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An Analysis of the Impact Economic Factors on Marketing Extension of Rural Small Food Industries from Managers and Experts Perspective

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ABSTRACT

The purpose of the present study was analyze the impact of economic factors on marketing extension of rural small food industries from view point of managers and experts in the years 2010-2011. This was an applied research with descriptive-survey methodology. The main data-collecting tool was a questionnaire. The validity was correction by the research committee members and other experts in this field. The reliability was measured by the application of Cronbach coefficient and its alpha was 0.88 for managers and 0.90 for experts. The available studies have shown that the main factor which affected marketing extension had been the existence of suitable infrastructures, that managers viewed as the first priority. The experts views indicated that the increase in the financial ability also played a role in marketing extension. To sum up, the managers and experts declare that the economic factors would affect marketing extension to a great extent.

Keywords: Economic Factors, Marketing Extension, Analyzing, Rural Small Food Industries, Managers, Experts.

INTRODUCTION

Small and medium sized companies all through the world are regarded as most important issue for economic growth and development.[4] Abilities of these companies are in compliance with ever-changing environmental conditions and their specific ability for influencing on limited markets through innovation.[2] Often the small industries at rural areas have more limitations with respect to infrastructure and access to market.[3] Within this critical environment it is time that in addition to facilitating and offering counseling to food industries companies, to keep ability of competition for obtaining to stability. Marketing is regarded as one of the success factors which is received great attention by governmental and private organizations. Nowadays marketing is turned into a complicated philosophy for establishing dynamic relationship of organization with target markets; therefore, companies and factories benefit from several methods for introducing their products and encouraging customers for making purchase. It is required

to recognize different tools of marketing product and being aware of their application for all companies and industries deciding to have permanent presence.

Taheri (2006) in his research studied role of marketing agricultural crops by insisting on citrus of Savadkouh area; in which, results of prioritizing effective factors on improving marketing of citrus showed that establishing marketing associations is effective on improving status of marketing citrus, decreasing intervention of brokers and offering bank loan for promoting marketing citrus. Level of garden and record of activity in the field of gardening has positive significant relationship with consent of gardeners and also level of annual income has positive significant relationship with using informational resource in the field of citrus marketing.

Yadavar (2009) in his thesis referred to explaining components of developing flower and ornamental flower marketing in Iran. This is descriptive-correlation research and with respect to methodology it is regarded as discovery-survey method. Variables as expectation of flower planters about marketing and developing access to communicational service obtained 0.502 and 0.134 as highest and lowest correlation coefficient. Flower planters believe that components of developing marketing are including: facilitating communication by and between components involved at marketing process, enabling flower planters, necessity of advertisement, recognition of flower planters about basics and principles of marketing and management of marketing information.

Walsh and Lipinski (2009) studied effective foreign factors marketing of small and medium institutes and approved 5 factors including: consumer market, discrimination strategy, attitude toward entrepreneurship, size of company and economic factors; in which, finally role of attitude toward entrepreneurship and consumer market was approved. Al-Rimawi (2004) in his study about educational requirements for developing marketing concluded that support of farmers for establishing marketing is a vital issue. Lack of interest to developing marketing is as a result of this reality that some farm managers had high level of financial and economic management. The most important time for receiving training in relation to developing marketing was cultivation time until 3.09. He concluded that commercial farm management and marketing skills are very important for permanent and useful business.

On this basis the general aim of this research is analyzing economic factors on marketing extension at rural small food industries from view point of managers and experts and its specific aims are including: 1) Recognizing effective economic factors on marketing extension of rural small food industries from view point of managers 2) Recognizing effective economic factors on marketing extension at rural small food industries from view point of experts.

MATERIALS AND METHODS

The purpose of this study is to analyze the impact of economic factors on marketing extension of rural small food industries from view point of managers and experts, This is an applied research with descriptive-survey methodology. The main data-collecting tool is a questionnaire. The validity is correction by the research committee members and other experts in this field. In order to test reliability of questionnaire, 30 questionnaires were completed by managers of rural small food industries and experts of Agricultural- Jihad of Tehran province and level of Alpha Cronbach was calculated. Data was analyzed by SPSS software and used from average, mode, mean and coefficient of variation.

RESULTS

First Goal: Prioritizing view point of experts of food industries in relation to effective economic factors on marketing extension at rural small food industries

Studies of table 1 show that from view point of experts increasing financial ability with minimum change coefficient is regarded as most effective economic factor on marketing extension, and it is the first priority. In addition, existence of suitable infrastructures, demand for products, prevention from fluctuation in price of raw materials, stability in price of small food industries is among another effective economic factor on marketing extension at rural small food industries.

