

# Local Goods Market of Nagaland: A Synoptic View

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## Abstract

Rural markets for local goods are progressively growing, with the Government and many local food advocates promoting the need and importance of local food and products. Consumers preference towards local products took a drastic twist, evidently more so aftermath of the recent Covid-19 pandemic and its subsequent lockdowns. The importance of local foods and its availability took precedence over foods sourced from urban markets. Such shift in rise and demand of rural markets and local foods necessitates marketing intervention through proper planning and implementation of marketing strategies. Rural marketing when effectively and efficiently put into practice will serve as a catalyst for self-reliance and self-sufficiency nation. Nagaland is witnessing gradual rise in the advent of local ventures and entrepreneurship. This paper attempts to understand how marketing activities for local goods are implemented in Nagaland. The study also has the development of a model as an objective to encourage local marketers for effective marketing strategy. The study is based on both primary data and secondary data. The primary data were collected through an interview schedule and a face-to-face personal interview from the sample respondents, selected using purposive non-probability sampling method on two different phases. Secondary data were collected from literatures and reports relevant to the study. The data collected through interview schedules were analysed using descriptive method of statistical analysis. The responses from the face-to-face personal interview are summarized and discussed under five classifications. The results of the study show the importance of local goods as a self-reliant element. There is evidence of some very prominent practice of marketing strategies such as branding, packaging, labelling, etc. However, based on the findings, the study concludes that there is a need for extensive promotion and awareness strategies in Nagaland for rural or local products to influence the customer buying decisions by creating more demand.

**Keywords:** Rural Marketing, Local Goods, Nagaland, Self-reliance, Self-sufficiency.

## 1. Introduction

With a population of 833 million Indians living in rural areas as per 2011 census which is more than two-third of the total population, India's economy is predominantly rural in nature. Increase in competition, saturating urban markets, changing consumer demand have made companies and businesses think about the potential rural markets. Thus, Indian rural markets have caught the attention of government and many companies. The Government of India has been initiating various programmes for self-reliant and self-sufficient India. Some of which are Skill India Mission, Make in India, Self-help Group, Unnat Bharat Abhiyan, Aatmanirbhar Bharat Abhiyaan, Prime Minister Narendra Modi's campaign for "Vocal for Local" and "Local for Global", etc. Studies have revealed consumer growing interest in local goods as consumers find them to be healthier. This consumer interest towards local goods were driven more during

the Covid-19 pandemic and its subsequent lockdowns. The importance of local shops, local foods and its availability took precedence over foods sourced from urban markets. This drastic shift of demand for local goods necessitates the importance of marketing strategies. Innovative and efficient rural marketing will result in overall betterment of the society and it will also lead to better market opportunities and competitive prices (Thomas, 2013). In doing so, rural marketers need to develop a connection with the rural consumers and then according to their needs and demands develop and sell products (Hakhroo, 2020). The consumers in rural areas differ a lot from the urban areas in making purchase decisions. In fact, rural marketing poses more challenges than opportunities as the rural consumers are highly value conscious. The marketers require patience in the successful implementation of marketing strategies (Singh, 2017). The trend is evident through statistics that clearly shows rural consumers are making purchase not just to fulfil basic needs but also to fulfil higher needs such as comfort and social (Sambrani, 2017). Marketers while making strategies for the rural markets must focus on the requirements of the rural consumers. Some of the considering factors playing a role in purchase decision of rural consumers are branding, selection of media and use of regional language (Shrama, 2013).

Nagaland, the 16<sup>th</sup> state of the Indian Union, witnesses many local ventures in the field of handicraft, handloom, agro-products, and processed foods. The Government of Nagaland along with the Department of Industries and Commerce have been initiating and undertaking measures and programs for the upliftment of industries, business, and service sector. Exhibitions, trade fairs, Government organised festivals such as Hornbill Festival, etc., are also some of the major initiatives of the Government for the promotion of local goods in Nagaland. With Government initiatives and existing local ventures, the availability of literatures and information regarding the local goods of Nagaland are still very limited or inadequate to process the knowledge and understanding of how marketing of local goods takes place in Nagaland. As such, research in this line is yet to be undertaken in Nagaland. Therefore, it becomes imperative to undertake research study about the local goods market of Nagaland. This paper is an attempt to achieve the underlying objectives:

1. To understand the market for local goods in Nagaland
2. To understand how marketing activities for local goods are implemented in Nagaland
3. To develop a local marketing model based on the findings

