and marketing and so sell their standing crop as a forward sale to village traders or outside traders at relatively low prices.

Saraswat (1996) studied the economics of marketing of oranges in Himachal Pradesh by using the primary data collected from 200 farmers of Karnataka and sirmour districts. The major components of marketing costs incurred by the orchard owners were picking, packing, and grading, transportation cost, commission charge and state tax. The cost of marketing per basket incurred by the producing area and the charge levied by the intermediaries. The orchard owners of kangra district incurred a marketing cost of Rs.31.20, 29.75, 22.19 and 29.75 in Ambala, Chandigarh, Pathankot and Jammu markets respectively where of those of sirmour district the same worked out to Rs. 22.82, 25.46, 23.48, 25.24 and 23.29 in Dehradum, Jagdhari, Sahanpur, Ambala and Chandigarh markets respectively.

Singh (1996) studied about the marketing of citrus fruits in Rajouri district of Jammu and Kashmir by surveying 60 citrus growers in the region and identified two channels of marketing namely, Channel-I: producer→ pre-harvest contractor → Retailer →Consumers. Channel-II: producer →retailer→ consumer. The producer's share in the consumers' rupee was found to be highest 75 per cent in channel –II as compared to channel-I 35.71 per cent.

Durga (1999) stated that the price received by the producer by selling directly to consumers in Rythu bazaars, Vishakapattanam were higher for each of the vegetables than those received by producer selling through other agencies.

Radha and Prasad (2001) studied economics of production and marketing of vegetables in Karimnagar district of Andhra Pradesh and identified three main channels in marketing of vegetables viz., channel I (producer- consumers), channel II (producer-retailer-consumer).and channel III (producer-primary wholesaler-secondary wholesaler-retailers-consumers). About 90 percent of vegetables produced in the district were marketed through channel III with high marketing cost of 108.41/ quintal (20.7%) to consumer's price share in the consumer's rupee was highest in channel I (80.30%) followed by channel II (81.69%) and channel III (79.29%).

Naik (2003**)** conducted a study on performance of Rythu Bazzar in Hyderabad city. The comparison of price spread of tomato, brijal, chilli and ladies finger in Rythu Bazaar and local market was worked out and the results revealed that the produce's share in consumer rupee for tomato was 84.11% brijal 81.53%, green chillies 87.39% and okra 85.32% in local market the producer's share in consumer's rupee were 45.50% ,58.65 percent,50.26 percent and 57.945 percent respectively.

3. Studies constraints faced by the manufacturers

Levin and Panyakul (1993) observed that complicated production technology, alienation of farmers from the concept, lack of standards, and lack of large market opportunities comparable to those for non-organic produce markets were the constraints in organic farming.

Jayasuriya (1998) studied that the greatest simulative economic effects of the alcohol industry are employment creation and revenue to the government income through taxation. The State of Andhra Pradesh asserted

in 1994 that prohibition would result in the yearly loss of 20,000 jobs and 12 billion rupees of State receipts.

Litvak (1998) reported that alcohol policies in many countries have long been based on the assumption that a wide range of health and social problems associated with the abuse of alcohol can be directly correlated with average daily per capita alcohol consumption. The authors explore the implications of such a paradigm shift for the shaping of research, prevention, and more sensitive national alcohol policies.

Assunta (1999) in his study on impact of alcohol consumption on Asia observed that the American and European markets are saturated hence alcohol transnational's are looking towards Asia and other developing countries both to expand their sales and to set up production facilities. Asia has a young population and is a growing economy. Both beer and spirits consumption in India have been rising, possibly due to liberalization of the Indian market. Several foreign companies have taken notice of India's increasing economic liberalization and have entered into joint ventures with Indian companies. Privatization and opening up the market to foreign companies dramatically changes the advertising and marketing of alcohol. However, since the post-privatization period alcohol products are widely promoted by local producers and importers.

Jain and Bhattacharyya (2000) reported five types of constraints which included social, financial, situational, technological and operational constraints. A majority of the respondents (68%) reported unawareness about biofertilizer practices. Other constraints were lack of practical oriented training (64%), lack of relevant literature (60%), lack of confidence in biofertilizers (50%), a few (44%) reported lack of biofertilizers supply centre in village and lack of storage facility.

Bentzen and Smith (2004) examined long-run trends in wine consumption in the Nordic countries, and then analyses recent developments (1999 and 2000) in more detail; while examining the prices, taxes, imports and retail systems, particularly in the state-controlled

systems of Norway, Sweden, Finland and Iceland. A comparative analysis of retail prices for some selected wines is then provided to illuminate differences between a liberal system of alcohol policies (as in Denmark) and the more restrictive systems of other Nordic countries. Future trends in wine consumption in the Nordic countries are also considered.

Johnson (2007) reported that different states have different legal minimum age limits for alcohol consumption, with the lowest being 18 years in Karnataka and Kerala and the highest at 25 years in Delhi; Maharashtra has permissible age for beer and wine as 21years and 25 years for spirits. There is increasing lobbying by the alcohol industry for reduction in the permissible age. Young people, especially teenagers, are more sensitive to alcohol use because their bodies and brains are still developing. Studies and findings around the world are conclusively underscoring the dangers of early alcohol use resulting in a much higher risk of dependence and abuse, but the legal age in India for serving alcohol is seldom checked. Increasingly in India, the young are being lured towards alcohol use. They are impressionable, want to be seen as fun, hip, cool & 'belonging' to their peer groups and friend circles. Alcohol also provides an 'excuse' to behave in an uncontrolled manner, which make 'controlled' societies, like in many Asian countries, including India, even more at risk, where alcohol consumption tends to be done without the knowledge of parents and family.

