

A Study of Impact of Information Technology on Agriculture Sector in Order to Promote Agricultural Marketing in Pune City

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I. INTRODUCTION

The paper "A Study of Impact of Information Technology on Agriculture Sector in Order to Promote Agricultural Marketing in Pune City" gives importance to the various methods that influences the internal management of any company for doing Business in the Agriculture Sector in order to promote it. The result of the present research work/paper reveals that both the Buyers & Suppliers in a Marketing Chain or Distribution Channel uses Information Technology for developing and maintaining business relationships on large scale in order to promote the growth of agriculture sector. The noticeable thing is that suppliers adopt the IT methods of communication more quickly than the buyers in the agricultural based marketing. However, in the future, the new IT methods will definitely replace all the older methods of communication, especially in agro based companies or industries. Managers, therefore, need to understand the affect and impact of IT on the nature of communication in order to develop a strong relationship with outsiders.

"Pune" is a City with highly developed Industries, where the Big & Medium Agro based Food Industries/Companies/ Sectors are on increasing trends. The Big & Medium scaled Food Industries are really growing on large scale. As a result, Pune experienced a surge in Industrial Sector especially in the food services provided by food industries. Due to this, industrial sector is experienced a boom in its credit. The real players of Agro based food industries mainly Big & Small Companies are aggressively confident and self-assertive on the Industrial Business. There are two important reasons for this. Firstly, it is now really acceptable fact that the face of the Indian customer is changing and secondly, low risk area for money laundering because of the perception of the sums involved. In terms of quality of assets and capital adequacy the Agro based Food Companies are considered to have clean and strong records in Pune.

The facts that the study reveals a huge capacity also bring with it a danger that it is true for any sector of Pune that is opening up. On the other hand the food services market is highly over-leveraged in Pune.

Competitions fierce, particularly from local private companies to government authorized companies. All the major food industries in Pune are targeting on providing Food Services to the consumers and thereby proving to emerge as a major driver. Currently overall, food industries in Pune is considered as fairly mature in terms of supply, product range and reach even though in rural sector. The ginger change and shift from manufacturing to services sector in the developing economies, globalization with the rapid evolution of IT & e-commerce desperately has affected the way business is performed, especially, in Agricultural Business markets.

II. STATEMENT OF PROBLEM

The study helps to find out the following points:-

1. What is the impact of IT on the management of Business-to-Business Relationships in connection with the Big & Medium Agro Based Food Industries in & around Pune City?
2. Is the Corporate or Industrial sector prepared to face challenges posed by various Big & Medium Agro Based Food Industries in & around Pune City?
3. What are the initiatives taken by the Big & Medium Agro Based Food Industries/Companies of Pune to deal & understand the issues & aspects of the effect of Information Technology on the management & handling of Business- to-Business Relationships?
4. Is there any comprehensive framework/model/reporting structure available For the Food Industries of Pune to report their initiatives undertaken in this regard?

III. RELEVANCE OF THE STUDY

The paper "A Study of Impact of Information Technology on Agriculture Sector in Order to Promote Agricultural Marketing in Pune City" highlights on the fact in which the various communication tools and methods influences the internal management of any company for doing Business-to-Business Relationships. This study proposes to address the awareness issue in relation to the various problems faced by big & small

scale agro based food industries in general and large industries in specific, with special focus on Pune businesses. It tries to understand the initiatives taken by them in this regard. As such steps are urgently required to face the various challenges & changes faced by suppliers and buyers (customers) at large.

IV. MEANING

To deal with let's see the meaning of all the terms one by one:-

1. *Meaning of Information Technology:-*

Information Technology (IT), as defined by the Information Technology Association of America (ITAA), is "the study, design, science, development, implementation, presentation, support and management of computer-related information systems". It consists of software applications as well as computer related information and knowledge. It is the technology (both hardware and software technology) that is very much required for the processing of data and other related information.

It deals with the development, installation and implementation of computer systems, its packages and applications. It is thus "the art & science of development, implementation, presentation, support and management of computer-based information systems mainly software as well as computer hardware applications." Co-relating the computer software and hardware information systems industries together, information technology is the best capability to handle electronic input, devices, process, storing, output, transmit, and also helps to receive data and information, including text messages, graphical representation, figures picturization, sound, pictures, messages and video, etc. It thus tries to control all types of the electronic machines dealing with electronic data on large scale.

Thus, the Information technology has got electronic computers, networking language, satellite & communication channels, robotics, video-text messages, cable television, electronic mail ("e-mail"), electronic games, SMS and automated office equipment. The Information Industry includes of all types of computer's, channels of communications, and electronic-based devices, including hardware, software and services related to it. Completing task that too using Information Technology results in rapid processing and information mobility. It also improves reliability as well as integrity of processed information.

