

RESEARCH PAPER

# Marketing mix of Nagarjuna fertilizers and chemical limited in Buldana district

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## ABSTRACT

Agriculture which accounts for one fifth of GDP provides sustenance to two-thirds of our population. Besides, it provides crucial backward and forward linkages to the rest of the economy. Successive five year plan have laid stress on self-sufficiency and self-reliance in food grains production and concerted efforts in this direction have resulted in substantial increase in agriculture production and productivity. Fertilizer sector was very crucial for Indian economy because it provides a very important input to agriculture. The fertilizer industry in India has played a pivotal role in achieving self-sufficiency in food grains as well as in rapid and sustained agriculture growth. India is the third largest producer and consumer of fertilizer in world after China and USA. India is the third largest producer and consumer of fertilizers in the world after China and USA, and contributes about 11.4 and 11.9 per cent to the total world production/consumption of NPK nutrients, respectively. However, in terms of consumption per hectare, the consumption of India (104.5 kg per hectare) is lower than neighboring countries, showing scope of further increase. The consumption of chemical fertilizer in India by and large was stagnant from 2001-02 to 2003-04. However, it has increased during the last two years; consumption during 2010-11 was 243.40 lakh metric tons (LMT) of NPK nutrients which is the highest ever achieved. The Urea, Diammonium phosphate, ammonium sulphate used to provide NPK and a rapid sustained agricultural growth and development of various agronomical and horticulture crops, and they are also useful in all crops. The importance of the fertilizer sector in India need hardly be emphasized as it provides a very vital input for the growth of Indian agriculture. Therefore fertilizers are mostly preferred by farmers. The present study is undertaken to the existing Marketing mix of Nagarjuna Fertilizers and Chemical Limited in Buldana district, farmers and dealers expectations from company and constraint in marketing of Fertilizers in Buldana district. Five tehsils were selected from purposively selected Buldana district for selection of respondents. From each selected tehsil randomly seven dealers for all talukas were selected. From each tehsil thirty four farmers were selected randomly. So finally total sample size of dealers 35 and farmers 170 were selected.

**KEY WORDS :** Marketing mix, Nagarjuna fertilizer, Chemical, GDP

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**M**arketing management of fertilizers plays an important role in agribusiness input industry. Its development in broader perspective can

bring about increase in agriculture income. Very few studies have been attempted on fertilizers marketing management in India (Anonymous, 2012).

In this data analysis we throws light on some important research works carried out by various researchers as related to the problem under study.

- To study the marketing mix of Nagarjuna Fertilizers and Chemicals Limited.

- To find out farmers and dealers expectations from the company.

- To study the constraint in marketing of Nagarjuna Fertilizers and Chemicals Limited.

Venkateswaralu *et al.* (1984) attempted to examine the reason for being brand loyal. It has been found that 50 per cent of the consumer respondents preferred a particular brand because they were convinced that its quality was better than that of other brands. Another 38 per cent of the sample consumers felt it was the taste, which made them go in for a particular brand, while very few consumers in the sample stated low price and easy availability as the main reasons for selecting a brand.

Sandhu (1992) observed that in Punjab, pesticides market was controlled by the private traders as about 80 per cent of the total pesticides were handled by it, which indicated oligopolistic nature of the market. The co-operatives and the government handled only about 20 per cent of the total pesticides consumed. The private distribution channel was found to be more efficient than the others.

Rane (1996) studied the promotional strategies of Deepak Fertilizer and Petrochemicals Corporation Ltd. (DFPCL). He found that the sales programmes were carried out through agricultural graduates by distributing the company products personally to the farmers. This programme created good image for company's product. In addition, the spot demonstrations were carried out on farmer fields helped to compare the efficiency of products. Apart from these things DEPCL also conducted farmers and dealers training programme to impart knowledge about the use of P, K and micronutrients.

Gupta (1999) in her market research concluded that brand preferences among the consumers may be related to different factors like personal attributes, age, educational qualifications, occupational status, monthly income etc.

Singh (1999) revealed the issue of rural marketing in India, from a development perspective. The nature of

three input markets (seeds, fertilizers, pesticides) is examined to arrive at the marketing mix problems and the issues. Strategies are discussed for specific input marketing as well as rural marketing in general. The identification of problems in product usage and efficiency is one of the major steps involved in better marketing management. Agri-business firms have not been proactive in this area, until recently as markets were regulated; not very competitive and input usage levels were relatively low. However, the intensification of farm production is expected to increase due to new technologies, investment and market opportunities. This will create additional opportunities and problems for input firms as they will have to deal with the problems of sustainability of production systems. This will require better business management as well as ethical and sincere partnerships with farmers.

