Spices Marketing: Sales Promotion Strategies and the Pay Offs-

ABSTRACT

The use of spices dates back to centuries. The known origin of spices was India and over a period of years new countries have started producing spices. The stiff competition that had emerged in the international markets for spices have created the culture of commercialisation. This has necessitated market promotion exercises to sell spices and spice products.

Objective

a. Assess the volume and directions of international trade in spices in emerging markets and to examine the place, positions, production and export potential of selected Indian spices.

b. Indian share in world market and the scope for different spices.

c. To identify the nature and extent of different promotional strategies.

d. To understand the benefits that have come in terms of rise in exports with specific reference to select individual spices.

e. To offer suggestions for future.

Materials used

Both secondary data and primary data have been used. Secondary data collected from annual reports of Spices Board, Union Ministry of Commerce, Government of India, Audited Accounts of Spices Board, Reports of the International Pepper Community, Jakarta and International Trade Centre, Geneva, statistics relating to exports, imports, prices, re-exports, production, productiv-
ity collected from research institutions, apex organisations, Government Departments. Primary data collected from exporters.

**Methodology**

The study focused on area, production, yield, productivity and exports of spices from India for the period 1988-89 to 1997-98.

1. Sales promotion strategies and the payoffs in spices.
2. Four major spices based on the share in total spices exports from India in terms of value and volume.
3. Spice exporters selected based on status of holding quality certification pertaining to processing and hygiene standards.

**Summary of findings**

The present study is based on data collected from both secondary and primary data to know the extent of market promotion sales promotion strategies and payoffs in spices.

1. The Indian Spice trade's fortune is depended on the rise and fall of the four major spices, pepper, chillies, ginger and turmeric.
2. Productivity of pepper, chillies, ginger and turmeric need to be raised to bring down costs and to become globally competitive.
3. Indian pepper exports warms up when global supplies fall.
4. Production of chillies require good attention by way of good plant care tactics and improved post-harvest operations. Issues on microbial loads are to be sorted out.
5. Disease tolerant and pest tolerant strains of ginger and turmeric required to improve productivity and cut costs to emerge more competitive in export markets.

6. Every rupee spent on market promotional programmes has been found to contribute to the exports both in volume and value.

7. Spices promotion programmes presently in vogue are found favoured by the trade.

Suggestions

a. Export-market oriented production

b. Steps to bridge yield gaps in spices

c. Mission development approach for export-orientation in pepper, chillies, ginger and turmeric

d. Compilation of IPM/IDM in spices and thrust on organic production.

e. Mechanism for holding export stocks for release in the absence of competitor.

f. Benefits for farmers and exporting companies doing backward linkage for export on the lines of export-oriented industrial units.

Conclusion

In the competitive market especially for agricultural commodities, the pull and push of the buyers always are crucial factors, but the attempt to promote products in all respects will better the prospects. Silent selling is not a feasible option in a market frequented not only by producers but also by re-exporters, agents and brokers.