

Executive Summary

Fertilizers are the most vital and essential input necessary for enhancement of agricultural productivity. In other words, there is a direct relationship between improvement in crop yield and use of fertilizers. Thus, fertilizer forms the internal framework on which the pillar of agricultural industry stands.

An organisation needs different marketing strategies in different situations. It is not always necessary that the same strategy works for different organisation. There are various factors that affect the selection and implementation of a particular strategy in organisation. After strategy identification, the organisation develops an action plan to turn the strategy into reality. The market is largely organized with the presence of various established players such as IFFCO, Deepak Fertilizers, Nagarjuna Fertilizers and Coromandel International, Kan Biosis Pvt. Ltd, Hindustan Antibiotics, Nirmal seeds and several other players such as Aries Argo, are also seeking to establish their footprint in the market and capitalize on growth opportunities available in the country.

However, biofertilizer producers are facing many challenges. Increasing high market competition and lack of awareness among farmers about the benefits of this low cost product, lack of proper marketing network, lack of awareness among marketing personnel and lack of promotional efforts in the right direction has ceased manufactures to enhance their products further. It is necessary to investigate whether the failure to achieve the related targets is due to improper marketing strategy implemented or whether it is related to competition of other companies that have cheaper prices, or whether the companies are unable to reach marginal farmers in remote areas, or is there anything else that causes failure on the target sales and how to find solution.

The 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 Strategies and Market based Development of Biofertilizers and Nano Urea in Maharashtra.”*

Objectives of the Study

This background leads to the following **objectives** of the study:

- To understand the marketing mix strategies adopted by major biofertilizer manufacturers in Maharashtra.
- To highlight the constraints faced by Dealers and Retailers in selling biofertilizer products.
- To study the product positioning and market response of the new product Nano Urea.
- To suggest a strategic roadmap and framework for biofertilizer producers involved in fertilizer marketing.

Research Questions

1. What is the influence of Marketing Mix on the marketing strategy for selling biofertilizers in Maharashtra?
2. What are some constraints faced by Dealers and Retailers in selling fertilizer services and products?

Hypotheses of the study

- Hypothesis 1: Price of biofertilizers has a positive influence on the marketing strategy of dealers.
- Hypothesis 2: Attributes of biofertilizer products have an influence on the marketing strategy of dealers.
- Hypothesis 3: Promotional activities for biofertilizer products have a positive influence on the marketing strategy of dealers.
- Hypothesis 4: Distribution channels of biofertilizer products have a positive influence on the marketing strategy of dealers.

Research Methodology

To achieve the desired objectives the collected data have been analysed properly by using statistical tools like tabulation, diagrammatic presentation. The present research is based on formulation of research objectives for in-depth investigation, which required huge efficiency in terms of operation; therefore both descriptive and action research design was employed for the study. Even though This study primarily involves qualitative research methods, it may contain enough quantitative data to meet the mixed method procedure Both primary and secondary data were collected for the study. Responses of the questionnaire had been obtained through interaction with stake holders. The data was collected from 150 wholesalers, along with retailers and dealers involved with marketing operations of IFFCO. The interview questionnaire

designed for this study is displayed in Appendix. The design specifically leads towards answering the research questions associated with this report.

- **Primary Data**

Primary data was collected with the help of structured interview questionnaires through field visits. The 'structured, undisguised questionnaire' was developed from standard questions of relevant literature as a research instrument. Responses on the questionnaire were obtained through interaction in presence of the corresponding dealers of the bio fertilizers.

- **Secondary Data**

Secondary data was collected from the relevant sources such as, The Fertilizers Association of India, the publications of Department of Agriculture Maharashtra, some Annual Reports and other publications, published, Articles, annual reports of the company, internet, and websites.

In order to accomplish the objectives of the study, the data collected from primary and secondary sources were analyzed by using relevant statistical tools.