Ghayur (2000) observed that the marketing of bio-fertilizers in India has been influenced by a variety of factors, including perceptions of farmers, Government intervention, and the difficulties in using the bio-fertilizer technology. The study found that in spite of the Government's efforts to promote bio-fertilizers, they have gained little acceptance from the farmers. The problems of unavailability of bio-fertilizers and their poor quality are linked. On one hand, the State Agricultural Department and shopkeepers are unwilling to stock and sell bio-fertilizers as they feel that their quality is unreliable. On the other hand, the low demand for bio-fertilizers has prevented investment in advanced production and storage facilities, which are required for improving the quality. The study conclude that the present policy of providing grants and low interest loans to bio-fertilizer producers should be abolished, as it has led to setting up of a large number of inefficient plants, which cannot produce good quality bio-fertilizers. The policy of marketing bio-fertilizers at very low prices should also be stopped, as these prices are too low to attract modern investment in modern manufacturing units. In addition to this, farmers feel that nothing so cheap can provide much nutrition to the plants.

Singh (2000) studied the status of fertilizer marketing system in India and examined its potential improvement. The study focused mainly on sources and location of fertilizer supply; distribution channels; fertilizer use promotion; extent of fertilizer use and output performance; sources of information on fertilizer

practices and fertilizer purchase behaviour of farmers; efficiency of marketing systems; and problems experienced by the farmers in acquiring fertilizers. It discussed important issues about the next stage of development of the fertilizer market. The basic circumstances which affect the growth of fertilizer use have changed and new challenges are emerging. The new developments which are a result of new economic environment require a new orientation of efforts and policies.

Padmanaban (2002) observed that private dealers, extension officials and advertisements in mass media were the major sources of information for farmers, which guided them in selection of brands. The study also showed that persons and advertising in mass media might help the pesticide firms in increasing their turnover. Regarding response to price changes in preferred brand, the study revealed that more than half of the sample farmers continue to buy the same brand and same quantity, even if the price was higher. This showed that the farmers are sensitive to brand and quality of pesticides.

Udaya (2002) studied the marketing management of pesticides in Karnataka. The result of the study shows that the price of preferred products was significant at 0.1 per cent influencing the dealers loyalty to the large extent. The malpractices prevailing at the dealers point also significantly influenced the farmer. Credit availability, discount / gift/ incentive, quality and availability of preferred brands were significant at 5 per cent level influencing the dealer loyalty. The multiple determination was found to be 0.57 explaining the variation of 57 per cent in dealers loyalty of farmers to the variables included in the function.

Ghosh (2003) stated that there is an ongoing attempt to promote biofertilizers in Indian agriculture through public intervention, and in keeping with the spirit of the times, the policy motivates private sector and profit motive to propel the new technology. The question raised in the study is how successful has the intervention policy been in Indian agriculture. The Government of India and the various State Governments have been promoting the nascent biofertilizer market both at the level of the user-farmer and the producer-investor through the following measures: (i) farm level extension and promotion programmes, (ii) financial assistance to investors in setting up units, (iii) subsidies on sales and (iv) direct

production in public sector and co-operative organizations and in universities and research institutions. There has been no accelerated growth in distribution with time, inadequate spatial diffusion and despite entry of small private units into the industry there is no clear indication of the success of privatization. The study however argues that considering the social benefits promised the government has ample grounds to intervene to set up an effective market for the new product while encouraging private players. But the policy and the instruments of intervention need to be designed with care. Dependence on chemical fertilizers for future agricultural growth would mean further loss in soil quality, possibilities of water contamination and unsustainable burden on the fiscal system. The Government of India has been trying to promote an improved practice involving use of bio-fertilizers along with fertilizers. These inputs have multiple beneficial impacts on the soil and can be relatively cheap and convenient for use.

Grover and Luhach (2006) observed that in Hisar district of Haryana state revealed that private pesticide dealers were the major sources of purchase of pesticides by farmers. A pesticide price control structure keeping in view the interests of the companies, dealers and the farmers may be formulated. Suitable measures may be taken to check and control the sale of spurious and substandard pesticides.

Kotler (2006) described that positioning means creating a space in the customer's mind. Marketing is a continuous process of value creation, value communication, value delivery and brand positioning. Brand positioning helps marketer in building the marketing mix for each segment.

Sharma *et al.* (2009) farmers consult 'dealers' for taking information pertaining to agriculture and allied aspects. The study conducted on 50 dealers in Himachal Pradesh has revealed that 'Economic Price' and 'Brand image' were the two prominent factors responsible for their decision to purchase a particular brand of spray oil. A majority of them had preferred 5 litre or 20 litre packing of spray oil. 'Lack of adequate awareness about the spray oil through advertisement', 'No regular visits of Sales Officers', 'Inadequate staff' and 'No credit facilities to the dealers by the company' etc. were some of the main problems encountered by the dealers in the marketing of HPCL spray oil in the Himachal Pradesh.

