



BUS 400

Internship Report On

“Marketing Strategies Adopted by Companies in the Agro Industry to Reach the Consumers”

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1st January, 2017

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Dear Maam,

It is with great pleasure I am submitting you the report on my learning and experiences from my internship period at Swisscontact-Katalyst. Being a student of marketing Major, I always felt the necessity of having some practical exercise along with professional experience of what I have learnt in theory. In my internship period, I felt this need even more as I faced the practical situations of the real business world. I am grateful that you extended me all the support and guidance I needed in this course.

Lastly, I would like to thank you for giving your valuable time in helping me out at different stages during this internship.

Sincerely,

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Executive Summary

Agri-business for Trade Competitiveness Project (ATC-P), branded as Katalyst, is a market development project that aims to contribute to increased income for poor men and women in rural areas. It does so by increasing the competitiveness of farmers and small enterprises by facilitating changes in services, inputs and product markets. Katalyst's approach is based on the premise that enhanced private and public sector business services, and an improved enabling environment, lead to more competitive enterprises, sustainable economic growth, and poverty reduction. Katalyst is co-funded by the UK Government, SDC, and Danida and implemented by Swisscontact under the umbrella of the Ministry of Commerce, Bangladesh.

This report attempts to explain the organizational culture, its people, Sector, cross sectors and how Vegetable & Seed sector works. In addition to that it also consists details of the work I have done linked to various intervention of the sector such as impact assessment of the intervention, field visit to assess the work of ongoing intervention, attending meeting with the partners, organizing workshop to present study on agro processing industry, weekly report on vegetable & Seed sector and numerous report on different training and workshop where I represented the team. I have explained the lessons I have learned during the course of my internship, how I have overcome the difficulties I have faced as well as how this internship exceeded my expectations and the valuable experiences I have gathered. Moreover, I also tried to show a picture on how different agro input marketing is than conventional FMCG marketing and the strategies followed to promote the product. The report provides an insight into the workings of Katalyst, vegetable & seed sector as well as how I have tackled the responsibilities and work I was assigned on.

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Chapter 1: Introduction

1.1 – Origin of the Report

The topic is based on how agro input companies set their marketing strategies to reach their targeted beneficiary and how marketing approach of FMCG industry product varies from agro input industry product when it comes to product development, designing promotion campaign, marketing, distribution channel, selling, after sales service etc. Additionally, this report also focuses on how 7p of marketing works for agro input business. Katalyst has partnered with over 20 agro input companies regarding different intervention of different sectors. Vegetable & Seed sector partnered with 7 agro input companies for different ongoing intervention in phase 3. This report contains analysis of the common marketing activities followed by the partners to promote their product in the market and also to make interventions successful.

1.2 – Objectives of the Study

The topic chosen for the report is “Marketing strategies adopted by agro input companies in the country to reach the bottom of the pyramid”. There are basically three types of objective which are-

- To identify how 7p works for agro input sector and what are the common marketing practices for agro input product.
- Identifying the differences between FMCG product marketing strategies and agro input product marketing strategies.
- Develop an understanding regarding how partners used their marketing strategies in different agro input criteria.

1.3 – Scope

This report focuses on the common marketing practices among agro input companies. Nowadays agro input companies are giving more priority than before and trying to provide good quality inputs but as agro input industry companies market their product in a different way than FMCG so this report will provide a primary overview for anyone who wants to know how marketing works for agro input companies and also can use mentioned and discussed strategies along with analysis of 7p of marketing on any agro input product. The study mainly deals with product development, distribution, promotional activities, sales, after sales service etc.

1.4 – Limitations

To complete this report I had to face some limitations which created barriers to bring up the real picture. Firstly, the consumer of the agro input companies are mostly farmers who lives in the rural area of Bangladesh and because of their location conducting a consumer survey was not possible for me to get more concrete data. In addition to that I worked at katalyst from august to December and this period of time is considered as one of the season for agriculture, that's why taking interview from the various organization representatives was hard enough as they were not available. Lastly, I had to collect the basic marketing strategy from the company employers and the common marketing practices as they did not agree to discuss on core marketing strategy because of the company policy.

1.5 – Literature Review

Marketing strategies of any companies or in any industry creates a bridge of communication between the marketer and the consumer. A company's marketing strategies will give a clear picture of what are they trying to say and how their consumers are interpreting their messages about the product. Sue elms stated once the secret to successful communication is about saying the right thing in the right way in the right place and moment. In other words, better the communication methods are, better the chances of the product to build a permanent relationship with the consumer. Industry like FMCG were always aware about their consumer preferences and changes in their behavior while designing the communication process for their consumer, whereas agro input companies in the agriculture industry needs to follow a different method of communication to take their product to the doorstep of the consumer. The idea of approaching has also changed in the recent past when market became competitive and agro input consumer became more aware about the quality of the product to get a better outcome in their yield. Nowadays agro input companies are giving more effort on designing effective marketing campaigns and sustainable strategies to build a permanent customer relationship with the companies.

1.6 – Methodology

1.6.1 Data Types

In this study we used two types of data: Primary data and secondary data.

1.6.2 Sources of Data Collection

1. Primary Source: primary information is gathered through some formal interviews with the company representatives, who are in the business, some informal interviews with the farmer during field visit and with katalyst officials to have inside insights on overall marketing approach of the agro input companies.

2. Secondary Source: Secondary sources were also used to collect information. Such as- katalyst website, department of agriculture extension (DAE)website, intervention report from various partners, concept note of different intervention etc.

1.6.3 Data Collection Techniques

1. Questionnaire: An organized questionnaire was prepared for the formal interview with the company representatives.

2. Observation: During field visit and while attending various training program organized by the companies I observed their approach and strategies prepared for marketing.

3. Secondary information: Secondary information has collected by reviewing websites, intervention reports and some other relevant documents.

1.6.4 Research Design

To make this report informative I choose exploratory research under Qualitative research. In exploratory research, it's not formal and the structure is not organized. When making this report I kept in mind that marketing strategies and consumer preference are independent variable and impact on sales is dependent variable. This report's objective was to determine the common marketing practices and consumer preference.

1.6.5 Research Methods

The report on marketing strategies adopted by agro input companies is based on secondary data resources. This is completely qualitative study because it involves studying literature and the research is only based on a particular topic or single theme. For a report like this quantitative methodology needs to be used with good sample size to draw a clearer picture of consumer preference and company practices which needs lot of time and field visit, as there is no numerical value here, so quantitative data analysis cannot be performed.