Nordlund (2007) found that Norway is not a member of the EU, but entered into agreement with the EEA as of 1 January 1994. Norway shares borders with the EU member States of Sweden and Finland, and is also close to the rest of EU in many respects. These factors have had a rather strong influence over Norwegian alcohol policy, both directly and indirectly. Direct influences derive from Norway's ratification of the EEA Agreement and therewith an obligation to obey many EU regulations. The result of this was that Norway, like Sweden and Finland, was forced to dissolve its monopoly on import, export, wholesale and production of alcoholic beverages, and to allow alcohols to be sold in ordinary grocery stores. Indirect influences arise from the travelers import quotas within the EU.

These place constant pressure on the relatively high prices in the Nordic EU countries, leading to price reductions in these countries that stimulate Norwegian border trade, even if the legal quotas in Norway are very small compared with the EU quotas. Alcohol policies in the EU countries, especially the neighboring countries, also seem to have some impact on popular attitudes to Norwegian alcohol policy. This article describes these different EU related factors and their influence.

Osterberg (2007) reported an overview of changes in alcohol policy in Finland during the last decades and developments in public alcohol policy opinions revealed in the latest Gallup poll conducted on January 2005. During the last decades, all three pillars of the Nordic alcohol control policy - strict physical availability of alcoholic beverages, high alcohol taxes and prices, and the comprehensive alcohol monopoly system - has been weakened. At the same time, total alcohol consumption and alcohol-related problems have increased. Public attitudes of alcohol policy have not always followed the changes in alcohol consumption and related problems. During the last decade, alcohol policy attitudes have become somewhat stricter. Besides, increases in total alcohol consumption and related problems, since 1994 changes in drinking habits and contexts have affected alcohol policy attitudes, especially the abolishment of rules forbidding drinking in a public place leading to an increase in problem-prone drinking and related behaviour in many kinds of public places like parks, playing grounds, streets and shopping malls. Also youthful drinking has become, if not more frequent, at least clearly more visible and more frequently discussed in the media.

Saltz (2007) examined that despite research supporting comprehensive community prevention strategies, there has been relatively less done in the way of policy-orientated approaches to prevention on college campuses, in the face of powerful appeals to do so. Among the likely reasons for this state of affairs is that college administrations are cautious about adopting new alcohol policies because of a general belief that such policies are held in very low favour among the students themselves. The sense that

most alcohol policies will be met with universal opposition is largely unexamined, however, and it is entirely possible that student attitudes regarding alcohol policies are worthy of investigation in themselves. The data reported here were collected via a mailed survey of a random sample of undergraduate students from the University of California. The questionnaire included a set of twenty alcohol problem prevention policies that were described as among those some college campuses have adopted or are thinking of adopting. Author found that a universal tendency to underestimate support for prevention policies, particularly those with some "teeth" to them.

CHAPTER- III.

METHODOLOGY

This chapter outlines briefly the characteristics of the study area, the nature of market, the sampling procedure, the nature and sources of the data and the statistical tools and techniques employed for analyzing the data.

The methodology is presented under the following major heads.

3.1 Descriptions of the study area.

3.2 Sampling procedure.

3.3 Nature and source of data.

3.4 Analytical techniques employed.

3.1 Descriptions of the study area

Nipani area comprises practically the whole of Belgaum district of the state of Karnataka. It is situated between 15 degree 23 minutes and 16 degree 58 minutes North latitude and 74 degree 5 minutes and 75 minutes 28 minutes east longitude. The total geographical area of the district is about 1,34,000 sqm, while the population as per 2001 census was 30,23,342. The soil and climatic conditions of the region are ideally suited for the production of tobacco, where rainfall is inadequate and uncertain. The talukas covered by canals are chikodi, Gokak, Raibag and Athani. The canals are served by the Gataprabha irrigation project.

The production of Bidi tobacco is 23,600 tonnes(2007) and productivity is 1,024 kg per hectare (2007).The average price for tobacco is 80 rupees per kg. There are thirteen Bidi factories and among them only six are major. The major six factories are, Sambhar Bidi works Pvt. Ltd, Vilas Bidi Pvt. Ltd, Royal Bidi Pvt. Ltd, Oont Bidi Works Pvt. Ltd, GS Bidi Pvt. Ltd and A. A Momin Bidi Works Pvt. Ltd.There are two types of workers working in Bidi Factories of Nipani

1. Factory workers

2. Home workers

In factory workers there are 5 male and one female worker. In home workers there are 23 male and 5,871 female workers. The wage is 68.14 rupees for 1,000 Bidi.

Market Structure

The market for tobacco in the Nipani area broadly falls into two categories, the local markets and the main Market. Local Markets are located in the villages and are scattered over long distances. Main market is located in the town of Nipani in Chikodi taluka. The prices prevailing in different markets show wide variations, despite the presence of adequate and satisfactory means of transport.

The market for Bidi in the Nipani area broadly falls into three categories, the manufacturing units, wholesale and retail outlet. The manufacturing unit manufactures Bidi and sells to wholesalers and directly to consumers. The wholesalers sell to the retailers and to consumers directly and the retailers sell to consumers. The prices prevailing in different markets show variations.

3.2 sampling procedure

3.2.1 Selection of brands

Discussions were held with the local consumers about the consumption of Bidi and the marketers as well about the Bidi consumed in Nipani area and to gather information on the brands to be selected for the study. Based on the discussions, important Bidi brands were chosen for the study.

3.2.2 Sample selection

Nipani area was selected for studying the specific objectives. Nipani area was selected as the study area as this area produces Bidi tobacco and there are many manufacturing units of bidi. And there is more consumption of Bidi by local people.Data regarding consumer preference was collected from 60 respondents in Belgaum district. Data regarding Selling price, marketing cost and purchasing price were collected from 6 manufacturers, 6 wholesalers and 6 retailers.

