



A STUDY TO COMPREHEND THE ROLE OF LOCAL PRODUCTS DURING LOCKDOWN

Dr. G. Zaki* and S. Rana

St. Paul Institute of Professional Studies, Indore,(MP) India. 452016

*Corresponding Author: zaki.goldie@gmail.com

dr.ranasarita@yahoo.co.in

ABSTRACT:

Local market refers to customers buying at a short distance from the supplier. The situation of pandemic Covid-19 forced the Indian government to impose complete lockdown on the country. This situation gave rise to buying local products from local sellers. Thus, with an aim to comprehend the importance of local product and market among people during lockdown and to validate that use of local products is a step towards atmanirbharbharat this study was conducted with a sample size of 118 respondents through a structured questionnaire. An insight into the aspect whether the local markets have served up to the satisfaction of the consumers was the rationale of this study. The findings show that there is a positive impact of local products among the consumers and their demands were well taken care of by the local products.

Key words: - Local Products, Lockdown, Consumer satisfaction, Atmanirbhar Abhiyan.

INTRODUCTION:

In common term, local market refers to a situation where customers are at a short distance from the supplier. Generally, local market is associated with sale of fresh and locally-sourced products and locally-supplied services. This means that the Clients and customers will buy a product in the region or area in which it is produced. For marketing products in the local markets, it is important to know the target customers, their needs and their willingness to buy the particular product or service. Local market also encompasses customers located within the region the product or service is produced or made available.

As is known, that the Prime Minister of India, Shri Narendra Modi announced total lockdown in our country on 25th March 2020. This was a sudden news for the business as well as consumer community. The wants of human are limitless and certain basic needs of individuals has to be fulfilled. At this time when the established brands were struggling with their supply chain, the local suppliers emerged to make their presence felt and let the world know

that they are capable and can deliver. Local “Local brands have a more local supply chain which made it easy for the suppliers to manage disruptions in times like this. Due to lockdown it was not a matter of less or more trusted choice, but the fact that there was no choice in some cases, gave more importance to local market. With lock-down, people began to understand the benefit and advantages of local markets, local brands and local food. This also coincides with the aim of the government ‘Atmanirbhar Bharat.’

Rationale of Study

The sudden advent of lockdown posed obstacle in demand and supply and this resulted in people looking towards local market for fulfilling their wants. Consequently, the demand for local product upraised. This called for the local suppliers to come on their toes for meeting this demand and also the supply chain management had to be devised. During the period of lockdown, only the products were available locally. Thus, this study has been aimed to comprehend the role of local market in satisfying the wants of the consumers and the

extent to which the consumers are satisfied. If the local markets can serve better in the emergency time, then why can't they be preferred on regular and normal basis. Thus, an insight into the aspect whether the local markets have served up to the satisfaction of the consumers is the rationale of this study.

Objectives

The study has been conducted bearing the following objectives into consideration:-

- To comprehend the importance of local market among people during lockdown.
- To demonstrate the importance of local products for *AatmbharatAbhiyaan*.

Hypothesis

- **H₀**- There is positive impact of local market during lockdown
- **H₁**- There is no any positive impact of local market during lockdown

Research Methodology

A Sample size of 118 respondents has been taken. Data was collected through a well-designed questionnaire.

Literature Review

As the concept of role of local market during lockdown is relatively new, much research on the same has not been done. However, researches pertaining to role of local markets has been considered under the review of literature.

Jerome Couturier and Davide Sola(2010) in a paper titled 'International Market Entry Decisions: The Role of Local Market Factors' examined the role of external market forces in influencing the choice international market entry (direct investment, partnership or acquisition). The researchers surveyed four industries on a longitudinal two-year case study working with a major German Food company entering the British, Italian and Polish markets. The research concluded confirming the importance of external market factors such as market growth, market consolidation and value

chain fragmentation. It proposed an applied framework to direct the company's entry strategy.

Agus Prastyawan (2018) in 'The role of local governments in traditional market revitalization' discussed the role of local government in revitalizing local markets and opined that the existence of the traditional market that contribute economically in certain region, is decreasing since there are modern markets that are fully facilitated by the government. The paper suggested that in order to revitalize the market and increase the economic standard of the traders, the government needs to take the lead. This would also lead to increase in total revenue. Government as policy makers should consider local traders as partners in developing business traders.

Sriram Venkataraman, Pradeep Chintagunta (2008) 'Investigating the Role of Local Market and Exhibitor Characteristics on Box-Office Performance' focused on identifying potential drivers of box-office performance of movies. The study used national-level cross-sectional data and provide insights for distributors and studios alike, i.e. forecasting national-level demand, understanding supply-side and demand-side interdependencies, across-title competition, etc.

