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Brand promotion strategy adopted by bayer for arize prima seed in Azamgarh Dist. of Up

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Abstract

Indian seed industry being one of the allied sectors of agricultural spheres has immense scopes of growth in future. In the kharif season there are many types of paddy hybrid seed in market, with different types of grains and its specification. In Paddy hybrid there are three types' grains like short cylinder, medium cylinder and long cylinder seeds with different duration like early variety, mid variety and late variety. In the study area Irrigation system are good so that farmers prefer mid variety for more production. An increasing number of farmers are using these paddy hybrid seed, and the numbers of manufacturing units is highest in India. But still market for them is under-developed, and its use has still not spread uniformly because lack of awareness and proper promotion. This paper explores the farmer's perspective about Arize Prima a Paddy hybrid seed of Bayer Crop Science, its usage status and existing promotional strategy in the area. This study will also recommend a proper promotional strategy for adoption of Arize Prima in area studied. The research was carried out one districts in eastern UP named Azamgarh. Descriptive research was done to explore farmer's perspective with the help of structured questionnaire.

Keywords: Brand promotion strategy, arize prima seed

1. Introduction

Rice is a staple food of more than 60 % of Indian population. It accounts for about 43 % of total food grain production and 46 % of total cereal production in the country. In order to meet the domestic demand of the increasing population the present day production of 99 million tons (2008) of milled rice has to be increased to 125 million tons by the year 2030. Since the yield of high yielding varieties (HYVs) of rice is plateauing, it is rather difficult to achieve this target with the present day inbred varieties. Therefore, to sustain the self-sufficiency in rice, additional production of 1.5million tons is needed every year. Among the limited options, hybrid technology is the only proven technology currently available for stepping up rice production significantly. The rice hybrids, recently introduced in cultivation, on an average, give 10 to 15 q/ha additional yield over the conventional varieties (about 20 % increase). Therefore, the introduction of hybrids and popularization of their production technology are feasible and readily adoptable to achieve targeted production.

Indian seed industry future prospective

Ken Research announced its latest publication on "India Seed Market Outlook to FY'2020 – Rapid Hybridization and Increased Government Support to Foster Future Growth" which provides a comprehensive analysis of the seeds market in India. The report covers various aspects such as market size of India seed market, segmentation on the basis of hybrid and non-hybrid seeds, vegetable and non-vegetable seeds industry structure and regional and national players. The report also covers market in different aspects such as market size, segmentation of market on the basis of farm save and commercial seeds, import and export of seeds in the market. The report will help industry consultants, seed producing companies, suppliers and other stakeholders to align their market centric strategies according to ongoing and expected trends in the future.

The seed market in India has transformed immensely over the years from conventional seed market to a marketplace for genetically modified seeds, by growing at a CAGR of ~% over the period, FY'2010-FY'2015. In the recent years, there has been a shift in the preference by the farmers from open pollinated varieties to hybrids in field crops as well as vegetable crops. Increasing population will result in an improved food demand. It will also lead to higher

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urbanization thereby reducing arable land and will place biodiversity resources under stress. The industry is expected to face major challenges in terms of unpredictable weather which may affect the pest occurrences in the short term. In addition, rising awareness among the farmers, growth in income levels owing to constant rise in prices of agriculture commodities combined with availability of better quality seeds would continue to push seeds demand in near to

medium term period.

According to the research report, the India seeds market will grow at a considerable CAGR rate reaching INR 283.1 billion by FY'2020 due to improvement of seed replacement rate, production and distribution of quality seeds appropriate to agro-climatic zone at affordable prices along with a determined effort to address region specific constraints.

Table: Future Growth Opportunities in Major Seed Crops of India

Crops	Hybrid Penetration, FY'2020	Future Growth Opportunities	Key Players
Cotton	95%	Increase in High Density Planting Acceptance of weed resistance GM gene – RR - flex technology Increase in seed prices by the government	Nuziveedu, Kaveri, DCM Shriram, Mahyco, Ajeet, Ankur Seeds
Corn/Maize	50%	Increase in Area under Acreages Increase in Area under hybrid Improved product offerings under single cross	Monsanto, Dupont, Syngenta, Kaveri Seeds
Paddy	5%	Increase in area under hybrid	Bayer Crop, Kaveri, Nuziveedu, Metahelix (Rallis)
Vegetable	60-90%	New product launches	Syngenta, Pioneer, Nunhems (Bayer)

“Several factors, including increased subsidies and renewed government thrust on the use of high yielding varieties, will lead to an increased productivity in the seed market. The industry, however, is expected to face major challenges in terms of unpredictable weather which may affect the pest occurrences in the short term. Expansion of product portfolio should be an important consideration for market players as farmers prefer to use different variety of seeds for different crops in order to enhance the productivity.” according to the Research Analyst, Ken Research.