3.2.3 Collection of data

To evaluate the objectives of the study, required data were collected from primary as well as secondary sources.

3.3 Nature and source of data:

3.3.1 Primary data

Information on the following aspects was collected from 60 consumers, 6 Manufacturers, 6 Wholesalers and 6 retailers. The data was collected during the month of February and March 2010 & as the case may be:

1 General information from individual respondents on their general characteristics.

2 The Bidi brand consumed.

3 Bidi attributes considered important by the consumer in their types and brand preference decisions.

4 Selling price, marketing cost and purchasing price collected from Manufacturers, Wholesalers and Retailers.

5 Constraints faced by the manufacturers

3.3.2 Secondary data

Data regarding production productivity was collected from Agriculture Research Station Nipani. Data regarding the employment and social conditions of workers in bidi industry was collected from Labor office Nipani.

3.3.3 Period of study

The reference year of the study is 2009-10 and the collection of data was carried out during the period of February and March, 2010.

3.4 Analytical tools and techniques employed

3.4.1. Descriptive Statistics

These are used to describe the basic features of the data gathered from various sources. They provide simple summaries about the sample and the following measures like averages, ratios, percentages etc. were used in the study. Average and percentage analysis were adopted to examine the age group, income area, occupation and preference to different types and brands

3.4.2 Garrett's Ranking Technique

Garrett's ranking was used to analyze the factors like reasons for preferring a brand on the basis of certain attributes.The methodology followed for ranking is described below. Garrett ranking is applied to rank a set of items or factors as perceived by the sample respondents based on certain criteria. The order of merit assigned by the respondents was converted into scores using the formula given by Garrett and Woodworth (1977).

$$\text{Per cent position} = \frac{100(R_{ij} - 0.5)}{N_j}$$

Where, R_{ij} = the rank of the i th item by j th individual and

N_j = the number of items ranked by the j th individual.

By referring the Garrett's table, the per cent position estimated was converted into score. Then, for each factor the scores of various respondents were added and the mean score was calculated. The factor with the highest mean score was considered to be the most important factor.

CHAPTER- IV

RESULTS

Keeping in view the objectives of the study, the result obtained from the analysis of the data is presented under the following heads

4.1 General characteristic of sample respondents

4.2 General information of marketing intermediaries

4.3 Price spread among the stakeholders.

4.4 Consumer preference of different brands.

4.5 constraints faced by manufacturers.

4.1 General characteristics of the sample consumers.

The general characteristic feature of the sample Bidi consumers are presented in Table4.1. The study covered 60 consumers from six villages in Belguam district of Karnataka. The average family size of Bidi consumers was 8, the average age was 48.5. The average total land holding was 1.43 acres. The average family income of the respondents in the study area was Rs 11,000 per family annual income.

From the table 4.2, it could be seen that the average age of the Bidi consumer was about 48 years and the main occupation of them was agriculture. It could be further observed that majority of the respondents were literate. Only 34.33 per cent of the consumers were illiterate. The main occupation of the consumers was agriculture.

Table4.1 Characteristics of sample of Bidi consumers

Sl. No	Particular	Average Value
1	Sample size	60.00
2	Age (year)	48.50
3	Land holding (hectare)	1.43
4	Family size (number)	8.00
5	Income (rupee)	11,000.0

Table 4.2 Characteristics of sample of Bidi consumers

Particular		Consumers	
		Numbers	Percentage
Education	Literate	40	66.66
	Illitreate	20	33.34
Main occupation	Agriculture	35	58.33
	Labour	25	41.67

4.2 General information of market intermediaries.

General information of market intermediaries is presented in table 4.3. The average age of manufacturer dealing in Bidi was 35.5 years; all the 6 manufacturer were literate. On an average manufacturer dealing in Bidi business is 25 years deals in Bidi business only six month in a year. The average age of wholesaler cum-commission agents dealing in Bidi business was 38.57 year and all the wholesalers dealing in the Bidi were literate.

On an average wholesalers dealing in the business for a period of 25 years. Wholesalers dealing in Bidi business in an around the year. The average age of retailers dealing in the Bidi was 41.8 years. All the retailers dealing in Bidi were literate. On an average retailers were dealing Bidi business for a period of 21 years. Retailers dealing in Bidi business around the year.

4.3 Price spread among the stakeholders

4.3.1 Cost incurred by Bidi Manufacturers

The Bidi manufacturers had incurred a considerable amount of expenditure in marketing towards marketing of Bidi, is presented in Table 4.4 the major cost of items were labour charges, excise duty, curing, tendu leaf, packaging, miscellaneous , transportation and storage charges. The total marketing cost of labour charges was Rs. 1500 accounting 42.17 per cent followed by excise duty Rs 12.48 per bundle accounting for 17.54 per cent . The curing cost accounts 12.65 per cent. The cost of Tendu leaf accounts 7.22 per cent. The cost of packaging materials accounts 7.21 per cent. The cost incurred for storage is 3.79 per cent and the cost for transportation is 3.86 per cent. The miscellaneous cost accounts 5.55 per cent. Thus, on an average the total cost per bundle of Bidi amounted to Rs. 71.14.

Table 4.3 General Information of Bidi manufacturer and marketing Intermediaries.

