Chapter - 2

REVIEW OF LITERATURE
2. REVIEW OF LITERATURE

2.1 Agrochemical Industry landscape
Agrochemical industry is one of the inseparable part of agro trade dealing with trading of pesticides and plant growth products. FICCI (2013a) highlighted that the relevance of the agrochemical industry to the nation cannot be overemphasised at this point in time. India need to produce an additional 100 MT of food grains if it is to feed its population over the next 30 years.

As per Phillips McDougall (2011) the global market for chemical crop protection products was valued at $44,015 million in 2011, a rise of 14.9% in comparison with 2010. During 2011 the market for genetically modified seed reached $15,685 m., reflecting an increase of 21.9% over 2010. The major crops affected by this technology are maize, soybeans, cotton, canola and now also sugarbeet in the USA.

When currency factors and trade-weighted inflation are extracted, the market for conventional crop protection products rose by 5.9% in 2011. Similar to the previous season, crop planting in 2011 benefitted from improving crop commodity prices, but was again hampered by adverse weather conditions. In the EU the trend in planting was towards cereals and away from oilseed crops, with the result that the EU cereal area rose, with agrochemical usage benefitting from an early spring, but hampered by a dry early summer in Central West Europe. Cereal planting in Russia was affected by continuing drought. In Latin America, high crop prices and better weather benefitted market development in 2010/11.

At the regional level the most significant growth in the value of the crop protection market occurred in developing markets, with the Latin American region registering significant gains, led by Brazil. A strong performance was recorded by the NAFTA region. The Asian sector also developed well, although value was depressed on currency translation. Overall Europe performed well, with double digit local currency growth experienced in several countries despite adverse weather.
In the USA, maize planting got off to a good start but soybean planting was held up by wet weather, which washed out some maize, resulting in the need for re-planting. The US maize area increased, but soybean area declined, whilst crop prices declined as the year progressed due to the expectation of a large harvest, although the quality of the harvest was affected by adverse weather conditions. Cotton planting increased significantly. The spring season in Canada was severely affected by flooding for the second year in succession which affected both cereal and canola production.

During 2011, growing conditions were generally difficult, with Canadian acres reduced by flooding, autumn cereal planting in Russia affected by drought and production in the EU affected by a dry early summer in central west Europe, and cereal prices declined only marginally. Wet weather in the USA depressed the quality of the maize harvest and affected soybean planting. Drought affected northern China, flooding affected Thailand and the Tsunami resulted in lost agricultural land in Japan.

The area of GM crops rose again, increasing the competitive nature of the US and Brazilian markets. However, improving glyphosate prices benefitted growth of the agrochemical market on these crops. In the second half of the year crop prices began to weaken, despite this the 2011/12 year in Latin America got off to a good start. The US dollar generally weakened against most major currencies during the year, especially the Swiss franc and Australian dollar.

The major long term factors affecting the crop protection market in recent years have been variable commodity prices having a direct impact on farm incomes in all the major developed markets, crop usage for bio-fuel production, economic performance affecting volume growth in developing markets and the uptake of biotechnology predominantly in the Americas, particularly herbicide tolerant crops that result in value being lost from the herbicide sector. Over the last five years the greatest growth in dollar terms has been recorded in Latin America, followed by Asia and then Europe, especially in Central European and East European countries. In 2011, all regions recorded increased sales in $ terms.

As per Phillips McDougall (2011) Relationship between Agrochemical Market and GDP is very positive. The value of the Agrochemical market in 2011 to economic development in terms of GDP is in up trend. The correlation suggests that as the economies in developing countries improve then agrochemical usage can be expected to increase.
As per Phillips McDougall (2011) in 2011, the US market for conventional crop protection products in terms of products used on farm, but at ex manufacturer prices, rose by 6.0% to $6,700 million. Despite this growth, the USA lost its position as the leading country market in the world to Brazil. The market for GM seeds (seed sales including technology fees) amounted to $10,773 million, 13.8% up on the previous year and equivalent to 68.7% of the global market. Generally, growing conditions at the start of the year in the mid-west were good, resulting in maize planting on schedule, although subsequent wet weather affected crop development and disrupted soybeans. Crop prices were generally improved from 2010, whilst the ethanol remained profitable due to low natural gas prices, resulting in a positive environment for fungicide usage on maize and soybeans. The non-crop market was affected by a weak general economy, whilst glyphosate prices declined further despite sustained demand for usage on GM crops.

As per Phillips McDougall (2011) the long term trend for the US agrochemical market is one of limited improvement, with the worst effects from the uptake of GM technology now having passed, with that sector now approaching maturity in area terms. Market growth in 2011 was held back by low glyphosate prices, although some recovery has been seen in 2012 which is expected to continue in the immediate term. Increasing usage of fungicides on maize and soybeans, and a lesser extent cereals, a factor which drove expansion in 2008, is also expected to continue in years when the economics of crop production allow.

The Brazilian market in agricultural year 2010/11 for conventional crop protection products rose by 19.9% to $7,002 million, ranking Brazil the topmost country in the globe. The market was driven by improved crop prices, although the agricultural economy suffered from high interest rates and the strength of the Real against the dollar, such that farm income from exports was depressed in local currency terms. The general economy continued to grow, but at a slower rate than in 2010. Planting of most major crops increased, except for cereals, as the outlook for crop prices during planting time in August/September was strong, due to weather affected production in the USA and parts of Europe. The 2010/11 agricultural year was the seventh when licensed planting of GM soybeans occurred, and the third for GM cotton and maize.

During 2011, the German market for conventional crop protection products increased by 11.2% to €1,386 million. On conversion to dollars the market rose by 16.8% to $1,927
million. At this sales level the country is ranked as the sixth largest crop protection market in the global industry.

Overall market conditions in Germany suffered from a harsh winter and a dry summer in the south, but benefitted from an early spring and improved agrochemical prices. On elimination of currency and inflation effects, the market increased in real terms by 9.1%. The German economy continued to expand in 2011, following the global economic crisis in 2009. Overall GDP rose by 2.7%, with growth driven by increasing manufacturing and exports. Unemployment declined again to 6.0%. The agricultural economy improved in 2011, due to stronger commodity prices, but still well down in the peak levels of 2008. In 2011 the crop protection market benefitted from improved volumes, due to better weather and stronger prices.

The Japanese market during 2011 the value of for conventional agrochemicals increased by 0.9% to Yen 318.5 billion. On currency conversion this equated to an increase of 11.1% in US dollar value to $3,996 m. With this sales value the country is ranked as the third largest global country market for crop protection products.

The arable sector in Japan is restricted by the fact that much of the country is mountainous, with less than 12% of the total land area being suitable for crop production. Arable crop production in the country is dominated by two main crop groups, rice and fruit & vegetables. Rice growing in Japan differs from most other countries in Asia, with only one crop being planted each year. Virtually all of the rice is grown by transplanting in paddy fields, with the usual transplanting time being in May, followed by harvesting in September and October, depending on the crop locality.

In 2011 the conventional crop protection market in South Korea at the distributor level increased by 3.0% to Won 606 billion: on currency translation to US dollars, this value equated to a rise of 7.5% to $547 m. At this sales level the country is ranked in sixteenth position in the global crop protection industry. This data is lower than that reported by the national association KACIA which reports at the formulator/end user level.

Overall the arable sector in South Korea represents some 17% of the total land. The arable sector is dominated by rice with over 60% of the total area planted to the crop. Only one rice crop is planted each year mainly in June with harvesting taking place in October. Other significant crop sectors in South Korea are fruit, vegetables, cereals and soybean:
The Korean agrochemical market had been increasing steadily in local currency terms in the mid-1990s, however since then performance has stagnated and fallen into decline. The first major decline occurred in 1999, coinciding with the economic crisis that hit the country and resulted in a devaluation of the currency, although confidence has returned since then, agrochemical usage has hit a period of stagnation. In 2011, the general economy continued to recover from the global slowdown in 2009, driven by export growth and low interest rates. The country has benefitted from moderate inflation, low unemployment and an export s

The Chinese crop protection market value in 2011 is estimated to have increased by 14.2% to reach $2306 m. With this level of agrochemical sales the country is ranked as the fifth largest country market in the global crop protection industry.

China is the top agricultural producers in the globe with around 15% of the total land area devoted to arable agriculture. Despite having the world’s largest population, the country had traditionally been virtually self-sufficient in agricultural produce. Multiple cropping is a further feature thereby ensuring that output on a per area basis remains high. However, this situation has altered in the 2000s, particularly for grains, with increasing consumption resulting in the country now becoming a net grain importer. The government has addressed this by paying grain subsidies to farmers for the first time, as well as investing in irrigation programmes. As the general economy in the country has been rapidly expanding, it has raised concerns that the rural economy is slipping behind. The government has again addressed this with a number of programmes aimed at rural regeneration, with the added benefit of potentially increasing crop yields.

The key grain crops in China are rice, cereals and maize, however because of the relative topography of the country a diverse number of other grains are also grown. Fruit and vegetable production is also well developed with over 11 million hectares devoted to fruit production. Because of the increasing industrialisation and commercialisation of the country, arable land has come under pressure and in view of the steady erosion of crop land, particularly near cities, the Chinese authorities have adopted a plan that calls for marginal land being brought back into production. Despite this policy the acreages of several of the key row crops are currently in a phase of decline.