Chahal and Hundal (2011) studied that the farmers

were not having a very strong brand loyalty as far as pesticides are concerned, though their loyalty did increase as their association with the brand grew old. Also, the rural market was very price sensitive and this was one very important factor causing brand switching. Good promotional schemes attracted new customers to some extent. This has also made the brands being liked more by the farmers. Farmers, purchase decisions were also found to be greatly influenced by others recommendations like friends and fellow farmers.

Lohana (2011) investigates on the topic Marketing Strategy, dealers and farmers expectation from company, Pricing policy of Syngenta India Pvt. Ltd. in Nanded. The findings show that the product quality and place (easy availability) has an impact on consumer motives, and the pricing strategy (competitiveness) has a significant positive impact on consumer buying behavior. These findings suggest that consumers look for product characteristics and store location when buying Agrochemicals products.

Yeledhalli *et al.* (2011) studied that present need of marketing management of biofertilizers covering four important aspects of “marketing mix” (*viz.*, product, price, place and promotion) and problems and constraints in marketing of biofertilizers.

So to study the market performance, different expectation of dealers and farmers about company and market mix of the company study was undertaken under the title of “Marketing mix of Nagarjuna Fertilizers and Chemical Limited in Buldana district.”

This study has been completed under the following specific objectives

- To study the marketing mix of Nagarjuna fertilizers and chemical limited.
- To find out farmers and dealers expectations from the company.
- To study the constraint in marketing of Nagarjuna fertilizers and Chemicals Limited.

The present study was carried out in Buldana district which includes five talukas with respect to find relationship with the company, farmers buying behavior, dealers and farmers relations and the expectations of the market from the company. Company’s products are facing the problem of weak marketing network and dealing with the farmers, because of new products and environmental calamities which showing effects directly on farming pattern and affects indirectly to buying

behavior of the farmers. So to correct the major have invested as possible as their capacity to upgrade their products selling network.

For present study on the basis objectives of the study; multi stage, purposive and random sampling technique were adopted. At the first stage, district was selected purposively. At the second stage 5 talukas from the Buldana district were selected purposively on the basis of agricultural activity and cropping patterns. At the third stage, a total 35 dealer were selected randomly for the study.

### Major findings of the study :

The important findings of the study and the conclusions are presented below.

The study concludes that there is a tremendous growth potential waiting for the company to achieve groom in the market because there seems to be very few qualitative products based on unique technical which are using by the companies of this segment of business in this location.

- Company’s aggressive plans of take-out and delivery will also give it an advantage to create a good market share before the competition from other companies and national player.
- Company would provide variety of new products to its customers due to its products scheme.
- From the study it is concluded that there is an extreme need of application of new marketing strategies time to time to maintain the qualitative business in Buldana region.
- The farmers are well known about some products. where the field demonstrations have given means fields demonstrations also increases brand awareness. Farmer prefers those products which gives good results unless price. They want quality product first.

### Suggestions :

Fertilizers have good potential in market but company need more work on extension activities for creating more brand awareness and increase sale as well as make research on new strategies;

The company should increase timely availability of fertilizers, quality, margin, promotional activity and decreased price of products.

- The company should provide quality materials to grow its business.

- On achievement of fixed target retailers/dealers/distributors should be given some attractive offers which will motivate them for more selling.
- Company should organize seasonally/yearly retailers/dealers/distributors meet for exchange of valuable information, understand situation of different market etc.
- Company should focus on the pricing policies for adjusting prices of the products to comfort the dealers/distributors.
- Company should undertake the dealers' expectations and should use important strategies like introduction of qualitative products, promotional activity, company representative, timely availability of products, new product, less price, increasing margin, good packaging, etc.
- There is an extreme need of company representative to maintain the gap between company and farmers which also help to understand the market.
- Company also has to focus on advertisement with different media sources which will reach to farmers easily.
- The company should increase the frequency of visit by company representative to the dealers.

**ANALYSIS AND DISCUSSION**

The results of the study are presented under the following heads.

- To study the marketing mix of Nagarjuna fertilizers and chemical limited.
- To find out farmers and dealers expectations from company.
- To study the constraint in marketing of Nagarjuna fertilizers and chemical limited.

**Marketing mix of fertilizers :**

Marketing mix is the set of controllable, tactical, marketing tools that the firm blends to produce response. The marketing mix consists of the variables, product, price, place, promotion, well-known as the four Ps of marketing.

