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Portrait of an agripreneur of India: An acceleration study

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ABSTRACT

Entrepreneurship is a way to identify and fulfill a need by creating value for the stakeholders. There is a wide literature available to understand various aspects of entrepreneurship. Through rigorous search of literature, it was found that generally agri-entrepreneurship aka agripreneurship is being related with farm and rural enterprises only rather agripreneurship denotes entrepreneurship in all the areas that are related with agriculture and are a part of the agri produce supply chain. Hence an effort was made to portray an agripreneur of India who belongs to all these areas. For this, a data of 468 respondents was collected, who responded about the problems of agriculture they wish to solve, their business solution, target market and other factors that display the features and thought process of an agripreneur. The data was majorly qualitative in nature. Thematic content analysis was done with the help of Content Analysis Tool (CAT) and investigator triangulation was done to ensure reliability of the analysis. This research will help policymakers to design suitable policies for target people who aspire to venture into agriculture.

Key words: Agripreneurship, Agriculture, Business, Entrepreneurship, Venture

Entrepreneurship is widely known as a process of becoming something rather than a state of being something. Amongst all the researches being done on entrepreneurship, two major schools have come into notice. First was Schumpeter (1961) who defined innovation as any activity that introduces something new to be its product, process, procedure, market, distribution or anything related to the business. An entrepreneur was identified as a key element who introduces innovation. It was theorized when new firms see any innovation, they adopt it and the inefficient or less efficient firms are being thrown out of the market and equilibrium is created. Another school of thought is related to Kirzner, who said that there is already disequilibrium in the market and the entrepreneur uses superior information to disrupt the disequilibrium by innovating and reaching out to a new equilibrium. Major research in entrepreneurship has been done on entrepreneurial intentions (Linen and Chan 2009), entrepreneurial perceptions (Kor *et al.* 2007, Linan 2008, Gupta *et al.* 2009, Shinnar *et al.* 2012), entrepreneurial orientation, entrepreneurial characteristics and traits (Baum and Locke 2004) and entrepreneurial innovations.

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In agricultural entrepreneurship, majority of global research is focused on the educational perspective and skill enhancement for developing agricultural enterprises (Bahaman *et al.* 2010, Amadi 2012). There is some literature available focusing on farm and rural entrepreneurship with a special attention towards gender related issues (Ghouse *et al.* 2017). After extensive research, it was identified that agricultural entrepreneurship is majorly being synced with farm innovations and farm entrepreneurship (Diaz *et al.* 2012, Lans *et al.* 2013). It was noticed that there is a need to bring attention of Agri Entrepreneurship from the farm to all other areas in which corporate conglomerates can take birth from. In this paper, this gap is addressed by outlining the portrait of an agripreneur of India. The researchers have posed two research questions to understand the thought process of an agripreneur, i.e. what do agripreneurs perceive as major problems in agri and allied areas that need their intervention as entrepreneurs? And how well the agripreneurs understand and define the business prospects of their interventions?

MATERIALS AND METHODS

In the year 2016–17, the researchers in ZTM and BPD Unit, ICAR-IARI have organized Agribusiness accelerator 'Arise, Launchpad for Agro Startups'. The program was conducted particularly to support new ideas in agri and allied areas in order to make them viable business entities. In this program, detailed applications were invited from Indian masses in a structured and tested open-ended questionnaire. There were 650 applications received describing about their

ideas in different domains of agriculture. After eliminating half-filled applications, a total of 468 applications remained with the researchers with full observations.

Data analysis: The collected data was majorly qualitative in nature that was analyzed through Content Analysis. It is a method of extracting information, generally for pattern identification and quantification from transcripts of interviews, oral and written communication. It is used to identify the presence of certain phrases, themes, words, concepts in the texts that lead to its quantification and further analysis. Content Analysis Tool 'CAT' was used for the analysis. It is an online toolkit that provides platform to create content inventories and equip the researcher with data reduction, analysis with reports and dashboards.

Data reduction and coding: The thematic content analysis was done with the help of inductive approach of qualitative analysis. It refers to organize raw data into categories by breaking down the data into smaller parts by doing line by line analysis. These categories are then being given valid headings and are reassembled into more meaningful parts that relate to each other. In this research too, firstly the narrow categories were identified for all the research questions that went on broader for generalization of results by keeping their specificity in mind.

Triangulation: In this study, Investigator triangulation (Denzin 1978) has been done by involving multiple independent analysts to ensure reliability of the results.