The Chinese authorities are pursuing a series of investment policies aimed at expanding agricultural production, however in 2011 the area of maize rose by 2.8%, cotton by
6.8%, rice by 0.4% and cereals by 0.1%, the soybean area declined by 10.2%, rapeseed by 3.7%, sunflower by 3.1%, sugarcane by 5.3% and sugarbeet by 15.8%. In 2009 and 2010, planted areas and production were both affected by dry weather in the south of the country. In 2011 drought in the north of the country was an issue, whilst unfavourable weather conditions in many regions affected crop production in 2011, however this was offset by generally higher planted areas as a result of increased grain prices and improved subsidies to growers in the country.

Growth of the Chinese agrochemical market has been relatively steady over the last ten years. In local currency terms the market increased until a downturn in 2009 due to low insect pressure, drought in southern China and low product prices. Despite continued dry weather in southern China in 2010 and continued adverse weather in many regions in 2011, market recovery was recorded. Over both the last five and ten year periods growth of the Chinese market has exceeded that of the world market.

Domestic production of agrochemicals in volume terms has increased steadily and exceeded 2.6 million tonnes in 2011, up 21.4% on 2010. During 2011 the value of the Chinese market increased by 9.0% in Yuan terms and by 14.2% in dollar terms to $2306 million. In terms of crops, the main markets are to be found in rice, fruit and vegetables, maize and cereals.

FICCI, (2014a) highlighted that globally, up to 40% of crop output is lost due to attack of pests, weeds and diseases. Need of the hour is an ultimate solution. To overcome these challenges, it is essential to use crop protection chemicals. It is evident that the role of crop protection chemicals is not limited to protection, they help in yield enhancement as well...

Production of agrochemical products in India is well advanced with over twenty companies active in product manufacture. Dominance of local companies can be traced back to previous governments imposing tariffs on imported material, resulting in the development of a local industry which, although commodity product orientated, also gained a reputation for the manufacture of high quality products using low cost process technology.

India with 180 million hectares of land stands second largest agricultural coverage in the world arena. Consider the India's workforce it is almost a 47% is employed in
agricultural occupation; however its contribution to the GDP is a mere 14%. (FICCI 2014b). Around 81 million hectares of India’s land is under deserts, threatening the food security at this point in time. Other problem is the overgrazing of land and changing climatic patterns are exacerbating the situation. Farmers in India with lack of proper skill, awareness & technology end up into low production of outputs.

FICCI (2013c) highlighted that while the Indian agrochemical industry has largely been focussed on producing generic, off-patent molecules, and well-tested formulations, sustainable growth will come from an ability to offer differentiated, high-performance, low-impact products developed through a well-structured innovation process. Further FICCI (2013c) highlighted that while the development of new active ingredients (technical, in industry parlance) is mainly the domain of international majors due to the high costs and long timelines involved (upward of $250-mn and up to ten years), the research and development of novel formulations and delivery systems is clearly not beyond the scope of Indian industry and research laboratories. A mere handful of companies and institutes are active in this space. One of the premier set up the Institute of Pesticides Formulation Technology (IPFT) at Gurgaon (Haryana), a research lab dedicated to pesticide formulation development, has developed a number of technologies that have been transferred to industry for commercialisation.

Kazmi and Batra (2001a) stated as per this AMA definition, one may infer that any promotional tool which is precisely not a part of advertising categories, should be considered under the head of sales promotions.

Kazmi and Batra (2001a) referred to Roger A. Strang who has defined sales promotion in fewer words and says; “SP is quick benefit to gear up sales any product”

According to Phillips McDougall (2011), the Indian market in 2011 for conventional crop protection products increased by 10.0% to Rs 53,784 m. On currency translation this equated to a rise of 7.7% to $1,154 m. At this sales level the country is ranked in eleventh position in the global crop protection industry. Due to high margins and a multi-step distribution system, the end user level of the market is significantly higher.

FICCI (2013b) referred to an estimation which depicts that the agrochemical sector in India will reach by INR 42000 crore where in export will be INR 22000 crore as
compared to the existing approximately INR 12000 crore. If we refer the sectorial
growth it is around 8%.

According to Kathpal T S (2014) globally the use of pesticides began after the Second
World War. However in India the DDT and HCH (BHC) came into use in the early
fifties. The intensive use of these pesticides contributed mainly to the Green Revolution
in India in the late sixties. With insects, pests and diseases of high yielding varieties
under control, not only did the food production increase manifold but even the quality of
the farm produce, particularly vegetables and fruits, improved significantly.

The insecticide Act-1968 was formulated to regulate the manufacture, sales, storage,
transport, distribution and use of pesticides in India. The pesticide Registration
Committee formulated under this Act consists of experts of different fields associated
with pesticides. It was on the recommendations of pesticides.

FICCI (2014b) highlighted that the recent GHI (Global Hunger Index) rating of 2013
puts India at 16th position amongst the 120 developing nations covered. Compared to the
global average of 13.8, the hunger index in India has a value of 21.3. Child malnutrition
(under 5 years of age) in India stands at 44%, much higher than neighbouring countries
like Pakistan, Bangladesh and many African countries.

In the cover feature crop protection of Agriculture today Khan, M (2011a) mentioned
agrochemical products generally referred as pesticides are used for killing of unwanted
pests in the field or household. With the changing time new generation molecules are
developed and are safe to human and mammal.

Asking for the second green revolution, the evergreen revolution or the rainbow
revolution, whichever name is assigned to it, we do need to increase our production
levels significantly. This is the place where pesticides come into picture- as those agri-
inputs that help increase production by reducing losses caused by the numerous prevalent
pests in terms of quality as well as quantity. Need of the hour is to increase production
and reduce losses and that is exactly what we aim to achieve through the judicial use of
pesticide products.

Khan (2011b) emphasized in the 21st century the real threat in the agricultural sector is
reasonably different then the pre independence era where in the pressure for food grain
production was much higher than before. Careful selection of agricultural inputs are of higher priority than before.

FICCI (2014a) highlighted Use of crop protection chemicals can increase crop productivity up to 50%, which helps mitigate crop loss from pest attacks by 40%. One of the estimation depicts that approximately 22% of food grain lost due to post-harvest pest attacks. Thus, crop protection chemicals are essential to ensure food and nutritional security

2.2 Agrochemical Product Marketing In India

Highlighting Indian crop protection market Pucci J (2014) mentioned that is expected to grow by about 7% this year, faster than gains at the global level. Industry Analyst Emily Park, lead author of the research firm’s new estimation stated in his report. Citing Buyer, Monsanto, Syngenta, United Phosphorus and Rallis India as the most important players, Park said India is expected to improve its crop productivity as its agricultural practices intensive greater use of crop inputs and more sophisticated from machinery and equipment.

Domestic production of agrochemical products in India is well advanced with over twenty companies active in product manufacture. The dominance of the local companies can be traced back to previous governments imposing tariffs on imported material, resulting in the development of a local industry which, although commodity product orientated, also gained a reputation for the manufacture of high quality products using low cost process technology.

As the Indian industry developed and import/export barriers were reduced, many Indian companies have looked to export markets for sales opportunities. This has resulted in the level of exports of agrochemicals from India increasing in recent years and in 2011 overall exports of crop protection products by Indian companies totalled $1,097 million, up from $186 m. in 1986. However due to competition from low cost products from China, agrochemical exports from India need to be subsidised to be competitive in many markets.

Local manufacturers have come under increased regulation, now that the country is part of the WTO and has passed intellectual property legislation which precludes the manufacture and sale of any product patented after 1996, without the permission of the
patent holder. This has resulted in proprietary chemistry taking a larger market share. Tariff reduction on advanced intermediates also led to increasing importation of such products for final coupling in India, to the detriment of complete manufacture in the country.

In addition to the activities of the local companies, most of the agrochemical multinationals are active in the market, either directly or via local distribution agreements.

According to Phillips McDougall (2012), the Indian crop protection market has again benefitted from sustained crop prices, new product introductions and high crop demand, however the monsoon season was again variable. Overall, the Indian agrochemical market is likely to have grown in excess of 10% in Rupee terms.

There are a number of structural alterations that have benefitted value growth of the Indian market, particularly regarding intellectual property, the usage of newer products on crops for export and improving prices for government crop purchasing. The country is a signatory to the WTO and the Paris Convention for International Patents. Since 2005 IPR for any product first patented after 1st January 1996 has had to be observed. At present it takes between 2-3 years to achieve a new product registration in India, however a me-too registration could follow immediately and take only 9 months, although the adherence to intellectual property has ended this me-too registration capability for products patented after 1st January 1996.

Phillips McDougall (2012) highlighted that in the past the market had been held back by a lack of new product introductions, pushing the market toward older products often suffering resistance. This is no longer the case with many of the major companies now bringing a large number of products to the market, both patented products and also older products that had not previously been exploited in the country.

Re-registration of older products, particularly in the EU, has had a major impact on the Indian agrochemical industry, not only through limiting the potential export of agrochemicals but also the usage of products on crops grown for export. Crops for export are grown utilising products which will not conflict with residue legislation in their intended destination markets. This has driven the market toward higher value products and a more professional and accountable situation. Indian authorities are also
undertaking their own review of older chemistries, with endosulfan being banned on most crops in 2011. In 2008, a new law governing pesticide regulation was approved, replacing the 1968 Insecticides Act.