Pricing decisions must be coordinated with other variables of the marketing mix like product design, promotion and distribution. So any decision made for any other variable in the marketing mix could affect or influence pricing decision. If a large number of retailers are planned for distribution products, larger retailer margin

will have to be built in to the price. Some companies resort to position their products based on price and then adjust other marketing mix decision to that price. This technique is called target costing. It starts with our ideal selling price based on customer consideration, and then targets cost that will insure that the price is met.

**Suitable marketing mix :**

*Product mix:*

Nagarjuna fertilizers and chemical limited has four fertilizers products as Urea, Diammonium Phosphate, Muriate of Potash and Zinc Sulphate Heptahydrate

**Farmers satisfaction about fertilizers :**

Farmers satisfaction were presented in Table 1 indicated that 80 per cent farmers were satisfied by using fertilizers and remaining 20 per cent were not satisfied.

Table 1 : Farmers satisfaction about fertilizers (n=170)		
Yes / No	No. of respondents	Per cent (%)
Yes	136	80
No	34	20
Total	170	100

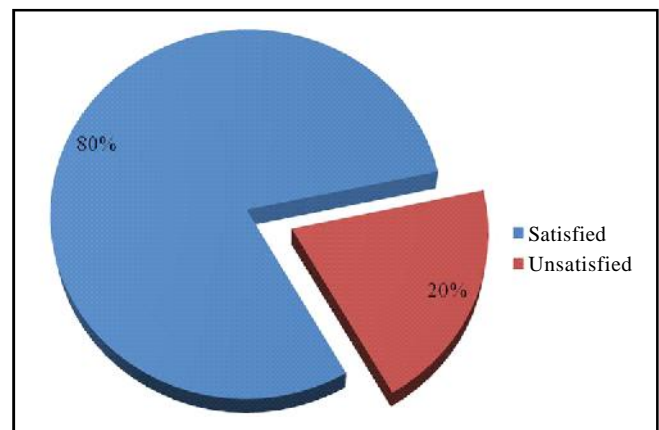


Fig. 1 : Satisfaction of farmers about fertilizer

**Farmers satisfaction :**

*Farmers satisfaction about packaging :*

Farmers satisfaction were presented in Table 2 indicated that 70 per cent farmers were not satisfied by packaging design and remaining 30 per cent were

Table 2 : Farmers satisfaction about packaging (n=170)		
Yes / No	No. of respondents	Per cent (%)
Satisfied	51	30
Unsatisfied	119	70
Total	170	100

satisfied.

The quality of the product is excellent but there are some suggestions regarding after sale services.

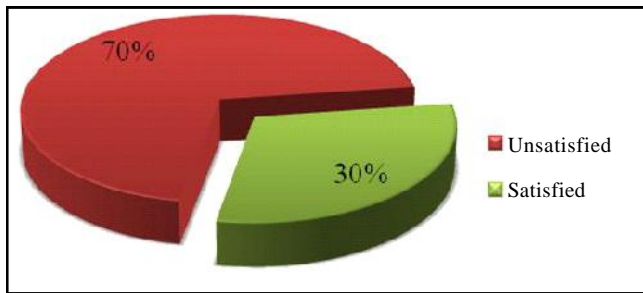


Fig. 2 : Farmers satisfaction about packaging

**After sales services:**

The company should give focus on after sales services both at farmer and dealer level. This will create faith among the farmers about the company.

Nagarjuna fertilizers products are facing the problem of weak marketing network, as the company is in penetrating position and whole market is new for most of the products. So to correct the major have invested as possible as their capacity to upgrade their products selling network. Product has to sell itself. Company is always focusing mainly towards farmers and their expectations about products.

**Price mix:**

There are many ways to price a product. At initial phase the company has to focus on dealers/ distributors margins. The pricing policy/ strategy vary in various situations. In case of Nagarjuna fertilizers Industry they have priced their product at a very proper and convenient way and they also come up with new products as

possible.

The products of the company are in such a way that they have better quality with proper prices. Though the local brands have captured the existing market but Nagarjuna fertilizers plays nice role to make their products known in this area. The company targets all the customers ranging from low-end customers to high end customers.

Following are the comparison of prices regarding the different fertilizers companies for the both farmers expectations are shown in Table 3.

And also following are the comparison of prices regarding the different fertilizers companies only for the Dealers view or expectations (Table 4).

**Place mix:**

Another element of marketing mix is place. Place is also known as channel, distribution, or intermediary. It is the mechanism through which goods and/or services are moved from the manufacturer/ service provider to the user or consumer. Nagarjuna fertilizers ltd find it very difficult to find the distribution channel because they are the new players and distribute their product in the Buldana districts.

The distribution method adopted by the company is one channel distribution. This means that the customers (farmers) buy their products from the retailers recognized by the name, and these retailers buy the product from the company itself. Company’s distribution channel of product must be making available for ensuring better liquidation.