1.6.6 Interview Questions

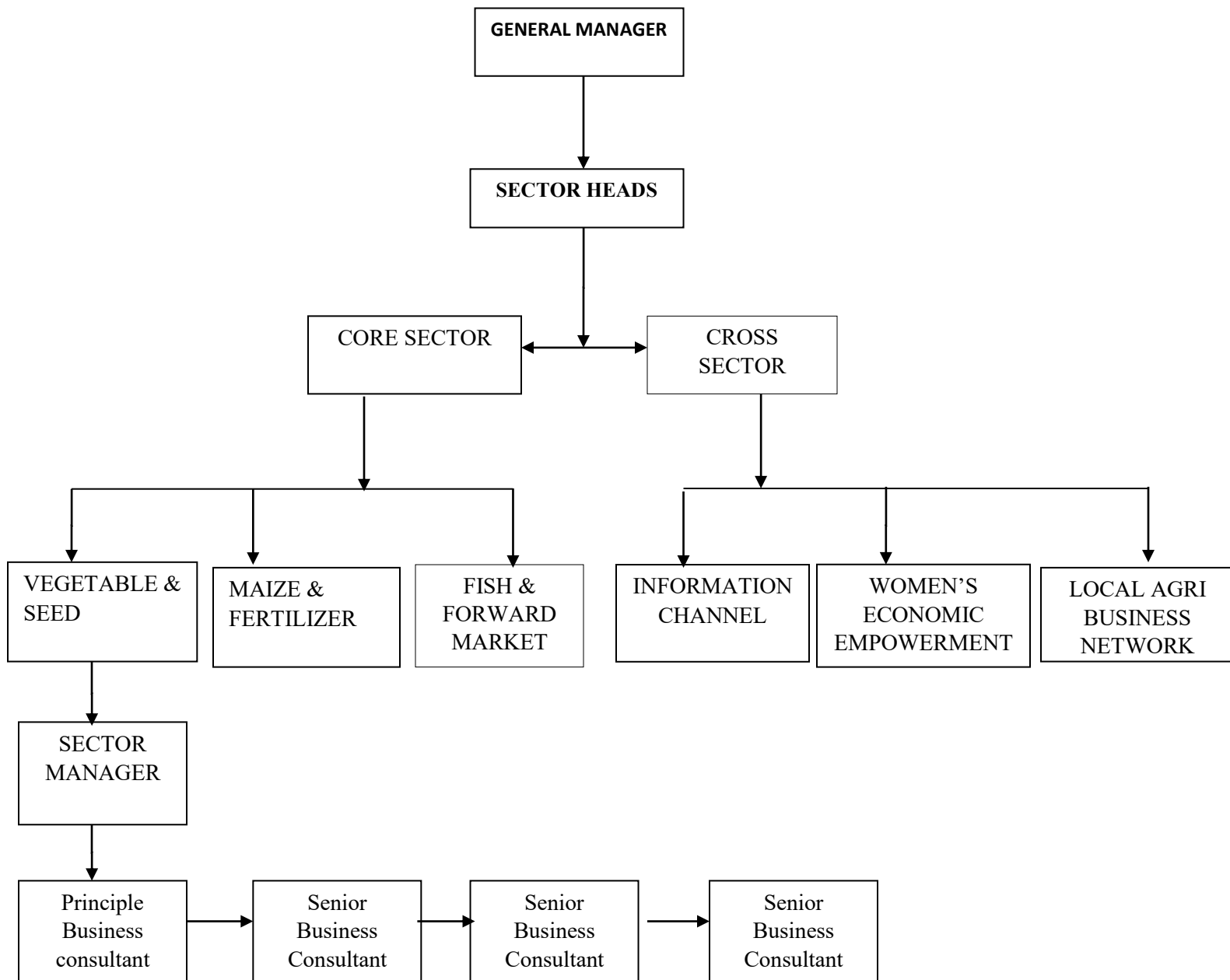
- Common marketing practices, pricing strategy for product, price range
- Packaging strategy, specific places to promote, selling points
- Strategies for seed, crop nutrition, crop protection
- Areas to improve, innovate

1.6.7 Beneficiaries from this study

This report will give an overview on how marketing works in agro input industry and may attract investors to invest more on this industry. In addition to that if anyone wants to start business in agro input industry, this report can primarily help them to show a way to market their products, promotion places, strategies, pricing strategy etc.

Chapter 2: Job Description and Responsibilities

2.1 Organization structure of Vegetable sector



2.2 My Assignments and Contribution

I was assigned to the vegetable & seed sector team under my supervisor who had been working in katalyst for about 6 years now. My job in the first month of my internship was to study and understand all the ongoing intervention of the sector by going through the concept notes, strategy papers and also by discussing with my team members along with understanding the overall work process at katalyst. Myself along with all the recruited interns had to attend discussion session with respective managers from each sector every week of our first two months to get a clear idea on how every sector is linked and what are the goal they are looking forward to achieve. In my first month, I also attended meeting with the partners and among the team to get updated about all the works going on.

In my second month of internship I started to represent my team along with my team members in the various training session, seminars and meeting with the partners. I started submitting reports to my team on my observation of those training, seminar or meeting to help them prepare a feedback report. I helped my team organizing a validation workshop on a study done on agro processing industry. I was also assigned to prepare a brief report on introducing MRP on seed policy and to provide a feedback on current policy so that team can identify possible rules from that policy to introduce MRP.

When my third month of internship started all the sectors started preparing for the assessment of the interventions which is known as impact assessment. Similarly, my team was also getting prepared for impact assessment of the ongoing intervention of vegetable & seed sector. I was assigned to follow a full process of an impact assessment of the intervention which was on providing quality seed to through mobile seed vendors on highly remote areas of Bangladesh. Firstly, we developed questionnaire for the assessment and had discussion over it, secondly, I attended training session of research Company who were completing the survey on behalf us to make them understand the questionnaire so that we can bring the best outcome. Then when the assessment started I visited jessore and Khulna region along with my respective manager to monitor the ongoing assessment. There I met and talked with many farmers about the benefits they got from this intervention, their income, demands and about their current situation in vegetable farming. Coming back from the field I submitted and observational field report to my

team on overall process and feedback on the performance of the company katalyst hired to perform the survey.

At the final month of my internship I attended field visit with another sector which is fish and forward market to perform an in-house impact assessment of their ongoing intervention where I need to perform survey by myself along with other members while talking to the successful fish farmers. I was assigned to prepare weekly report for the team about ongoing interventions in my last month of internship. Later on, I also took part on another impact assessment of vegetable sector intervention which was on introducing cropping pattern technology to farmers using the micro finance institution network. I have listed below some of the major projects I have worked on during the course of my internship.