RESULTS AND DISCUSSION

The researchers made an attempt to identify the demography of the respondents in order to support the findings. In Demographic Indicators, Age, Gender, Education, Discipline of Education, Work Experience have been considered as they have a direct effect on the entrepreneurial activity (Suzana and Danijela 2012, Kautonen *et al.* 2014)

It was observed that majority of aspiring agripreneurs are lying in the age bracket of 25–35 years (36%) (Table 1). Approximately 20% respondents belong to two categories of 15–25 and 35–45 years each. Only 14.5% respondents were above the age of 45 years. It can very nicely be validated with the facts being identified in relation to their work experience. The last segment of work experience shows that a significant 40% respondents fall in the category of having work experience in between 1–10 years. Another interesting fact is that, significant 20.5% respondents possess work experience of more than 15 years, which denotes their seriousness towards their forthcoming ventures. Only 9.5% of the total respondents were females which was a very meager share even after the promotion of women entrepreneurship on national level by Government of India.

Moreover, almost half of the respondents (43.24%) have attained some sort of professional qualifications. As it was discussed that agripreneurship is generally being related with farm entrepreneurship and is being practiced by farmers or rural people. Majority respondents have done specializations in Engineering, Medical, Agri and allied, IT and Management etc. and very insignificant 5.18% have attained a qualification up to Senior Secondary. A significant 20.50% and 23.65% have done graduation and post-graduation, respectively. Hence an agripreneur in India is a young professionally qualified being aging between 25–35 years who aspires to venture into agribusiness after gaining few years of experience. Approximately 20%, 16% and 17% of the respondents have been qualified in the disciplines of engineering, agricultural sciences and business administration respectively (Table 1). Approximately 20% did not respond about their discipline. It is interesting to note that out of those who responded, majority did not belong to agriculture and allied areas. They were not well aware about agriculture but see ample opportunities in this area which tells about the convergence of various disciplines into agriculture.

Table 1 Demographic status of the respondents

Age (Number of years)	% of the sample
15-25	20.3
25-35	36.0
35-45	20.5
Above 45	14.9
No information	8.3
Gender	
Female	9.5
Male	90.5
Education (Degree)	
Senior Secondary	5.18
Graduation (BA, B Sc, B Com)	20.50
Post-Graduation (MA, M Sc, M Com)	23.65
Professional qualification (Engineering, Medical, Agriculture and allied, Management etc.)	43.24
Ph D	7.43
Work Experience (in number of years)	
0 (No experience)	8.2
01-05	21.3
05-10	19.1
10-15	6.8
Above 15	20.7
No information	24.1
Highest qualification discipline	%
Life Sciences	8.84
Computer Sciences	3.95
Engineering	19.77
Agriculture and allied sciences	16.28
Business Administration	16.98
Commerce	4.42
others	9.30
No information	20.47

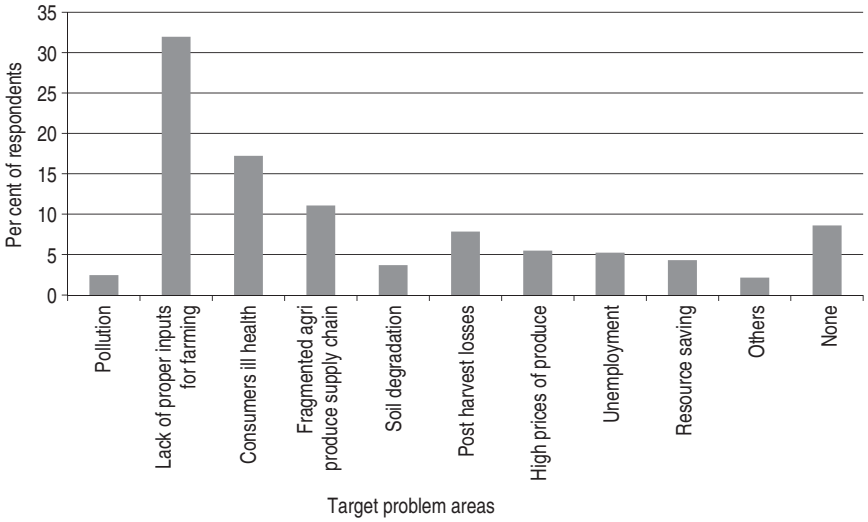

Fig 1 Percent distribution of respondents according to the target problem areas.