Sl.No	Particular	Units	Value
I.	Manufactures	Number	6
1.	Age	Years	40
2.	Education		
	i. Literate	Number	6
	ii. Illiterate	Number	----
3.	Years in business	Number	25
4.	Month in business	Number	6
II.	Commission Agent-Wholesaler	Number	6
1.	Age	Years	38
2.	Education		
	i. Literate	Number	6
	ii. Illiterate	Number	----
3.	Years in business	Number	15
4.	Month in Business	Number	12
III.	Retailer	Number	6
1.	Age	Years	41
2.	Education		
	i. Literate	Number	6
	ii. Illiterate	Number	----
3.	Years in business	Number	21
4.	Month in Business	Number	12

Table 4.4 Cost incurred by manufacturer in marketing of Bidi.(per year)

Sl. No	Particular	Rupee per bag	Per bundle	percentage
1.	Labour charges	1500.00		42.17
2.	Curing cost	450.00	30.00	12.65
3.	Packing material	25.65	9.00	7.21
4.	Storage cost	135.00	5.13	3.80
5.	Transportation	137.50	2.70	3.86
6.	Miscellaneous costs	195.00	2.75 3.95	5.55
7.	Excise duty	624.00	12.48	17.54
8.	Tendu Leaf	256.50	5.13	7.22
	Total	3,323.65	71.14	100.00

Note : One bundle equal to 20 packs and 50 bundle equal to one bag

4.3.2 Cost incurred by commission agent cum-wholesalers

The cost incurred by commission agent-cum-wholesaler in Bidi marketing is presented in Table 4.5. It can be seen from the table that the labour charges from the major component of commission agent cum wholesaler's total cost amounting to Rs.50.00 per bag, which worked out to be 37.34 per cent of total marketing cost. The other important terms of costs were, rent, interest on investment, telephone charge, personal expenses and electricity, which together formed 40.31 per cent of total marketing cost. Thus, the above five items of costs namely, labour charge, rent, personal expenses, telephone charge and interest on investment together accounted for 66.07 per cent of total marketing cost. The remaining 22.35 per cent of total marketing cost was shared by electricity charges, license fee, interest on shop advance and association membership fee. Thus the total cost of marketing was Rs. 133.9 per bag.

4.3.3 Cost incurred by retailers

Retailers received the Bidi either from manufacturers or from commission agents cum wholesaler. The average costs incurred by retailers are presented in Table 4.6. The total marketing cost incurred in Bidi transaction was Rs. 151 of which, shop rent and market entry fee accounted alone for 64.57 per cent of the total cost. The other major costs incurred by the retailers in the marketing of bidi were electricity, personal expenses and depreciation on equipment, which accounted 36.43. The retailer had incurred a cost of Rs. 3.02 per bag on account of shop rent and market entry fees followed by electricity, personal expenses and depreciation on equipment.

Table 4.5 Costs incurred by commission agent-cum-wholesaler in marketing of Bidi.(per year)

Sl.No	Particulars	Rupees per bag	Rupees per bundle	percentage
1.	Shop rent	28.00	0.56	20.91
2.	Electricity	7.50	0.15	5.60
3.	Licence fee	2.00	0.04	1.49
4.	Interest on shop advance	1.00	0.02	0.74
5.	Interest on investment	15.00	0.30	11.20
6.	Depreciation on equipment	0.20	0.004	0.14
7.	Interest on telephone advance	1.50	0.03	1.12
8.	Labour charges	50.00	1.00	37.34
9.	Stationary	5.50	0.11	4.27
10	Telephone charge	8.50	0.17	6.34
11.	Association membership fee	4.50	0.09	3.39
12.	Personal expenses	10.00	0.20	7.46
	Total marketing cost	133.9	2.67	100.00

Note :One bundle equal to 20 packs and 50 bundle equal to one bag

Table 4.6 Costs incurred by Bidi retailer (per year)

Sl. No	Particulars	Rupees per bag	Rupees per bundle	Percentage
1.	Electricity	32.00	0.64	21.19
2.	Depreciation on equipment	1.50	0.03	0.99
3.	Shop rent	49.00	0.98	32.45
4.	Market entry fee	47.00	0.94	31.12
5.	Personal expenses	21.50	0.43	14.25
	Total marketing cost	151	3.02	100.00

Note: One bundle equal to 20 packs and 50 bundle equal to one bag

4.3.4 Preference of marketing channels by Bidi manufactures

The marketing channel preffered by the Bidi manufacturers is shown in Table 4.7. The result indicated that four manufacturers sold their products in the market through channel-I and two manufacturers used channel-II to sell their products in the market.

4.3.5 Price spread in marketing of Bidi

The price spread computed for two Bidi marketing channels is presented in Table 4.8.

Channel-I: Manufacturer → Wholesalers → Retailer → Consumer.

Channel –II: Manufacturer → Retailer → Consumer.

Channel-I

It could be seen from the table that the manufacturers received a net price of Rs. 94.66 per bag when Bidi were sold to wholesalers and it was found that only 81.80 per cent of the consumers' rupee was received by the manufacturer. The price spread was Rs. 21.07 which was 18.20 per cent of consumers' price. The marketing cost incurred by the Wholesaler was Rs. 2.67 per bag and his margin was Rs. 2.56 per bag and accounted for 2.67 and 2.56 per cent of consumers' price, respectively. The retailer incurred Rs. 3.02 towards marketing cost which accounted for 2.6 per cent of the consumers' price. The net profit margin of retailer was Rs. 12.82 per cent per bag, which accounted for 11.09 per cent of the consumers' price.