2.3 Major Project 1

Impact Assessment of the intervention on “providing quality seeds through MSV to the remote areas of Bangladesh”

Impact assessment of the intervention mentioned above was my first big project I worked on. Generally, an impact assessment follows several steps before its completion. Steps are mentioned below

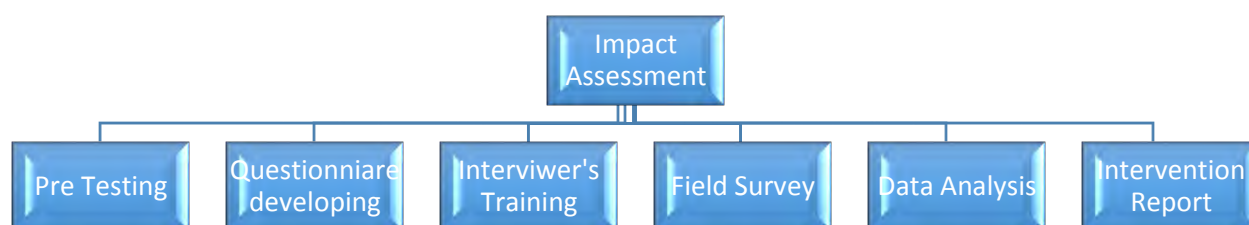


Figure1: Process of an impact assessment

I attended questionnaire developing session with my respective team and after developing the questionnaire through discussion and mock interview among ourselves the questionnaire was finalized. Later on, I attended training session of the interviewers on the prepared questionnaire and cleared their concept on different part of the questionnaire so that they know where to emphasize most. After the impact assessment started on different region of Bangladesh, I went field with my manager of the team to monitor the assessment process and to guide the interviewers properly. After returning I submitted an observational report to team on my field visit of the assessment and now team is waiting for data analysis of the survey to prepare final intervention report.

2.3.1 Major Project 2

Impact assessment of the intervention on “Disseminating information on effective cropping pattern using micro finance institution network”

Working on this intervention was my second major project during my internship. For this intervention, firstly I completed a validation process for the team by communicating with various beneficiaries from the micro finance institutions about the intervention and how information helped them to improve their condition. Later, I submitted a report to my team on the response from beneficiaries and my observation. After the report submission team designed the impact assessment plan and developed the questionnaire. After developing the questionnaire training for the interviewers were organized. I was present at the training with team members and observed the training session, attended discussion with trainees regarding various elements of the questionnaire. Then I along with one of my team member visited one of the assessments region and monitored overall process starting from communication with interviewers, route planning, guiding them when they have confusion with initial screening process of the farmers and following up on sample target and reporting to my senior team member.

2.4 Lessons Learned

This internship has helped me get a lot of practical experience in the professional field. Professional working environment is very dynamic unlike what we learned in theory. You have to make many on the spot decisions so, quick thinking is required. Unlike reports or projects, you are not given much time to come up with a good plan or proposal. An inherent good quality of judgment is required within a person as your judgment will help you in deciding what will work in the market and what will not. Quick thinking and easy to catch new processes is a strong attribute to have in professional level.

I have gained more confidence in my own judgment through this internship and also learned not to get discouraged by failure as it is a learning process. Additionally, Katalyst has a dynamic environment which offers so many things to learn from others and the environment. I also get to meet different people from different companies and different background which taught me many things. Therefore, socially my experience has increased as I have had to communicate with different people that I was not used to coming across.

2.5 Interaction with Supervisor and Co-workers

My co-workers have given much time and effort to educate me about the different sectors, process and operations of Katalyst and team inside. They always came ahead for my help to make me clear about any work process, intervention or any of my queries. They were also very much aware of my needs, to solve the problem I am facing or to understand the difficulties at anything to make the environment comfortable for me. I am very much grateful to every one of them. My internship supervisor and my team members always appreciated my good work and were always keen about my perspective on something or always wanted to bring out that innovative thought process so that I get a better understanding. They were also kind enough to give me career advice and professional guidance whenever I needed them.

2.6 Dealing with Difficulties Encountered

Difficulties encountered were mainly delays in response from other organizations. This particular problem required me to continuously communicate with different representative of organizations and sometime other sectors so as to get my work done on time. I faced problems while preparing report to submit as I needed to be much careful about the professional language and also presenting my thoughts in more acceptable way. Sometimes I had to face difficulties in the field where farmers were not available to communicate and had to take quick decisions on the problem. Although I have faced difficulties but my team and supervisor was always there to help me and guide me.

2.7 Differences in Expectations and Experiences

My experiences far exceeded my expectations as I did not expect to get much recognition on my work and given so much responsibility. Initially I was overwhelmed by how everyone was so experienced in respective work and always knew what to do in each situation. However, I caught up quickly and received several compliments on my management skills in assigned work and on submitting work on time. I heard stories of other people's internships not having much activity other than tedious work and was glad to have been given work that allowed me to learn a lot. Katalyst gave me the utmost privileges as their employee and gave me the chance to get involved into work as much as possible. I am also very grateful to my team members for assigning me several tasks from where I learned so much. To be very honest I didn't expect to learn and get so many opportunities to learn at the beginning of my internship. In addition to that, guidance about career path, future plan, job market scenario, professionalism etc. from all the colleagues helped me to think properly about my next steps.

Chapter 3: Marketing Strategy and 7P's of Marketing

3.1 Marketing strategy based on 7P's

Marketing strategy has the fundamental goal of increasing sales and achieving a sustainable advantage. Marketing strategy for a company or an industry aims to build upon a customer base year by year so that sales number becomes consistent every year and also previous products makes way for the upcoming one by creating a strong customer perception. As time passes by marketing strategy shifts its focus from product to brand or company itself so that after certain period of time the brand value creates value for the product itself. It also help marketer to prepare cost effective and focused marketing strategy rather than going for individual product marketing. Marketing strategy includes basic, short-term and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market oriented strategies.

Now days marketing strategy are based on the marketing mix tool. Marketing mix is familiar marketing strategy tool which was traditionally limited to four core pillars known as 4P's, which are product, price, place, and promotion. In the recent past marketing mix has changed its structure and traditionally followed as 7P's now. The 7Ps model was devised by E. Jerome McCarthy and published in 1960 in his book Basic Marketing. A Managerial Approach. Along with four core pillars in the 7P's of marketing there are also three pillars of service mix, they are people, process and physical environment. Companies use the 7Ps model to set objectives, conduct a SWOT analysis and undertake competitive analysis. It's a practical framework to evaluate an existing business and work through appropriate approaches whilst evaluating the mix element. The importance and existence of 7P's became more concrete when people started getting more service oriented and wanted reliable process from the organization. Additionally, physical environment also started to play a vital role when designing marketing strategy. So marketers are relying heavily now on 7P's to design the strategy for the product and service



Figure 2: 7P's of Marketing Mix

Product: A product is an item that is built or produced to satisfy the needs of a certain group of people. The product can be intangible or tangible as it can be in the form of services or goods a product has a certain life cycle that includes the growth phase, the maturity phase, and the sales decline phase. It is important for marketers to reinvent their products to stimulate more demand once it reaches the sales decline phase. Marketers must also create the right product mix. It may be wise to expand your current product mix by diversifying and increasing the depth of your product line.