## 2. Research Methodology

For the purpose of the study, four categories of local goods have been included viz., handicrafts, handlooms, agro-products, and processed foods. This study is based on both primary and secondary data. For the primary data collection, the study was conducted on local artisans who produces and sells their own products and local marketers who performs only selling activities in the State of Nagaland that constitutes the universe or population from where sampling units were collected. The data were collected from the sample respondents selected using purposive non-probability sampling method on two different phases by conducting an interview schedule administered to fifty (50) local artisans and producers and a face-to-face personal interview with five (5) prominent local marketers in Nagaland. The duly filled up schedules and interview responses were then collected, processed, and analysed as per the requirement of the study. Percentage method of statistical analysis was used to analyse the processed data from the schedules and the responses from the interview were summarized into five classifications in order to interpret the result for drawing meaningful conclusion. Secondary data were collected from published and

unpublished documents and records reports of Government of Nagaland, thesis, journals, and websites relevant to the study.

### 3. Results and Discussions

The primary data so collected on local artisans and local marketers has been tabulated, analysed, and interpreted in two parts. Part A corresponds to the data analysis of the 50 local artisans and Part B corresponds to the data analysis of the five local marketers.

#### Part A:

**Table 1: Respondents Profile**

Factors	Classification	No of respondents	
		In numbers	In percentage
Gender	Male	5	10%
	Female	45	90%
	<b>Total</b>	<b>50</b>	<b>100%</b>
Age Group (in years)	18-30	12	24%
	31-50	28	56%
	51-60	10	20%
	61 and above	0	0
	<b>Total</b>	<b>50</b>	<b>100%</b>
Educational Level	Below 10	22	44%
	10+2	20	40%
	Graduate	8	16%
	Post-graduate	0	0
	<b>Total</b>	<b>50</b>	<b>100%</b>
Type of Business (Local Goods)	Handloom	25	50%
	Handicraft	12	24%
	Processed Food	8	16%
	Agro-product	5	10%
	<b>Total</b>	<b>50</b>	<b>100%</b>

Source: Field Survey

**Interpretation:** Table 1 represents profile of the respondents based on some indicators. Majority of the respondents (90 percent) are female and 10 percent male. 56 percent of the respondents (majority) belong to the age group of 31-50 years. The analysis also shows that 44 percent of the respondents has below 10 educational qualification, 40 percent has 10+2, and only 16 percent are graduates. 50 percent of the respondents deal in Handloom business, 24 percent Handicraft, 16 percent Processed food and 10 percent Agro-products.

**Table 2: Meaning of “Local”**

Factors	No. of Respondents	
	In Numbers	In Percentage
Fresh Produce	35	70%

<b>Indigenous Products</b>	50	100%
<b>Easily Accessible</b>	12	24%
<b>Ethnic Food</b>	13	26%
<b>Quality Products</b>	20	40%

Source: Field Survey

**Interpretation:** Table 2 initiates with the meaning of the term “local” as understood by the respondents based on some given stated factors. The analysis shows that majority of the respondents defines or relates the term “local” to indigenous products (100 percent) and fresh produce products (70 percent).

**Table 3: Importance of Local Goods**

Factors	No. of Respondents	
	In Numbers	In Percentage
<b>Support for local business</b>	20	40%
<b>Fresh and Organic</b>	0	0
<b>Preservation of culture and tradition</b>	50	100%
<b>Growth of local economy</b>	20	40%
<b>Sustainability</b>	0	0
<b>Self-sufficiency/Self-reliance</b>	40	80%

Source: Field Survey

**Interpretation:** Table 3 shows the analysis of the importance of local goods as felt by the respondents based on some given stated factors. It is seen from the table that the importance of local goods is felt by the respondents as a way of preservation of culture and tradition, evident through 100 percent responses.

**Table 4: Marketing Practices**

Marketing Practices	Classification	No. of Respondents	
		In Numbers	In Percentage
<b>Product Identification</b>	Branding	12	24%
	Packaging	15	30%
	Labelling	15	30%
<b>Pricing Policy</b>	Cost oriented	100	100%
	Demand oriented	0	0
	Competition oriented	0	0
<b>Distribution Channel</b>	Direct Channel	50	100%
	Indirect Channel	10	20%
<b>Promotion Tools</b>	Personal Selling	40	80%
	Advertising	0	0
	Sales Promotion	0	0
	Publicity	50	100%

Source: Field Survey

**Interpretation:** The data in Table 4 gives an analysis of the marketing practices of the respondents. 24 percent of the responses follow the practices of branding, 30 percent follow the practices of packaging and labelling. All the respondents follow the cost-oriented pricing policy and uses direct channel of

distribution. 10 percent uses indirect channel of distribution. 80 percent uses personal selling form of promotion and 100 percent promotes their products through publicity tools such as Government trade expo and exhibitions.

