# IMPACT OF MARKETING PERSPECTIVE ON PROFITABILITY OF BROILER POULTRY INDUSTRY – A MODERATION ANALYSIS

**[1]Dr. Sabbineni Poojitha, [2]Dr. K. Anusha, [3]Sanga Phanindra, [4]Bhimana Sai Varun**

[1]*Assistant Professor, Business School, Koneru Lakshmaiah Education Foundation (KLEF), Vaddeswaram, Green fields, Guntur, Andhra Pradesh, India -522302.*
*E-mail: sabbinenipoojitha@gmail.com*

[2]*Assistant Professor, Business School, Koneru Lakshmaiah Education Foundation (KLEF), Vaddeswaram, Green fields, Guntur, Andhra Pradesh, India -522302.*
*E-mail: kangalanusha@gmail.com*

[3]*Student, BBA, Business School, Koneru Lakshmaiah Education Foundation (KLEF), Vaddeswaram, Green fields, Guntur, Andhra Pradesh, India -522302.*
*E-mail: phanichowdary612@gmail.com*

[4]*Student, BBA, Business School, Koneru Lakshmaiah Education Foundation (KLEF), Vaddeswaram, Green fields, Guntur, Andhra Pradesh, India -522302.*
*E-mail: saivarunbheemana@gmail.com*

## ABSTRACT:

The main goal of the study is to understand the marketing perspective of broiler poultry industry. The study also aims towards understanding the marketing aspects impact on the profitability of the broiler firms using moderation analysis. Both primary and secondary data are included in the data collection. Examination of the information utilised by the marketing channel design. Using a combination of interview techniques and a prepared list of questions, primary data is gathered from farmers chosen as samples. Scientific publications and literature are sources of secondary data.

**KEYWORDS:** Broiler Poultry, Marketing perspective, Moderation Analysis, Profitability, and demographic factors.

## INTRODUCTION:

The broiler poultry industry is a sector of agriculture that focuses on the breeding, raising, and processing of chickens specifically for meat production. Broiler chickens are a type of chicken raised for their meat, and this industry plays a significant role in providing a primary source of animal protein in many parts of the world.

To meet animal protein needs, the poultry industry especially regarding broiler chickens remains the top priority. Broiler meat has a high nutritional content and can be used as an animal protein source for recipes. In Indonesia, the importance of broiler meat consumption is growing, and the

amount consumed per person is still rising. Whether raised on a small or large scale, broilers are among the livestock with good prospects. When compared to other livestock breeds, broilers have several advantages. These include their quick growth, efficient use of rations, short harvest times, and soft, fibrous meat (Raut, 2002).

Because of its flavour, cost, and speed of production, broiler meat is generally accepted. Additionally, there are hardly any social or religious objections to broiler meat. For the broiler chicken farming business to be both highly expansive and worthwhile. After being harvested, broilers are prepared for sale. The act of selling or bringing broiler chickens from farms to tables is known as marketing in the context of a broiler farm enterprise. Broiler chickens are typically sold in Indonesia as whole carcasses, which are the parts of the bird that have been butchered but have lost their legs, neck, head, feathers, and viscera (Issac, 2014).

Rearing livestock is a crucial subsidiary occupation that will supplement the smallholder farm families' income and rural households in most of developing countries. Poultry production is being the fastest growing sector of meat production globally, with developing countries assuming a leading role (Assa, 2012). Across the world poultry sector is growing continuously due to human population increase, along with that increase in urbanization and purchasing power (FAOSTAT, 2014).

Consumer price levels and producer acceptance of them are determined by the dominant form and structure of the market, including monopoly, oligopoly, monophonic, competitive, and oligopolistic markets. Less effective marketing is frequently caused by the length of the marketing channel (Jyotsnarani et al, 2020). The small amount that the producer receives is the reason for the high marketing margin. A marketing channel will be created during the broiler carcass marketing process, requiring marketing expenses. Prices for consumers are impacted by marketing expenses (Borden, 1964).

## METHODOLOGY:

The study was conducted in North Coastal Andhra Pradesh. Selection of the farms is completely based on the location. Respondents of the study are 300 broiler poultry farmers. Data is gathered from primary and secondary sources. Primary data is from the farmers through interview method by preparing a list of questions. Secondary data is gathered from various resources like journals, reports from agencies and institutions etc.