Price: The price of the product is basically the amount that a customer pays for to enjoy it. Price is a very important component of the marketing mix definition. It is also a very important component of a marketing plan as it determines your firm's profit and survival. Adjusting the price of the product has a big impact on the entire marketing strategy as well as greatly affecting the sales and demand of the product

Place: Placement or distribution is a very important part of the product mix definition. You have to position and distribute the product in a place that is accessible to potential buyers.

This comes with a deep understanding of your target market. Understand them inside out and you will discover the most efficient positioning and distribution channels that directly speak with your market.

Promotion: Promotion is a very important component of marketing as it can boost brand recognition and sales. Combination of promotional strategies and how you go about promotion will depend on your budget, the message you want to communicate.

People: Thorough research is important to discover whether there are enough people in your target market that is in demand for certain types of products and services. The company's employees are important in marketing because they are the ones who deliver the service. It is important to hire and train the right people to deliver superior service to the clients, whether they run a support desk, customer service, copywriters, programmers etc. When a business finds people who genuinely believe in the products or services that the particular business creates, it's is highly likely that the employees will perform the best they can.



Figure 3: Key contents of 7P's

Process: The systems and processes of the organization affect the execution of the service. So, you have to make sure that you have a well-tailored process in place to minimize costs. It could be your entire sales funnel, a pay system, distribution system and other systematic procedures and steps to ensure a working business that is running effectively.

Physical Environment: In the service industries, there should be physical evidence that the service was delivered. Additionally, physical evidence pertains also to how a business and its products are perceived in the marketplace. It is the physical evidence of a business' presence and establishment. A concept of this is branding.

3.2 Marketing Strategies in agro industry and differences with FMCG industry:

Marketing strategies in each industry works differently from each other, starting from the product to target market, promotions, placing the product, selling, getting feedback, trying to provide after sales service and promising for better product in the future. All these criteria are being followed in every industry but in their own way. For example, in RMG sector after preparing a sample product, company takes it to client and present its every detail to them and after selecting the product the client requests for bigger production and then comes the after sales service and chance for improvising the product. Similarly, every industry has its own way to target its customer, spreading their messages and providing the service.

In the agro industry marketing strategies varies from product to product although, there are some common practices for every product. For developing a product and launching it to the market any agro companies need to pass the product through several tests in government authorized organization so that the quality is assured and interestingly target market in the agro industry for a product gets selected based on region and common crop practices there mostly. So, if a agro company wants to launch a new hybrid seed for a vegetable they will target first the famous regions of Bangladesh where the cultivation of that particular vegetable is most common where as for the FMCG industry we can see that target customer base is selected on their consumer behavior pattern, economic condition and demand from the customer base. Agro input companies needs to attend each of their consumer if needed to provide after sales service and for

that they need to train their dealer/ retailer with proper training about their product with valuable information so that they can pass the proper information and create a trustworthy customer base.



Figure 4: a retailer is selling seed and also giving required information to the farmer

on the other hand, in the FMCG industry company doesn't need to interact or provide after sales service to their consumer base. In this industry sales representative convince the dealer/retailer to keep the product in their shop and marketer sells the product to customer through TVC, Banner, Billboard or with promotional offer. So, FMCG company stays less responsible for after sales service towards their consumer whereas, agro input companies needs to more responsible in terms of after sales service to gain trust of the customer. Although, FMCG companies collect feedbacks on their product from sales data, survey and market research and try to improve their product but the accountability is way less than agro industry. When it comes to price agro input companies need to make a tough combination of good quality product with a very affordable price as most of the farmers in the rural level are not that well off but needs good quality products to cultivate crops. On the other hand, FMCG industry has the luxury to set the prices of the product based on their target customer or create different product category for customer of

different economic condition. A brief analysis for agro industry marketing strategies according to 7P's of marketing mix is there in the next chapter.

Now when it comes to development projects funded by the donor organization, agro industry is one of the top in the list. from the very beginning of the journey, Bangladesh was known as a third world country and because of lacking's in many sector development projects were working in sectors such as nutrition, agriculture, sanitation, infrastructure, disaster management etc. Likewise, many development projects are working on working industry to create a better way to increase the income, increase the production, bringing new technology, introducing new cropping pattern, culture technique, providing proper information to the farmer through innovative packaging , taking initiatives to spread information in the very remote areas, making market work for haors and chors , how to use the fellow land , how to increase the fertility of the land by bringing variety in the cultivation pattern etc. Development projects in this industry is a big strength to be consider because of their initiative to improve the market and to work with the private companies involved in this industry. From these projects, private companies are getting new ideas they can implement, they are getting cost sharing opportunity for introducing any new



Figure 5: Initiative of katalyst to sell pesticide free vegetable with a private company.

experimental changes in the market systems. In addition to that, development projects are also analyzing the market for the private companies, working with the government to make it easier for the company to introducing new technologies, trying to identify what needs to be done to bring a sustainable change in the market or practice in the industry. Development projects can be considered as a blessing for agro industry with so many initiatives to improve the market condition and providing so many opportunities for the private companies to improve their business. Development projects are also impacting strongly in marketing strategies. Katalyst as a market development project which works with the private company to bring sustainable changes in the market are also welcoming market changing ideas from private companies and taking interventions jointly with them to make the market work in the favor of the farmer so that their lives and life style improves. One of the successful examples of bringing innovating changes is introducing min packet seeds by partnering with Laal Teer pvt company limited. Previously mini packet seed was not available for the farmers in the market and the access of quality seeds was limited because of the high price for big packets. Small farmers were using low quality seeds and were not getting good results. After introducing mini packet seed in the market in an experimental format the result was positive right from the go.



Figure 6: Katalyst celebrating success of intervention on introducing mini packet seed in 2014

Mini packets were welcomed by the small farmers. Although as the initiative was new so, the company firstly launch mini amount seed in big packets already available to them but after seeing the success the company launched mini packets in their production a packaging system which brought change marketing the product and also in the packaging. So, there are many examples like this where development projects like katalyst helped the agro input companies to take initiative which is risky, new and unpredictable but with the cost sharing opportunity companies are being able to take those risks and getting benefitted most of the times. In this way consumers are also getting benefitted as sustainable changes in the market are helping them to improve their lives and lifestyle.