## **Part B**

The five prominent local good marketers in Nagaland selected for the study includes 1) Meraki Nagaland (NHHDC), 2) Naturally Nagaland, 3) ilandlo Services Pvt. Ltd, 4) Fusion Store Dimapur and 5) Made in Nagaland Center (YouthNet). The data collected through face-to-face personal interview on them has been summarized under five (5) classifications to understand the different marketing practices followed for local goods market in Nagaland.

### **1. Type of ownership**

Meraki Nagaland and Naturally Nagaland are full-fledged Government initiatives. Meraki is an initiative of the Nagaland Handloom & Handicrafts Development Corporation Limited (NHHDC Ltd.). Naturally Nagaland is a hand-holding initiative of the state government for promoting organic Agri and Allied products, finest arts, crafts, and handlooms of the state. The other marketers viz., ilandlo and Fusion are privately owned organizations that provides one stop store for all local products from Nagaland and Northeast States. Made in Nagaland Centre is an initiative of YouthNet, a non-profit organization that aim to provide exposure and a centralized platform for local entrepreneurs to promote their products.

### **2. Type of Local Goods**

All the local marketers listed above, except for Meraki Nagaland which deals only in handicraft products, deals in all the categories of goods under study: handloom, handicraft, agro-products, and processed foods. Meraki deals in a wide range of handicraft products such as Bamboo and wooden bowls, Bamboo root spoon, cutting boards, etc. Meraki produces and uniquely design the products themselves and sells through digital online platform and Naturally Nagaland outlets.

### **3. Sources of Local Goods**

The products listed in Naturally Nagaland comes from different Government agencies and mission programmes viz., NBDA (Nagaland Bamboo Development Agency), NBHM (Nagaland Bee Keeping and Honey Mission), NBM (Nagaland Bio-resource Mission), DUDA (Development of Under Developed Areas) and NHHDC (Nagaland Handloom and Handicrafts Development Corporation). There are also few private local entrepreneurs that have linked up with Naturally Nagaland for promoting and marketing of their products. Fusion Store, ilandlo and Made in Nagaland Center sources the products from various local entrepreneurs within and outside Nagaland. At present, ilandlo has partnered with more than 200 local entrepreneurs; Fusion store with more than 50 including Self-Help Groups; and Made in Nagaland Center hosts around 180 local entrepreneurs.

### **4. Marketing Practices**

Most of the local goods have been branded but without a trademark. Packaging and labelling are practiced for promotion and as part of the product. All agro-products and processed food marketed through Naturally Nagaland are Food Safety and Standards Authority of India (FSSAI) license approved. For the promotional activities, the only tool used is social media via their own online stores. The sales revenue generated through Meraki and Naturally Nagaland goes to the respective Government agencies and mission from where the products have been sourced. The other local marketers that sell and distribute the products from the partnered local entrepreneurs charge a commission of minimum 15% and maximum 30% on the sales generated for their services offered.

## 5. Customers

Most customers for all the selected local marketers are usually outsiders or tourist, and not the locals. The Covid-19 pandemic and its subsequent lockdowns led to a decrease in the number of customers from outside but there was an increase of local customers. Even through online stores, there were less orders from outsiders as distribution and logistics becomes a challenge with strict prevalent Covid-19 SOPs (Standard Operation Procedures). However, with the lifting of restrictions for tourist in the subsequent years, the number of consumers from outside has increased and local consumers continue to increase.

### Local Goods Marketing Model

The purpose of this model is to help the local marketers by providing them a definite guideline on how to proceed, implement and be effective and successful marketers.

The developed model, as shown in Figure 1, comprises 7 processes, of which each process remains crucial in the success of local marketing.

The process to the local goods marketing model is categorically explained as under:

#### Process 1: Local Market Research Analysis

Firstly, local marketers must conduct research on the local markets to understand local market aspirations, to strategically collect information and data in order to generate ideas, and identify the challenges and opportunities of the local markets in order to target the right market and consumers.

For example, the local consumers of Nagaland are need-based customers and at the same, very impulsive depending on the markets and the products. Analysis of such mixed types of local consumers are necessary to set up the right objective and marketing strategy.