**Promotion mix:**

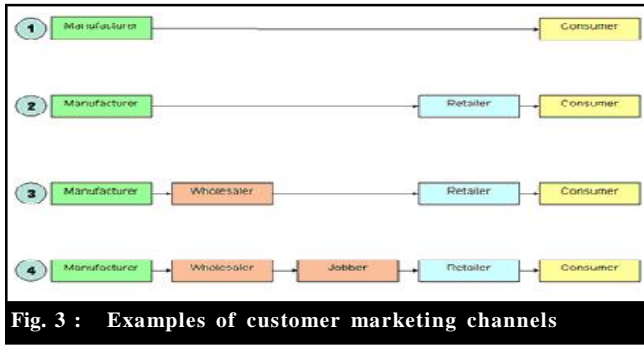
Another one of the 4P’s is promotion. This includes all of the tools available to the marketer for ‘marketing

**Table 3 : Farmer expectation about prices**

Company name	Price	Quantity	Easily available	Farmers view	Expected less price	Satisfied	Unsatisfied	Product
Nagarjuna	282	50kg	No	Good	Yes	Yes	No	UREA
RCF	270	50kg	Yes	Not good	Yes	Yes	No	UREA
Deepak	285	50kg	Yes	Good	Yes	Yes	No	UREA

**Table 4 : Dealer expectation about prices**

Company name	Price	Quantity	Dealers view	Product	Expected less price	Satisfied	Unsatisfied
Nagarjuna	282	50kg	Very good	UREA	Yes	Yes	No
RCF	270	50kg	Good	UREA	No	Yes	No
Deepak	285	50kg	Very good	UREA	Yes	Yes	No



communication’. Nagarjuna fertilizers Ltd Industry has to start doing heavy promotions for increasing their sell.

The promotional activities are mainly done through advertising. The company has also adopted the method of sales promotion by giving discounts on sale and other facilities. There is strong need for the repetitive promotion of the product and communicating the farmers about the product benefits for establishing it as a brand and making it a top of the mind product.

**Promotional activities:**

*Advertising:*

The product should be advertised in villages at late evening by film shows followed by literature distribution, live demo and question answer session. Advertisements could be broadcast on radio, regional movies and songs because the target farmers like to watch the regional movies and songs.

*Sales force:*

The sales force/field staff must have the technical knowledge and product specific features as well as in concerning areas so that they can easily empathize with the farmers.

*Promotion:*

Posters and display should be pasted on the village panchayat bhavan, milk collection centers, streets, pan shops and dealers shop preceded by farmer meetings.

*Public relation:*

The database of the farmers should be prepared with the help of the dealers/ distributors. Contact them through individually, phone or dealers. Identify their problem regarding the products result in different crops so that product can develop in other crops also (Table 5).

**Farmers and dealers expectations from company:**

Maharashtra is a major cotton crop growing state in India and cotton is considered as one of the important cash crops of the state. Maharashtra specially in Vidarbha regions covers 40 per cent of the total area under cotton, in Maharashtra mainly through its districts of Buldana, Yavatmal, Wardha, Akola and Amravati. Out of this around 20 to 25 per cent of the cotton are produced in Buldana district alone. As the Buldana has the naturally developed cotton, jowar and onion growing area.

**Farmers expectations :**

Survey was done in 170 farmers and got positive response from them. As the survey for company was mainly to promote the company and to take the views of the farmers about products and their results, The farmers were classified into four groups.

A study helps to found that out of 170 farmers 90 (53 %) farmers who are the regular user of the company, getting good results, they are regular user of the products like; Urea, Diammonium Phosphate, Muriate of Potash, Zinc Sulphate, Maha Zinc etc. and 22 per cent of the farmers are not satisfied due to slow results or other problems. While another 10 per cent of the farmers are using some products but are unknown of the company, they expect more promotional activities. As most of the products are biological and are used by many organizations through the reference as a demonstration plots remaining 15 per cent farmers are ready to use products. They will be the new users for the company.

Even though the potential demand for fertilizers is

**Table 5 : Promotion mix (In terms of personal selling, advertising, sales promotion and public relation)**

Advertising	There is need for informative advertising [(Mobile messaging to big and educated farmer and movie show (on projector) of new products in the villages)], persuasive advertising, comparative advertising (New variety samples distribution and by keeping our product samples on dealer shop) in all area but in some places there is also need for integrated product promotion.
Sales promotion	There is need to bring some improvement in sales promotion like-discount coupons, by distributing brochures, posturing at point of purchase



high, the real demand from the farmers is very low. There is lack of awareness among farmers about the benefits of this product. As there is demand there will be more expectations from the company (Table 6 and Fig. 4).