Perception of major problems in agri and allied areas that need entrepreneurial interventions: The respondents were asked about the problem areas they wish to target by offering their solution into the market. They wrote detailed explanations about the problem that is pertaining either in the rural market or the urban market. These responses have earlier been categorized into many narrow categories that were relevant to the specific responses. Later on, to make the analysis yield fruitful results, they have been merged into few broad categories. Fig 1 represents that 33% respondents wished to cater the problems of rural India specifically farmers. They feel that there is a gap in the generation, availability and requirement of agricultural inputs for farming operations. They wanted to make/manufacture or make them available to the farmers with one or more of 4 R's (at Right time, in right quantity, of right quality and at right price). The next problem that has attracted the attention of many respondents (17%) was consumer's ill health. They were majorly concerned with the quality of the products being sold to the consumers rather than affordability. Majority of them were targeting urban people engrossed with lifestyle disorders. Fragmented Agri produce supply chain and post-harvest losses are two biggest problems of Indian agriculture as it is being widely reported (Murthy *et al.* 2009, Shukla and Jharkharia 2013, Negi and Anand 2015) but very few (12% and 8% respectively) wanted to solve these problems with their solutions. Indian government is exercising many options to promote entrepreneurship in these two areas but the aspiring Agripreneurs do not look this as a big problem to address. Other problem areas, they wanted to cater are soil degradation, rising prices of produce, unemployment and resource saving.

Comprehension of the business prospects of entrepreneurial interventions: This domain was segmented into five different parameters that evaluate their understanding about the business prospects of their entrepreneurial interventions, i.e. alternative solution to the problem they wish to address, distinguishing feature of their solution, target geographical market, target customer group and competitors. The texts have been analyzed to identify their status of awareness about the existence of any alternative solution to the problem they have targeted. By analyzing the responses, it was identified that 22% were not aware that whether any alternative solution exist in the market for their targeted problem, and 21% of respondents were simply aware about the alternative solution. They didn't know about the shortcomings of those solutions, whereas, 30% respondents were aware about the existence and explained the reasons for their lack of suitability to solve the targeted problem properly. As well as 27% respondents were sure of targeting a problem for which there is no solution available in the market.

The data were analysed to identify the understanding of budding entrepreneurs about the Unique Selling Preposition (USP) of their idea that whether they deeply understand their idea in terms of its uniqueness. When this question has been posed in front of them, they were forced to revisit their idea to identify that single or multiple features that makes their idea different from the rest of the offerings present in the market. Most of them have given long answers describing about their idea and its uniqueness. The Content Analysis for their answers was done and they were narrowly categorized into 22 categories. Later on, by reversing *Ishikawa's* method, their answers were attributed to seven broad categories that are the areas of the uniqueness of their idea in their specific industries. Only 205 people were aware about the uniqueness of their idea. Rest were not able to identify that how their idea is different from others. They have either written 'it's similar to others' with a justification that every business has a scope to grow even if that is an existing one in the market or rest have simply denied that they don't know about it. Nearly one-third people have mentioned that achieving process efficiency is the uniqueness of their business preposition. By process efficiency, the researchers mean conducting the business in a unique way to achieve maximum efficiency for the entrepreneur and the client. When their answers were analysed, many of them were integrating the supply chains, either backward or forward, some were providing different kinds of solutions to their clients under one roof etc. Twenty-two percent people were mentioning 'Quality of their product' as the uniqueness in their upcoming offering. Thirteen percent people have mentioned about their way of producing the same thing or offering the same service that is already in the market, as their USP by cutting the costs for the same, hence make them available to their clients at a reduced price. Only these 13% people have talked about reduction in the final price of the product as an incentive

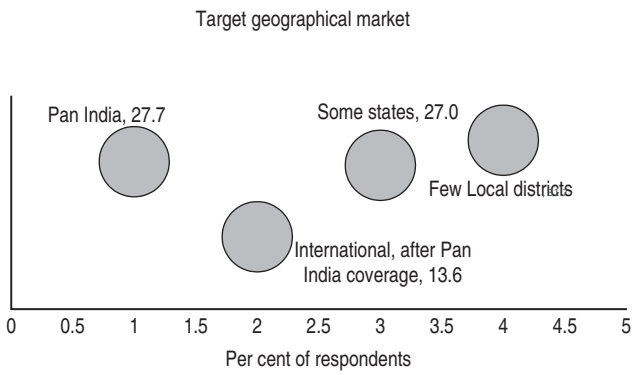

Fig 2 Per cent distribution of respondents regarding target geographical market for their business preposition.

for the end users. Twenty percentwere mentioning that there is no other solution like theirs' either in a specific market or in a specific product forms. Only 6, 5 and 3% respondents have mentioned 'Usage of natural resources', 'Time saving' and 'Waste Utilization' as the areas for their offering's USP respectively.