2. *Meaning of Agro Based Food Industries*

Agro based Food Industries are the "Industries which are totally based on Agricultural Sector for their growth & survival". The various Food Items & Products that we get from the Agriculture for the final consumption of consumers are known as Agro Based Food Industries. Agriculture enhanced both the industrial and economic

development of India. Through the years, however, its contribution to the Indian Economy has increased a lot. It is an important & necessary sector as it is closely linked to people's way of life and survival. Thus, the Indian food industries, an extension of the agriculture, have continued to create an enormous demand for agriculture products to meet the nutritional requirements of the consumer's and the society.

In the face of Global free trade strategy, however, only those good-quality and value-added agricultural products could survive the highly competitive world-market. Food processing brought added value to farm products, lengthened products' shelf life, and widened their distribution area. With economic growth and development, rising per capita incomes and consumption, higher life expectancy level, and women's employment rates, people are giving more emphasis on the nutritional, hygienic and health value of the food that they eat, in addition to its relevance and convenience. Just because of this the Council of Agriculture (COA), India's central authority in-charge of the Indian agriculture, works on the framework and strategies every year in order to promote the agricultural food processing industry in India.

During the early ages of India's economic structure and development, Indian agriculture sector served as the core and important element of the economy, offering in-expensive food items, raw materials, resources, foreign exchange capital, a strong labour force, and a market for the industrial products. The great contributions of / from agriculture to India's economy is enhancement of both the industrial and economic development of the Country. High production in the agricultural sector before the mid-1960's allowed India to realize its goal of using agriculture to foster its building industrial sector. As a result of this orderly economic development, it raised livelihood opportunities and created a better living environment for its people. Thus, in the phase of these changes, agricultural development was gradually shifted from an economic goal to a societal goal. In view of this, the importance of agriculture will never be ignored. No matter how insignificant and indifferent its role may appear to be in the progress of economic development, but agriculture will always remain an essential sector closely linked to people's way of life and their survival.

The food industry is a very important component of Indian Agriculture. In the earlier stage of the Economy, the processed food industry made use of high level of the agricultural products & items for export, earning a considerable amount of foreign exchange to help to develop our nation's economy. The rural economy has developed very properly because of only agricultural products sold to various food factories and the workers employed in these factories. Presently, globalization and trade liberalization has really allowed the importation of several food and agricultural products into India. However, domestic food industries have continued to create an enormous demand for agricultural products,

which includes of the contracted crops and seasonal agricultural products as well.

India has to phase out its passive protection of its agriculture and make its production more consumers market-oriented with a growing competition in free-trade markets. India should do everything possible to prove its competitiveness in the production of farm based items and expand its market globally for the same. The food processing industry thus can add value and give importance to farm products, making agriculture more industrialized and commercialized. It has also helped to transform the same from a primary industry to a secondary and/or tertiary industry and motivating farmers to gain profits not only from the land or field, but also from the outputs of post-harvest techniques and technology. This activity can very well ensure farmers a stable income source from a commodity's production to its selling and marketing.

Proper research and development in agricultural food processing industry also become more important. The COA projects now focused on developing the unique points of differences such as tasty local food items that are different from the imported ones. Moreover, special interest is taken for blending Chinese cuisine items and herb medicines, developing functional foods, cooked and ready-to-eat frozen foods, amongst other things, to create the market niche for boosting the value of agriculture products in the country.

3. Thus, the Research Topic includes of two important things

a. IT: that is "Information Technology"

Which includes all new methods of communication like:- Internet, e-mail, chatting, e-messages, e-commerce, websites etc.

b. & Agro Based Food Industries:

Food Industries that are totally based on Agricultural Sector.

The different options available to communicate for the business process depends on the nature of relationships between the subjects, contents in the message & other requirements like speed, privacy & reliability of the communication tool. Though researchers have revealed the usage of different communication methods, the impact of such methods is little studied. This paper studies not only the current usage but also the perceived current & future usefulness & future usage of the communication methods employed in business. Moreover, the study also focuses on the attitude towards IT to present a comprehensive scenario emphasizing the impact of IT on the management of Business-to-Business relationships, in connection with the Food Industries in Pune.

There has been a limited research into the impact of IT on the growth of agriculture sector. IT has altered not only the physical communication methods used but

also the range of information & the depth of information exchanged. Therefore, it is also feasible that the relationship atmosphere itself has changed. The nature of communication when using electronic methods may differ from that of doing face to face communication which may alter the interaction between companies & affect their relationship.