Product distribution in the country has always been a problem, with nationwide distributors not being a factor in the market place. This was starting to change, with companies that have distribution infrastructure now taking an interest in the agriculture sector, and other companies such as ITC (formerly Imperial Tobacco) now acting as a grain trader and potentially moving in to agricultural inputs also, with Reliance also taking a similar position, supplying everything rural inhabitants need. This procedure now however appears to have stalled.

Dutta P. K. (2011) highlighted the purchasing pattern there are various type of complex issues associated with the rural consumer while making a purchase decision which are like social custom, caste system, traditions etc. these factors create a barrier while a customer goes for purchasing of any product and deviate at the point of purchase and influenced easily with the name tradition.

The key drivers of the market remain the improving economy driving demand for higher quality and different foods, improving crop prices underpinned by government support and improving the farm economy, this improved wealth allowing the trading up to more advanced higher value products now available in the country following the passing of intellectual property legislation

One of the vital factor which is quite different from urban marketing is word of mouth promotion. In the rural market the opinion leaders play a significant role in making others purchase deviation.

Chauhan M.S (2012) narrated with changing time now a days rural masses are availing many facilities which can be used as a channel of communication. Technology is reaching very fast and emerging trends already taken rural masses in clutch. Mobile services are penetrating rural India in a much faster way.

Khan (2011d) mentioned in Agriculture Today India ranks 10th in global ranking as far as usage of pesticide is concerned, around 0.5 billion tonnes get through in India. As far as position of India is concerned, currently it the highest producer of Agrochemicals in south Asia excluding Japanese agrochemical industry. Khan highlighted that Indian
agrochemical market stands twelfth accounting to 1.6 % of the global market pie. The opportunity for growth of the industry is immense in the world. Technical grade manufacturing is in its initial phase and medium scale and 400 pesticide formulators (of all sectors) spread all over the cover the country for use in agriculture, public health, and household and plant protection.

Khan (2011f) explained this Agrochemical industry still occupied by conventional or generic mindset as compared to the developed countries in India. The home and garden division in this sector far behind the home and garden segment of USA, need of the hour is to revive and educated the farmer along with urban household.

Palanivel & Senthilnathan (2011) emphasized that the dealers of the company Monsanto were more attracted by activities by activities like supply of free samples, demonstrations, dealers meeting, advertisements and cash discounts. Referring to companies as far as the company pioneer is concerned, activities like dealer meeting, supply of free samples, demonstrations, cash discounts and advertisement were ranked the best by the sample dealers. If we consider Bayer, it was found that a good dealer margin, credit limit, advertisements, demonstrations, and special incentive were ranked the best. Take the case of Advanta, it was identified that credit limit, good dealer margin, advertisements, cash discount and special incentives were found to be the best by the sample dealers. With regards to Syngenta, their performances like dealers meeting, demonstrations, supply of free samples, advertisement and cash discounts were ranked high.

In a study identified by Palanivel & Senthilnathan (2011) all the dealers preferred good packing, availability of hybrid maze seeds at right time, company image and moderately preferred user preference, higher margin and brand image.

Kumaresh (2011) narrated that since most of the farmers and dealers were unaware of the product there should be more promotional activities to make the product stay in the mind of the customer. However the promotional activities such as trials and demonstration and peer group influence was significantly high in study area, so the firm can give free sample to the leading farmers to prove efficacy of the product as sales promotional tool.
According to Kumaresh (2011) since the agricultural input market is dealers push market i.e. the source of information for the farmer flows from the dealers and influence their adoption level. According to kumaresh the dealers should be educated thoroughly about the special features so as to influence the adoption level of the farmer. Trade promotion measures like Dealers Training, Tour, Gift, Schemes, reasonable margin and other incentives may be revised in order to capture the attention of dealers suggested by Kumaresh (2011).

Since the level of education is low and awareness among farmers about the suitable kind of pesticide, its dosage and quantity and usage frequency are not acted upon. Truly it is not easy to reach the farmers owing to infrastructure issues, regional languages and dialects of the region. A channel which is a key point of link between the farmers and the manufacturers are the retailers who don't have much of a technical experience and are unable to provide a proper product understanding to the farmers. At the same time it is also not easy for the farmers to express their needs efficiently to the producers of pesticides.

Now there is a horrible need of a structure that can control distribution outlet effectively. The market being principally generic in nature makes a sturdy and well-organized distribution network essential for the agrochemical market. However the industry is facing difficulties due to supply chain inefficiencies and inadequate infrastructure which results in post-harvest losses estimated at INR 45,000 crore (FICCI, 2014c) every year, thereby impacting the farmers day to day life. Truly the lack of efficient distribution system also makes it hard for the agrochemical companies to get to the farmers to publicize their products and teach them about their practice and profit of the usage of the product.

Since there is no brand awareness structure there is a significant share of duplicate pesticides which can be fake, unauthentic, impure or sub-standard. According to the industry Estimates the spurious pesticides could account for up to 40% of the pesticides Sold in India in FY13 (FICCI, 2014c). Agrochemical products are inferior formulations which are unable to kill the pests or kill them economically. Few such products do perform but leave bye products which may drastically harm the soil and environment. Such products’ damage intensity is manifold. Moreover other than the crop loss and damage to soil fertility use of sub-standard products leads to loss of revenue to farmers,
agrochemical companies and government in terms of low crop production. Some of the key reasons for use of second-rated products are lack of awareness amongst the farmers, difficulty in differentiating between genuine and sub-standard products, supply chain inefficiencies, law enforcement challenges and influencing power of trade. The long development period for new products is a major concern: It takes almost 10 years to bring a new molecule into the market which is too high. For the generic products even it can take up to 5 years to get the product registered in India. The regulatory bodies do not have adequate resources and infrastructure to execute timely registration of Agrochemicals. Most of the times the rules are not clearly defined creating interpretation challenges for the regulatory bodies directing to the confusion thereby adding to the complexities for the crop protection chemical organizations.

There are many factors that affect the brand building of an agrochemical product such as (a) crop prices: if strong and sustained during the year then branded product will move (b) if Strong volume growth in all regional markets brand necessity increases (c) improvement in all segment prices (d) Variable Weather (e) No drought & flood across regions (f) Soothing winter and dry summer (g) Wet summer, at least the 203 good rainfall (h) No Variable monsoon in India states (i) Improved weather condition in Tea & Grape (j) Increased usage of pesticides in GM crop

2.3 Global Agrochemical Product Marketing

Pucci J (2014) highlighted few things about BRAZIL crop protection market as Growers associations, the Ministry of Agriculture, Farmer lobbies and company associations including AENDA and SINDIVEG are” very involved in presenting proposals to the Casa Vivil (Presidency)” asking for reasonable changes in the registration procedures,” Domingues said. The bad news; He is doubtful Congress Will enact changes this year, with Brazil’s three regulatory agencies (AN-VASA, MAPA and IBAMA ) still lacking clear, unified leadership on the issue.

Pucci J (2014) highlighted the crop protection or Agrochemical market of USA as a stagnant market of 5-6% growth. There are as many as seventeen distributors with more than ninety percent market share in U.S. agrochemical market.

According to Pucci J (2014) about Mexico market as a new tax law will impact growers, and therefore agrochemical distributors in Mexico this year, Omar Olmos, regional director of Kleffmann LATAM Norte said. It is important to keep the generic brands
under observation, because they now have the necessary conditions to quickly gain market share.

According to Pucci J (2014) about RUSSIAmarket as Russia have some of the last great agricultural reserves on the planet. With 130 million acres of arable land, the county accounts for more than 10% of the world’s agricultural lands. Pesticide use in 2013 grew 17%, with eight companies accounting for more than 80% of all pesticides applied, said Kleffmann Group’s Elena Alekperova, who is based in Moscow. Cereals make up 70% of the country’s cultivated crop area, yet only 73% of the acreage was treated with selective herbicides, 24% with fungicides and 29% with insecticides.

**Promotion of Agrochemical Brands**

Panda(2013a) highlighted that Promotional activities should reach up to grass root level and there is a need of Innovative promotional activities in this sector. Large & mid segment farmers (>5 acres) have been found out to be more receptive towards branding communication and brand message deliver. Panda (2013a) in his paper suggested that they can be educated about the brands by one to one approach, may be through demonstrations & trainings of the new and existing products. These progressive farmers in turn influencers and a prominent source of awareness among the small and marginal farmers in that locality. Brand recall activities such as training, field visit, and demonstration should reach up to grass root farmers, so that affectivity of those activities will enhance.

Due to high margins and a multi-step distribution system, the end user level of the market is significantly higher.

Agriculture being a vital part of Indian economy the dependent of people on this profession is very high. A significant segment of population is still earning their living to some degree on agriculture or the allied agriculture sector.

Two main factors contribute to this, namely a lack of sufficient input supply for agriculture and a weak rural infrastructure and facility. The timing and strength of the monsoon is critical, and in 2011 it was relatively sporadic, holding back crop production and market growth.
Steps of rural branding may fit to the Agri input marketing. Much of the population is a part of rural India. Many crops are purchased centrally at government set prices; in 2011, an election year, these prices were held, slowing the growth of the farm economy. Transport is another problem, often resulting in crops having to be sold locally at unfavourable market prices. As a result farmer income is generally low and while several governments have initiated rural investment programmes, crop production fails to meet the considerable potential that exists.