**Figure 1: Local Goods Marketing Model**



#### Process 2: Determining Objectives

The next step after conducting the market research is to determine the objective(s) based on the outcome of the local market research analysis. The objective(s) need to be specific, realistic, and measurable, designed to provide the instructions to follow and target to be achieved. This will set a clear strategic direction to earn profits through satisfaction of customers and to gain a competitive advantage.

#### Process 3: Selecting Target Market

Following the objectives, the next process in the model is selecting the right market to target. This helps in reaching out directly to the right audience or customer as well as the prospects to market the brand and its product. Through target marketing, local marketers can better understand the needs and demands of the customers and create a specific marketing strategy that targets a specific audience in influencing their purchase decision.

For example, the local consumers of Nagaland are easily influenced and updated with the latest trends and as such, their needs and demands also switches. Target marketing therefore can help in understanding and satisfying the consumers' needs and demands.

#### **Process 4: Formulation of Marketing Mix**

Based on the profile of the targeted local markets and local consumers, the perfect mixture of the marketing mix strategy needs to be formulated. The major elements that concern the marketing mix strategy are product, price, place, and promotion. All the elements are inherently interconnected and important, however for local marketing, distribution-based and promotion-based activities are fundamental and unavoidable because of the nature of local consumers. Local marketers should focus on extensive communication and awareness programs, availability, and accessibility of the products to create demand and increase sales.

For example, existing studies show the high usage of social media in today's world. In Nagaland, local marketers can use this social media usage as an influential factor for promoting their products and creating demand.

#### **Process 5: Implementation**

The next process in the model is to mobilise all resources that is needed to implement the marketing strategy and plan that aligns with the determined objective of the marketing plan. This means promoting and placing the product offered for sale to the target market, and using the distribution channels to reach the target market and customer.

For example, some of the existing local marketers in Nagaland such as Naturally Nagaland, ilandlo, Fusion store, and many more can be used extensively as the channel for distributing the products, and reaching out a wide target audience.

#### **Process 6: Review and Control**

The last step in the model is the review and control process which needs to be conducted periodically to ensure the implementation of marketing strategy is effective and that the objectives have been met. Local marketers should continually monitor the marketing performance and progress in order to identify any significant deviations from the objectives so that they can revise their strategies and plans to cope with the changes in the internal and external environment.

## **4. Conclusion**

The current study presents a synoptic view on the local goods market of Nagaland. The findings show that local goods are regarded as indigenous fresh quality products that serves as a self-sufficient and self-reliant element. Majority of the respondents (75 percent) have been in the business for less than 5 years. Only 25 percent of the respondents are in the business for more than 5 years. The findings also reveal that some finished goods are procured directly from local village weavers. Raw materials for the handlooms are procured from wholesalers and retail shops as well as from Government handloom office. Government provides support through trade expos, exhibitions, and subsidised raw materials. None of the respondents under study has undergone any sort of training.

Local marketers practice some marketing strategies, such as branding, packaging, labelling, and promotion, yet the marketing of local goods in Nagaland still needs time and effort to be able to succeed in a competitive marketing environment. There is a need for extensive promotion and awareness strategies in Nagaland for rural or local products to create more demand. Government intervention to support local entrepreneurs by way of training and workshops are required to provide more platform and room for promoting local goods. Local marketers need to identify, attract, engage, and manage the right target market and consumers. An effective implementation of branding as a strategy and use of indirect channels for distribution will bring about a favourable chance for rural or local marketers in achieving brand image, wider reach of consumers and attract and retain the sales of rural products.

The present study has included only four categories of local goods. Similar studies on other categories can be included for the further research study. Due to sample size and time limitations, only 5 classifications have been identified for drawing out the findings. With more sample size and further research, more classifications can be drawn out for better understanding of the study of local goods market of Nagaland. Also, the local goods marketing model was developed using an integrative approach which is flexible to suit the changes in the marketing environment. The effectivity of the model will also vary from product to product. Hence, the entire proposition cannot be conceived comprehensively.

Local or rural marketing generates many value benefits such as, improving the local economy, providing local identity, preservation of culture and traditions and a healthy sustainable environment. It is, therefore, important to understand rural consumers and transform rural areas by improving marketing channels, distribution outlets and communication facilities. Rural marketing strategies when effectively and efficiently put into practice will serve as a catalyst for self-reliance and self-sufficiency nation.

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