Channel-II

In this channel, manufacturers received net Rs. 97.13 per bundle after deducting the marketing cost of Rs. 71.14 thus, manufacturer received 83.93 per cent of consumers' price and his cost of marketing formed 73.24 per cent of consumer's price. The retailer incurred Rs.3.02 towards marketing cost which accounted for 2.62 per cent of the consumers' price. The net profit margin of retailer was Rs.15.58 per cent per bundle, which

Table 4.7 Preference of marketing channels by Bidi manufactures

Sl. No	Particular	Units	Channel-I	Channel-II	Total
1.	Manufuacturers	Number	4 (66.6)	2 (33.3)	6 (100.0)
2.	Quantity sold	Tonnes	3296.30 (69.5)	1443.00 (30.4)	4739.30 (100.0)

Note: One bundle equal to 20 packs and 50 bundle equal to one bag
Figures in parentheses indicate percentage respective values

Table 4.8 Price spread under the different channels in Bidi marketing

Sl. No	Particular	Channel-I		Channel-II	
		Rupees/ bundle	percentage	Rupees/ bundle	percentage
I.	**Manufacture**				
1.	Purchase price	12.00	12.67	12.00	12.35
2.	Marketing cost	71.14	75.16	71.14	73.24
3.	Profit margin	11.52	12.17	13.99	14.40
4.	Sale price	94.66	100.00	97.13	100.00
II.	**wholesalers**				
1.	Purchase price	94.66	94.76	------	-------
2.	Cost incurred	2.67	2.67	---------	--------
3.	Profit margin	2.56	2.56	-------	--------
4.	Sale price	99.89	100.00	.....	.....
III.	**Retailer**				
1.	Purchase price	99.89	86.31	97.13	83.92
2.	Cost	3.02	2.60	3.02	2.62
3.	Profit	12.82	11.09	15.58	13.46
4.	Sale price or consumers' purchased price	115.73	100.00	115.73	100.00
IV.	**Price spread**	21.07	18.20	18.60	16.07
V	**Producer's share in consumers rupee**		81.80		83.93

Note: one bag needs 4kg tobacco @ Rs 140/kg.

accounted for 13.46 per cent of the consumers' price. The price spread was Rs. 18.60 which was 16.07 per cent of consumers' price.

4.4 Brand preference for Bidi

Table 4.9 shows the rank matrix of Bidi brands preferred among the different brands. The brands have been considered based on mean scores of preferential order of brands considered by the consumers. Preferential orders of brands were obtained based on Garrett's ranking test. Table 9 presents brand preference for Bidi. It could be noticed from the table that maximum of the respondents preferred 30 number Bidi brand (mean score of 74.95), followed by Sambar Bidi (mean score of 56.21), Royal Bidi (mean score of 53.82), Pistul Bidi (mean score of 52.52), Oont (mean score of 52.12), G.S Bidi (mean score of 48.97), Ganesh Bidi (mean score of 41.48), Deluxe Bidi (mean score of 38.59), Munashi Bidi (mean score of 31.28) and Patel Bidi (mean score of 30.12).

4.4.1 Factors influencing brand preference

Table 4.10 and 4.11 shows the rank matrix of common factors influencing the brand preference among the brands.While preferring a 30 number Bidi brand, quality was considered as the foremost factor (mean score of 85.31). Second important factor was taste with a mean score of 74.89. Availability was ranked as third factor (mean score of 64.23). Reasonable price and length were ranked fourth and fifth ranks respectively (mean score of 56.01 and 55.51) respectively. Packaging design was ranked sixth (54.56). While preferring Sambar Bidi brand, taste was considered as the foremost factor (mean score of 80.35). Second important factor was quality with a mean score of 71.22. Reasonable price was ranked as third factor (mean score of62.46). Length, availability and Packaging design ranked fourth, fifth and sixth ranks respectively (mean score of 59.92, 54.57and 54.38).

While preferring Royal Bidi reasonable price was considered as the foremost factor (mean score of 77.29). Second important factor was

Table4.9 Brand preference for Bidi

No.	Bidi Brands	Mean score	Ranking
1	30 number Bidi	74.95	I
2	Sambar Bidi	56.21	II
3	Royal Bidi	53.82	III
4	Pistul Bidi	52.52	IV
5	Oont Bidi	52.12	V
6	G.S Bidi	48.97	VI
7	Ganesh Bidi	41.48	VII
8	Deluxe Bidi	38.59	VIII
9	Munashi Bidi	31.28	IX
10	Patel Bidi	30.12	X