Sr. No.	Farmers feedback	No. of respondents	Per cent
1.	Good results	90	53
2.	Not getting results	38	22
3.	Unknown to company	17	10
4.	Want to use product	25	15
Total		170	100

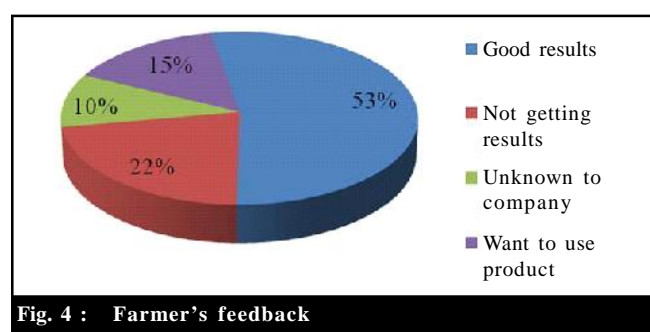


Fig. 4 : Farmer's feedback

Among different types of expectations suggested by farmers the rank wise distribution of expected points are presented in Table 7 (Fig. 5) indicated that 98 per cent of farmers expect good quality of products. They are the fix customers of the company and concentrates on time to time quality improvements. Other 58 per cent need price cut for purchase. They suggested that some products of the company are more expensive as compare to other local brands. Though they prefer the products but some time prices affects on their buying behaviour. As a company is just penetrating and want to make their market in region, it needs more promotional activities upto 82 per cent of the farmers want more promotional activities to be familiar with the use of products. 70 per cent of the farmers expect company representative to discuss the problems and getting more technical knowledge about products. While number of farmer's expects some more from the company such as, 52 per cent (frequent visits), 48 per cent (spot demonstrations), 41 per cent (timely availability) and 35 per cent (new products).

**Dealers expectations :**

Dealers/ distributors are the first step of the

Farmers expectations	No. of respondents	Per cent	Ranks
Good quality	167	98	I
Less price	100	58	IV
Frequent visits	90	52	V
Spot demonstration	83	48	VI
Timely availability	70	41	VII
New products	60	35	VIII
Promotional activities	140	82	II
Company representatives	120	70	III



Fig. 5 : Farmer's expectations from the company

marketing channel and Nagarjuna fertilizers and Chemical Limited is one of the successful organizations which are able to maintain good relations with dealers/ distributors in the market.

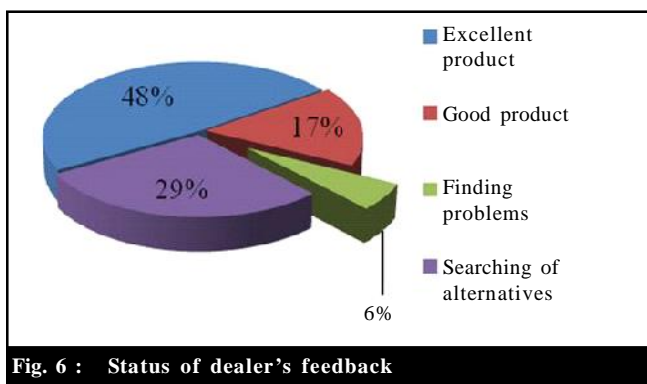
I have been carried out a survey of 35 dealers and among them 48 per cent of the dealers are in favor of company. They have demanded the products regularly and have sales of products like Urea, Diammonium Phosphate, Muriate of Potash, Maha Zinc, Zeta, etc. while 17 per cent dealers had maintain the brand image of the company in the market, and was putting hard efforts to sale the products. Another 6 per cent are good in their position but they have some problems like in sizing and packing, risky investment, lack of supply, storage and product pricing etc. And remaining 29 per cent dealers found very less market for the products as the products having very slow process, and they found that the farmers avoid the products and have misconception that some products and packaging have the duplication in market.

A changing concept of farming and increasing awareness about cost, quality and other factors, affects on buying behaviour of the customer (Farmers) which



**Table 8 : Status of the dealers feedback**

Dealers expectations	No. of respondents	Per cent	Ranks
Excellent product	17	48	I
Good product	6	17	III
Searching of alternatives	2	6	IV
Finding market	10	29	II
Total	35	100	

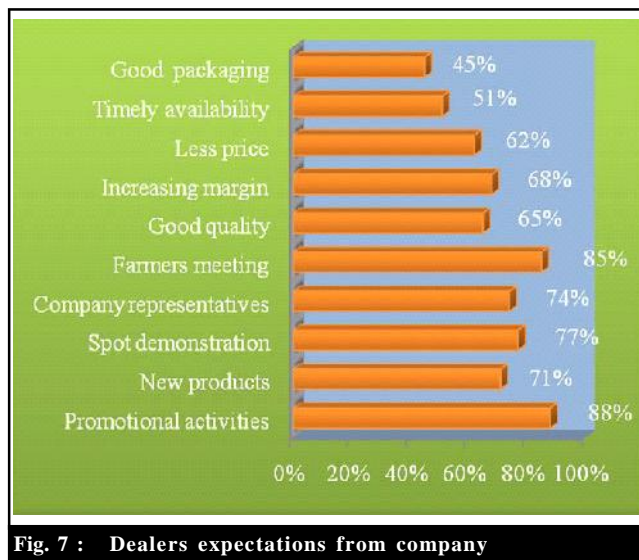


leads to increase the expectations of the dealers towards company.