If we want to compare development projects availability in agro industry with FMCG industry, it's hard to find any development projects in FMCG industry. The reason behind this can be explained in such way that as the development projects are helping the people in rural areas by taking many initiatives with the private companies to increase their income, to improve their lifestyle so, when they are getting succeed at their initiative people's lifestyle is improving and fast moving consumer goods are also becoming affordable for them. In my observation in agro industry development projects are giving them high advantage for the business of agro input companies.

Chapter 4: Analysis

4.1 Introduction

In this part I will try to analyze the marketing strategy of the agro input companies under the structure of 7P's of marketing mix. I will try to explain each category with reference example from the formal interview company representatives, informal interview with katalyst employees and with farmers during field visit. I will also add my observation over the strategy from my last four month experience I have gathered.

4.2 PRODUCT

For developing product in the agro industry business all agro input companies needs to launch their product or to sell their product based on the crop's season of Bangladesh. Crop's season in Bangladesh are divided into three season. They are Rabi (15th October- 14th March), Kharif-1 (15th March – 14th July), Kharif-2 (15th July – 14th October). According land and most suitable cultivating condition crops are divided into these three seasons. So, agro input companies also develop, launch and sell their products season by season in a year. As a result, they need to work on specific crops related product on a specific season. Different crops regarding season are given below.

	Rabi Crops (15th October - 14 March)	
	Item	
1	Cereals	wheat, maize, barley, and boro rice;
2	Oilseeds	mustard, sesame, groundnut, niger, sunflower, linseed, and safflower;
3	tuber and roots crops	potato and sweet
4	Pulses	chickpea, lentil, grass pea, and cowpea;
5	winter vegetables	cabbage, cauliflower, brinjal, tomato, carrot, turnip, radish, spinach, lettuce, bottle gourd, country bean, and garden pea;
6	Spices	chilli, onion, garlic, coriander, sweet cumin, black cumin, and fenugreek;
7	fiber crops	sunhemp;
8	sugar crop	sugarcane;
9	Stimulant	Tobacco
10	fruit plants	watermelon.

Kharif Crops (15 March-14 October)		
	Item	
1	Cereals	broadcast and transplant aus, transplant aman, prosomillet, foxtail millet, and sorghum;
2	Oilseeds	sesame, groundnut, and soybean
3	tuber and roots crops	panikachu, mukhikachu, olkachu, mankachu, and panchamukhikachu
4	Pulses	black gram, mungbean, and pigeon pea
5	Summer vegetables	lady's finger, red amaranths, amaranths, Indian Spinach, sweet gourd, ash gourd, bitter gourd, squash, Pointed gourd, snake gourd, teasle gourd, yardlong bean, brinjal, and summer tomato
6	Spices	green chillies, ginger, and turmeric;
7	fiber crops	jute, kenaf, mesta, and cotton;
8	sugar crop	Sugarcane
9	Stimulant	Tea
10	fruit plants	banana, pineapple, papaya, and melon

Agro input companies divide their products into three categories. They are seed, crop nutrition and crop protection, for each categories product design, promotion, packaging, values differ.

Seed:

While interviewing Mr. Ashraf ali, senior manager of Ispahani agro ltd he gave a brief idea about product development for each category. He said “seeds are living being. so, while packaging seeds, maintaining the quality of germination is must”. Whenever a seed company develops certain seed for crops germination rate is considered as one of the most important thing. Private companies after developing certain variety of seed for crops tests the germination rate from govt authorized lab. if the germination rate is more than 90% then the seed is considered as good quality seed. For packaging seed product per kg packet is most available in the market and also mini packet seed is available in the market. In addition to that Mr. Ashraf also mentioned that companies try to include the details of the cultivation procedure, sowing technique, harvesting date etc. for that particular crop in the seed packet so that, it helps the farmer to follow proper technique and get expected harvesting. Katalyst has also an intervention with one the private agro company on disseminating information of cultivation technique on pictorial format so that farmers with less education can use that information easily. Companies also try to give attractive and colorful pictures of the crops in the front side of the packet so that it attracts the farmer more.



Figure 7: Packaging of Seed product for different crops.

Crop Nutrition:

After planting the seed to maintain proper balance of nutrition for crops, farmer uses fertilizer such as zinc, phosphate, sulfur, Boron or sometime mix many as necessary for the crops. Agro input company markets fertilizer according to crops. Mr. Ashraf mentioned that “whenever we design seed product for any crop we also try to design fertilizer and pesticide for that crop so that farmer gets a complete package from us”. Companies use the retailer network to inform the farmers about the fertilizer for particular crop and also sometimes they recommend it on seed packet. During field visit talking with several farmers I came to know that practice of using mixed fertilizer is quite popular and also the idea of more the amount of fertilizer, better the result is a common misconception among the farmer. Agro input companies try organize farmers meeting with agriculture officer to give them proper information using the right amount of fertilizer. Working as a senior business consultant in Maize & Fertilizer sector of katalyst Mrs. Shamira Mostafa said while sharing her view on fertilizer product that “Companies are trying to make farmer more aware about the balance use of fertilizer which is most important for crops”. Generally, companies market fertilizer product on gram packet and also provide the safe instruction of use along with the dosage amount.

Crop Protection:

Crop protection is another segment where agro input companies launch their product based on the renowned pest for the seasonal crops. Bangladesh Crop Protection Association (BCPA) is a strong and active association of companies in crop protection business. Since their beginning, they are trying to promote safe uses of pesticide and also trying to make farmer aware about the safe use so that crops don't get overdosed by the pesticides which is very harmful for human body. Katalyst is also working with BCPA since 2011 to promote safe usage of pesticides. As per BCPA rules to be in the business of crop protection any company needs to be registered as a member of the BCPA and needs to follow the rules. Along with pesticide nowadays Bio-pesticide is also getting popular among farmers. Bio pesticide is more ecofriendly for the crops with no harmful material for crops which can affect the human body. Mr. Rumman Hafiz, chairman of BCPA said that "BCPA's aim is to promote safe and balance amount of pesticide and bio pesticide so that it stays less harmful for us". Mr. Ashraf on his interview given me a real scenario of pesticide and bio pesticide industry. Packaging of pesticide and bio pesticide are being done on plastic trap, 5 lure pack, bottles or in jar. He mentioned that a successful registration from government for pesticide or bio pesticide takes about 1.5- 2 year which is very long. He also feels that a separate act for registering bio pesticide is a demand of time now as bio pesticide is getting more popular among the farmers. Under integrated pest management pheromone trap or locally known as "jadur phad" is also getting popular among farmers. Agro companies provide instructions for safe using of pesticides in the packaging so that farmers can use safely without harming their health.