The key food crops grown in India are cereals and rice, however oilseed crops, fruit and vegetable production and cotton are also important.

Almost all the farmers or end users of all the crop segment needs to be focused instead of low hanging fruits in the vegetable segment. End users having habit of credit purchase, companies need to focus on branding activities at the grass root level through POP displays.

Pesticides can play a vital role in overcoming the challenges faced by Indian agriculture sector, thereby ensuring food and nutritional security for the country. Ultimate option by which this can be achieved is by developing innovative products or services; expanding the product/service offering and promoting the use of agrochemicals amongst the end users, i.e. the farmers or end users. The low consumption levels provide a significant opportunity for agrochemical companies to increase their market penetration up to a significant level by tapping the niche market. Few of the important imperatives are product innovation (Product innovation needs to capture emerging market trends and match international standards) & farming solution End to end (Companies should look for opportunities to provide a comprehensive agri offering to the farmer, or a one stop solution for the farmer ranging from agriculture and farm inputs to procurement, storage and distribution services on the output side would help companies develop sustainable business models).

Pillai and Bagavathi (2010) explored the origin and evolution of the term Promo which means move to forward. And further he highlighted that grabbing a good volume is ultimate aim of any organization. Sales promotion necessarily can do this effectively.

Panda (2013b) suggested that agrochemical markets are heterogeneous in nature, one strategy across the country may not be possible to work upon. The mere role of dealers
and distributors are immense as this sector brands which are technical in nature categorically. The dealers and distributors need to be convinced before placing the products to the company. Very customized mass media tools should be selected carefully used as USPs of the products need to communicated lucidly. Spot & result demonstration has been proved to be an effective way as “seeing is believing”, so companies should identify places for demonstration well in advance, so that maximum benefit can be obtained from the activities.

Sales promotional tools and consumer preference

Kotler P (2005a) SP is one of the vital tool in the marketing gimmick that create fire in the market for inducement of sales of the brand in that particular point in time.

Further Kotler P (2005a) highlighted that the company can use sales promotion to achieve many objectives, however, every offer must start by being specific as to which objectives are to be achieved, According to Schultz and Robinson (1992) the objectives should be Specific, Measurable, Clear and concise, Practical and realistic, Affordable and, Attainable. Further Schultz and Robinson (1992) also mentioned the types of promotions for consumers and the trade can be usefully put under two heading, immediate value offer us delayed value offer ‘ and ‘price-cut us extra value offer’.

Pride and Ferrel (2009) explained SP as a creative action that encourage the buyer to look the option available at the shelf as an alternative of the product he or she has come to purchase. In competitive markets where products are very similar, sales promotion provides additional inducement that encourages product trial and purchase. There is big confusion many a times which tool of SP to use especially when there are many factors involved in decision making such as (price, size, weight, cost, durability, uses, feature & hazards) and target market characteristics (age, gender, income, location, density, usage rate and purchasing pattern).

Singh B (2006a) classified methods of sales promotion as three groups viz Consumer Promotions, Trade or middleman or deals’ Promotion & Sales Force Promotion, which includes various tools and devices as per sector and time of promotion.

Wirthwein C. (2010b),’ emphasized that the strategy of Dow agro sciences the peanut case which was not scientific problems rather a marketing problems. The brand Lorsban, a granular product, is applied after the peanut plants emerge from the ground which requires
application equipment not commonly available. The research revealed that farmers considered the pests controlled by Lorban to be seasonal; in wet growing seasons, they tended cause problems, but not in dry years. Amalgamating this problem, which was the fact that most of these pests—lesser corn stalk borer, southern corn root worm, wire worm, cutworm—feed underground. Farmers if couldn’t see them they weren’t there. Out of sight, out of mind. So branding of the product should not only sales.

Kazmi ET. al (2001a) took a review and highlighted SP take in all the equipment in its fold that sometimes it facilitates personal selling also.

Implicit in this early definition is the idea that sales promotion is a subordinate element of promotional strategy, having lesser importance than advertising and personal selling. This view is no longer valid. Sales promotion is one of the most powerful and an important element of promotion-mix. It requires the same careful planning and strategy development as other areas of marketing.

Sales promotions are everywhere, everyday, as observed by almost all of us. When we open a newspaper, a magazine, or switch on the television sets, look at a roadside hoarding, or go for shopping, sales promotions greet us almost everywhere. Figures on sales promotion expenditures are not available. However, it is estimated that around 60%-70% of promotion budget is allocated for sales promotions in case of packaged and consumer goods and the remaining goes for advertising. Sales promotions are becoming increasingly popular in pack material, bulk material &other product categories, such as services, industrial goods and are also used by non-profit organizations.

Singh B (2006a) emphasized that SP also supplements and co-ordinates efforts of advertising/personal selling. Generally it is difficult to choose a particular sales promotion tool for achieving the specific objectives. But the most important area that concerns sales promotion objectives is directly related to the specific promotional techniques to be used (Sarangi S., 2011b).

Gupta (2013) concluded that Demographic variables such as education, marital status, occupation, income, and age have a significant relationship with brand preference the respondents’

According to Bhattacharya S. & Roy S. (2014) Once important aspect of the rural market that emerged was that occupational categories are not only limited to farmers and
farm labourers, but also to other categories such as business. Services and daily wage earners. The increase in literacy level and growth throughout the economy in the post liberalization period has trickled down to the rural economy as well. The farm labourers were more inclined towards television, while daily wage earners were more inclined towards radio. This is necessary if the problems related to availability and affordability has to be addressed.

Referring John a Quelch, Kazmi ET. al (2001a) stated “Sales promotions are provisional motivation aimed to the trade often called as Trade Promo or may be at the end user level known as Consumer Promo.

Dutta (2010) envisaged sales promotion as a significant trend in marketing communication than publicity. The push and pull orientation many times helps in transferring power house to the brand.

Kazmi ET. al (2001a) explained in our view, the following definition is more encompassing SP takes on enticing proposal for a shorter period of time which is excluded from publicity. The objective of SP is to create or generate responses on behavioural front which ultimately spur the initial sales.

Staley M. Ulanoff, in “Handbook of Sales Promotion”, has given a fairly exhaustive definition of sales promotion SP includes all the action related to promotion or short term sales activities in the form of sampling, distribution of giveaways etc.

Semenik R J (2002) emphasized SP as an alternative to publicity which help the sales force to self-motivate himself and spur the sales process, repeat purchase by the buyer. The aim of SP is to encourage repeat purchase to a larger extent, it will be certainly different from the AD or Publicity activities.

Maheswari (2012) narrated sale promotion as a requirement to motivate three parties – the consumer (pull strategy), the distributor (Push strategy) and the sale force of marketers along with distributors to push the products. The author quoted the definition laid by UK institute of sales promotion as any activity which aid value to existing product for a shorter time frame by offering an incentive to purchase.

SP looks more valuable when it is used hand in hand with advertising. The effectiveness of SP mixed with AD enhances more by 10% in comparison than solo usage.
According to Stephan T (2000) coupons, rebates etc. are taking a good split of SP and known to be the best alternative for proper action planning for any product.

The development and management of an effective sales promotion program requires a major commitment by a firm Procter & Gamble estimates that during any given year, 25 percent of sales force time and 30 percent of brand management time are spent on designing, implementing, and overseeing sales promotions.

Semenik R J (2002) highlighted SP is unlike the AD not a very sophisticated tool but the expenses are significant and the it is difficult to prove role in brand building exercise.

Panda T K (2007) highlighted that while objectives of advertising are long term and generally of brand building, sales promotion programs often pursue a single goal i.e. to maximize sales in short run.

Gupta & Singh (2013) pointed out several activities which were proven as successful in the FMCG sector are BOGO, Free Gifts, Trial, Free sample etc. are likely to work as a resisting factor in switching of the brand. It has seen that product warranty is also one of the promotional activities quite successful in some of the sectors like consumer durables.

Panda T K (2007) emphasized Sales promotion helps in inducing trial and engaging consumers in the adoption process. It also helps in inviting non-users and past users and potential users to start buying the product. Sales promotion programs help in developing consumer loyalty. Many firms develop consumer loyalty programs by rewarding consumers for each purchase. Sales promotion programs work as a key role player in lifecycle of a product as well as company.

2.4 sales promotion types and preferences
Kazmi ET. Al (2001a) Sales promotion is the only method, among all the available promotional methods, that can make use of a combination of “pull-push” strategy to motivate consumers, trades people and the sales force simultaneously in transacting sales. The two major target groups towards whom the sales promotions are directed are consumers and traders. Temporary incentives, to motivate the sales force are also considered as sales promotions directed at the sales force and are often referred to as sales force sales promotion.
Jones J. P. (2012a) highlighted that the two sub-sections devoted to sales promotions—this one and the next—are based on the experience of economically-developed countries. Nevertheless they are relevant to India. The specifics contained here will before too long become highly relevant to the Indian market, as a result of the inevitable growth in the size and bargaining power of retailers.

Trade promotions consumer promotion and advertising are funded out of a marketer’s advertising and promotional (A&P) budget. A large category of manufacturers distribute the budget on average in the ratios of 50:25:25, for trade promotions, important is

Slotting allowances (i.e. special allowances for carrying new brands; these discounts grew rapidly during the 1980s as a result of the increase in brand fragmentation—the introduction of myriad brand varieties that took place during that decade). Display allowances. Cooperative advertising allowances (i.e. contributions to the cost of the retailer’s own advertising featuring the manufacturer’s brads). In-store product demonstration. Consumer coupons available on the retailer’s shelves.