It shows the dealer expectations from company. It shows that 88 per cent of the dealers expect more and convincing promotional activities. For promoting the business 71 per cent dealers suggested to introduce new products. Spot demonstration suggested by 77 per cent of dealers. 74 per cent of the dealers require marketing representative for increasing technical knowledge and to know farmers feedback given to the representative by farmers. 85 per cent were suggested to arrange the farmer meetings, suggestions to farmers, frequent visit to get positive feedback and other related problems. While other 65 per cent dealers wanted good quality

**Table 9 : Dealer's expectations from the company**

Dealer's expectations	No. of respondents	Per cent	Ranks
Promotional activities	31	88	I
New products	25	71	V
Spot demonstration	27	77	III
Company representatives	26	74	IV
Farmers meeting	30	85	II
Good quality	23	65	VII
Increasing margin	24	68	VI
Less price	22	62	VIII
Timely availability	18	51	IX
Good packaging	16	45	X



products. And remaining has various expectations like, 68 per cent (increase in margin of products), 62 per cent (less price), 51 per cent (timely availability of products) and 45 per cent (Good packaging). As company is involving more in this area, the increasing expectations pattern were observed.

**Constraint in marketing of fertilizers :**

Dealers/distributors engaged in marketing of fertilizers, face few problems due to increasing market of local companies, unawareness of farmers about good quality products etc. were presented in Table 10 and Fig. 8.

**Table 10 : Constraint encountered in marketing of fertilizers (n= 35)**

Sr. No.	Constraints perceived	No. of dealers	Per cent
1.	Risky investment	32	91
2.	Lack of extension activities	28	80
3.	Inadequate trained personnel for marketing	29	82
4.	Demand for credit by farmer	27	77
5.	Timely availability	22	62
6.	Knowledge of quality	18	51
7.	Handling problems	12	34
8.	High competition	30	85

The result indicated that the risky investment was first (91 %), followed by high competition (85 %), inadequate trained personnel for marketing (82 %).

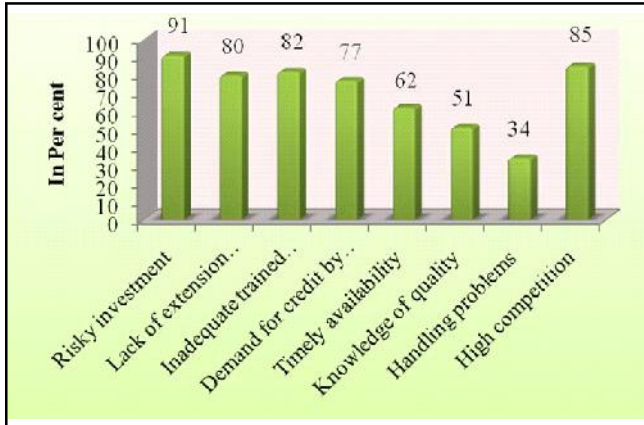


Fig. 8 : Constraint in marketing of fertilizers

Newly adopted technology and less market development activities taken by the firms. Problems like lack of extension activities contributes upto (80 %), while pressure for sale on credit basis and timely availability of products were the problems for 77 and 62 per cent respondents, respectively. Remaining 51 and 34 per cent were the lacking of technical knowledge of the products and handling problems, respectively as the products are new and biological in nature.

**Dealer and distributor perceptions towards lower market share :**

The perception analysis was done with distributors and dealers. Perception-analysis related questions were added in structured questionnaire. The questions were regarded, reasons for lower market share and kind of promotional activities perception. Some parameters were already decided for each type of perception. In relation with the question that is, “what is your perception towards, less number of farmers are purchasing the fertilizers of the company in this region?” the answers were found under these points.