The content was analyzed to identify the geographical market and aspiring agripreneurs have targeted. It was observed (Fig 2) that 31.7% of the respondents have targeted few local districts as their target geographical market. These respondents were the ones who wish to play on market diversification strategy. They feel that these local districts are lacking in the solutions for the problems they target. Twenty-seven percent have targeted few selected states and 27.7% respondents have chosen pan India as their target geographical market. It was found that only 13.6% of the respondents have targeted international market after Pan India coverage. They wish to cater this market majorly through direct exports. Few of them have also expressed their interest to get into international market by out licensing their technologies to international players. There was no respondent who wanted to cater only international market. Their understanding about the targeted customer segment on the basis of two major factors, i.e. its usability and the background of the user was investigated. Firstly, the transcripts were read to categorize the users on the basis of the usability of the solution. Generally, agriculture is being thought of having an association with farmers only. Many of them explained that they want to cater small and marginal farmers; few have mentioned about catering large farmers and farmer groups. Farmers were the targeted users for approximately 36% of the respondents and for them, end Consumers were the targeted customer segment. Few of them have also specified about the age, genre, background and employment status of the consumers. Nineteen percent respondents have mentioned to play in the Business to Business (B2B) segment by depicting private business owners including corporate farms, retail houses, agri input companies etc. as their target customer groups. Four percent have expressed Public sector units, government institutions and departments as their target customer base. Very few (5%) had tried to explain about their target customers but the researchers were unable to draw any inference out of the content.

Later on, the second category, i.e. the background of the users of the intervention was analyzed and it was found that 39% of the respondents have targeted rural mass as their customer base, be it farmers or rural consumers. Twenty-seven percent have mentioned urban people as their target customer base. Twenty-two percent respondents have defined their targeted group as the Generic segment. By generic category, researchers mean that the customers are neither rural nor urban, i.e. the institutions and organizations. Twelve percent of the respondents did not provide any details about the background of the customers by which that could be categorized.

The respondents were asked about the mode of customer acquisition in which they were supposed to respond about various ways by which their solution may reach to the customers. It was identified that majority (58%) was not able to respond about this as they have not gone to the idea of identifying customer acquisition mode while formulating a business plan. Eighteen percent have preferred the mode of direct selling in which they may approach to the clients directly and provide the offerings. Nine percent have responded to provide their solutions through traditional distributor-wholesaler-retailer chain out of which the majority were the ones who are offering their solutions in agri input domain. Six percent were planning to reach out to the customers through their franchise outlets. They majorly belong to the segment that targets urban people as their customer group. Only 5% respondents may offer their solutions through online mode. They may reach out to the customers through E commerce, mobile applications and order placing on their own website. Rest of the respondents found trade fairs, exhibitions etc. as attractive mode to make their products available to their target customers.

The transcripts were analyzed to understand their level of awareness and understanding about their competitors. Twenty nine percent respondents feel that the local players in their particular locality were their major competitors and the same % of respondents were finding the whole industry segment related to their specific idea as their competitors. As recorded that 23% respondents were naming specific private companies as their competitors. These respondents have provided their specific reasons too for considering these companies as their competitors. Furthermore, 10% respondents have mentioned MNCs as their competitor. Only 2% respondents felt that public sector enterprises and co-operatives are their competitors.

This study outlines a portrait of an Indian agripreneur as on day. It tried to end the pre-conception of imagining a rural clad whenever there is a talk about agricultural entrepreneur. There is a whole new breed of entrepreneurs coming in who are focusing on agriculture to let their ventures grow, solving the most complex problems of Indian agriculture thus helping the farmers and consumers. Today, an agripreneur in India is a young, educated and experienced person aging in between 25–35 years. He has

obtained professional education and wants to solve the major problems of agriculture, i.e. availability of proper inputs for farming, consumers' ill health, fragmented agri produce supply chain, postharvest losses etc. They are wide aware about the alternative solutions and can tell about the USP of their business ideas. Achieving process efficiency, producing high quality products and tapping hidden demand by new product or new market were some of the factors that differentiate their offering from others. With these offerings, they wish to target local market, i.e. few states or districts, to obtain the benefits of market diversification. They are equally focusing on consumers and farmers as their target customer base but majority do not know about the mode of reaching out to the customers with their offerings apart from direct selling. It outlines the importance of incubators as well as defines the role they can play in addressing the knowledge gap. In a nut shell, today's agripreneur is an educated experienced person who clearly knows about his idea and its various dimensions. Hence the policies and the programs for agripreneurs may be framed and designed by considering the findings of the research.

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