Singh B (2006a) highlighted, Sales promotion includes all activities of the company’s product and services which promote sales. All these activities are called sales promotional activities and serve the few objectives viz Increase’ Sales Volume (The main purpose of all Promotional activities is to enhance the quantum of sales i.e. by distributing samples, purchase premium, discount free gifts and giveaways), To Keep The Memory Alive of the present customers in a certain point in time) To Arrest Seasonal Decline (in slack season, the promotional activities help in maintaining the sales of the product) To Induce Middlemen (by offering more facilities such as credit facilities, higher cash and trade discounts, free gifts, quantity discount etc.) To Face Competition Effectively (Competition in similar products may be quality competition or price competition, Sales promotional tools are mainly deciding factors).

Highlighting about the rural market as target market Panda T K (2007) stated that a target market can be in any of the six stages of buying readiness for any brand. These stages include awareness, knowledge. Linking, preferences, conviction and purchase. What we need to identify is what stage the buyer is in and for what purpose we need to design the program, may be to induce trial, to develop repeat purchase or to try the new product line with existing product.
Choudhury et. al. (1992b) highlighted the key ingredients of successful and effective sales promotion are as follows, it achieves maximum effect at minimum expenditure of marketing budget. It incites the consumer to buy the brand now, It offer what the target consumer wants, It makes its offer in a clear and easily understood manner, It is highly visible, It is closely identified with the brand, It benefits all concerned, It is both credible and honest, It is legal, It is efficiently implemented.

Comparing the urban marketing with rural marketing Thomas (2012) highlighted that there is a huge gap between rural and urban channel of communication. First of all like the elite class sophisticated mode of communication may not work for the rural masses. More than that the one-stop strategies is not going to work; a judicious mix is what may work for the huge mass of rural population or a combination of different approaches judiciously mixed to suit the rural targets, especially activities like rapport building through different tools may be an effective way to a valid course of action into remote India.

The meaning and essence of this subject by considering the different approaches in defining sales promotion.

Arun kumar & Minakshi (2011) uttered sales promotions are short term gain for the consumer and trade partners to encourage purchase or purchase decision making. A customer has to be made believe that he is getting more value for the money he is spending than he would have otherwise got, if the sales promotion was not in operation. Global expenditure in sales promotion is equivalent to media advertising mentioned by the author. Sale promotion has been increasing day by day because of 3 broad reasons 1. Increase in impulse purchasing, 2. Rising income and 3. Proliferation of the products. The author further narrated in some markets sale promotion used so often that the competitors are forced to follow. If a company launches a sales promotion scheme and the scheme is not contested by competitors the company will gain sales at the cost of competitors. In general competitors don’t allow such a scenario to evolve. They launch their own schemes and each competitoreats into the sales of the others depending upon the attractiveness of the scheme.

Lal (1990) further explained the there are four fundamental effect of sale promotion exists viz Brand Switching, Repeat Buying, Purchasing more and accelerating timing of purchase & Increasing Category Expansion and Consumption.Brand switching of this
type is often called as “aggressive” “switching” (Kazmi (2001e)). The second type of promotion effect on brand switching is often called as “defensive switching.” In this case, the objective is to retain the customer by encouraging her/him to buy the same brand as was bought on earlier occasion instead of switching to a different brand on this purchase occasion stated Lal (1990). Promotions offering price deals influence the attitudes of consumers toward buying the brand. Moreover much would depend on the size of the discount and the consumers’ sensitivity toward price and how much importance consumers place on price on price than quality. If the attitude toward the brand has been quite low compared to some other brands, then a monetary promotion is expected to encourage a switch to the promoted brand. Promotional campaign related to Price may also encourage consumers to buy an otherwise expensive brand, which they could not afford on the normal list price.

Chunawala (2006) explained sales promotion as a tool to provide the consumer a catalyst to think for usage or enticement to use the brand. Further he elaborated that sales promotion as a short term approach rather a direct approach and expects an immediate response in terms of sales. Sales promotion is an non-recurrent selling effort which supplement to the advertising and personal selling.

Sarangi S. (2011f) explained awareness of brand is directly related to recognition and ultimately belief on the brand. In the same time association with competitor brands diminishes. The conducive environment provides a brand sufficient space to recollect the features of his favourite brand. SP provide that conducive environment to the brand.

Customers need recall as many brands as he or she is able to recall whenever one thinks case studies of products. Recognition of Brand is the 3rd level and perhaps the extremely low level device. In this stage the association of the brand takes a back seat when the brand is meant for a class.

Geoff Lancaster & Paul Reynolds (1999) highlighted BTL sales promotion are nothing but a tendency generation tool for a shorter period of time. Sometime once a day, as with many store promotion or so. He added few advantages of sales promotion as direct involvement and support of those working in sales, versatility of operation, relatively efficient and fast in achievement of objectives, the sales response is relatively straight
forward to measure, cost effective and continuous innovation of new promotion formats. In the same time there are few disadvantages involved such as it can cause problems with marketing intermediaries, short term in effect, price discounting can have an adverse effect on the image of the brand, customer expect promotion all the time etc.

Lancaster & Paul Reynolds further elaborated SP may be implemented as per the phase of the product promotion. For proper sales promotion planning we need to analyse the problem task, need to define objective, to finalize the expenses for the activities and subsequently evaluate the result.

Jones J. P. (2012a) highlighted that the store chains, which are becoming substantial businesses, are demanding financial incentives. These take two forms. The first is trade promotions, which are essentially discounts that vary according to the volume of a manufacturer’s goods carried by the chains; plus additional allowances for in store display. The second incentive demanded by retail chains is the manufacturers must devote resources to activities directed at consumers, to persuade them to pull the goods out of the pipeline. These activities are consumer promotions, i.e. specific financial incentives to the consumer, especially temporary price reductions (TPRs); plus the promise of strong consumer advertising.

Sarangi S. (2011c) emphasized that there are twenty three articles included twenty thee articled as general rules framed. Article- 1 refers to Integrity, Article: 2 refers to Terms of the offer, Article: 3 refers to Presentation, Article: 4 refers to Servicing of promotions, Article: 5 refers to Protection of privacy, Article:6 refers to safety, Article: 18 & Article: 19 refers to Fair Competition, Article: 20 & Article: 22 refers Responsibility, Article: 23 refers to Implementation

Jones J. P. (2012a), identified eight Things to Get Right for a new brand which will work as a strategy for launching a new brand itself; (1) functional performance; (2) Segmentation / positioning; (3) Name; (4)Price. Two factors are concerned with the retail trade: (5) Distribution; (6) Trade promotions. And two parts are tooted in the relationship between the brand and its eventual consumers; (7) Consumer promotion; (8) Consumer advertising. These factors are interrelated: in particular, price, trade promotions and consumer promotions are essentially a reason to view in a different way. For a new brand succeed, all eight elements have to be right, but even when this happens
success is not absolutely guaranteed. The basic brand concept may not after all be appealing enough to consumers.

Jones J. P. (2012a) emphasized the reference of A.C. Nielsen has generalized from the experience of many hundreds of American examples that functional superiority is one of the vital issue in the accomplishment of targets of new brand, and functional weakness is the most important cause of failure.

2.5 Impact sales promotions
Kazmi ET. Al (2001e) highlighted that sales promotions influence sales through three routes: (1) information content, (2) economic utility and (3) affective appeal. Mostly, it is thought that the effect of these routes gets manifested in four basic mechanisms which are Brand Switching (the objective of some sales promotions is to induce brand switching, which means encouraging consumers to purchase the promoted brand instead of the regular brand that would have been purchased had there been no sales promotion); Repeat Buying (Sales promotions influence the consumers in a manner that increases the chances of purchasing the same brand again in future) Purchasing More, or Accelerating Timing (Consumers purchase more quantity that their immediate requirements, or the purchase timings are changed); Increasing Category Expansion and Consumption (The consumers increase consumption of total product category as a result of sales promotion)

Singh B (2006a) narrated the objective of SP as higher volume realization to keep the memory alive, to arrest seasonal decline, to induce middlemen, to face competition effectively.

Singh Bir (2006c) while explaining the fulfilment of needs and purchasing attitude explained the psychological research of human action. The motivation for any specific action derives from the tension built up to satisfy needs, needs that frequently lie beneath the threshold of consciousness.

Panda T K (2007) highlighted that the importance of sales promotion program increases when its application move from tactical orientation to strategic orientation; when companies start using them not only for short terms sales gain but also for long term value building through intermittent promotions to support the brand in different market situations.
Customers of India are very much price – receptive and the SP is successful because it help in managing the low profit margin products.

The percentage of consumers inclined towards SP is quite less because trustworthiness towards retail stores or kirana stores are very high in India.

Alam & Faruqui (2009) highlighted that AD & SP provides a platform for acquaintance of brand in the consumers of Dhaka city. The factor which work as a successful component is consumer usefulness equation.

Panda T K (2007) categorically mentioned few decades ago sales promotion was not popular in the Indian markets. This was because the market was more suppliers driven. The supply was less and demand was high. So, there was lesser need to promote the products in the market.