The result in Table 11 and Fig. 9 showed that perception of dealer/ distributor towards lower market

Perception	No. of respondents	Per cent
Unawareness of farmer	31	88
High price	18	51
less staff	24	68
Less promotion	26	74
Poor performance of products	10	28
Other	20	57

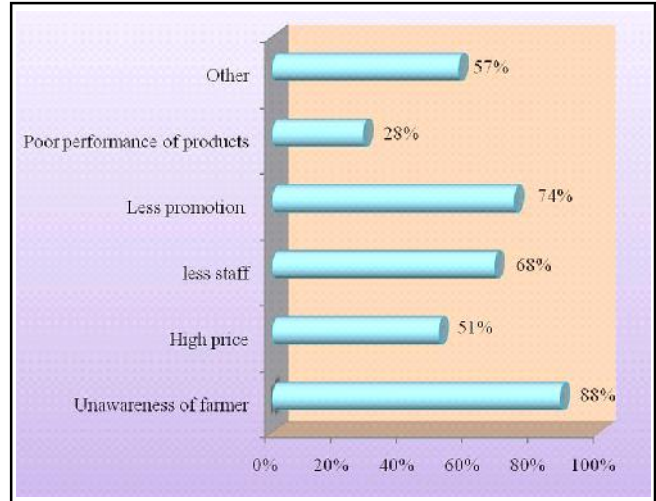


Fig. 9 : Dealer and distributor perceptions towards lower market share

share of Nagarjuna fertilizers in districts. 88 per cent dealer/ distributor have given the reason of unawareness of farmer, 74 per cent of less promotion , 68 per cent of less staff, 28 per cent of poor performance of products, 51 per cent of high price and 57 per cent given the reason of others (timely supply, return policy, unavailability etc.)

**Promotional strategies for fertilizers :**

Table 12 and Fig. 10 indicated that dealer and distributor perception regarding improvement of market share of Nagarjuna fertilizers and Chemicals Limited. 94 per cent dealers have suggested improving network relation, 85 per cent suggested to increase promotional activities, 57 per cent suggested for release of new products, 68 per cent suggested to increase field staff and 80 per cent suggested increasing margin for dealers/ distributors.

Perception	Number of dealers	Per cent
Increase promotion	30	85
Increase margin	28	80
Increase staff	24	68
Improve network relation	33	94
Release new products	20	57

**Conclusion :**

Agriculture which accounts for one fifth of GDP provides sustenance to two-thirds of our population. Besides, it provides crucial backward and forward

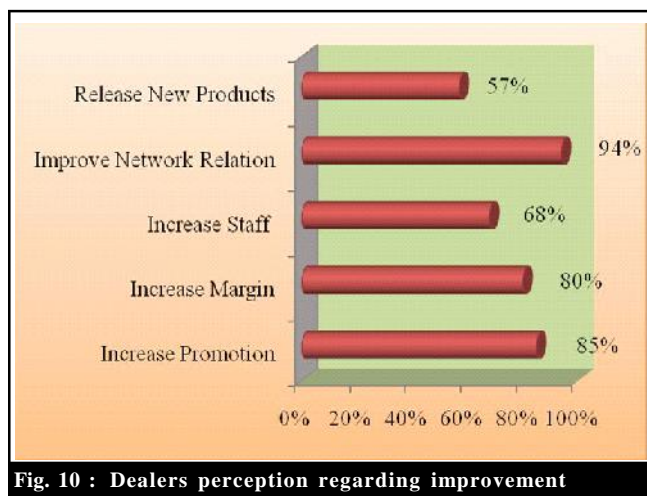


Fig. 10 : Dealers perception regarding improvement

linkages to the rest of the economy. Successive five-year plan have laid stress on self-sufficiency and self-reliance in food grains production and concerted efforts in this direction have resulted in substantial increase in agriculture production and productivity. This is clear from the fact that from a very modest level of 52 million metric ton in 1951-52, food grain production rose to about 233.88 million metric ton in 2008-09. In India's success in agriculture sector, not only in terms of meeting total requirement of food grains but also generating exportable surpluses the significant role played by chemical fertilizers is well recognized and established.

Fertilizer sector was very crucial for Indian economy because it provides a very important input to agriculture. The fertilizer industry in India has played a pivotal role in achieving self-sufficiency in food grains as well as in rapid and sustained agriculture growth. India is the third largest producer and consumer of fertilizer in world after China and USA. The growth of the fertilizer highly dependent on government policies. The government exercise extensive controls on pricing, distribution and movement of fertilizers.

Fertilizers provide a wide range of benefits to growers, packer/shippers, and dealer (retailers), as well as consumers. In addition to fertilizers uses, fertilizers may also contribute production of crops (foods grain), increased soil fertility. To make use of the good aspects of fertilizers shows benefits to the crop.

The fertilizers industry is highly dependent on monsoon and consumption is skewed in favor of *Kharif* crops, *Rabi* crops as well as summer crops with maximum use of fertilizers in all season. The industry

has witnessed intense price competition from unorganized players that have severely affected the margins of organized players.

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