

## **The Marketing Research Status of Cooperative Managers Within the Context of Agricultural Organization Policies in the EU Harmonization Process: The Case of Canakkale Province**

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**Abstract:** This study was done to examine the marketing research status of the managers of the dairy agricultural cooperatives in Canakkale within the context of organizational policies carried out in the EU harmonization process. The surveys conducted with 191 dairy cooperative managers determined by full counting method, constitute the material of this study. This study emphasizes that cooperatives play an important role in agricultural marketing activities both in Turkey and Canakkale.

**Key words:** The EU harmonization process, agricultural organization, organizational policies, market research, cooperative, Canakkale, Turkey

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### **INTRODUCTION**

Agricultural cooperative system has a big importance in countries in which small scale agricultural firms are particularly dominant. Examining the structure of agriculture in Turkey, there are a lot of small and disorganized firms. This structural situation in agriculture has put many problems on the agenda. The most effective way to overcome these problems is to organize producers and enable agricultural cooperatives.

When the relationship between Turkey and the EU is examined, the most problematic sector is agriculture in the EU membership process. The improvement of the functions of producer organizations is considered as the most important step to overcome the problems of the agricultural sector. Therefore, passing some reforms for the adoption of the agricultural organization structure in Turkey to producer organizations in the EU in terms of forming a democratic agricultural management and agricultural policy in the EU harmonization process is required (Eraktan, 2004).

The most important steps have taken in agricultural policies in particular post 2000 agricultural policies are the Institutional Reinforcement of Farmers Organizations (IRFO) carried out within the context of the Agricultural Reform Implementation Project (ARIP) and the Agricultural Producer Associations Act No. 5200 published on June 29, 2004. With the IRFO project expanding effective agricultural organizations nationwide has been aimed thorough the strengthening

and development of farmer organizations by overcoming lack of the institutional organization and capacity of farmer organizations.

To achieve these aims, many training programs were held with the participation of 3024 cooperative managers, 420 professional staff and 37500 cooperative partners in Turkey on such issues as organizational management, accounting education, marketing management, financial management, procurement management and project management (Anonymous, 2008).

On the other hand, with the Agricultural Producers Association Act No. 5200, the establishment of producer associations at the EU standards is aimed at. With this law, producer associations are required to make market research for their products find markets for the products of their members and regulate the supply of products to the market (Anonymous, 2005).

Therefore, agricultural policy measures towards the improvement of the current status of producer associations in Turkey have put the concepts of marketing management and market manager on the agenda in agricultural cooperatives.

Marketing management is described as task affecting the level, timing and composition of demand in any way. Demand management is the most helpful factor at achieving the goals of a company or organization. Therefore, in brief, marketing management is demand management (Kotler, 1991). Marketing manager is the person who decides on such issues as the choice of the target market within marketing plan, product positioning,

product development, pricing, distribution channel, physical distribution, communication and promotion. Therefore, the duty of marketing manager is to meet the current demand level via research, planning, managing and control (Kotler, 1991).

There are different marketing systems towards agricultural products in Turkey. These are agricultural cooperatives, producer associations, exporter associations, wholesale markets, commodity exchanges and e-commerce. The importance and role of agricultural cooperatives on marketing is enormous among these channels. However, cooperatives are not at the desired level on the marketing of agricultural products. Examining the share of cooperatives on marketing by product types, their share is 48.6% in cotton, 1.7% in olive oil, 27.7% in fig, 18.3% in raisin, 36.7% in nut, 31.8% in sunflower, 2.9% in milk, 1.0% in egg and 1% in fresh vegetable. Other hand, the share of agricultural cooperatives in marketing in the EU countries is at the level of 65-100% (Anonymous, 2004). Moreover, it is stated that the share of farmer markets has increased increasingly and the rate of increase is 150% between 1994 and 2006 (Brown and Miller, 2008). The low level of the share of cooperatives in the country's marketing system has weakened the competition and bargaining power of producers.

