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Brand awareness and purchasing behaviour towards ABC agro chemical company's products in Bharuch and Surat district

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Abstract

The study was carried out in Surat and Bharuch district of Gujarat. Non- Probability convenience sampling was used to select the samples for the study. The sample elements were dealers and distributors of fertilizers and Agro-chemicals. The sample size for the study is 75. The data were collected by personal interview method, using the schedule. Factor analysis was used to analyse the data. For applying factor analysis, 14 variables were identified. After the reduction of the data, five major factors were identified that affect purchasing behaviour. The study revealed that the most important factors which affect the purchasing behaviour of dealers and distributors towards ABC Agro Chemical company's products in Surat and Bharuch districts were (i) Size of the market (ii) Purchasing behaviour (iii) Brand image (iv) Company relationship and (v) Supply chain of the company. With the help of these five factors, this analysis could explain about 69.224 percent variance in the study.

Keywords: Purchasing behaviour, factor analysis, price and quality of product, the appearance of a product, relationship with customer

Introduction

Agriculture has always played a vital role in sustaining human life. An integral and inseparable part of human civilization, agriculture has seen new turns with ever rising human culture. Change of lifestyle, technology and mainly the industrial revolution has played a pivotal role in changing the shape of agricultural values. Now a day's agriculture is not limited to farmers but has involved famous scientists, agronomists and has spread its aura all over. Each agricultural process has been redefined in today's scientific light and each technique has been illuminated with the effects of new machines and a major invention that has lured the facilitators of farming to step into the golden era. The introduction of agricultural fertilizers has marked the new agricultural revolution. Agricultural fertilizers have been introduced in the light of scientific advances and as any other industry agricultural industry has also benefited remarkable. Organic farming is gaining popularity all over the world, as it can diversify agricultural production systems towards attaining improved productivity, farm income and food, as well as environmental safety. Despite the global awareness of environmental degradation and climatic change that could result from the continuous practice of inorganic farming. Farmer's attitudes and perceptions are the major factors that lead to the adoption of organic farming. The approach and outlook towards agriculture and marketing of organic has seen a quantum change worldwide over the last few decades. Whereas earlier the seasons and the climate of an area determined what would be grown and when, today it is the "market" that determines what it wants and what should be grown. The focus is now more on quantity and "outer" quality (appearance) rather than intrinsic or nutritional quality, also called "vitality". Pesticide and other chemical residues in food and an overall reduced quality of food have led to a marked increase in various diseases, mainly various forms of cancer and reduced bodily

Patidar and Patidar *et al.* (2015) ^[4] found that positive perception of organic farming with significant relationships between age, educational background, farm size, benefits of organic farming, and social factors. This indicates that the communities will have high adoption rate of innovations related to organic farming and other agricultural policies. The concern, however, is that recent studies in the same geopolitical zone report low practice of organic farming. This gap between knowledge or perception and practice can be bridged by better understanding of the system and government provision of enabling environments (e.g. provision of credit

facilities, training on technicalities) to farmers.

Dave and Mishra (2018) [1] found that most of the farmers in the study area were highly aware about the bio product. Majority of farmers use organic input because of their satisfaction towards availability and accessibility of Organic inputs. Whereas satisfaction was less towards price and productivity. So, organic input industry needs to focus more on price and quality of product. Organic fertilizers and crop enhancer were used by most of the farmers. Low level of awareness and their slow impact were the main reasons for not using other bio products.

Patel and Lad (2019) ^[5] studied the purchasing behaviour of farmers towards Narkis herbicides in Anand District. The study revealed that it was necessary to create brand image on farmer's mind. Trustworthy relation with dealers will dealers was having positive impact on company's business. The satisfaction level of the respondents was depending on the different factors i.e. quality, price, packaging size, availability of the product.

Padaliya *et al.* (2021) [3] studied the purchasing behaviour of farmers towards herbicides for soybean crop in chhotaudepur district. The sample size for the study was 100 soybean growers. The data was analyzed with the help of Principle Component Analysis of factor analysis. The study shows that the most important factors of farmers' attitudes towards purchasing herbicides for soybean crop in Chhotaudepur district were (i) Positive effects of herbicide on weeds along with crop (ii) Past experience and recommendation of experts (iii) Concern for cost and credit (iv) Condition and stages of crops and weeds. The identified factors were explain about 63.06 per cent variance in the study.