SP intent the action in a faster way for as compared to Ads through the various channel of trade or consumer buying process.

Esfahani & Jafarzadeh (2012) highlighted now a days the cost if media is getting expensive day by day and it is very difficult for smaller companies. It help in making consumer deal prone, customer will look for deals if same quality or same product is attached with some or other deals.

Soni and Verghese (2013) highlighted that premium or contest when come along with the pack is quite successful and significant. It has seen that rebate is not coming upto the expectation. Many times consumer perceive it negatively whereas trade tale the opportunity to create temporary price war which ultimately reduce the equity of brand up to a larger extent.

Nochai and Nochai (2011) highlighted that new generation promotional tools may be effective in changing mindset of customers like membership card.

**Sales Promotion (Price promotion esp immediate price reduction)**

A recent study by Priya Raghubir and Kim Corfman (1999) reported that offering a price promotion is more of a comparative activity then a constructive activity. When the consumer is not an expert but does possess some product or industry knowledge, it is very difficult to change the perception.
According to Betsy Spethmann (1993) a survey of senior marketing executives found that 88% believe consumer sales promotions can help build a brand’s equity and 58% think trade sales promotions can contribute.

Bob Gilbreath (2010) expressed not every price promotion or Sunday coupon makes for a meaningful solution. Discounts are not marketing they are well pricing strategy and they are neither a permanent fix nor particular meaningful. Any brand can rent short term share or slash results by slashing prices, but it has been proven time and again in countless industries from computer to car that there is no winning in the price war – not only your competition continually ‘one down’ you but lowering your prices will kill both long term value perception and the equity rating of your brand when it is done too frequently, too casually. Again showing one more perspective the author mentioned in contrast meaningful incentives are solution that marketers can offer to allow customers to test a new product, stay loyal to an old product and brag about either (or both) to their friends.

A quote by Vincent Sottosanct (1998) says “today’s marketers who appreciate the potential of sales promotion as an ongoing strategy that works to build a brand’s franchiser recognise that promotion’s potential goes well beyond mere quick- fix, price-off tactics. The promotion professional I familiar with a variety of approaches to generating consumer involvement- that is, sweepstakes, special events, premiums, or rebates- and understands that the given campaign must work in harmony with long-term goals and brand positioning.”

Singh Bir (2006b) framed an economic theory which describes humans as rational buyers who have perfect information about the market and use it to obtain optimum value for their buying effort and money. Price is regarded as their strongest motivation. They compare all competing sellers’ offerings and, since all are alike in every respect, they buy the one with the lowest price.

Consumer's Price Perceptions There is many sales promotions that involve price concession. For this reason. The processes by which consumers' perceive becomes quite important determine the appropriate size of price reduction, as this would have significant influence on many types of sales promotions.
According to Harry Helson (1994), perceived quality create a stimulus for a certain adaptation stage which include the past and present stimuli and for this reason, this adaptation level changes according to the new inputs of stimuli to which people are exposed. The adaptation level for creating a frame of reference with reference to pricing is the first action one need to opt for. Consumers develop a "reference price" of other available comparable products during recent shopping trips, or some subjective judgement about the worth of the product. The important implications that consumers judge the prices of different products relative to their formed "reference prices". Some researchers consider the reference price as the "expected price", fair price, or the "target price".

Suchöffman and Kanuk (1991) highlighted that whenever consumers purchase any new brand, there is an element of risk remains in most of such purchases. The ambiguity is otherwise called as perceived risk.

One of the very important characteristics is an incentive with purchase of the product or service. In some cases of sales promotion, even purchase of anything may not be required, such as some types of contest or sweepstakes. However, the participants in these contests or sweepstakes have a chance of winning some prizes. So, every sales promotional activities always may not include a compulsory burden of expense.

Monetary discount can be used as a defensive as well as an offensive tool. More often discounts are offered to match or beat the competitor’s prices. Monetary discounts now a day’s most of the companies advertise before launching a scheme. So awareness created well ahead of introducing a scheme, but this is applicable only in urban areas and educated customers, it is not a full proof plan for rural customers.

**Premium Promotion**

Immediate value offer vs. delayed value offer is most prominent in the industry. In case of sale promotion that offer immediate value to consumers or the r-sellers, the incentive is offered right at the time of purchase, such as a discount, extra goods, or a premium. In contrast, delayed value offers, reward the consumer or reseller sometime after the buying of any product or brand like rebates, contests and sweepstakes, frequent flier offer, after marketing multiple purchases and at the yearend on target completion.
2.6 Influence of Sales Promotions on CBBE

Singh Bir (2006c) highlighted that brand image is another stereotype perception that consumer realize with respect to a specific brand when it launched in the market. For all the brands which compete with each other they are in the memory of consumer’s distinctive image. Similarly, retail stores exhibit distinct images or personalities, as do corporations.

Jones J. P. (2012a) explaining Segmentation / Positioning highlighted that the best policy for a manufacturer introducing a new brand alongside others in its portfolio, is to introduce it into a different sub-division of the market, on the assumption that the market is already segmented-or can easily be segmented- into recognizable different although not necessarily self-contained parts.

Kazmi et. al (2001d) narrated that in advertising circles, it is common to hear that sales promotions produce a negative effect on brand equity: One important task of advertising is to create a brand’s equity and this gets hurt or destroyed because of promotions.

For practical purposes, the brand equity refers to market share leader or the preferred brand. There are exceptions to this thinking in case of certain expensive consumer durable products having a low market share but have strong following, such as some high-priced cars.

The purest form of brand loyalty can be seen in case when the consumer asks the selling store for a certain brand and if it is not available, is unwilling to accept a substitute and walks away to buy it from somewhere else. Such brand is considered safe against competitive attacks.

Gupta S (1998) highlighted that there is cases where sales has increase upto 80% with the changing or switching of brands.

Ibojo (2011) highlighted that SP has a sizeable bang on the presentation of the organization.

Omotayo (2011) highlighted that SP has an affirmative role in eating more and more customer or resisting the switching of brand that is going to happen over the period of time. With the increasing cut throat competition the level of promo activities need to be unique and need to be well accepted by the consumer class. Much time there is a big gap
amid the insight of consumers and the intention of the AD. In case of Sales promotion it is minimum.

Jones J. P. (2012a) highlighted that Target groups of different brand in a category are never totally isolated and self-contained, because 80% of buyers in any category buy more than one brand, although they buy them at different rates. The differences between the target groups of different brands are often a more enlightening indicator. The small but expanding segment of micro-brawn in the American beer market – minor local brand that are brewed differently from how mass-market brands are produced – are bought by younger, more affluent, better educated drinkers, but these people also have discriminating and sophisticated taste, and they lead active lifestyles.

Jones J. P. (2012d) narrated that the brand management system has two important features. First, a brand manager is a general manager rather than a specialist. His or her functions embrace all aspects of a brand, but with specific emphasis on advertising and sales promotions. The second feature of the system is that the job is “staff” and not “line.” It means that the brand management must generate ideas and shepherd these through the often plentiful management layers of the advertiser’s organization.

According to Sinha & Ahuja (2012) more absorption of brand end up into better sentimental relationship of the product category.

Companies can effectively influence blogs of any brand through proper knowledge about the product or brand category.

Jones J. P. (2012d) while emphasizing a Move Towards a broader system of category management narrated Sales promotions has greatly increased in importance. Of manufacturers’ advertising and promotional (A&P) budgets, 50% now goes on trade promotions; 25% on consumer promotion; and only 25% on media advertising. This has re-balanced the work of brand managers, and has given them an increasingly tactical (rather than strategic) focus.

Jones J. P. (2012e) emphasized that advertising costs now a days incur a great pie of money which again going to be more and more expensive. So effective SP can be a better substitute. SP was common though not foremost and existing from a long time amongst the consumers. To stop price cutting earlier days good brands opt for SP strategy especially premium promotion.
Faitira et al (2012) highlighted that SP is any initiative that can help the inducement of the brand for a particular period of time especially as a part of promo-mix.

The effectual functioning of SP equipment grows up to enhance in volume of sales and of course the profitability. The usefulness of SP will definitely maintain the life of a perceived unsuccessful product, later on it can grow up to a big brand and AD can helpful to make this a great brand.

Sattler (1994) highlighted the importance of branding in the new age marketing. According to the author to stay alive in business one need to focus on brand building exercise or else it is very difficult to compete the business pressure... He further highlighted that logo or slogan can’t represent any brand, every brand has its own USP and should be treated accordingly.

Hammond J. (2008a) analysed different ways of calculation of brand equity. From the study it was inferred that non-monetary method of calculation is apt for calculation of brand equity. Further the non-monetary included awareness of the brand, approach towards the brand, inclination or preference towards the brand etc. are few of the components considered for valuation of equity of the brand. Equity of a brand on the other hand gets into account the prospect of geographical expansion or global foray.

Saurabh & Mahajan (2013) referred a case where in it is demonstrated a much better performance of a new brand launched on top of an existing one had doubled the combined shares of the two; in other words, the old brand maintained its sales level and the new brand added the same volume of sales again. So the existing brand was improved and the new brand was also well accepted. Precisely the manufacturer maintained support for the old brand and promoted the new brand.

