



Marketing Strategies and Consumer Behaviour in Agricultural Cooperatives

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Abstract – Agricultural cooperatives are essential for strengthening rural economies by enhancing market access, supporting farmer livelihoods, and promoting sustainable agriculture. Changing consumer preferences toward organic and value-added products have highlighted the need for effective marketing strategies within these enterprises. Intensifying competition requires cooperatives to adopt customer-oriented marketing to improve consumer awareness, build trust, and encourage repeat purchases. This study examines how marketing activities influence consumer awareness, purchase behaviour, customer satisfaction, and recommendation intention. A descriptive research design was used, gathering primary data via a structured questionnaire from consumers of agricultural products, alongside secondary data from academic and industry sources. Data were analyzed using statistical tools including percentage analysis, mean, median, mode, correlation, multiple regression, reliability analysis, and ANOVA. Findings reveal that product quality, organic certification, fair pricing, and brand trust significantly drive purchasing decisions. There are positive correlations between consumer awareness and purchase behaviour, brand trust and customer satisfaction, and customer satisfaction and recommendation intention. Regression analysis shows quality and certification are major predictors of purchase behaviour. Digital engagement and marketing communication are also crucial for market participation. The study concludes that agricultural cooperatives can boost customer acquisition and retention by enhancing their promotional activities, digital presence, and brand identities.

Keywords - Agricultural Cooperatives, Marketing Strategies, Consumer Behaviour, Consumer Awareness, Customer Satisfaction, Rural Development.

I. INTRODUCTION

Agriculture is a critical sector for economic growth, employment, and rural development. The success of this sector relies heavily on efficient marketing systems that connect producers with consumers, ensuring fair returns for producers and quality products at reasonable prices for consumers.

Agricultural cooperatives help farmers overcome market challenges by facilitating collective action, improving bargaining power, and reducing reliance on intermediaries. Recently, consumer behaviour has shifted, with rising demand for healthy, safe, sustainable, and organic products creating new opportunities for cooperatives. This shift necessitates effective marketing strategies to communicate product benefits and build customer relationships. Despite their importance, many cooperatives still rely on traditional marketing and lack a strong digital presence, which limits their competitiveness. This study investigates the relationship between marketing strategies and consumer behaviour to provide insights for cooperative managers and policymakers.

II. CONCEPTUAL FRAMEWORK

The research is guided by Consumer Decision-Making Theory and Relationship Marketing Theory. The former explains how consumers move from awareness to post-purchase evaluation, while the latter focuses on building trust and loyalty through engagement.

III. REVIEW OF LITERATURE

Consumer Behaviour: Consumers increasingly value quality, safety, nutrition, and environmental impact. Health consciousness and food safety drive organic product purchases. Trust, authenticity, and consistent quality are crucial for positive consumer attitudes.

Digital Marketing: Digital platforms allow targeted communication and interactive engagement. Digital marketing and social media significantly improve product visibility and influence purchase intentions, especially among younger consumers.

Brand Trust and Satisfaction: Trust reduces perceived risk and drives repeat purchases and loyalty. Trust in certifications and fair pricing bolsters customer confidence, leading to satisfaction and product advocacy.

Marketing in Cooperatives: Cooperatives balance commercial and social goals. Modernization and digital transformation are vital for their competitiveness, though empirical studies on marketing within cooperatives remain limited.

Research Objectives

- To examine consumer awareness regarding agricultural cooperative products and services.
- To identify the factors influencing consumer purchase behaviour towards these products.
- To evaluate customer satisfaction and recommendation behaviour in agricultural cooperative markets.



Research Hypotheses

- H1: Consumer awareness positively influences purchase behaviour.
- H2: Brand trust positively influences customer satisfaction.
- H3: Marketing effectiveness positively influences consumer awareness.
- H4: Customer satisfaction positively influences recommendation behaviour.

IV. RESEARCH METHODOLOGY

Research Methodology A descriptive, cross-sectional quantitative approach was used.

- Primary Data: Collected via a structured questionnaire with a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).
- Secondary Data: Sourced from academic journals, books, and reports.
- Sampling: Convenience sampling targeting consumers of agricultural products, yielding 180 valid responses.

Scale Measurement & Reliability Analysis Cronbach's Alpha was used to assess the internal consistency of the 5-point Likert scales.

Variable	Number of Items	Cronbach's Alpha
Consumer Awareness	4	0.78
Brand Trust	5	0.82
Variable	Number of Items	Cronbach's Alpha
Purchase Behaviour	4	0.80
Customer Satisfaction	4	0.84
Recommendation Intention	3	0.76
Overall Scale	-	0.81

The overall alpha of 0.81 indicates strong internal consistency and reliability.

Factor Analysis The Kaiser-Meyer-Olkin (KMO) value was 0.803, indicating sample adequacy, and Bartlett's Test was significant, allowing for factor extraction.

Factor	Major Variables Included	Variance Explained (%)
Product Attributes	Quality, Certification, Availability	32.4
Marketing Influence	Awareness, Promotion, Communication	24.7
Relationship Factors	Trust, Satisfaction, Recommendation	19.6
Total Variance Explained		76.7

Product attributes explain the most variance, highlighting the importance of quality and certification.