Therefore, revealing the role of agricultural cooperatives in marketing in world policies in general and Turkish agricultural policies in particular and the determination of potential of cooperative managers on market management and market research convey the importance of this issue.

Many studies have conducted on the economic analysis of agricultural cooperatives in Turkey and their role in agricultural marketing. These are Tekeli (1999), Ozcelik *et al.* (1999), Acar and Yildirim (2000), Basaran (2003), Karli and Celik (2003), Ozudogru (2004), Cukur (2006), Sayin *et al.* (2007), Serinikli and Inan (2007) and Everest (2009).

In these studies, the basic problems of agricultural cooperatives and their place and role in economic development are emphasized. In addition, the studies put emphasis on the place and role of cooperatives in local markets and cooperatives functions on the provision of technical and economic support to producers, provision of guidance to their members, provision and strengthening of solidarity among their members, becoming effective on price formation and making economic and social researches are also emphasized. In the study by Tan and Everest, the profiles of the managers of dairy agricultural cooperatives in Canakkale are examined and their training provision to their members, their participation in agricultural activities and the status

of the frequency of contact with experts and managerial experience are stressed as well. In the study by Tan and Everest, it is revealed that the share of cooperatives in the total milk production of Canakkale is 69% and their role in marketing is also underlined.

In this study, the status of the market research of the managers of the dairy agricultural cooperatives in Canakkale Province is analyzed and the role of cooperatives in milk marketing is revealed.

## MATERIALS AND METHODS

Dairy agricultural development cooperatives determined with full census constitute the population of this study. The surveys conducted with face to face interviews with 191 cooperative managers from the some towns of Canakkale Province, Ayvacik (1), Bayramic (6), Biga (70), Can (24), Gelibolu (16), Lapseki (18), Merkez (6) and Yenice (50) constitute the main material and the primary data of this study. The secondary data of this study consist of the publications of many relevant institutions and agencies and official statistics.

Statistical analyses were performed by using SPSS for Windows V. 15.0. Descriptive statistics were shown as frequencies and percentages for categorical variables and mean, standard deviation for continuous variables. In addition, Chi-square tests were used to compare proportions in different groups. An alpha level of  $p < 0.05$  was considered statistically significant (Miran, 2003).

## RESULTS

**Membership to upper union and making market research:** The upper organization of cooperatives in Turkish cooperative system has not completed yet. This is regarded a significant problem blocking the development of cooperatives. The upper organization of cooperatives in a country is a pyramid-shaped from down to upward, vertical organization of cooperatives, starting from unit cooperatives by creating union, central union and national union. Cooperative movement hence is not only the establishment of unit cooperatives and their development. However, a cooperative movement completing upper organization can meet the needs of cooperatives at the national level (Mulayim, 1990).

Upper unions, established for this purpose will increase productivity and quality in production and they will continue their activities to fulfill every function related to processing, storage and marketing in order to assess vegetable and animal products. When the relationship between the status of cooperatives membership to upper unions and the status of marketing research of

**Table 1: Membership to upper union and market research status**

Affiliated upper union	Market research status			
	Yes		No	
	Number	Percentage	Number	Percentage
Koy-Koop.	85	49.4	87	50.6
Hay-Koop.	14	73.7	5	26.3
Total	99	-	92	-

$\chi^2 = 4.035$ ; p-value = 0.044

cooperative manager was examined in the surveys conducted within the scope of this study, the differences between the variables were found to be statistically significant ( $p < 0.05$ ) in terms of characteristic emphasized on. In terms of membership to upper unions, a difference between the Koy-Koop (The Central Union of Agricultural Cooperatives) and the Hay-Koop (The Central Union of Livestock Cooperatives) emerged. While 73.7% of the Hay-Koop members stated that they did a market research 26.7% of them stated that they did not make a market research. On the other hand, 49.4% of the Koy-Koop members stated that they did a market research, 50.6% of them stated that they did not make a market research (Table 1).

