

MARKETING STRATEGIES OF AGROCHEMICALS – AN EMPIRICAL STUDY

**Paper presented at the International Conference on “Agri-business and Food
Industry in Developing Countries Challenges and Opportunities”**

10-12 August, 2007

Indian Institute of Management, Lucknow

By

•Debabrata Lahiri* and V.D. George**

**•Associate Professor, Rural Development Centre, Indian Institute of
Technology, Kharagpur**

**** Probationary Officer, South Indian Bank, New Delhi**

Introduction:

For successful marketing the agro-chemical companies has formulate appropriate strategies depending on the following factors:

- i) Extent of user and non-user;
- ii) Sources of purchase;
- iii) Brand loyalty;
- iv) Factors effecting decision making in purchase;
- v) Promotional activities affecting decisions in purchase;
- vi) Choice of advertisement by farmers;
- vii) Main sources of information.

Study area:

The study have been conducted in Khargone, Dewas, Ujjain and Sagar districts of Madhya Pradesh to observe the use of different agrochemicals manufactured by Cheminova.

The study comprised of 595 nearer (302) and distant (293) farms consisting of marginal, small, medium and large farms.

Objectives:

The objectives of the study has been as follows:

- i) To study the reasons for not using agro chemicals among farmers;
- ii) To study the sources of purchase of agrochemicals, brand loyalty, factors affecting decision making, promotional activities followed by the agro-chemical companies, choice of advertisement by farmers and main sources of information.

User and non-user:

- i) In nearer farms, not all the farmers have been users but in distant ones all of them has been the user;
- ii) In nearer farms 98.37 per cent of the farmers have used agrochemicals for enhancement of yield of crops;
- iii) While in distant farms all the farmers have used agrochemicals for enhancement of crop yield.

Sources of purchase of agrochemicals:

- i) In Madhya Pradesh apart from retailers of agrochemicals, Indian Tobacco Company (ITC) has also been one of the sellers;

- ii) In nearer farms only 1.00 per cent of the farmers have been purchasing agrochemicals from ITC, that too restricted to marginal farms only;
- iii) All the distant farms have been purchasing agrochemicals from village retailers only.

Brand loyalty:

- i) Brand loyalty towards a product like agrochemicals has always been economical and also psychological in nature;
- ii) The nearer farms has been more brand loyal than the distant one;
- iii) The following factors have influenced brand loyalty among farmers:
 - (a) Fellow farmers;
 - (b) Retailers;
 - © Gram Sevaks;
 - (d) Own decision and
 - (e) Company people

Table 1: Brand loyalty among farmers

Sl. no.	Factors	Near farms (%)	Distant farms (%)
1.	Fellow farmers	24.83	26.96
2	Retailers	51.98	51.19
3.	Gram Sevaks	3.64	6.14
4.	Own decision	6.95	9.21
5.	Company people	12.25	5.80
6.	Cannot say	0.33	0.68
	Total:	100.00	100.00

Factors affecting purchasing decision:

The following factors have been found to have affected purchase decisions among farmers:

- (a) Price;
- (b) Name of company;
- (c) Quality;
- (d) Own experience of farmers;
- (e) Results obtained by use of a particular agro-chemical to a particular crop by fellow farmers;
- (f) Retailer's propaganda for a particular brand of agro-chemical.

For nearer farms, the name of agrochemical company, results obtained from use of agrochemical by fellow farmers and retailers propaganda has been the deciding factor in order of importance.

For distant farms, also, name of the name of agrochemical company, results obtained from use of agrochemical by fellow farmers and retailers propaganda has been the deciding factor in order of importance.

Thus there has been practically no difference among near and distant category of farms in factors affecting purchasing decisions.

Access to promotional services:

The companies selling agrochemicals resort to the following five types of promotional services:

- (a) Farmers meetings;
- (b) Field demonstration;
- (c) Video on wheels;
- (d) Jeep campaigning;
- (e) Kisan melas.

For both nearer and distant farms, among the five types of promotional services **field demonstration and farmers meetings** has been the most important promotional services in order of importance.

Choice of advertisement by farmers:

The agrochemical companies advertises in various medias to increase sale of their products;

The important media for advertisement has been:

- (a) local vernacular news paper;
- (b) Posters, radio;

© Banners;

- (d) Wall paintings and
- (e) Agricultural magazines

Nearer farmers had relied on display of posters followed by news papers and further listening to radio talks;

Distant farmers had also relied on posters followed by radio and news paper;

Access to main sources of information:

To farmers, access to main sources of information has been:

- Retailers;
- Gram Sevaks;
- Company people;
- Educated fellow farmers and
- Agricultural department.

For nearer farms retailers and company people have been the main source of information.

For distant farms also the importance of sources of main information has not changed.

Summary and conclusions:

- (a) There had not been any significant difference in the proportion of farms using agrochemicals among nearer and distant farms;
- (b) Dependency on I.T.C. has been more for marginal farms and it has gradually reduced with increase in size of the farm for nearer category;
- © For distant farms, all the farmers have been dependent on retailers only;
- (d) Greater the size of the farm, greater has been the loyalty for a particular brand of agro-chemical;
- (e) There has been no difference between the factors which has led to the purchase of agro-chemicals between near and distant category of farms;
- (f) As the farm size increased farmers depend more on results obtained by application to crops and dependence on retailers has decreased;
- (g) For nearer category of farms, reliance to field demonstration has increased with the increase in size of farms;

Summary and conclusions (Contd.)

- (h) Whereas for distant farms reliance to farmer's meeting has increased with the increase in size of farms;
- (i) No difference between field demonstration and farmers meeting was found for nearer and distant category of farms;
- (j) In nearer category of farms, importance of posters decreased with the increase in size of farms ;
- (k) While for distant farms, importance of both posters and radio had increased with the increase in size of the farm;
- (l) Thus between near and distant farms, there has not been any difference in the importance of the media posters;
- (m) Reliance on company people as a source of information had increased with the increase in size of farms for both nearer and distant category.
:

THANK YOU