V. DATA ANALYSIS (DEMOGRAPHICS AND AWARENESS)

Data Analysis and Interpretation Demographic Profile of Respondents (N=180)

- Age: The majority (57.2%) are aged 21-30 years, indicating high interest among younger consumers.
- Gender: Males constitute 55.6% of the sample, while females make up 43.9%.
- Location: Respondents are split evenly between Sirsi (52.8%) and Siddapur (47.2%).

Consumer Awareness Analysis

- General Awareness: 98.3% of respondents are aware of agricultural cooperative products, showing strong market recognition.
- Sources of Awareness: Social media is the top source (52 responses), followed by friends and family (45), local markets (44), and agricultural fairs (39).

Consumer Perception Towards Marketing Activities

Variable	Mean	Median	Mode
Fair Pricing	3.87	4.00	4
Marketing Effectiveness	3.48	3.00	3

Purchase Experience and Frequency

- Experience: 83.3% of respondents have purchased cooperative products.
- Frequency: The most common purchasing frequency is Monthly (34.4%), followed by Rarely (26.7%), and Occasionally (22.8%).

V. DATA ANALYSIS (PREFERENCES AND SATISFACTION)

Product Preferences Organic and value-added products are highly sought after.

- Organic Food Products (57 responses).
- Spices (44 responses).
- Jackfruit-Based Products (43 responses).
- Coconut and Cashew Products (39 responses).

Factors Influencing Purchase Decisions

Variable	Mean	Median	Mode
Organic Certification	3.68	4.00	4
Product Quality	3.66	4.00	4
Price	3.60	4.00	4



Recommendations	3.41	3.00	3
Product Availability	3.09	3.00	3
Brand Trust	3.04	3.00	3

Quality and organic certification are the highest-rated factors, followed closely by price.

Customer Satisfaction and Recommendation Behaviour

- Satisfaction: The mean satisfaction score is 3.84, indicating general satisfaction with cooperative products.
- Recommendation: 76.6% of respondents are willing to recommend the products ("Definitely Yes" at 28.3% and "Probably Yes" at 48.3%).

Consumer Suggestions for Improvement Top areas for improvement include Better Product Availability (73 responses), More Advertisements (61), Better Pricing (60), and a Stronger Online Presence (57).

Advanced Statistical Analysis

Correlation Analysis Pearson's correlation coefficient was used to test relationships between variables.

- Consumer Awareness and Purchase Behaviour: $r = 0.61$ (Strong Positive).
- Brand Trust and Customer Satisfaction: $r = 0.58$ (Moderate Positive).
- Marketing Effectiveness and Consumer Awareness: $r = 0.49$ (Moderate Positive).
- Customer Satisfaction and Recommendation Intention: $r = 0.74$ (Strong Positive).

Multiple Regression Analysis This analysis evaluated the impact of selected factors on Purchase Behaviour.

Model Summary: R Square = 0.549, meaning the model explains 54.9% of the variation in purchase behaviour.

Variable	Beta Coefficient	Significance
Organic Certification	0.367	0.000
Product Quality	0.342	0.000
Brand Trust	0.214	0.004
Price	0.186	0.012
Product Availability	0.121	0.048

Organic certification and product quality are the strongest predictors of purchase behaviour.

Analysis of Variance (ANOVA) ANOVA tested if customer satisfaction differed by age group.

- F Value: 2.184.
- Significance: 0.072. Since $0.072 > 0.05$, the null hypothesis is accepted; there is no significant difference in customer satisfaction across different age groups.

Hypothesis Testing Results All four proposed hypotheses (H1 to H4) were supported by the statistical analysis, confirming the interconnected nature of marketing strategies and consumer behaviour.

VI. DISCUSSION, IMPLICATIONS, AND CONCLUSION

Discussion The high consumer awareness shows cooperatives have strong market visibility, supporting previous research on the value of marketing communication. Product quality and organic certification heavily influence purchasing, reflecting a shift toward healthier consumption. The strong links between awareness, purchase behaviour, trust, satisfaction, and recommendation intention emphasize the need for continuous promotional activities and trust-building to drive word-of-mouth marketing.

Managerial Implications Managers should adopt customer-oriented marketing, maintaining high-quality standards and communicating certification info clearly. Investing in digital platforms is essential for engaging younger demographics. Additionally, improving product availability and utilizing customer feedback will enhance loyalty and purchase frequency.

Policy Implications Policymakers should support cooperatives in adopting modern digital marketing through training programs. Policies should also encourage the certification of organic products and invest in infrastructure (transportation, storage) to improve product availability and market access.

Limitations & 12. Future Research Directions

- Limitations: The study's geographical constraints, use of convenience sampling, cross-sectional nature, and reliance on self-reported data limit its generalizability.
- Future Research: Future studies could conduct regional comparisons, use longitudinal designs, explore the impact of AI and e-commerce, or compare cooperatives with private agribusinesses.

Conclusion Marketing activities critically influence consumer awareness, decisions, and satisfaction within agricultural cooperatives. Consumers expect engagement through both traditional and digital channels. Cooperatives that blend their traditional focus on community and transparency with modern marketing practices will achieve superior market performance and further rural development.



Suggestions

- Strengthen digital marketing and promotional activities.
- Maintain product quality and communicate certifications.
- Improve supply chain management for better product availability.
- Develop stronger cooperative brand identities and loyalty programs.
- Expand e-commerce facilities and conduct regular satisfaction surveys.

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