The study of consumer buying behavior is most important for marketers as they can understand the expectation of the consumers. It helps to understand what makes a consumer buy a product. It is important to assess the kind of products liked by consumers so that they can release it to the market. Brand awareness familiarizes the public with a product and differentiates it from competing brands. Businesses that maintain high levels of brand awareness are likely to generate more revenue because consumers are more likely to buy familiar brand names compared to unknown ones. With this background, the following objective was taken.

Objective

To study brand awareness purchasing behaviour of dealers and distributers towards ABC Agro Chemical Company's Products in Bharuch and Surat District.

Materials and Methods

The study was carried out in Surat and Bharuch districts of Gujarat state. The nature of the study was descriptive study and convenience sampling method was applied for selecting samples. The sampling elements were dealers and distributors of fertilizers and Agro-chemicals. The sample size was 75. For obtaining correct information in line of the objective structured schedule was prepared with the help of available related literature and research report. Secondary data were collected from literature, private and government publications and websites. Descriptive statistics and factor analysis were used to achieve the stipulated objectives of the study.

Result and Discussion

Socioeconomic factors of the respondents

After studying various research papers, it was found that age

and education play vital role in purchasing and buying behavior of customers.

Age of Respondents

The age of respondents (table 1) is a very important demographic factor that influences the purchasing pattern and decision-making process. Hence the Age of the respondents is very much important. The age of the respondents in the study area is shown in table 1. There is 26.30 percent of respondents are between the age of 25-35 years, 34.30 percent of respondents are between 36-45 years, 29.30 percent of respondents are between 45-55 years, and 10.10 percent of respondents are above 55. Hence, we find that 89.90 percent of respondents in the study area are between 25-55 years so the chances to adopt new things regarding agriculture is more because the young respondents are early adopters to adopt new technology.

Table 1: Age of Respondents

S. No.	Age	Respondents	Percentage
1.	25-35	20	26.30
2.	36-45	26	34.30
3.	45-55	22	29.30
4.	>55	7	10.10
Total		75	100.00

Education of respondents

The education of the respondents (Table 2) is a very important factor that influences the purchasing pattern and decision-making process towards agriculture inputs. The perusal of the data displayed in Table 2 clearly indicates that 25.30 percent of respondents had higher secondary education followed by secondary school education i.e. 24.00 percent and graduate level education i.e. 126.70 percent respectively.

Table 2: Education of respondents

S. No.	Education	Frequency	Percentage
1.	Illiterate	6	8.00
2.	SSC	18	24.00
3.	HSC	19	25.30
4.	Graduate	20	26.70
5.	Post Graduate	12	16.00
Total		75	100.00

Brand Awareness

In the study area the awareness of company's products has shown in table 3. The awareness of the products of the company was 24 per cent. So, it is clearly evident that the awareness of company is less as compare to the other companies in the market.

Table 3: Brand Awareness

S. No.	Particular	Respondents	Percentage	
1.	Aware About the company	18	24.00	
2.	Not Aware about the company	57	76.00	
Total		75	100.00	

Purchasing behaviour

The first step in performing the factor analysis is to see whether or not the data generated from the fieldwork is suitable for factor analysis. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is an index that examines the suitability of factor analysis. Values between 0.5 and 1.0 indicate that factor analysis is appropriate in the given case.

Bartlett's test of Sphericity is used to examine the hypothesis that the variables are not correlated in the population. In other words, each variable correlates with itself but does not correlate with other variables (Malhotra, 2003) [2]. The hypothesis is examined using the Chi-square test. Table 4 shows Kaiser-Meyer-Olkin (KMO) and Bartlett's Test. The KMO value in this analysis is 0.683, indicating that the sample size is adequate and factor analysis is suitable for the given data. The significance value for Bartlett's test is 0.00, suggesting rejection of the hypothesis. This means that the variables are correlated; hence factor analysis is the feasible test in this situation (Raghuvanshi, 2016) [6].

Table 4: KMO and Bartlett's Test n=75

KMO and Bartlett's Test			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			
	Approx. Chi-Square	365.772	
Bartlett's Test of Sphericity	Df	91	
	Sig.	.000	

Eigen Values

Figure 1 shows all variables as per their eigenvalue and arranges them as per their eigenvalue. There should be compression of variables in factors as per number of variables eigenvalue is more than 1. So, it's interpreted that there should be compress all variable in 5 factors.