Figure 8: Picture of Pheromone trap used for pest management

4.3 Price:

Pricing strategy in the agro industry is very interesting and challenging area. Agro companies need to make sure that they are providing good quality products with such a price which covers their total cost with a bit of profit and that is when the challenges come up for the marketer. As most of the target consumer belong to the rural areas of Bangladesh so, affordability is a big commitment to keep for any agro input company with any product. Instead of imposing all the charges included on the product to consumer like in the FMCG sector here, at agro industry companies try to save their cost from other sectors so that they can keep the price low for the consumer. Mr. Mahsiqur Rahman, Business development manager of GME agro limited said while sharing his insight on pricing strategy that “our primary target is cover the cost with a standard markup and we always aim for competitive pricing with lowering the supplier cost”

Another interesting fact about the agro industry is no matter how much the price is, for most of the cases farmer loans the seed or fertilizer from the dealer/retailer of the product and tends to payback after harvesting and selling the product. After harvesting season ends company representative collects the money and closes all account but not before that. On the other hand, when it comes to crop protection practice of cash payment is more effective there. From this scenario, we can understand that dealer/retailer or front end seller for the company needs to maintain a trust base relationship with the farmer and also payment after using the product urges the company that product must be good in quality and works as it said it will otherwise payment must be at stake. Because of this reasons companies are always aware about farmer’s problem, try to increase their knowledge level, guiding them at every step so that, they create a trustworthy customer base and customer loss does not create loss for them too. If we compare with the FMCG industry, we will see that responsibility and accountability towards consumer is less here after selling the product and looking after each other as seller-buyer is not a common practice for FMCG industry.



Figure 9: Walid alam, while sharing his relationship with customer as a retailer.

4.4 Place

For selling agro industry highly depends on dealer and retailer shop. In the rural areas and local bazars dealer/retailer shop is easy to found with full of agro input products there. Company representatives such as territory officer, area sales manager maintain a good connection along with other benefit, with dealer/retailer so that their product gets most promoted to the farmer. Importantly cultivation of crops is technical work and needs experience, expertise and proper knowledge on crop cultivation to make successful harvesting.

Agro input companies popularly use the relationship between dealer/retailer and farmer to pass right information to the farmer about their product, cultivation technique, benefits of the particular product and if the product is new in the market even introducing that to the farmers. Companies do such things after organizing dealer/retailer training on their current product or upcoming product for the season where territory sales officer, area sales manager, regional sales manager stay present to discuss about the confusion, problem or suggestions from dealer/retailer. Although dealer/retailer shop is the most popular place for buying seed and other input but, in remote areas mobile seed vendors are also found who sells open seed and packet seed from hut to hut. Additionally, Mobile seed vendors (MSV) also sell readymade plant just grown from seed which popular for homestead cultivation mostly.

4.5 Promotion

When it comes to promotion, difference between agro industry and FMCG industry gets more visible. At one side where FMCG industry focuses more on high budget TVC, Billboard, casting famous celebrity, TVC with attractive offer, above the line marketing, Below the line marketing strategy on the other side agro input companies depends on low budget but effective promotion system which is more customer oriented, accountable, reliable with good quality products. Practices of TVC, billboard are very hard to found in the agro industry.

The reason behind this lies in the word accountability. FMCG products are only daily life products used by the consumer where responsibility of marketer gets low and customer dissatisfaction on the product doesn't last long. Even if the customer is highly disappointed they just shift into another brand. Whereas, in agro industry all the agro input products has a vital role behind consumers total earning when the harvesting season comes. If the product quality is not good and farmer loses his trust on the brand, he or she will never use that brand again. This is why accountability of the company is so important in agro industry. They can't just sell any quality saying anything to the farmer and also in the label of the product. When asked about common promotional practices among agro input companies Ashapurna Das purba, senior business consultant, Vegetable & Seed said that “dealer/retailer meeting, farmers meeting, farmer's field day, field demonstration are the most common practices”. Also, talking with farmers and other company representatives I have listed the common practices below.



Figure 10: Farmers meeting and Farmer's field day is taking place

Dealer/ Retailer Meeting: Companies organize dealer/retailer meeting to inform them about new product and all the necessary information time to time.

Farmer's meeting: Farmer's court yard meeting take place at the lead farmers house to inform them about new product, cultivation technique and also to answer their queries on various problem they face.

Field Demonstration: Sometimes company organizes field demonstration of the product in front of agricultural officer so that farmers get clear idea on how to use the product and get hands on training.

Farmer's Field Day: Farmers field day is another promotion activity for the company, whenever the harvesting season comes private companies arranges field day to show the result of their product to other farmer and also try to celebrate the occasion of harvesting season with the farmers.

Road show: Road show takes place to promote new agro product among the farmers.

Leaflet/Flyers: Leaflet/Flyers are also a common promotional material for the agro input companies.

Flip chart: Company representatives uses flip chart with useful information about cultivation along with name of some relative product from that company.

Video Show: Companies make learning based short film on their product with useful information given by known TV face among the farmers and then shows that at farmer's meeting or road show.

When asked about common promotion places Mahsiqur Rahman from GME agro said that usually companies target large bazar, dealer/retailer shop, crop cluster area, farmer's meeting place or any local gathering to promote the product. Company representatives or field officer pays visit to area's farmer time to time beside this promotional activity to suggest any pest related problem or crop related problem they are facing. In this way company becomes more reliable to the farmers and gain his trust.



Figure 11: Field Demonstration and court yard meeting going on as a promotional activity

4.6 People:

People is another important segment of marketing strategy when it comes to agro industry. People related to this industry plays a vital role on sales, promotion, customer relationship and growth of the product. As knowledge about product and all the other criteria related to product is very is very important in this industry so, agro companies always try to keep the people related to their business updated about upcoming product, cultivation technique, usefulness of the product, dosage of fertilizer, pesticide so that company representatives become a trustworthy person to go to.



Figure 12: Retailer training going on to upgrade their knowledge level

Mr. Ashraf Ali while discussing on importance of people related to this field said that “Agricultural graduates or diploma holders, market development team(fully), sales and promotion team (partially) are the most important people on this area”. Later, he explained his statement. As company representatives are the one interacts most with the farmer so they need to be always ready with correct information and guidance so that farmers do not face lose because of wrong information. To concrete the idea agro input companies organize dealer/retailer training to update them with new information, send field officer to farmer whenever he faces any problem and also try organize farmer meeting with government agricultural officer so that he can discuss farmer’s problem with them. Sales manager, area sales manager, regional sales manager also stay aware about that whether dealer/retailer are providing proper information or not, what kind of problem farmers are facing and passing on that information to the research team so that they come up with the solution as soon as possible. In addition to that product development team continuously keep their experiment on to find out more profitable seed for the crops so farmer gets a better yield. From my observation while attending such training I found that company always try inform the dealer/retailer about new kind of disease of crops, symptoms, pesticide available in the market so that information gap is never there.