Jones J. P. (2012a) emphasized the specifications and evidence provided by the brands to validate their miraculous claims as well as the positive experiences of the consumers with the selected brands were the most important parameters influencing the respondents’ perception of the products. Pricing, Access, and Safety came at a later stage of perception of the consumers for these brands. At the time of purchasing brands with an aesthetic appeal, claiming to provide miraculous results.

Jones J. P. (2012a) described practical Performance as a brand comes naked into the world. If there is no functionality that is superior to the competition in at least some
respect, it will not persuade that person who buys it on a trial basis or who receives a free sample, to buy it again. After the roles of the package design over, the introductory promotions, and initial advertising is to communicate this functional performance clearly. At this stage importance is to start building added values, because these will consolidate the brand’s lead once “me-too” brands turn up.

The producers or manufacturers have maximum to gain if they create a total new segment, because if a new brand succeeds in doing this, it will keep its leadership position. There have been occasional examples of manufacturers introducing that first successful brand into a segment by following competitors who saw the opportunity but were unable to produce a brand that appealed well enough to the customer.

Steve Hilton (2004a) highlighted that Brands are assets of any business and the worth of possessing a strong brand is unquestionable. The brands ultimately keep the assurance provide to the regular user of the product the best especially value for money. The level of confidence can be assured from a brand only which lead to a concrete business plan and forecast development.

Blackett T (2004a) argued that in a society the role of brand is vital which can be segmented as per their strength, viability and steadfastness. A viable brand has major responsibility for wealth creation and enhances loyalty proportion. A Brandsupport innovation which will ensure suitable output which will improve the assurance for consumer protection.

Pati D (2002a) highlighted the ways of establishing brand equity varies, and unfortunately choosing amongst these is not easy. It appears to be few broad approaches.
1. The Price approach: The amount of money that would be required to replace the brand, which would include all costs for product development, test marketing, advertising, etc.
2. The Marketplace approach: The amount at which it would exchange between a willing buyer and seller, with equity to both.
3. Customer-oriented approach: There exists a range of option in this context.

2.7 The differential effects of monetary & non-monetary Promo
Jonh Phillip Jones (1999) highlighted that Price elasticity also works in the opposite direction: how much will sales go up if the price is brought down? This is an enormously
important consideration because of the secular tendency for manufacturers to spend increasing sums of money “below the line,” on sales promotions, particularly TPRs.2 Promotional actions have a dramatic although temporary effect in swinging the sales needle, but they imperil a brand’s profitability.

Jones J. P. (2012c) highlighted that Consumer Price: is concerned more commonly with a long-term strategy of price increases rather than short-term tactical reductions. But some question can be raised about a policy of moving price gradually upwards. If TPRs have serious side-effects, can price increases do any better? To what extent will they boost total NSV, considering that any increase in price per unit will to some extent reduce aggregate volume? Whether or not this will happen this rely upon the price brand’s suppleness that measures the extent to which consumers will buy Brands P and Q if the Brand R’s price increases.

Jones J. P. (2012b) highlighted that without branding, if a manufacturer increased the price of a brand, it would lose business to competitors. With branding, this loss of business would be less because some consumers would not consider moving to a competitor. (This process is explained more detail in Appendix A, in the sub-section Oligopolistic differentiation.)

For these four reasons, the key distinction is between a product and a brand. A product is something with merely a functional purpose. All brands are products, (including brands, like MasterCard and American Airlines, that are services) which serve a functional purpose. But not all products are brand, because brands have acquired added values, or a psychological affinity with their users.

**Sales promotion and branding**

Choudhury ET. al. (1992a) narrated the role on sales promotion in various regions of the globe. In many developed countries sales promotion has become arguably the most important tool in this total marketing mix Monies spent on promotions, as far as can be estimated, are often greater than expenditure on advertising. In India we have not yet reached that stage, but we are approaching that position very fast with the advent of new products and the ever greater competition that results from the government’s liberalization policy.
Choudhury ET. al. (1992a) explained in practice sales promotions can be used in a very wide variety of roles. They include: Inducing a consumer to buy your brand for the first time. Encouraging the consumer to buy more than usual, on a single shopping visit. Giving the extra reason to stay loyal to the brand over a series of repeated purchases. Reminding the consumer of the benefits the brand offers, even when it isn’t being promoted (and particularly when a directly competitive brand is about is about to be introduced). Improving the reputation of the brand (perhaps by supporting the brand’s theme advertising). Getting retailers to stock the brand. Getting retailers to order more of the brand than they normally do. Persuading retailers to give the brand special displays. In fact sales promotions are proving so versatile that the variety of marketing roles they play continues to increase.

According to Parmeswaran (2010) when we speak of product-based ideas, the brands that come to mind include the Apple iPhone, Asus Netbook, Tata Nano, etc. When we list packaging ideas, we think of Frooti (the first fruit drink to be served in a terra pack), Chik shampoo just a packaging idea or was it a pricing idea? Brands with Smart Ideas, today’s marketers need to look beyond just one element of the branding or marketing mix.

Rao et.al (2010) in Harvard Business Review highlighted that the losses due to SP the losses suffered by the total industry is piled up to tonnes of money. The message is clear: price is just one factor in the marketing mix. While purchasing if prices are the only concerned area then low cost products always grab a greater market share which is not the case at all. One needn’t have to have the low price to sell a lot of products.

Jones J. P. (2012a) highlighted that in about two-thirds of all cases, a new brand enters an existing market at a premium price. The manufacturer justifies this on the basis of the innovation and functional superiority of the new brands over the competition. The premium price is needed to fund the high cost of production, and launch expenditure on advertising and sales promotions. Amounts spent on initial advertising and sales promotions must be high, to compensate for the strength of existing brands with their stock of added values. Whereas a new brand only rarely makes a profit during its first three years, deficit budgeting inevitably pushes the initial price up, although the negative effect of the high initial price is often concealed by temporary price reductions (TPRs.)
Jones J. P. (2012a) highlighted that Evidence exists that, although a new brand will normally command a price premium, this tends to go down during the first year of a brand’s life. William T. Moran, a former senior Unilever executive, has published analyses illustrating this trend in the prices of new American brands of deodorants, mouthwashes, cough syrups, and sandwich bags.

Jones J. P. (2012a) highlighted that there is also evidence that premium prices are fairly well accepted as a justification for functional superiority, although consumers are understandably sceptical about manufacturers’ attempts to charge a high price for no obvious functional advantage at all. In the sub-section Functional performance, there is an analysis of 50 successful and 50 unsuccessful brand launches in Britain. Of the 50 successes, more than half were sold at a premium price, and in virtually every case the higher price was accompanied by functional superiority over the competition. But the 50 failures included 35 sold at a premium price, and 25 of these were accompanied by a similar or worse performance than that of competitive brands.

Jones J. P. (2012a) referred Stephen King, whose treatment was based partly on academic studies and partly on practical experience in the United Kingdom, recommended that manufacturers should be really pragmatic in setting the initial price for their new brands. King recommended using judgment supported by research into consumer attitudes, based on direct and indirect questions about the level of price that consumers will accept. The manufacturer would therefore be able to choose a policy of “skimming” (skimming the cream from the market by pricing high), “penetration” (opening up the market by pricing rather lower).

Jones J. P. (2012a) referred Gerard J tellis to highlight once a brand is launched; it is often convenient to estimate price elasticity from data that quickly become available, e.g. sales data from different regions. Related to existing effective prices in those regions (prices often influenced by sales promotion).

The average price elasticity is high, - 1.8 which means that a 10% price reduction will boost sales by 18%. Although this is a strictly temporary response, it provides a strong incentive to brand managers to increase their expenditure on TPRs. These produce big volumes, although, it is not widely known that a manufacturer usually makes less profit from the larger volume of sales on promotion than on the smaller volume without it. It is a profound mistake to launch a new brand with a permanently low list price, although the
market into which the brand is launched may be extremely price-sensitive. There are three important reasons for this. First, consumers (as explained) will pay a higher price for superior functionality; second, low price often connotes low quality in buyers’ minds; third, one manufacturer’s strategy of selling its brand on rock bottom price will lead to widespread retaliation from competitors. Cases exist of total markets being destroyed by constant price-cutting, with profit being eliminated for everybody.

2.8 Sales promotion in relation to advertising

Sarangi S. (2011a) explained sales promotion as a reference for all the messages sent to the customers may not fit to the area called as advertisement. Refer the case of sales staff incentive which is very well part of the sales promotion. In this project his aim was to turn our attention to SP and its function in a firm’s integrated marketing communications program. Salesmanship is essential and basic ingredients in the marketing-mix. In short, the distance created by advertising and a salesmanship can be covered up by the sale promotion.

Jones J. P. (2012a) referred American data from A.C. Nielsen on 64 new brands demonstrated that they achieved a satisfactory level of weighted distribution, 57-72% depending on the type of store, within eight months of the launch. But, according to British Nielsen data, there is different pattern in the United Kingdom, with distribution in that country riding to well under 60% by the end of the first eight months. This is presumably a reflection of the higher degree of new brand activity in the United States. The homework that manufacturer’s should carry out is to estimate the rate of sale of a new brand, on the basis of its often extensive experience of new brand launches, and determine the case size for the new brand accordingly.

Fam (2008) stated that SP is nothing but an encouragement to take in or sale out any product. The profit -for-money equation fits to a successful SP program in the BTL activities.