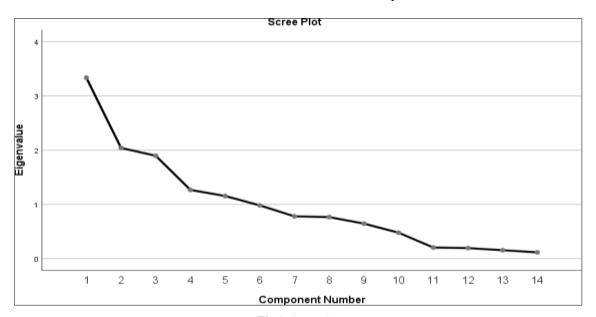


Fig 1: Scree plot

Rotated Component Matrix

Tables 5 shows the Rotated Components Metrix. There are total 14 variables which are compress in five factors. It can be easily noticed from Table 5 that the first factor was loaded on four variables, including turnover (0.911), No of Employee engaged (0.865) and Marketing area of Industries (0.901). These variables may together club under one factor as "Size of the Market". This factor represents 23.828 percent of the variance in the purchasing behaviour of dealers and distributers towards the company's products. The purchase is based on the turnover of the company, no of employee engaged and the area of the marketing of the company. The second factor was loaded on three variables, which includes Age (-0.866), Education (0.912) and Brand Perception (0.472). These variables can be labelled as "Purchasing Behaviour". This factor explained about 14.575 per cent variance. The purchase is affected by age, education and brand image of the product. The third factor encompassed three variables namely: Price (0.892), Quality of Product (.0.445), and Appearance of product (0.862). Based on common properties of these variables, the factor may be

named as "Brand Image". This third factor explained about 13.54 percent variance in the attitude. The fourth factor was loaded on two variables identified as Credit Period (0.825) and Experience with company (0.695). This factor was named "Company Relationship". The relation of the company with the dealers and distributers is important. If the company provide the products in credit, then the dealers and distributer will buy more products from them. The past experience with the company also play an important role in purchasing behaviour. This factor explained about 9.042 per cent variance. The fifth factor was loaded on three variables, which identified as packaging (0.578), timely availability (0.764), and continuously supply (0.663). This factor was named as "Supply chain of the company". If the company will not provide the products timely and in suitable packaging size, then the dealers and distributes will not prefer their products. This factor explained about 8.240 per cent variance. There are total 69.224 per cent variance explained by factor analysis among them first factor Size of Market is highly affected for purchasing behaviour, which explain 23.828 per cent variance.

Table 5: Rotated Component matrix

Rotated Component Matrix					
Variables	Component				
variables	1	2	3	4	5
Age	-0.081	-0.866	0.064	0.208	0.016
Education	0.086	0.912	-0.116	-0.125	-0.058
Brand Perception	0.252	0.472	-0.01	0.308	-0.158
Credit Period	-0.167	0.029	-0.047	0.825	-0.036
Experience with company	0.114	-0.257	-0.107	0.695	0.202
Price	0.029	-0.117	0.891	-0.129	0.086
Quality of Product	0.012	0.34	0.445	0.164	0.035
Appearance of product	-0.136	-0.19	0.862	-0.146	-0.136
Packaging	0.389	0.119	-0.155	0.188	0.578
Timely Availability	-0.179	-0.221	0.155	-0.069	0.764
Continuously Supply	0.148	0.017	-0.081	0.099	0.663
Turnover	0.911	0.096	-0.004	-0.006	0.049
No. of Employee engaged	0.865	0.18	-0.044	-0.055	0.121
Marketing area of Industries	0.901	0.096	-0.118	0.075	-0.131
% of total variance	23.828	14.575	13.54	9.042	8.24
Total variance	Total variance 69.224				•

Conclusion

The study shows that brand awareness in the study area is very low. The factor which affect brand awareness and purchasing behaviour are size of market which includes turnover, number of employee engaged, in the business & marketing area of industries/business. In case of purchasing behaviour is dominated as age, education, brand Image of company. The Brand Image is characterizing with factors like price of product, quality of product, and outward appearance of product. The Company relationship is depending on credit period given by company and past experience with company personnel. At last supply chain of the company is comprises the different packaging size, timely availability of product, continuously supply of product.

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