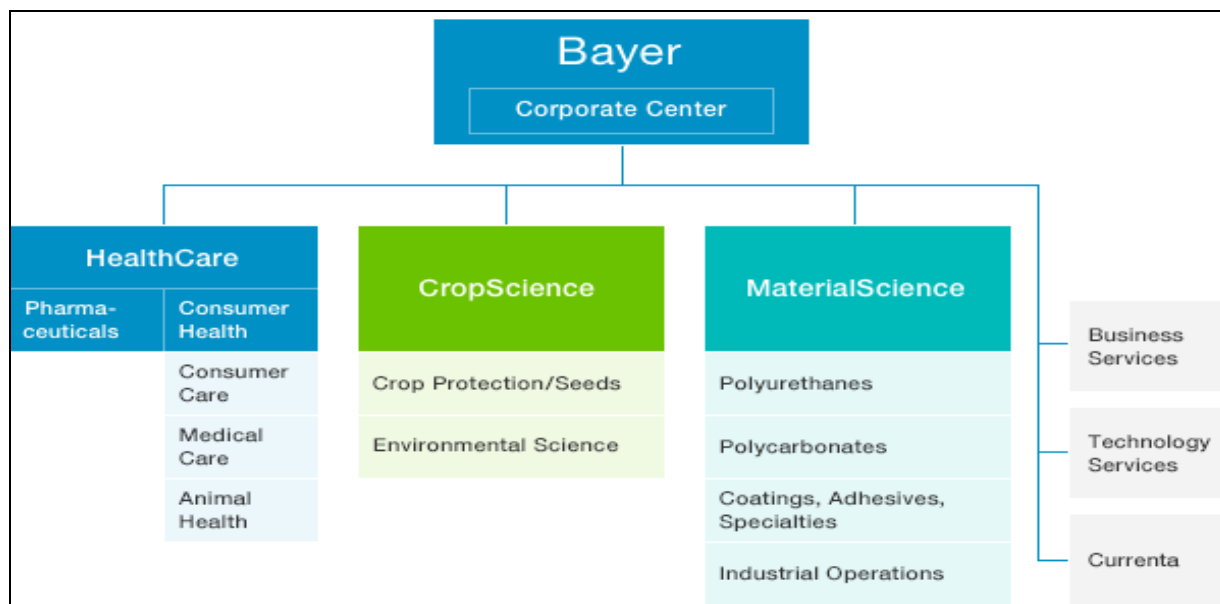
Company Profile

Bayer AG is a German multinational chemical and pharmaceutical company founded in Barmen(today a part of Wuppertal), Germany in 1863. It is headquartered in Leverkusen, North Rhine-Westphalia, and Germany, where its illuminated sign is a landmark. Bayer's primary areas of business include human and veterinary pharmaceuticals; consumer healthcare products; agricultural chemicals & biotechnology products; and high value polymers. Bayer lost its US business after World War I and during World War II was part of IG Farben and participated

in Nazi war crimes. IG Farben was broken up after WWII and Bayer became independent again, and in 1978 it bought back its name in the US. Bayer lost its US business after World War I and during World War II was part of IG Farben and participated in Nazi war crimes. IG Farben was broken up after WWII and Bayer became independent again, and in 1978 it bought back its name in the US.

Bayer's first and best known product was aspirin; Non-addictive substitute for morphine from 1898 to 1910. Bayer also introduced phenobarbital, prontosil, the first widely used antibiotic and the subject of the 1939 Nobel Prize in Medicine, the antibiotic Cipro (ciprofloxacin), and Yaz (drospirenone) birth control pills. In 2014 Bayer bought Merck's consumer business, with brands such as Claritin, Coppertone and Dr. Scholl's. Its Bayer Cropscience business develops genetically modified crops and pesticides. Its materials science division makes polymers like polyurethanes and polycarbonate.

Bayer sponsors Bayer 04 Leverkusen, a Bundesliga German football club. Bayer has been involved in controversies regarding some of its drug products;



2. Review of Literature

Boxer and Wensely (1986) [1] have advocated that managers within an organization must develop the organization's promotional strategy in response to the competitive environment and organizational performance.

Levlanc and Nguyen (2001) has established that corporate image is established by elements of the company's identity, reputation, physical facilities, service quality, price offered and delivering the service.

