

LOCAL FOOD MARKETS IN KARNATAKA: MARKETPLACE CHOICE, SERVICE EXPECTATIONS AND CONSUMER– PRODUCER LINKAGES

A Review-Based Research Framework with a Karnataka Local Food Market Perspective

Dr. Mohd Siham

Associate Professor, Sai Nath University, Ranchi, Jharkhand

Mohtisham Mohd Ganim Shoeb

Research Scholar, Sai Nath University, Ranchi, Jharkhand

Keywords: Local food markets; Karnataka; agricultural marketing; APMC; farm-gate marketing; consumers; producers; perishability; market services; digital marketing

Abstract

Local food markets are an important interface between producers, traders, retailers and consumers in Karnataka. The structure of these markets is shaped by perishability, distance, transportation, grading, storage, price discovery, trust, information and the availability of alternative marketing channels. This paper develops a Karnataka-focused research framework for examining local food marketing from a marketplace perspective. It draws on the supplied Karnataka local-food marketing study as a principal background source and reframes its market-system insights around the wider local food market, including producer-to-market and market-to-consumer linkages. The review indicates that APMC markets and farm-gate transactions have historically been important channels, while local weekly markets, direct marketing, modern retail and digitally enabled channels can add further options. Perishable commodities such as vegetables create a strong need for rapid market access, while storage and transport can materially influence channel choice. The paper proposes an empirical framework for examining how price, convenience, service quality, trust, freshness, product variety, market accessibility, digital information and payment facilities affect marketplace choice and satisfaction among producers and consumers in Karnataka. The paper also identifies methodological requirements for a future field study and avoids presenting uncollected primary data as empirical findings.

1. Introduction

Food marketing is not limited to the physical movement of agricultural commodities from farms to consumers. It is a system involving exchange, information, logistics, grading, storage, price discovery, finance and relationships among multiple market participants. In Karnataka, the coexistence of regulated agricultural markets, farm-gate transactions, village markets and newer direct and digitally supported channels creates a useful setting for studying how local food markets evolve.

The supplied background study on Karnataka shows that marketplace choice at the producer level can be associated with characteristics of the produce and with services offered by buyers. In particular, perishability and services such as grading, sorting, storage and transport were identified as important considerations in the studied producer marketplace choices. These insights provide a useful foundation for a broader local-food-market perspective.

The present paper therefore focuses on the local food market as a connected system rather than treating a single marketplace as the unit of analysis. It considers both producer-side and consumer-side requirements and develops a research framework that can be tested through primary data in selected Karnataka districts.

2. Background and Rationale

Karnataka has a diversified agricultural economy and a wide range of local food commodities, including vegetables, fruits, grains, pulses, spices and other food products. Local markets connect production areas with nearby consumption centres. The organization of these markets varies by commodity, location, perishability and the services available to market participants.

The supplied source describes Karnataka as a state that adopted important agricultural marketing reforms, including measures related to direct marketing, contract farming, spot exchanges, electronic trading and the Unified Market Platform. It also documents the coexistence of APMC and farm-gate channels in the surveyed areas. Rather than treating these findings as new data for the present authors, this paper uses them as background evidence for developing a broader research agenda.

3. Review of Literature

3.1 Marketing Systems Perspective

Layton's marketing-systems perspective treats markets as networks of individuals, groups and organizations linked through economic exchange. Applied to local food markets, this perspective draws attention to the connections among farmers, aggregators, traders, market institutions, retailers and consumers.

3.2 Marketplace Choice

Research on agricultural marketing indicates that farmers may choose among alternative channels depending on transaction costs, prices, distance, information, trust, contractual conditions and buyer services. The Karnataka study supplied with this manuscript found that perishability and buyer-provided services were important determinants of marketplace choice in its surveyed sample.

3.3 Perishability, Storage and Logistics

Perishability creates time pressure. Vegetables and other highly perishable foods require rapid movement, reliable buyers and appropriate handling. Storage can allow producers of less-perishable commodities to postpone sales, potentially changing the timing and channel of marketing. Transport services can similarly alter the relative attractiveness of farm-gate and market-yard transactions.

3.4 Consumer Perspective in Local Food Markets

From the consumer side, local food markets may be evaluated through freshness, price, quality, variety, convenience, hygiene, trust, accessibility and payment options. Direct contact with sellers may increase information and trust, while organized retail and digital platforms may increase convenience and product discovery. These propositions require primary testing in Karnataka rather than being treated as established local estimates.

4. Research Gap

Much of the available discussion of Karnataka agricultural marketing is producer- and channel-oriented. A broader local-food-market study can connect producer marketplace choice with consumer preferences and service expectations. There is scope to examine whether the factors that matter to producers—such as transport, storage, grading and rapid sale—align with what consumers value, such as freshness, price transparency, hygiene, convenience and trust.

A second gap concerns the interaction between traditional local markets and digital information. Consumers increasingly receive information about prices, sellers and products through mobile and online channels, but the extent to which such information changes local food purchasing behaviour in Karnataka needs systematic empirical examination.