**Milk tank asset and market research status:** Milk is a perishable food by its nature. The establishment of milk cooling chain begins with the discharge of milk to the cooling tank. In the region in which surveys were conducted, dairy producers discharge their milks to the cooling tanks, if available of their cooperative, otherwise they discharge to the cooling tanks established by milk factories in the center of villages. Cooperatives cooling tank possession plays a positive role for the budgets of cooperative partners and cooperatives.

When the relationship between cooperatives milk tank possession and the status of marketing research of cooperative manager was examined in the surveys conducted within the scope of this study, the differences between the variables were found to be statistically significant ( $p < 0.05$ ) in terms of characteristic emphasized on. Whereas 68.7% of the cooperatives whose managers make market research have milk tanks, 31.3% of them do not have milk tank. On the other hand, 45.6% of the cooperatives whose managers do not make market research have milk tank while 54.4% of them do not have milk tank (Table 2).

**Training on marketing and market research status:** Agricultural cooperatives are entities consolidating, classifying, processing and marketing the products of their partners. Another important function of these cooperatives is the creation of a balance in price formation

**Table 2: Milk tank possession and market research status**

Milk tank possession	Market research status			
	Yes		No	
	Number	Percentage	Number	Percentage
Yes	68	68.7	42	45.6
No	31	31.3	50	54.4
Total	99	100.0	92	100.0

$\chi^2 = 10.359$ ; p-value = 0.001

**Table 3: Traineeship on marketing and market research status**

Traineeship on marketing	Market research status			
	Yes		No	
	Number	Percentage	Number	Percentage
Yes	32	32.3	16	17.3
No	67	67.7	76	82.7
Total	99	100.0	92	100.0

$\chi^2 = 5.650$ ; p-value = 0.017

and increasing the income of producers. Carrying out all of these research in a professional manner entails the traineeship of cooperative managers on these issues and their self-development. When the relationship between the status of cooperatives managers traineeship on marketing and the status of marketing research of cooperative managers was examined in the surveys conducted within the scope of this study, the differences between the variables were found to be statistically significant ( $p < 0.05$ ) in terms of characteristic emphasized on. While 82.7% of the managers of the cooperatives not making market research state that they do not get training on marketing, 17.3% of them state that they get training on marketing. On the other hand, while 32.3% of the managers of the cooperatives making market research state that they get training on marketing, 67.7% of them state that they do not get training on marketing (Table 3).

**Status of informing regularly cooperative partners and making market research:** The inability of Turkish agricultural producers to organize at the local, national and global level has continuously created adverse market conditions for farmers. This situation requires the organization of farmers at the local, national and global level. Otherwise, farmers will continue to sell cheaply, consumers will continue to buy expensively and agents will also continue to earn more (Cetin, 2009). In this case, a good cooperative manager should follow regularly the changes and developments in the market and also should inform his/her partners on these issues. When the relationship between the status of provision of information on a regular basis to cooperative partners by cooperative managers and market research status was examined in the surveys conducted within the scope of this study, the differences between the variables were

Table 4: Status of informing regularly cooperative partners and making market research

Status of informing regularly partners on the market	Market research status			
	Yes		No	
	Number	Percentage	Number	Percentage
Yes	93	94.0	76	82.6
No	6	6.0	16	17.4
Total	99	100.0	92	100.0

$\chi^2 = 6.007$ ; p-value = 0.014

Table 5: Status of paying money to a company for market research and market research status

Status of paying money to a company for market research	Market research status			
	Yes		No	
	Number	Percentage	Number	Percentage
Yes	34	34.3	14	15.2
No	65	65.7	78	84.8
Total	99	100.0	92	100.0

$\chi^2 = 9.271$ ; p-value = 0.002

found to be statistically significant ( $p < 0.05$ ) in terms of characteristic emphasized on. While 94.0% of the cooperative managers who make market research state that they inform their partners regularly, 6.0% of them say that they do not inform regularly their partners. On the other hand while 82.6% of the cooperative managers who do not make market research state that they inform their partners regularly, 17.4% of them say that they do not inform regularly their partners (Table 4).