Philip *et al.* (2009) [3], the upshot is many consumer packaged goods companies feel they are forced to use more sales promotions than they wish.

3. Importance of the Study

This study would help-

- To determine the position of Arize hybrid seed with respect to other Hybrid seed brands.
- To identify the perception of farmers and retailers towards Arize hybrid seed.
- To identify the problems and needs of the farmers and retailers regarding use of Arize Hybrid seed.
- To identify the effective promotional tool for enhancing the use of Bayer.

4. Objectives

The present study was preceded with following important objectives-

- To study brand promotion strategies adopted by Bayer for Arize prima.
- Evaluate the brand awareness about Arize Prima Seed
- To Study the effectiveness of promotional activities.
- To find out the competitors of Arize Prima Seed
- To study effect of brand promotion of Arize Prima Seed.
- To determine perception of farmers and retailers regarding Arize Prima Seed.
- To identify strengths and weakness of Arize Prima Seed.
- To suggest a promotional strategy for enhancing the sale of Arize Prima Seed.

5. Research Methodology

The objectives of the study were fulfilled using following methodology during the study and report preparation.

Research Design

Multi- stage, purposive and descriptive research design was undertaken for the study, considering the scope and nature of the study. The basic emphasis of the study was the evaluation of perception of farmers about efficacy of Arize Hybrid Rice Seed for take high yield in Azamgarh district of Uttar Pradesh. To accomplish the given objectives, the information was collected from different sources like Distributors, dealers, farmers and the government organizations which are directly and indirectly involved in the seed & agrichemical business.

Information Required

Information required for fulfillment of objectives includes finding the farmers and perception of farmers about ARIZE RICE SEED for get high yield by interviewing farmers, retailers and dealers.

Source of Data: The study was based on the primary data and structured questionnaires were used for the collection of information from the dealers, retailers and farmers as a research tool.

Primary Source of Data: The primary data was collected by personal interviews of dealers, retailers and farmers of different areas Azamgarh district.

Secondary source of Data: The secondary data was collected from internet and department of Agriculture of State Government and Company's previous year data.

Sampling Plan: To accomplish the objectives of the study, following areas have been identified, which has been taken randomly after consulting with local dealers and retailers.

Sampling units: Farmers, Dealers, Distributors of different markets and Scientific Community in the areas like KVK's officials were interviewed to get the required results for the given objectives of the study.

Sampling Method: Respondents were selected based on snow ball sampling and to some extent it was judgmental sampling also, to collect the primary data for project analysis. Main respondents for the study were the farmers in the district. Dealer/ Distributors were also interviewed on the basis of judgmental sampling as well as convenience sampling. Basically large farmers were approached to get the required information.

Analysis of data

The data were analyzed using simple mathematical and statistical tools. The results have been presented using tables, bar graphs, columns and pie charts. Garrett ranking technique was used to analyses preferred factor of purchasing by farmers and most effective promotional activity in the view of farmers. On the basis of observations and findings from retailers and farmers regarding 5Ps' and various other parameters of Bayer, major strengths and weakness were identified. On the basis of primary and secondary data collection after a thorough study of factors influencing sale of Bayer, strategy was formulated for suitable promotional activities in the area of study.

Selected potential Markets and villages

~Azamgarh~
Markets
Phoolpur, Amabari, Thekma, Lalganj, Palhana, Saraymeer, Mehanagaar.
Village
Shekhwaliya, guwai, rasulpur, lahidiha, Khanjahapur, Ahrauli, Gomadih, Karsada, Lafiya, Babukhajuri, Husenabad, Sanjarpur, Hyderabad, Kaneri, Madna.

6. Results and Discussions

Present status of Paddy Hybrid seed companies in the study area-

Based on the questionnaire, the responses of the farmers were organized tabulated and analyzed. The following are the major findings:-