Figure 13: Farmer asking question to agriculture officer on farmer’s meeting

4.7 Process:

When it comes process as in services relevant to industry, there are many organization in agro industry to provide services to the consumer. Bangladesh Agriculture Research Institute (BARI), Department of Agriculture Extension (DAE), Seed Certificate Agency (SCA), Business

Promotion Council (BPC), Bangladesh Crop Protection Association (BCPA) are some of the well know organization who are working to provide service to this industry. To ensure the betterment of the farmer and also to make agro industry more profitable they are constantly working with private and public sector, development projects, agro input company etc. Along with that agro input company also try keep the process more consumer friendly by assigning field officer for customer service, registering seed and other inputs after proper examination, trying to fill the information gap between farmers and private company. To show briefly how all the services and process works in agro industry an example for seed sector is given below which commonly known as Donut model.

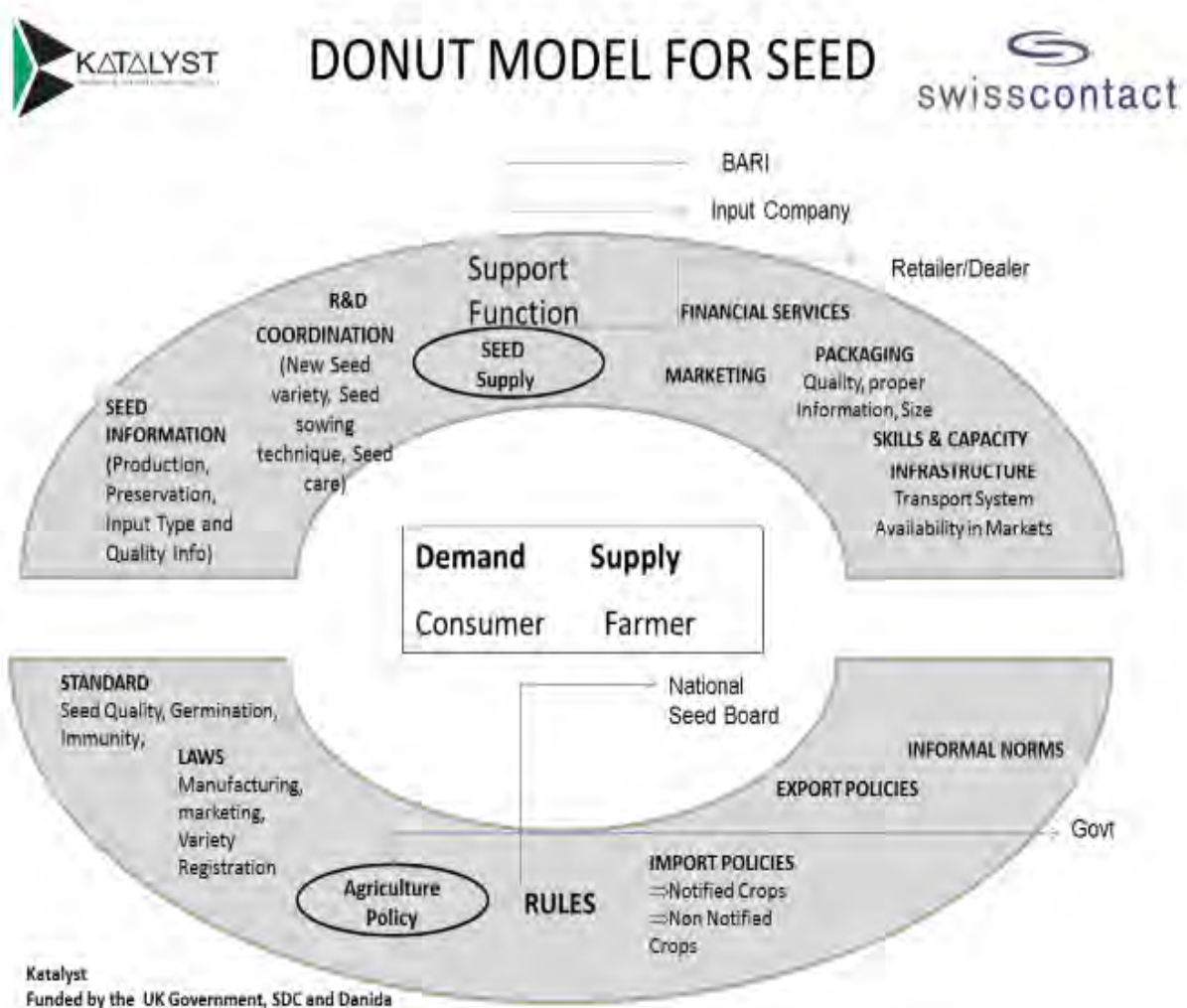


Figure 14: Donut Model for Seed Sector and related services.

4.8 Physical Environment:

Physical environment is considered the space by which consumers are surrounded when they consume the service. The physical environment is made up from its ambient conditions, special layout and functionality also, signs, symbols, artifacts. For agro industry its very much present for the consumers. Agriculture officer office at Upazilla level, Dealer/retailer Shop, farmers meeting, call center for farmer to ask about information, farmer's field day, packaging of the product with relative information, proper examination center of the product all these things work together create physical environment for the consumer to have trust on the service.



Figure 15: Free call center service is available for farmer to ask about agriculture related information

Chapter 5: Conclusion

5.1 Constrains:

Despite many effort from public, private sector, development projects there lies many constrain for agro industry to shine and rise. The visible gap between price at local market and when its brought into towns clearly shows us that farmers are not getting deserving price for their product and they are not the ultimate beneficiaries. As a result, apart from big commercial farmers, small farmers are not getting benefitted enough. So, they affordability, improving of lifestyle is slow on process. In addition to that access of quality seed, proper cultivation tools, lack of knowledge and receiving information properly is creating real constraint. To show an example of the constrain scenario, donut model of vegetable sector constrain is shared below.