Various IT methods (Technical) used of Marketing Communication

1. Face-to-face contact to Audio-contact.
2. E-mail methods.
3. Net working connections.
4. Internet Marketing for Communication.
5. Web-site connections etc.
6. Research & down-loading software.

V. SCOPE OF THE STUDY

- The study is restricted to the impact of IT on Business-to-Business Relationships only.
- The study will cover the effect of IT influencing business relationship especially on Big & Medium Agro based Food Industries in & around Pune City.

VI. OBJECTIVES OF THE STUDY

- To find out the impact of IT on the management of Business-to-Business Relationships in connection with the Big & Medium Agro Based Food Industries in & around Pune City.
- To examine the growth of IT Industries upon the Business Relationships of Big & Medium Agro Based Food Industries in & around Pune City/District.
- To study the various operations involved in providing Communication Services/Tools/Methods by IT Industries in order to promote agricultural marketing in Pune City.
- To evaluate the Customer's Perceptions in availing Food Services from Big & Medium Agro Based Food Industries from the agricultural sector in Pune City.
- To examine the various Opportunities and Challenges prevailing for the Big & Medium Agro Based Food Industries/Companies to grow in & around Pune City in Future.
- To build the measurement model suitable for agri businesses of Pune to assess the impact of information technology for maintaining/developing initiatives taken by them.

VII. JUSTIFICATION OF THE OBJECTIVES

Unless the core issues of IT are understood by the business leaders in Pune the initiatives will not be taken up by the food industries/ sector (Corporate sector) and they need to have a comprehensive reporting framework to initiate their actions in this regard. We therefore need to build the measurement systems, reporting structures and legal norms & infrastructure to facilitate this important and crucial work. The objectives of this study try to focus these issues and provide answers for the same.

VIII. HYPOTHESIS

Considering the growth in the IT sector and the services provided by them to the Medium & Small Agro based Food Industries, it is perceived that this sector will witness a growth in the years to come and customers will have wider options for availing food products provided by Medium & Small Agro based Food Industries in Pune City/District.

IX. STATEMENT OF HYPOTHESIS

- Introduction of IT has really improved the Business-to-Business Relationships in agriculture sector.
- It has definitely widened the availability of food options by Agro based Medium & Small Food Industries in Pune City/District.
- Few agri industries of Pune are undertaking some business relationship initiatives related to/based on IT.

The food processing industry in Pune is one of the largest in terms of the production, consumption, and distribution network as well as import-export and growth prospects. Buoyed by a favorable policy environment and the demand-push impact of a young consuming class with growing income and consumption, India offers a very relevant investment opportunity in the food and agri-business sector and thus, is likely to become a **WORLD PLAYER** in this business. The Indian economy is an agrarian economy, where the contribution of agriculture is approximately 20 % of the Country's Gross Domestic Product and also provides livelihood to almost 67 percent of the country's population. With a leadership position in the production of several key agricultural commodities including cereals, fruits & vegetables and dairy products, India's supply strength in agriculture is immense, with a potential to emerge as the leading agro-economy of the world.

Pune is making an important mark in the global food arena - both as a large Producer and exporter of agricultural products and has also got a very large and growing market for the processed food items. The favorable economic & agricultural policy of the Government, Environment and

increasing Interest of the Corporate in agriculture and agro-food business augurs well for Pune. Considering the growth witnessed by the sector in the last decade and further improvement in growth rate expected in the years to come, this sector has got varied opportunities for investment across the entire agro-value chain.

This is really good that this publication will be instrumental in further strengthening the global ties between India and global food businesses, by focusing the investment attractiveness and business potential in the agro-food sector. The Federation of Indian Chambers of Commerce and Industry (FICCI) remain committed to the concerned stakeholders in considering on the business partnership, thus creating an overall positive image for the Indian agro-food business in times to come.

X. CONCLUSION

Considering the growth in the IT sector and the services provided by them to the Medium & Small Agro based Food Industries, it is perceived that this sector will witness a growth in the years to come and customers will have greater options for buying food products provided by Medium & Small Agro based Food Industries in Pune City/District. Thus, in conclusion it can be concluded that Suppliers are more computer literate and computer savvy than the buyers. They only use this mode of communication much more than the customers. So, there is a huge requirement of this type of information technology on the part the Manufacturers and the companies because their dependency and requirement is more as compared to other groups from the society. That's why it is important for the manufacturers to develop and maintain the relationship and contact with their customers by using these new methods of communication in order to retain them with the firm.

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