Moderation analysis is a statistical technique used in research to explore how the relationship between two variables changes or is influenced by the presence of a third variable. It helps researchers understand whether the effect of an independent variable on a dependent variable is contingent on the level of a moderator variable.

## HYPOTHESIS:

H1: $H_0$1: The impact of marketing aspects on profitability is unaffected by age and experience.

H2: $H_0$2: The impact of marketing aspects on profitability is unaffected by educational status.

**Model Summary of moderation analysis between profitability and marketing aspect:**

Dependent variable = Profitability (Y)

Independent variable = Marketing aspect (X)

Moderator variables = a) Age (W)

                       b) Experience (Z)

R value = 0.2558

R square value = 0.0654

F value = 2.0168

P value = 0.0797

From the above model summary R value indicates how strong the linear relationship is and from the above results it shows a weak relationship (0.2558) less than 0.3 as per thumb rule. This implies that with the affect of moderating variables (age and experience) there exist a weak relationship between profitability and marketing aspect.

R square value is the ratio of explained variation to total variation and the results shows that 6.54% of variation in profit can be explained by the marketing aspect along with the interaction terms. This reflects the affect of moderating variable on the dependent variable.

The p value is 0.0797 which is more than 0.05 states that the overall model is insignificant.

**Model summary**

| Variables | Coefficient | P value |
|---|---|---|
| Constant | -359969.07 | 0.3565 |
| Marketing aspects | 28749.5665 | 0.3426 |
| Age | 13859.2078 | 0.9063 |
| Int_1 | 817.7092 | 0.9317 |
| Experience | 88384.7612 | 0.2690 |
| Int_2 | -3636.8760 | 0.5896 |

Product terms key:

Int_1: Marketing aspects x Age

Int_2: Marketing aspects x Experience

**Tests of highest order unconditional interaction**

|       | R2-change | F      | df1    | df2      | P value |
|-------|-----------|--------|--------|----------|---------|
| X*W   | 0.0000    | 0.0074 | 1.0000 | 144.0000 | 0.9317  |
| X*Z   | 0.0019    | 0.2922 | 1.0000 | 144.0000 | 0.5896  |

**Model Summary of moderation analysis between profitability and marketing aspect where the moderator as educational status:**

Dependent variable = Profitability (Y)

Independent variable = Marketing aspect (X)

Moderator variable = a) Educational status (W)

R value = 0.1537

R-square value = 0.0236

F value = 1.1774

P value = 0.3205

From the above model summary R value indicates how strong the linear relationship is and from the above results it shows a weak relationship (0.1537) less than 0.3 as per thumb rule. This implies that with the affect of moderating variable (educational status) there exist a weak relationship between profitability and marketing aspect.

R square value is the ratio of explained variation to total variation and the results shows that 2.36% of variation in profit can be explained by the marketing aspect along with the interaction terms. This reflects the affect of moderating variable on the dependent variable.

The p value is 0.3205 which is more than 0.05 states that overall model is insignificant.

**Model summary**

| Variables          | Coefficient | P value |
|--------------------|-------------|---------|
| Constant           | 11306.2534  | 0.9523  |
| Marketing aspects  | 25925.8766  | 0.0956  |
| Educational status | 64298.7089  | 0.3372  |
| Int_1              | -6479.9803  | 0.2320  |

Product terms key:

Int_1: Marketing aspects x Educational status

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## Tests of highest order unconditional interaction

|      | R2-change | F      | df1    | df2      | P value |
|------|-----------|--------|--------|----------|---------|
| X*W  | 0.0096    | 1.4403 | 1.0000 | 146.0000 | 0.2320  |

**Hypothesis Results:**

| S.No | Hypothesis | Null Hypothesis | P value | Accept/Reject |
|------|-----------|-----------------|---------|---------------|
| 1 | H1 | $H_01$: The impact of marketing aspects on profitability is unaffected by age and experience. | 0.0797 | $H_01$ is accepted at 5% significant level. |
| 2 | H2 | $H_02$: The impact of Marketing aspects on profitability is unaffected by educational status. | 0.3205 | $H_02$ is accepted at 5% significant level. |

**RESULTS AND DISCUSSION:**

From the analysis it was noticed that the impact of marketing aspects on profitability is unaffected by age, experience, and educational status. Regardless of an individual's age, level of experience, or educational background, the effectiveness of marketing efforts in influencing profitability remains consistent. This statement implies that these demographic and experiential factors do not significantly moderate the relationship between marketing efforts and profitability.

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