- **Mean & Standard Deviation**
- **Multiple Regression Analysis**
- **Kaiser-Meyer-Olkin and Bartlett's Test of Sphericity**

Findings

The findings highlight, constraints faced by the dealers while selling biofertilizer viz, lack awareness amongst farmers and lack of extension activities with farmers leading to less demand of the product. It is identified that dealers never experience the demand for IFFCO's Biofertilizers. While the product remains unavailable due to its low shelf life and linking of biofertilizer with the purchase of other products dealers feel discouraged to sell the product. Several dealers have stated that purchase of Iffco biofertilizers is a risky investment since farmers are avoiding the products and there is an increase in the number of local players selling biofertilizers through duplication of products.

The findings on awareness on nano urea indicate that all respondents are aware about the product. 90% of the dealers surveyed sell nano urea. The awareness of nano urea has been

increasing amongst farmers. Farmers who have used nano urea are purchasing it again. However, some challenges identified are based on the awareness on the usability and application of the product. The product has to be used through spraying technique, which is expensive for marginal farmers. Farmers growing certain crops like sugar cane and grapes also find it difficult to spray the fertilizer.

There is a lot of misinformation spread online about the product due to which farmers are not willing to purchase nano urea. Several local players have duplicated the product, which has also led to difficulties in selling the product. Overall, it was identified that, farmers are expecting more field demonstrations and awareness session on the usage and application of the product. The data also mentions that there is lack of marketing activities amongst farmers regarding the promotion of the product.

Suggestions

Based on the findings and market visits, it is suggested that outdoor advertising, personal selling, television and print media are the most effective sources in increasing the awareness level of the farmers towards bio-fertilizers. Farmers should be educated through rishi meals, soil testing programmes, audio and visual programmes, demonstrations in the field site; regarding the information about the seasonal variations and the suitability for various types of crops. The more emphasis should be given on Advertising, Sales force, Promotion in regional language, Public relations Brand Image Field Trails, Product Packaging etc.

To increase the usage and awareness Nano urea free samples and trials should be provided to the farmeres. If the free trials or samples provided to the farmers will increase the utilization of the bio-fertilizer among the farmers. Melas and Exhibitions are most effective, where farmers get information related about the crops and fertilizer products, their use in the field, etc., cooperative should organize at block /district level especially during fairs/rural events considering the crops grown in the area with an advanced and new package of practices. These exhibitions could be used promote nano urea. Farmers' meetings should be held on a regular basis by the fertilizer producing company. Education and Training that have to be provided to farmers and dealers. It is essential to take training related to the application, product usage and methods for effective implementation of nano urea. Training of field officers must emphasize on how bio fertilizer marketing functions can be carried out effectively and how each can be integrated into a total fertilizer marketing system. It has been observed that Farmers are aware of nano urea, but they are less known of the final outcomes. As a result, additional efforts should be made to inform farmers about the benefits and usage of nano urea.

Conclusion

Fertilizer Marketing is an important ingredient in matching the requirements of farmer class. Marketers need to design suitable policies to enhance customers' goodwill to which builds loyalty. Problems do persist in probing the likely future demand of fertilizer products. Basic problems of farmers are the key variables taken into consideration before designing key marketing policies by the marketers. A brief survey of available literature thus helps the policy makers in designing efficient and effective tools aimed to provide optimum value and satisfaction to the farmer class. This chapter helps in understanding the overall fertilizer marketing scenario.

The marketing environment plays an important role in the adoption of a product. In the marketing of products in rural India, Government intervention is significant, as commercial organizations have not been able to create an infrastructure to promote and distribute a variety of products. Considering the variation in the performance of biofertilizers and the inability of the market to grow on its own, the manufacturers require the government to employ a push marketing strategy. The extension system is so far not successful in creating the required awareness about this product among the farmers. The quality of the biofertilizers available in the market is another concern. As it is a new product that the farmers are testing, if it performs poor, the reputation of the biofertilizers, in general, get destroyed in no time among farmers. The chance of success of biofertilizers under the current situations is predicted in this study, which may help in getting clues in developing marketing strategies for biofertilizers that can perform better under those conditions in the future.