5. Objectives of the Study

- To examine the structure and major characteristics of local food markets in Karnataka.
- To identify the principal marketplace and marketing-channel options available to local food producers and consumers.
- To examine the importance of price, freshness, quality, convenience, accessibility, trust and market services in local food-market decisions.
- To assess the role of perishability, transport, storage, grading and payment facilities in producer marketplace choice.
- To examine consumer preferences regarding local food markets and direct/local purchasing channels.
- To develop a framework for improving efficiency, transparency and service quality in Karnataka's local food marketing system.

6. Research Questions

1. What factors most strongly influence producer choice between APMC, farm-gate, local market and other marketing channels?
2. How do perishability, transportation, storage and grading services influence marketplace choice?
3. What factors influence consumers' preference for local food markets?
4. How important are freshness, price transparency, hygiene, trust, convenience and digital information to consumers?
5. Do producer service requirements and consumer service expectations converge at particular types of local food markets?

7. Conceptual Framework

The proposed framework treats marketplace choice and satisfaction as outcomes influenced by economic, service, accessibility and relational variables.

Dimension	Illustrative variables	Expected analytical role
Economic	Price, transaction cost, payment terms, price transparency	Explains economic attractiveness of channels
Product	Freshness, perishability, quality, variety	Shapes urgency and perceived value
Services	Grading, sorting, storage, transport, assaying	Reduces transaction and post-harvest constraints
Accessibility	Distance, road access, market frequency, opening hours	Influences convenience and channel feasibility
Trust & relationships	Seller trust, buyer reliability, repeat relationships	May reduce perceived transaction risk
Digital factors	Online price information, digital payments, mobile communication	May improve information and convenience
Consumer experience	Hygiene, service, convenience, product availability	Influences consumer satisfaction and repeat purchase

8. Proposed Methodology

Research design: A mixed-method, cross-sectional design is proposed. The first stage would use qualitative interviews with farmers, traders, retailers and consumers to refine the questionnaire. The second stage would use a structured survey in selected Karnataka local-food markets.

Study area: A multi-location design may include one major urban consumption centre, one peri-urban market area and selected rural production/market centres. Final districts should be selected using clear criteria such as commodity concentration, market activity and feasibility of fieldwork.

Sampling: A future empirical study may use separate sampling frames for producers and consumers. The final sample size should be calculated from the intended statistical model and population assumptions rather than being invented in advance.

Data collection: A structured questionnaire can measure demographic characteristics, purchasing/selling behaviour, preferred channels, perceived price fairness, freshness, quality, service availability, trust, convenience, digital information and satisfaction using five-point Likert scales.

Data analysis: Descriptive statistics can profile the market. Exploratory factor analysis may identify service dimensions. Chi-square tests, t-tests or ANOVA may be used where appropriate. Logistic regression or multinomial logistic regression can examine channel choice. Multiple regression or structural equation modelling can be considered for satisfaction and behavioural-intention models, subject to sample size and measurement quality.

9. Proposed Variables and Measurement

Variable	Type	Possible indicators	Measurement
Marketplace choice	Dependent	APMC, farm-gate, weekly/local market, direct sale, retail, digital channel	Categorical
Price transparency	Independent	Displayed price, comparison availability, clarity of charges	5-point scale
Freshness	Independent	Recency, appearance, perceived freshness	5-point scale
Service quality	Independent	Grading, storage, transport, handling, seller responsiveness	5-point scale
Accessibility	Independent	Distance, travel time, market frequency, convenience	5-point scale
Trust	Independent	Seller reliability, product information, payment reliability	5-point scale
Digital information	Independent	Mobile price information, online discovery, digital payment	5-point scale
Satisfaction	Dependent	Overall satisfaction, value, likelihood of repeat purchase/sale	5-point scale

10. Analytical Propositions

- P1: Perishability is associated with greater preference for channels that provide rapid sale and ready buyer access.
- P2: Availability of transport, grading and storage services is associated with marketplace choice.
- P3: Price transparency is positively associated with consumer trust and satisfaction.
- P4: Perceived freshness and product quality are positively associated with consumer preference for local food markets.
- P5: Accessibility and convenience are associated with repeat purchasing behaviour.
- P6: Digital information and digital payment facilities may strengthen convenience and information access in local food transactions.

11. Discussion

The Karnataka evidence supplied for this manuscript indicates that local food marketing decisions cannot be explained by price alone. Perishability, logistics and buyer services matter because they affect the practical costs and risks of moving food from producer to market. This is particularly relevant for vegetables and other products that lose value quickly.

A consumer-oriented extension suggests that the same marketing system should also be examined through freshness, quality, hygiene, transparency and convenience. A market that is efficient for producers may not automatically provide the consumer experience expected in an urban or peri-urban food market. Conversely, consumer demand for consistent quality and information can create incentives for producers and intermediaries to invest in grading, handling, storage and traceability.

The role of digital tools deserves particular attention. Digital price information, mobile communication and electronic payments can reduce information frictions, but their actual effects in Karnataka should be established through field evidence. The proposed study therefore treats digitalization as a measurable research variable rather than assuming that digital channels automatically improve market outcomes.