Figure1. Brand preference for Bidi

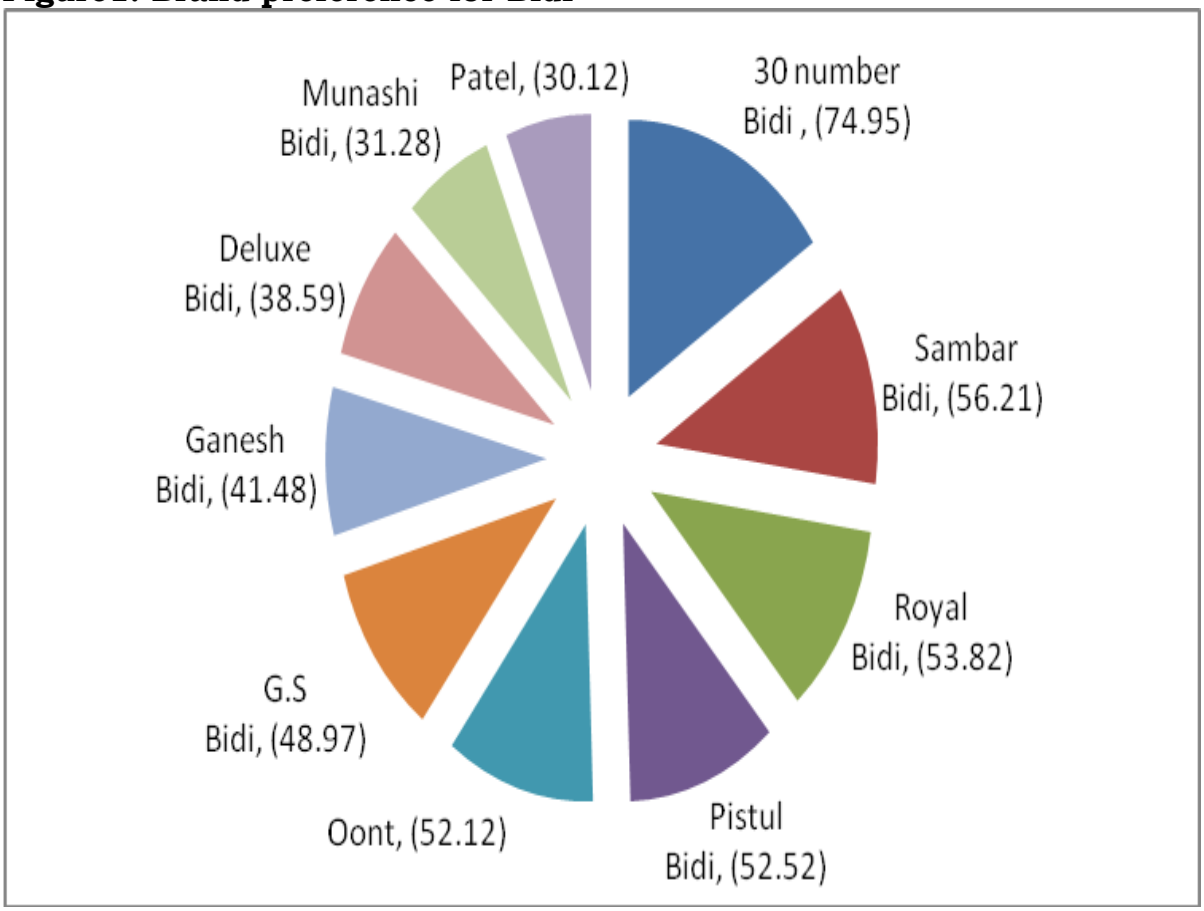

Table 4.10: Factors influencing brand preference

Factors	30number Bidi		Sambar Bidi		Royal Bidi		Pistul Bidi		Oont Bidi	
	Mean score	Ranks	Mean score	Ranks	Mean score	Ranks	Mean score	Ranks	Mean score	Ranks
Reasonable price	56.01	IV	62.46	III	77.29	I	64.21	III	64.60	III
Taste	74.89	II	80.35	I	62.29	III	79.05	I	74.79	II
Availability	64.23	III	54.57	V	75.23	II	74.18	II	59.08	IV
Length	55.51	V	59.92	IV	61.04	IV	57.43	IV	75.74	I
Quality	85.31	I	71.22	II	56.15	V	55.70	V	54.73	VI
Packaging design	54.56	VI	54.38	VI	53.43	VI	51.57	VI	56.70	V

Table.4.11 Factors influencing brand preference

Factors	G.S Bidi		Ganesh Bidi		Deluxe Bidi		Munashi Bidi		Patel Bidi	
	Mean score	Ranks	Mean score	Ranks	Mean score	Ranks	Mean score	Ranks	Mean score	Ranks
Reasonable price	81.17	I	62.46	III	62.29	III	64.21	III	64.60	III
Taste	53.61	V	80.35	I	77.29	I	79.05	I	74.79	II
Availability	77.05	II	71.22	II	75.23	II	51.57	VI	56.70	V
Length	65.12	III	59.92	IV	61.04	IV	57.43	IV	87.74	I
Quality	50.19	VI	54.57	V	56.15	V	55.70	V	54.73	VI
Packaging design	55.12	IV	54.38	VI	53.43	VI	74.18	II	59.05	IV

availability with a mean score of 75.23. Taste was ranked as third factor (mean score of62.29) Length, quality and Packaging design ranked fourth, fifth and sixth ranks respectively (mean score of 61.04, 56.15 and 53.43).

Pistul Bidi was preffered because of its taste, which was considered as the foremost factor (mean score of 79.05).Followed by availability (mean score of 74.18), reasonable price(mean score of 64.21), length (mean score of 57.43), quality(mean score of 55.70) and packaging design (mean score of 51.57)

In preferring Oont Bidi length was considered as the foremost factor (mean score of 75.74). Followed by taste(mean score of 74.79), reasonable price(mean score of 64.60), availability (mean score of 59.08),packaging design (mean score of 56.70)and quality (mean score of 54.73). While preferring G.S Bidi reasonable price was considered as the foremost factor (mean score of 81.17). Followed by availability(mean score of 77.05), length(mean score of 65.12) ,packaging design (mean score of 55.12),taste(mean score of 53.61)and quality(mean score of 50.19).

Ganesh Bidi was prefered because of its taste, which was considered as the foremost factor (mean score of 80.35). Followed by availability(mean score of 71.22), reasonable price (mean score of 62.46), length (mean score of 59.92), quality (mean score of 54.57), and packaging design(mean score of 54.38).

While preferring Deluxe Bidi taste was considered as the foremost factor (mean score of 77.29). Followed by availability(mean score of 75.23), reasonable price(mean score of 62.29)length (mean score of 61.04) quality(mean score of 56.15)and packaging design(mean score of 53.43).

In preferring Munashi Bidi taste was considered as the foremost factor (mean score of 79.05). Followed by packaging design(mean score of 74.18), reasonable price(mean score of 64.21)length (mean score 0f 57.43) quality(mean score of 55.70) and availability(mean score of 51.57).

While preferring Patel Bidi length was considered as the foremost factor (mean score of 87.74).Followed by taste(mean score of 74.79), reasonable price(mean score of 64.60) packaging design(mean score of 59.05,) availability (mean score of 56.70) and) quality(mean score of 54.73).

4.5 Constriants faced by the manufactures in marketing of Bidi

The results regarding the opinion survey of Bidi manufacturers about problems in marketing of their produce are presented in Table 4.12. It is evident that the problems such as price fluctuation, lack of labours, high exise duty, lack of curing facilities were the major ones. All most all the manufacturers expressed the problem of price fluctuation of tobacco in the market was the key issue. Lack of curing facility was the problem faced by 66 per cent of manufacturers. About 66 per cent Manufacturers expressed the problem of lack of labours facility. About 36 per cent of the manufacturers faced the problem of high excise duty and anti tobacco campaign.