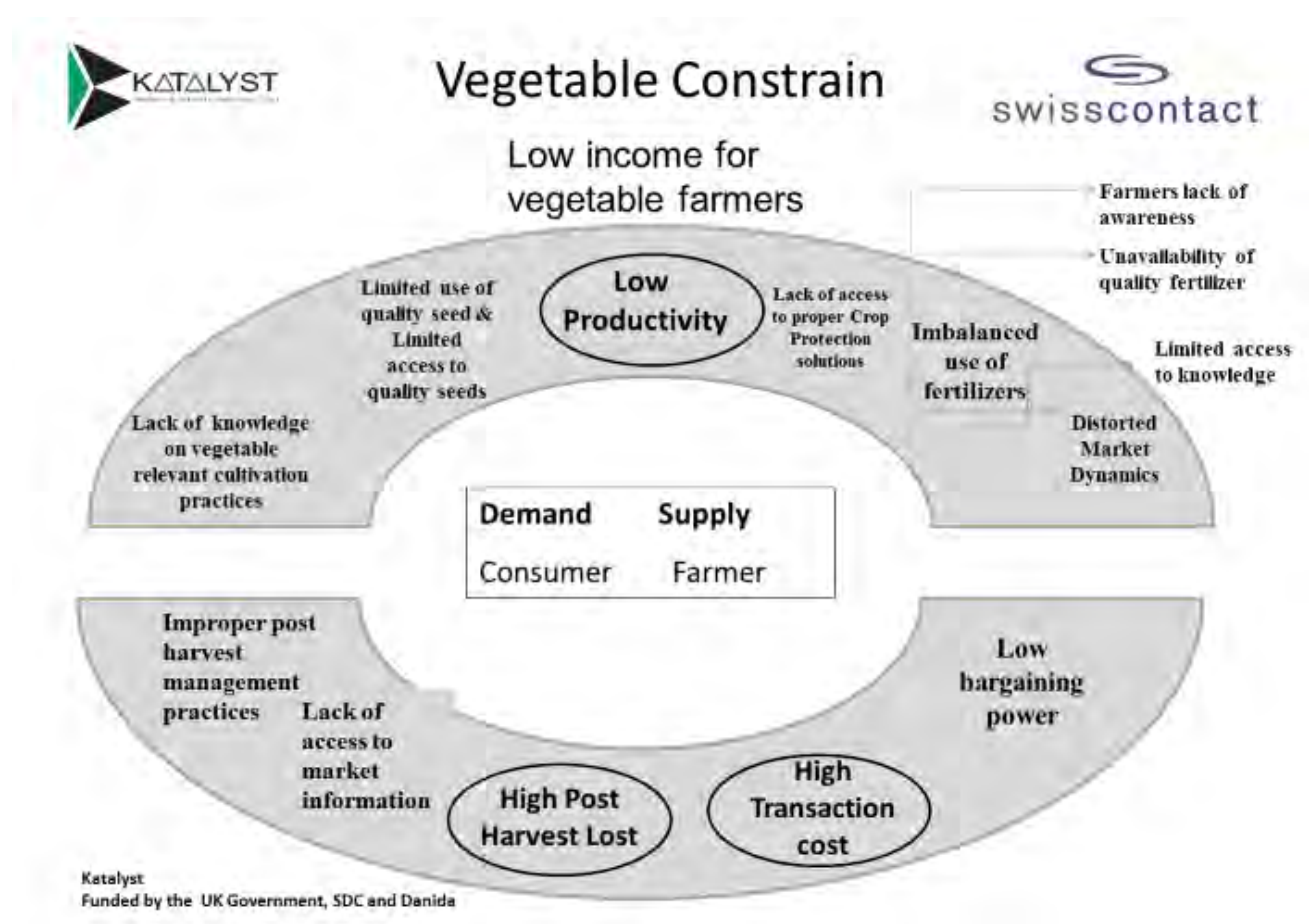


Figure 16: Donut Model for Constrain of vegetable sector.

5.3 Recommendation

To improve the condition more and more all the public sector, private sector, development projects need to work together properly. If the agro input companies can use the resource development projects has to disseminate proper information to the farmer, help accessing quality seeds, provide better crop protection solution, make farmer aware about their bargain power then the income can increase and affordability of farmers can also increase which will bring betterment for the farmer and also for agro industry.

In terms building marketing strategy, to spread the useful information and important agricultural news along with news related to quality products whether radio channel can be an effective media or not, after asking such question Mr. Mahsiqur from GME agro limited replied positively that radio can be an effective media of communication. He also added that he thinks uses of mini billboards can also be an effective media. On the other hand, Mr. Ashraf thinks that companies should emphasize on embedded service (educate farmers on crop production with quality agro inputs, provide farmers with upgraded agro inputs) for the farmers which, will build a better relationship among farmers and company and also will help them increase their earning and affordability which will eventually benefit the agro industry.

5.4 Conclusion

Katalyst being a market development project working with the agro industry has provided me an excellent ground carry out my internship as I was able to get practical experience in many different areas and was given responsibilities that helped develop my skills. Katalyst's activities has been thrilling to observe and very well learning opportunity for fresh graduate like me to get a brief overview on agro industry which was unknown previously. My supervisor and my entire team contributed greatly to my learning process by patiently educating me and also trusting me with key responsibilities. Additionally, having other employees appreciate my work further motivated me to give my best in this field. Hence my knowledge on marketing of agro industry and also work process of agro industry added certain value to my experience.

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www.katalyst.com.bd

Appendix

Survey Questionnaire on

“Marketing strategies adopted by Agro input companies to reach the bottom of the pyramid”

Name:

Company:

Designation:

Telephone: Age:.....Date: Time.....

I am student from BRAC University, undertaking a research on **“Marketing strategies adopted by Agro input companies to reach the bottom of the pyramid”** for my Internship Report. The information provided by you will solely be used for academic purposes. I would appreciate your cooperation in spending a few minutes in filling this questionnaire.

1. What are the common marketing activities conducted by the agro input companies to promote their products?
2. What kind of pricing strategy is followed by the agro input companies for their various products?

3. What are the common price range practices among agro input companies on their agro product?
4. Please mention about the packaging system agro input companies follow. (Such as: Size, etc.)
5. What are the common places in specific areas used to promote a product?
6. What are the selling points of an agro product in certain areas used by the agro input companies?
7. Can you please mention about people who are involved in promotional activities of the agro product?
8. Which are the most popular promotion practices of agro input companies to reach to target consumers?

9. What are the promotional activities followed by the agro companies when marketing seeds?
10. What are the promotional activities followed by the agro companies when marketing crop nutrition products i.e. fertilizers?
11. What are the promotional activities followed by the agro companies when marketing crop protection products i.e. pesticides and bio-pesticides?
12. Do you have any suggestions in terms of improvement areas for agro companies for their marketing strategies?