Table 1: Prioritizing view point of experts of food industries in relation to effective economic factors on marketing extension at rural small food industries

Economic Factor	Mean	Standard Deviation	Coefficient of Variation	Rank
Increasing financial ability	4	0.94	0.235	1
Existence of suitable infrastructures	4	0.96	0.240	2
Demand for productions	4	0.98	0.245	3
Prevention from fluctuation in price of required raw materials	4	1.01	0.252	4
Stability of price products of small food industries	4	1.01	0.252	5
Benefit of small companies from advantages of wholesale	4	1.05	0.262	6
Existence of financial resource for guaranteeing contractual contracts	4	1.05	0.262	7
Access to raw materials	4	1.06	0.265	8
Stability in price of required raw materials	4	1.06	0.265	9
Access to low interest loan	4	1.07	0.268	10
Satisfaction of income	4	1.14	0.285	11
Competition with other food industry companies	4	1.15	0.288	12
Access to economic factors	4	1.17	0.292	13
Dependency of company to less capital	3	0.97	0.323	14

Evaluation Range: very low= 1, low= 2, partial: 3, high= 4, very high= 5

Second Goal: Prioritizing view point of managers of food industries in relation to effective economic factors on marketing extension at rural small food industries

Studies of table 2 show that from view point of managers Existence of suitable infrastructures with minimum change coefficient is regarded as most effective economic factor on marketing extension , and it is the first priority. In addition, increasing financial ability, stability in price of small food industries, prevention from fluctuation in price of raw materials, Satisfaction of income, is among another effective economic factor on marketing extension at rural small food industries.

Table 2: Prioritizing view point of managers of food industries in relation to effective economic factors on marketing extension at rural small food industries

Economic Factor	Mean	Standard Deviation	Coefficient of Variation	Rank
Existence of suitable infrastructures	4	0.91	0.228	1
Increasing financial ability	4	0.93	0.232	2
Stability of price products of small food industries	4	0.98	0.245	3
Prevention from fluctuation in price of required raw materials	4	0.98	0.245	4
Satisfaction of income	4	0.98	0.245	5
Access to low interest loan	4	1.00	0.250	6
Competition with other food industry companies	4	1.00	0.250	7
Benefit of small companies from advantages of wholesale	4	1.00	0.250	8
Access to raw materials	4	1.02	0.255	9
Access to economic factors	4	1.03	0.258	10
Stability in price of required raw materials	4	1.03	0.258	11
Existence of financial resource for guaranteeing contractual contracts	4	1.05	0.262	12
Dependency of company to less capital	3	0.91	0.303	13
Demand for productions	3	1.00	0.333	14

Evaluation Range: very low= 1, low= 2, partial: 3, high= 4, very high= 5

CONCLUSION

Studies show that from view point of experts increasing financial ability with minimum change coefficient is regarded as most effective economic factor on marketing extension, and it is the first priority. In addition, existence of suitable infrastructures, demand for products, prevention from fluctuation in price of raw materials, stability in price of small food industries is among another effective economic factor on marketing extension at rural small food industries. Also, Studies show that from view point of managers existence of suitable infrastructures with minimum change coefficient is regarded as most effective economic factor on marketing extension , and it is the first priority. Results of study by Walsh and Lipinski (2009) investigated effective domestic and foreign factors of small and medium institutes on role of marketing and introduced 5 factors including: consumer market, discrimination strategy, attitude toward entrepreneurship, size of company and economic factors. Studies by Yadavar (2009) showed that from view point of flower planters some of the most important components of marketing are including: facilitating communication between factors involved in the process of marketing, enabling flower planters, necessity of advertisement, recognition of flower planters from principles of marketing and management of marketing

information. Results of study by Taheri (2006) reveal that establishing marketing association improves status of citrus marketing, reduces intervention of brokers for selling citrus and also offering banking loan plays key role at promoting citrus market. Studying research by Al-Rimawi (2004) shows that absence of interest in marketing extension is due to this fact that some farm managers had higher level of financial and economic management. Research of Al-Rimawi (2004) and Walsh and Lipinski (2009) reveal that ability of having access to economic information is effective on small and medium business.

Recommendations

- Increasing financial ability of rural small food industries through easy access to low interest bank loans.
- Stability in price of required raw materials and small food industries by government and planners.
- Preparing required conditions for competition of rural small food industries with other great food industries.
- Preparing ability of easy access of managers of small food industries to economic information.

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