CHAPTER -V

DISCUSSION

The results of the investigation are discussed in the present chapter. The main focus here is to throw light on some of the causes responsible for the important results noted in the previous chapter.

5.1 Marketing of Bidi

5.1.1 Channels of Bidi marketing

In the present study, the marketing channels were limited to the point of consumers in Nipani area. Usually, Bidi of Belgaum district was marketed at distant places like Hubli, Bangalore, Mumbai, Chennai etc. In the process, the product passed through many more market intermediaries. Detail study covering these aspects could not be undertaken for the want of time and other facilities.

The different channels through which Bidi followed from the point of production till it reached the consumer were identified and the same were categorized into the following two channels.

Channel-I: Manufacturer→ Commission agent cum wholesaler → Retailer → Consumer.

Channel –II: Manufacturer → Retailer → Consumer.

In channel-I, the manufacturer sells bidi to wholesaler. The wholesaler sells to the retailers who in turn sell them to the consumers. As many as four respondents chose this channel. More manufacturers chose this channel because the wholeseller bought their product in bulk and the manufactured products moved faster.

In channel-II. The manufacturer sold bidis to the retailer who in turn sold to the consumers. The margin of profit is more in this channel but since the retailers do not buy in bulk, only two respondents chose this channel.

5.1.2 Marketing cost incurred by Bidi manufacturers

The marketing costs of Bidi manufacturers (table 4.4) showed that per bundle marketing costs was Rs. 71.14 the major items of marketing cost was Labour charges, which account for 42.17 per cent (Rs. 30.00 per bundle). The study by Krishnamurthy *et al.* (1979) also showed that labour charge was the major items of costs of marketing of Coorg Mandarins. The next item of marketing cost was excise duty which accounts for 17.54 per cent of the total marketing costs incurred by the Bidi manufacturers (Rs. 12.48 per bundle). The cost of curing, tendu leaf, packing materials, storage and transportation and other miscellaneous costs incurred by the Bidi manufacturers accounted for 40.28 per cent (Rs. 28.66 per bundle) of the total marketing cost.

5.1.3 Marketing costs incurred by commission agent-cum-wholesaler.

The commission agent-cum-wholesaler, on an average, incurring cost of Rs. 133.9 the major items of cost were, labour charges, shop rent, personal expenses, telephone charge and interest on investment. The commission agent-cum-wholesaler incurred a cost of Rs. 2.67 per bundle in marketing of Bidi which was lowest compared to all other intermediaries. The net profit (Rs. 23.92 per bundle) was also the lowest compared to the other intermediaries. Labour charges and rent were the major items of cost for the commission agent-cum-wholesaler operating in Belgaum district. Considering the investment made in the business by commission agent-cum-wholesaler, the returns realized was quite high i.e., for an investment of Rs. 4354.45 for the season the returns realized was Rs. 31646.16.

5.1.4 Marketing costs incurred by retailer

The retailer happened to be the final market intermediary in both the channels. The retailer incurred a total marketing cost of Rs. 151 per bag the major cost was shop rent about 32.45 per cent of total marketing cost of retailers. Market entry fee, electricity, personal expenses and depreciation on equipment were the other major items of cost. The above four put

together accounted for 67.55 per cent of total marketing cost. Considering almost no investment in the business by the retailer because of credit purchase practice followed by him, the net returns realized were found to be exorbitantly high.

5.1.5 Price spread in marketing of Bidi

Price spread is one of the important measures of marketing efficiency which indicates the share of producer in the consumer's rupee. Besides this, it also indicates the share of various market intermediaries in the consumers' rupee in return to their services rendered while the commodity moves from the producer to consumers.

The analysis of price spread indicated that Bidi manufacturers who followed channel-I could realize only 81.80 per cent of the consumers rupee with a net price of Rs. 115.73 per bundle. The remaining 18.2 per cent was shared by the wholesalers and the retailers. Manufacturer in the channel accounted for the largest share of consumers' rupee (12.17per cent) where as the profit of retailer was to an extent of 11.09 percent of the consumer's rupee.

In channel-II, the Bidi manufacturers share in consumers rupee was relatively high (83.93per cent) as compared to channel I in this channel, the cost of marketing of Bidi manufacturer accounted for 73.24 per cent (Rs. 71.14 per bundle) of consumers' rupee and received a net price of Rs. 15.58 per bundle. The increased share of Bidi manufacturers in the consumers' rupee in this channel, compared to channel-I made the Manufacturers to sell their produce through commission agent cum wholesaler who proved to be the necessary evil in marketing system.

5.2 Brand preference of the consumers

5.2.1Brand preference for bidi

It could be inferred from Table 4.9. that, 30 number brand was the most popular brand among majority of the respondents. Since it is an age

old brand and it is continuously rendering a very good quality product, it is highly acceptable by the consumers. In addition, comparatively, the price of this brand is low. In accordance with this result, (Padmanabhan, 1999) study on brand loyalty revealed that only when price of the particular brand is comparatively lower to prices of other brand in the market the consumers will be brand loyal. The consumers would naturally prefer to low priced brand and they would naturally continue to purchase the same brand as long as the price and quality of the brand is unaltered. Any violation to this would lead to brand switching. Sambar and Royal bidi were also popular among the respondents.