**Status of paying money to a company for market research and market research status:** When the relationship between the status of paying money to companies and market research was examined in the surveys conducted within the scope of this study on whether or not cooperative managers pay money to a professional company for market research, the differences between the variables were found to be statistically significant ( $p < 0.05$ ) in terms of characteristic emphasized on. While 84.8% of the cooperative managers implying market research is not made express that they are not able to pay money to companies, 15.2% of them state that they are able to pay these companies. On the other hand while 65.7% of the cooperative managers implying market research is made express that they are not able to pay money to companies, 34.3% of them state that they are able to pay these companies (Table 5).

**Agricultural engineer employment in cooperatives and market research:** Another issue wants to be determined is to identify whether or not cooperatives employing engineers make market research. When the relationship between the status of engineer employment in

Table 6: Agricultural engineer employment in cooperatives and market research status

Agricultural engineer employment in cooperatives	Market research status			
	Yes		No	
	Number	Percentage	Number	Percentage
Yes	46	46.4	22	24.0
No	53	53.6	70	76.0
Total	99	100.0	92	100.0

$\chi^2 = 10.577$ ; p-value = 0.001

cooperatives and market research status was examined in the surveys conducted within the scope of this study, the differences between the variables were found to be statistically significant ( $p < 0.05$ ) in terms of characteristic emphasized on. While 76% of cooperative managers implying market research is not made state that they do not employ agricultural engineers in their cooperatives, 24.0% of them state that they employ agricultural engineer in their cooperatives. On the other hand while 46.4% of cooperative managers implying market research is made state that they employ agricultural engineers in their cooperatives, 53.6% of them state that they do not employ agricultural engineer in their cooperatives (Table 6).

## DISCUSSION

Agricultural cooperatives in Turkey play an important role in the marketing of agricultural products. However, the integration of these cooperatives into the market is not yet at the desired level. In fact, the share of dairy cooperatives in marketing is only 2.9%. Co-operative managers should be producers becoming dominant players in the market making production plans and making production at the appropriate amount and quality in accord with the demand in the market.

In this context, in post 2000 agricultural policies, it is aimed that producer organizations should make production as to the market. To achieve this aim, cooperative managers have been become subject to some educational projects in different subjects in particular marketing.

In this context, the managers of cooperatives should be ones following the changes and developments in the market determining target markets and informing their partners on these issues.

In this study conducted to determine the tendencies of cooperative managers on market research, Face to face surveys was made with the managers of 191 dairy agricultural cooperatives in Canakkale. According to the survey, 100% of cooperatives are the members of a upper

union, 57.6% of them have milk tank, 88.5% of them inform regularly their partners about the market, 25.1% of them pay money to professional companies for market research and 35.6% of cooperatives employ agricultural engineers.

The Chi-square test show that the relationships between the market research status and membership to upper union ( $p = 0.044$ ), presence of milk tanks ( $p = 0.001$ ), receiving training on marketing ( $p = 0.017$ ) providing information regularly on marketing to their partners ( $p = 0.014$ ), paying money to companies for market research ( $p = 0.002$ ) and the employment of agricultural engineers in cooperatives ( $p = 0.001$ ) were found to be statistically significant.

There is a difference between the membership to the Koy-koop (Central Union of Agricultural Cooperatives) and the membership to the Hay koop (Central Union of Turkish Livestock Cooperatives) in terms of membership to upper union. Managers who are members of Hay koop have are more inclined to do market research. The managers of cooperatives having milk tank are more inclined to make market research. The managers of cooperatives not doing market research state that they have not received training on marketing. It is determined that the managers of cooperatives doing market research inform their partners regularly on the market. In addition, the market research tendencies of the cooperative managers of the cooperatives paying money to companies for market research and employing agricultural engineers have been found to be higher.

## CONCLUSION

According to the findings of this study, the relationships between the marketing research of managers and membership to upper union, the milk tank possession of cooperatives, manager's training status on marketing, the regular notification of the partners on marketing, the status of payment to businesses for marketing research and the employment status of agricultural engineers in cooperatives were found to be statistically significant.

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