Henrietta Nagy, TamásTóth, Izabella Oláh (2012) conducted a research titled 'The role of local markets in the sustainable economic development of Hungarian rural areas'. According to the study, there is a fundamental change in the global market conditions and there is a downfall in sources of development and growth have been exploited, the yields of production capital. However, due to the growth period of the past few decades, the demand has altered and new consumption elements have arisen, which have become natural demand and needs due to the spread of welfare society views and institutions. The study introduced the importance of the local markets in the socio-

economic development of rural areas of Hungary and also elucidated the impacts of their improvement. The study proved that the increase in the production and consumption of local products is dependent on the improvement of the efficiency of local markets in the survival and development of peripheral areas.

Reasons for Purchase of Local Products

If the people go in for buying local product, this will help the money remain with the community economy. The eatables that travel a long distance are not fresh. Whereas the local eatable products are comparatively fresher. Buying local natural products helps in remaining close to nature and following its rules. The local market is seasonable for example those of fruits and vegetables. Thus, the people consume them according to natural cycle. The chances of food contamination are also meagre. With advent of organic farming, it is advisable to consume local fruits and vegetables. According to the Cambridge Journal of Regions,* Economy, and Society, researchers who studied 3,060 counties and parishes in the U.S found that counties with a higher volume of local businesses actually had a lower rate of mortality, obesity, and diabetes.

Buying local products is environmentally friendly as it results in decreased use of fossil fuels. Thus, there are twin benefit, one is decrease in consumption of fossil fuel and the other is reducing pollution. Purchasing local product is also representation of patriotism, as the local traders and businessmen and families are supported. The rate of plastic being used at such a constant pace is circulating pandemonium beyond the endocrine disrupters lining our water bottles. In fact, a whopping 91% of plastic isn't even recycled which explains why 8 million metric tons of it ends up in our oceans every year**. Buying local goods actually reinforces the action of BYOB (bringing your own bag) to the market.

Economic Benefits of Purchasing Local Products

A direct benefit of purchasing local product is generating employment opportunities and job. The rate of unemployment in local community goes down and the people being forced to migrate mitigates. The money of the locals remains with them and is circulated in the localized economy.

This also augments the profits of the local firms and enhances local dependency. This in turn also reduces the transportation cost involved in buying the products from distant places. This also fosters the business relationship between the locals and the traders.

Local products – A step towards Aatmbharat Abhiyan

The government of India announced that the situation posed due to pandemic Covid-19 has called for becoming a self-reliant nation popularly known 'AtmanirbharAbhiyaan'. The nation to become self-reliant calls for diversified changes in the structure of economy that majorly relates to the export and import policy of our country. The pandemic has proved that India has the capacity to replace the foreign goods with the local products. In fact, buying local product and supporting indigenous traders is the first step towards becoming Atmanirbhar. If the local products have fulfilled the demand sufficiently during the lockdown, then they are capable for replacing the foreign ones too. Anyhow, there is a dire need to augment the quality of the local product, make them internationally competitive, work on the packaging, designing and display and above all a sense of belongingness for the country.

Hypothesis Testing:

H0:- There is positive impact of local market during lockdown

Findings: - Above Annova is applied on Q1 and Q9, the P value is 0.64187 which is higher than 0.05. It is proved that Null hypothesis is

accepted and alternative hypothesis is rejected. There is positive impact of local products in lockdown period among people and it's also helping in AatmbharatAbhiyaan.

H1:- There is no any positive impact of local market during lockdown

Findings: - Above Anova is applied on Q3 and Q7, the P value is 1.32E which is higher than 0.05. It is proved that Null hypothesis is accepted and alternative hypothesis is rejected. There is positive impact of lockdown among people and most of the people are in favour of local market. They want to give preference to local product now.

CONCLUSION:

Conclusions and recommendations based on the study concern with the positive role played by the local products during lockdown. The lockdown being taken as the model, the government could formulate policies that would help in this direction. The policies must be implemented at the local level by the local government. This will not only give the citizens all the benefits of buying local products but will also strengthen the Indian economy. A well-designed agricultural market policy, regulatory policy, protection of local markets, promotional policy to shift to a supply that meets the local demand first needs are the major recommendations. The study concludes that consumers are satisfied with the local products which were timely provided to them during the lockdown at reasonable rate and thus this is a perfect time to focus on local and regional markets, minimize the use of external resources, increase internal dependence and strengthen local economic network.

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Tables and Figures

Anova: Single Factor

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Local Product	118	332	2.813559	0.341011
Aatmbharat Abhiyaan	118	336	2.847458	0.284224

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	0.067797	1	0.067797	0.216867	0.64187	3.881505
Within Groups	73.15254	234	0.312618			
Total	73.22034	235				

Anova: Single Factor

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Was the quality of product satisfactory	118	354	3	0
Do you feel like encouraging local products?	118	300	2.542373	0.711864

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	12.35593	1	12.35593	34.71429	1.32E-08	3.881505
Within Groups	83.28814	234	0.355932			
Total	95.64407	235				