6.1 Farmer's Profile

This objective of the project is to study the perception of farmers regarding Arize Prima and for that psychographics and demographics of farmers is one of the necessary component. In survey following results has been found. there are mostly small and medium farmer. Agriculture is main source of income of them, but lack of land is important

issue, 50% farmer have 2<5 acre land and only 15% have 5> acre land. There are 25% farmer who have 1<acre <2acre and 10% are <1 acre land holder. there are 11% farmers are illiterate, 6% have done Post-Graduation, 13% are Graduate, 35% Intermediate, 29% High School, and 6% are <5th pass out. After all we can say that mostly farmer are educated. So they can understand promotional work of company. Large numbers of farmers (42%) were of medium age group (35 to 45 years old) followed by the age group of 45-55 yrs. (29%) and only 21% were young farmers (20-35 yrs.) and remaining 8% were of old people who are above 55 yrs. Young and medium age farmers have ability to take risk, were more innovative and had high motivation level; they generally did the innovation by using the new things in their fields. The old farmers were stick to their traditional agricultural practices. Wheat and rice were the main crops which were grown by all the farmers in this area. The other main crops were sugarcane mustard, vegetables and pea. Few farmers grew maize. Crop pattern helps in deciding the best suitable time for advertising. It is necessary to calculate appropriate time of promotional activity to insure the maximum gathering of farmers and it requires for the scheduling of the demonstrations.

6.2 Farmer's Preferences And Perception About Arize Rice Seed

All the surveyed mostly farmers use Hybrid seed for paddy crop in kharif season. It shows today's scenario of farming that hybrid seeds are an essential part of farming and which shows a tremendous business opportunity for seed sector.

6.3 Different Hybrid Seed Brands

The survey reveals that Arize Brand is preferred by 42% of the farmers in District Azamgarh followed by Pioneer Rice 27P63 (Pioneer India) 31% subsequently Bioseed 501 (Bioseed Ltd.) 16% and 11% other whose brand name is not so much popular among farmers. The primary reason for maximum brand preference of Arize rice seed beside largest market share and its robust brand image due to its old presence and awareness campaigns of Bayer about its dosage and use. Bayer has maximum preference in Azamgarh in rice hybrid with Pioneer Rice 27P63. Responses also showed that Bioseed 501 and other is least preferred in research area on

Promotional Tools	Farmer meeting	Wall painting/posturing	Phone call	Company person	Van campaign	Demonstrations	Literature display	Total
Percentage	40%	6%	8%	13%	10%	12%	11%	100%

Bayer is a multinational company which uses effective marketing strategy to educate farmers and are much aware of their product. They use several marketing tools like farmer meeting (individual contact, group meeting, mass meeting, mega meeting), wall painting/posturing, literature display phone call, company person, van campaigning, demonstration, to gather more and more farmers. Bayer use post-sale campaign as important tool to show the yield attribute of paddy. Post-sale campaign runs after maturity stage, farmer visit to the field and measures the yield attributes, plant height, vigour, and differentiate to other hybrid rice.

7. Perception of Retailers Regarding Arize Prima

7.1 Brand Comparison by Retailers

Perception of retailers for different hybrid rice brands was studied in survey through comparison under three heads namely Better than Arize, At par with Arize and Worse than

account of less availability and poor quality.

6.4-Existing Brand of Seeds being used

A	Bayer (Arize Rice Seed)	42%
B	Pioneer India (Pioneer Rice 27P63)	31%
C	Bioseed (Bioseed 501)	16%
D	Other	11%

6.5- The primary crop being sown

A	Paddy	79%
B	Bajra & Jowar	11%
C	Maize, Moong	8%
D	Other	2%

As it looking in table Paddy is the primary crop of Kharif season among farmers. The study reveals that 79% of farmers are choosing paddy as their primary crop. However there are some farmers choose other crops as well such as Bajra or Jowar 11%, Maize or Moong 8% and vegetable 2%.

6.6. What is the satisfaction level of Arize Prima by existing users

A	Fully satisfied	60%
B	Partially satisfied	22%
C	Neither Satisfied nor dissatisfied	10%
D	Partially dissatisfied	6%
E	Fully dissatisfied	2%

By interviewing and observation it was seen that Arize prima is best Paddy hybrid seed than other because 70% people are fully satisfied with performance of seed, 22% are partially satisfied. 6% are partially dissatisfied but few 2% people who have some problem so they are fully dissatisfied.

6.7 Farmer's Opinion For Promotional Activities

The Delphi Technique was originally conceived as a way to obtain of experts without necessarily bringing them together face to face. Expert's opinion was taken from the previous year data, company representative & distributors/dealer. Thus from these opinions it is conclude that the following promotional tools were identified as following.

Arize. It was found that the 35 out of 50 retailers claimed Bayer's arize brand better than other while 15 retailers agree that other.

7.2 Impact of Promotional Activities on Arize Prima

It is seen in the survey that the promotional activities has positive impact on the sales. It is found that 27 (54%) out of 50 retailers agree that the sale of Arize Prima will increase up to 100% while 13 of them agree that the sales of Arize Prima will increase up till 50% and 10 (20%) retailers reported no increase in the sales. It indicates that the if the promotional activities is doubled then it will have positive impact on the sales of Arize Prima.