5.2.2 Factors influencing brand preference

Table 4.10 and 4.11 presents the factors influencing brand preference. While, preferring a particular brand in bidi quality was considered as the foremost factor (mean score of 75.74). Second factor was taste with a mean score of 74.79. Reasonable price was ranked as third factor (mean score of 64.60). Similarly, the study was undertaken by Sheeja (1998) in Coimbatore district inferred that consumers considered the quality aspects like aroma, taste, freshness and purity as the major factors deciding the preference for a particular brand of processed spices. In the same line, the study conducted by Nandagopal and Chinnaiyan (2003) on brand preference of soft drinks in rural Tamil Nadu revealed that the product quality followed by retail price were the deciding factors of brand preference.

The study was conducted on an elite group of respondents, who were the residents of Belgaum district. According to them quality of the product will definitely be the prime factor for preference to a brand and price would become secondary preference.

It does not mean that all other factors like brand image, availiablity, packing decision, length etc. would not have any influence on brand preference. These factors coupled with the above three prime factors would influence the brand preference.

5.3 Constraints faced by the Manufacturers

From the study it is observed that price fluctuations, high exise duty, lack of curing facilities, anti tobacco campaign, lack of labours and competition of other brands of Bidi and difficulty in getting timely transportation facilities, variations in quality of the produce due to climatic conditions which in turn influenced the price, unauthorized deductions and delayed payment of sales proceeds were the major problems faced by the Bidi manufacturers in marketing their products. Some of the problems which need immediate solutions were discussed.

Almost all the manufacturers expressed the concern over the frequent price fluctuation in the market which was mainly influenced by the activities of intermediaries. Lack of curing facility and lack of labours were the hurdles in the marketing of Bidi.

CHAPTER-VI

SUMMARY AND POLICY IMPLICATIONS

The summary of the present study along with the silent findings is presented in this chapter based on the empirical evidences. The policy implication suggested would help planner and policy maker to formulate appropriate policy measures.

Tobacco is one of the important commercial crops being cultivated all over the World. The major tobacco growing countries are China, India, Brazil, USA, Zimbabwe, Turkey, Indonesia, USSR and Malawi. The major tobacco growing states in India are Andhra Pradesh, Karnataka, Gujarat, Uttar Pradesh, Tamilnadu, Maharashtra, Orissa, Bihar and West Bengal.In India, 34 per cent of tobacco consumption is in the form of bidi. The manufacture of bidi is a highly labour intensive process. It employs large numbers of unskilled workers. The total number of bidi smokers were estimated to be around 120 million in 2004-05, the majority of whom were adult males. The total number of cigarette smokers was 30 million. In 2006, annual bidi consumption was estimated to be 700 billion sticks. The total number of cigarette sticks sold in 2006-07 was 102 billion.

Bidi industry has always remained under strict governmental control in terms of capacity creation, distribution, taxation. The industry poses a dilemma to the state, borne by the temptation of large revenues, on the one hand, and the embarrassment in giving encouragement to tobacco consumption, on the other. In this context, a study on consumer behaviour seemed to be important to understand the buying behaviour and preferences of different consumers. Understanding the consumer behaviour would help the firms in formulating strategies to cater to the needs of the consumer and thereby increase their market share. Consumer's taste and preference were found to change rapidly especially in a dynamic

environment. Keeping in view the importance of consumer behaviour and consumption pattern, an attempt was made to study the buying behaviour of consumers towards bidi brands, brand preference of the consumers and factors influencing brand preference. Data was coded, tabulated, analysed and interpreted using suitable statistical techniques viz., Garrett's ranking technique *etc*.

The specific objectives of the study were

v. To identify different brands of Bidi,

vi. To study the consumer preference usage of different brands,

vii. To study the price spread among the stakeholder and

viii. To document the constraints faced by Manufacturers.

The study was carried out in Belgaum district. Sixty sample respondents were selected randomly from consumers, six manufacturers, six wholesalers and six retailers thus the total number of samples aggregated to 78. Required data were collected from the respondents with the help of pre-structured and pre-tested schedules through personal interview method.

Findings of the study

The important findings of the study are summarized and suitable conclusions are drawn and presented below

1. Majority of the Bidi manufacturers sold 67 percent of Bidi through channel–I and the rest through channel-II. In channel-I, manufacturer incurred a cost of Rs 71.14 per bundle, and the retailer incurred a cost of Rs 3.02 per bundle in marketing of Bidi each making a net profit of Rs. 11.52 and 12.82 per to bundle respectively. The analysis of price spread indicated that the Bidi manufacturers could get only 81.80 per cent of consumer's rupee in this channel.

In channel-II the manufacturer incurred marketing cost was Rs. 71.14 per bundle of Bidi and the retailer incurred a cost of Rs. 3.02 per bundle. The

net profit of manufacturer was Rs 13.99 and the net profit of the retailer was Rs. 15.58. The share of producer in consumer rupee was 83.93 per cent.

2. Price fluctuations, lack of curing facilities, lack of labour, and high excise duty were the major problems in Bidi marketing.

3. In the case of bidi, 30 number bidi, Sambar bidi and Royal bidi were highly preferred brands among the respondents. The factors that influenced brand preference of bidi were quality, taste and reasonable price.

POLICY IMPLICATIONS

1. Majority of the residents in Belgaum district purchased bidi brands like 30 number Bidi, Sambar Bidi, royal Bidi, deluxe Bidi, Pistul Bidi, Oont Bidi, GS Bidi, Ganesh Bidi, Munshi Bidi and Patel Bidi. This indicates that there is a wide scope for all the intermediaries who are involved in this business. Since all these product manufacturing firms come under small and medium enterprise.

2. Brand preference is an important factor. Any new firm entering into the market should study these things very critically. The quality aspects coupled with competitive price may lead to change of brands. The innovative firms should keep these points in mind while entering into such type of business.

3. Losses at manufacturer level are caused by Price fluctuations in market, lack of labour and high exise duty. The provision of curing facilities in the study area would go a long way in reducing the extent of losses.

CHAPTER-VII

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