12. Policy and Managerial Implications

- Strengthen market infrastructure for grading, scientific quality assessment, storage and efficient handling of perishables.
- Improve price-information transparency so that producers and consumers can compare market information more easily.
- Develop local-market facilities that reduce unnecessary transport, loading, unloading and post-harvest losses.
- Encourage appropriate digital payment and information systems while retaining accessible physical-market options.
- Support coordination among farmers, market institutions, traders, retailers and consumer organizations.
- Design local food-market interventions around commodity-specific and location-specific needs rather than assuming one model fits every Karnataka market.

13. Limitations

This manuscript is a research framework and literature-based analytical paper. It does not claim that new primary data were collected by the named authors. The Karnataka producer-market evidence discussed here is derived from the supplied background document and should not be presented as original fieldwork by the authors. Before journal submission as an empirical article, primary data should be collected, analysed and reported with the sampling design, response rate, statistical outputs, reliability measures and ethical procedures.

14. Conclusion

Local food markets in Karnataka are multi-channel systems in which producers and consumers respond to different combinations of price, perishability, services, accessibility, information and trust. The supplied Karnataka evidence highlights the importance of APMC and farm-gate channels and identifies perishability and buyer services as important considerations in producer marketplace choice. Building on that foundation, this paper proposes a broader producer–consumer framework for studying local food markets. A future field study can test whether price transparency, freshness, service quality, accessibility, trust and digital information jointly explain marketplace choice and satisfaction. Such evidence can support market designs that improve both producer access and consumer experience without assuming that a single channel is optimal for every commodity or location.

References

- Acharya, S. S. (1998). Agricultural marketing in India: Some facts and emerging issues. *Indian Journal of Agricultural Economics*, 53(3), 311–332.
- Acharya, S. S. (2006). Agricultural marketing and rural credit for strengthening India agriculture. *INMR Policy Brief*, 3.
- Athukorala, P.-C. (2005). Agricultural trade policy reforms in India. *South Asia Economic Journal*, 6(1), 23–36.
- Bathla, S. (2006). Trade policy reforms and openness of Indian agriculture: Analysis at the commodity level. *South Asia Economic Journal*, 7(1), 19–53.
- Chand, R. (2012). Development policies and agricultural markets. *Economic & Political Weekly*, 47(52), 53–63.
- Hernández, R., Reardon, T., & Berdegue, J. (2007). Supermarkets, wholesalers, and tomato growers in Guatemala. *Agricultural Economics*, 36(3), 281–290.
- Layton, R. A. (2007). Marketing systems—A core macromarketing concept. *Journal of Macromarketing*, 27(3), 227–242.
- Minten, B., Reardon, T., & Sutradhar, R. (2010). Food prices and modern retail: The case of Delhi. *World Development*, 38(12), 1775–1787.
- Onumah, G. E., Davis, J. R., Kleih, U., & Proctor, F. J. (2007). Empowering smallholder farmers in markets: Changing agricultural marketing systems and innovative responses by producer organizations. *ESFIM Working Paper 2*.
- Reardon, T., Barrett, C. B., Berdegue, J. A., & Swinnen, J. F. M. (2009). Agrifood industry transformation and small farmers in developing countries. *World Development*, 37(11), 1717–1727.
- Shilpi, F., & Umali-Deininger, D. (2008). Market facilities and agricultural marketing: Evidence from Tamil Nadu, India. *Agricultural Economics*, 39(3), 281–294.
- Visconti, L. M., Minowa, Y., & Maclaran, P. (2014). Public markets: An ecological perspective on sustainability as a megatrend. *Journal of Macromarketing*, 34(3), 349–368.
- Witkowski, T. H. (2008). Global food marketing systems and local cultural change in the developing world. *Macromarketing Society*.
- Xaba, B. G., & Masuku, M. B. (2012). Factors affecting the choice of marketing channel by vegetable farmers in Swaziland. *Sustainable Agriculture Research*, 2(1), 112–123.

Source document supplied by the author: Marketplace Options in an Emerging Economy: Karnataka Local Food Marketing System – Producers’ Choices, Choice Determinants and Requirements (IIMA working-paper material reproduced in the uploaded DOCX).

Appendix A: Suggested Questionnaire Domains

- Producer profile: age, education, farm size, major commodities, years of farming.
- Marketing behaviour: channels used, frequency of sale, distance, transport, payment timing.
- Market services: grading, sorting, storage, weighing, assaying, packaging and financing.
- Consumer profile: age group, occupation, household size, locality and frequency of local-food purchase.
- Consumer evaluation: price, freshness, quality, hygiene, variety, convenience, trust and seller behaviour.
- Digital behaviour: mobile price information, online discovery, digital payment and communication with sellers.
- Outcome measures: preferred marketplace, satisfaction, repeat intention and willingness to pay for selected services.



Copyright & License:

© Authors retain the copyright of this article. This work is published under the Creative Commons Attribution 4.0 International License (CC BY 4.0), permitting unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.