7.3 To Identify Strengths and Weakness of Arize Prima

For developing promotional strategy for any company not only needs, information regarding market potential, current market status of different companies and their strategies but

also companies own strength and weakness as well as external threats faced or to be faced by company in time to come is required. Keeping this in mind and the companies' status and perception of the entire respondent regarding Bayer, Strengths and weakness for Arize Prima was clarified which is presented below:

Strengths	Weakness
-Good Brand name because of good quality and results of Arize Prima. -Pricing is reasonable to famers. -Arize Prima a superior quality product(Uniform granules and less dusty) -Availability of Arize Prima is good in this area.	-Excess pressure on retailers for sale of other Hybrid Rice products with Arize Prima.(Push selling) -Less focus on promotion though it is important to create awareness about the brand.

7.5 Promotional Strategy For Arize Prima

The core business of Bayer is from Arize Prima, Arize 6444, Arize 6444 Gold, Arize 6129 but the focus is very less towards promotion in the study area, hence the channel partners usually complain about push selling, less field

activities and no promotional campaigning. To promote the product and spread awareness in farmers of the benefits of using Arize Prima over Pioneer Rice 27P63, Bioseed 501or other substitutes, the promotion tool has to be designed to create acceptability of Arize Prima in the long run. As study indicated that well organized farmer meetings is the 1st preference of farmers. So, farmer meeting should be organized frequently with systematic field trails to show them the benefits of using Arize Prima over other Hybrid rice brand, well before the starting of kharif season followed by wall paintings and small farmer meetings during the cropping period to provide technical guidance to farmers on the problems faced by them.

Early promotion before starting of the season will motivate them to use Arize Prima during cropping season get benefited by it. The other promotional activities includes audio visual programs, jeep campaigning, wall paintings and gifts distribution to farmers like calendars, diaries etc. Retailers shall be motivated through offering lucrative offers such as more margin than other companies by providing cash discounts and other seasonal rebates so that they will enhance the sale by recommending the product to the farmers. as clearly shown in table below

Promotional Activities	Promotional Period	Target Season	Major Crop
Farmer meetings, Field trails, Jeep campaign, Leaflet Distribution, Free gift distribution, Audio Visual programs	March, April and May	Kharif	Rice
	October and November	Rabi	Wheat
Wall Paintings, Small farmer Meetings	Cropping period	Kharif/Rabi	Rice/Wheat

8. Conclusions

The study revealed that potential in Azamgarh districts for Hybrid rice products is very high. Sale of Hybrid rice has shown a significant increase of 30 percent from 2013-14 to 2014-15. Thus, in coming few years it will be a potential market for sale of different Hybrid rice products. Arize rice seed has a market-share of 48 per cent which is mainly due to good availability. The scope of higher market share is bound to increase in the coming years due to brand image and quality. Azamgarh district has the biggest sale in eastern U.P. for Arize prima. It is seen that quality is the most important factor that influences the farmers purchasing decision coupled with timely availability followed by good packaging, promotion and reasonable price. Further, farmer meeting, individual contacts and field trails has emerged as useful promotional activities as it is noted that awareness level for Arize Prima was found merely 56%. The image of Bayer's product Arize Prima in hybrid paddy seeds is strong. Retailers considered the sale of Arize Prima has push sale and packing needs to be improvised in terms of attractiveness and strength. The company also needs to work to improve its service efficiency to satisfy the retailers and to promote the sale for the products. Arize Prima emerged as the market leader of the study area and to remain the leader and to harvest the full potential of the area, the company needs to focus on the promotional activities, according to the suggested promotional strategy.

9. Recommendations

The company should also adopt following measures to maintain its leadership in the market. As per the observation in the study area, there is needed to make available the product at the reasonable price. To make its presence felt the buyer needs of increase field staff and their visits to documented through daily reports. These reports may be analyzed to find the prospective farmers who may adopt Arize Prima in future. The company may plan some demonstrations for the farmers which may highlight the benefits of Arize Prima. Increase the Post-sale activity among the farmers to know about yield attribute. So company should adopt pull strategy instead of push strategy for the marketing of the products which will involve increased field activities and developing a retailer's centric approach in terms of resolving their problems they face when dealing with the company for gaining higher market share as retailers are very important source of awareness for the farmers. There is a need of Professional female staff for the promotional activity to educate the female farmer's of the rural area to double the sale of product. A special meeting to be arranged for the females in the 'angan' to promote the products of Bayer.

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