According to Fam et. al (2008) refeed to a hongkong based daily where in it has narrated that the marketing atmosphere has well effected by the trend of promo.

Brand and Branding
Kapferer J N (2000b) stated that the job brand management doesn’t stop once given a brand name rather the job started after naming a brand which eventually lead to awareness and association stage.

Jones J. P. (2012a) highlighted that the average large manufacturer in the United States spends 25% of its total A&P budget on consumer promotions. Like trade promotions, consumer promotions are expensive compared with their benefits to the brand, because of the large amount of lost revenue. However, manufacturers of new brands are compelled to spend considerable resources on consumer promotion, not only because of the importance of product sampling to demonstrate the functional excellence of the new brand-an expensive activity-but because the retail trade requires consumer promotions as a means of injecting adrenaline into sales. The enthusiasm of retailers is such that consumer promotions actually work to some extent to push the merchandise through the distributional pipeline as well as carrying out their main pulling function.

Jones J. P. (2012a) highlighted that there are nine main types of consumer promotion are there viz 1. Samples delivered to the home (the best but most expensive way of demonstrating the functional excellence of the new brands, 2. Premium redemption plans using tokens in the package 3. Self-liquidating offers, i.e. offers that pay for themselves. This is done by the manufacturer offering a novelty item, 3. Premium redemption plans using tokens in the package, 4. Self-liquidating offers, i.e. offers that pay for themselves. 5. Premiums and sweepstakes, 6. Premiums in the package, 7. Refund offers, 8. Coupons- With or without sampling, and freestanding or in the package, 9. Branded packs (two or more packs strapped together and rebated) and extra goods. Cents –off-label packs.

Rizvi& Malik (2011) agreed that the financial term has significantly increases with the phase of promotion may be AD or SP.

Brand wants to take up appropriate come within reach in the channel which later on creates an impressive perception.

A brand needs to be inclusive if it wants customers to regard it well, first and foremost, the brand must put the customer’s interest ahead of business interests. This not only ensures customer loyalty but also helps in generating positive word-of-mouth
recommendations. A brand is regarded well by customers and the society at large if it can help solve serious problems.

With respect to Initial advertising budget, manufacturer of a new brand in India, as in other countries, must devote uneconomically large resources to trade and consumer promotions and consumer advertising. Determining promotional budgets is an adhoc procedure, largely governed by the detailed negotiations the manufacturer carries out with its retail customers. With consumer advertising, on the other hand, the decisions are less pragmatic.

According to Parmeswaran (2011) a lot of brandmanagers’ apprehension that their brands are inclined to be commoditization for the modern customers. This can be eradicated through loads of information and new things may be through AD or SP.

Kapferer J N (2000) explained the characteristics of Brand are very well inclined to the organization’s vision and the strength. The identity in most of the cases resembles with the company identity.

Sarangi S. (2011c) highlighted brand as one unit concept or idea that sit in the memory of buyers and keep on remaining as long as another doesn’t replace it. To replace this role of SP is vital.

Hammond.J, (2008a), emphasized about the characteristics of branding as ‘select em or reject em, but don’t ignore em’. That’s how the league of branding just starts.

Hammond.J, (2008a) emphasized that the brand is at hub, all the singing and dancing characteristics are a part of SP strategy. It is possible may be in a niche segment.

Kapferer J N (2000) narrated a survey which is quite fascinating that one of the director of accompany given a share to different element of brand management as more than 60% on awareness of the brand rest of the two dimensions loyalty & PQ are 20% each.

Kapferer J N (2000b) what brands are all about is that it is a stamped signal for the consumer with respect to the company. The corporate image directly reflects in the brand image.
Kapferer J N (2000) highlighted launching of a brand is different from the launch of the product. The objective of brand development is different than brand introduction. Other words it can be mentioned like a product is a brand is a promise or vice versa.

In the summer of 1995, M&M’s Chocolate launched a line of cookies with Kraft’s toffee, Sunkist’s lemon or Hershey’s chocolate. Compaq and Mattel work together on a new line of fisher-price products. Kellogg’s launched an extension with the help of Pop Tart, a well-known brand of biscuits. Beyond classic competitive enhancement due to alliances of corporate know-how, co-branding adds a communication dimension by means of the visibility of the alliance. Each brand brings part of its equity to the other and makes its extension more credible. Yoplait’s upmarket extensions were hoped by the reputation of Cote d’Or chocolates, a brand of Kraft. Compaq will bring its industrial know-how to Mattel, but also derive from it a closer brand relationship with millions of households, a step towards further Compaq market entry.

According to Chandon (2000) Sales promotion gives consumer a variety of hedonic benefits such as expression of value of the brand, pursuit, and investigation.

Kapferer J N (2000) highlighted that in a generic brand the dilution value is much more than the new brand.

Wirthwein C. (2010a) highlighted the fact that, all marketers are susceptible to the data that their audiences are “different and special”-that they are somehow more sophisticated or specialized than other audiences and those lots of technical jargon is required to make the sale.

One of the most popular misconceptions in marketing circle is that “any advertising is good advertising if it catches the attention of customers.

Jones J. P. (2012a) highlighted brand is an amalgam of something that performs a function and also occupies a place in the memory of consumers. Brand can described more fully, a product or service that does a functional job, but in addition has developed a psychological affinity with its users- something usually called a brand’s added values- and this combination of functionality and psychological affinity is valued enough by some consumers for them to buy the brand regularly (although it is rarely the only brand they buy in any category).
New brand activity is the lifeblood of consumer marketing (Jones J. P. (2012a) which is an activity that invariably operates in competitive market places. What important is the differentiation between the initiate and establishment period. Because the brands that are going to fail are often launched successfully but collapse within six months. What really matters is staying power, and it normally takes at least two years before a new brand really establishes itself and its added values have been developed.

Jones J. P. (2012a) emphasized that despite the difficulties, manufactures and service providers feel compelled to persist in launching new brand. The reason is that once a new brand is established successfully, it will continue to maintain its lead in the face of competition. On average, a follower- sometimes known as a “me-too” brand- will only achieve half the sales of a pioneer; and a third brand will only gain a quarter of its sales.

Alistair Osborne (2011) described However; the process of launching new brands can be disheartening. In developed markets like the United States and Canada, Japan, Australasia and Western Europe, less that 10% of new brands succeed. But in few of the major up-and-coming markets of China&India the introduction of new brands is not so forbidding. Continuous category growth means that room can often be found for a newcomer, which means that a much higher percentage of new brands succeed, probably 50% or more.

Normandy Madden (2011) highlighted that there are three main types of new brands introduced in a county like India viz. 1. Existing brands from other countries that are introduced without any major changes, e.g. Unilever’s Lux Toiler soap; 2. Variations of brands from other countries, e.g. the special versions of Nestlé’s Maggi lines that have been specially adapted for the Indian cuisine; and 3. Totally innovative brands developed initially for the Indian market alone

### 2.9 Building Brands In agrochemical & other sectors

Agrochemical product branding is dependent upon which season it is to be introduced. Agriculture in India is organised into two seasons, the Kharif season, or wetter monsoon driven summer season from May to October, when cotton is cultivated in the Northwest and South of the country (but not in the East), along with paddy rice all over India, vegetables and groundnuts. The Rabi season runs from October to March and is a drier season when most irrigated crops are cultivated, notably wheat, rice, potato, chilli, vegetables, grapes in the West (grown in the south all year round) and groundnuts
(although the Kharif season is better). Clearly the Rabi season is more susceptible to variations in the monsoon. Recent upsets in weather patterns have seen more sporadic monsoons, but increased rains in what has traditionally been the dry season

According to Phillips McDougall, (2011) Indian agrochemical market is improving tremendously. The key factor behind the recent market improvement is increasing domestic demand for crops, driven by economic growth, and greater support for agriculture through increase in the government purchase price for crops. Another factor has been the passing of intellectual property legislation, which has resulted in more new patented products becoming available. With the improvement in the agricultural economy these new products are more affordable, with the result that trading up to more advanced products have added value growth to the market.

Significant potential still exists to increase yields in Indian crop production, and although increasing herbicide and fungicide usage will have a major role in achieving this, insecticides will still have a part to play. Further growth of the sector in local currency can be expected, although B.t. rice appears close to commercialisation, which may take some value from the insecticides sector

Blackett T (2004a) defined the origin of term brand which literally meaning as the spur or burn. Irrespective of any sector the characteristics of a brand will remain the same as creating fire. For agrochemical sector being a technical in nature the brand names generally introduced with Jargons which take the customers sometime to digest.

Agrochemical brand are generally farmer friendly brands which comes with lot of expectation. If brand commitment fails it is very difficult to regain the confidence of farmers.

Levitt T. (2013) highlighted that the development is endangered more over with the let-down of management

Levitt T. (2013) highlighted the survey of Dupont which depicts that new generation Agrochemical products are saviour of Indian agriculture.

The brands associated with this industry are flagship invention especially for the farming community. The opportunity which lies in this industry is the technical knowhow which will prolong in its effectiveness for at least a decade.
Blackett T (2004a) referred to Fortune magazine (1997) to highlight that in the new millennium Brand Building is the exclusive segregator between Indian and MNC companies.

Klein N (1999) takes on view that the economically the worth of a brand to its owner is extensively accepted. The question whether Brands create value for the Product no more exists.

A study by proved that association of Brand by the European Union needs a significant investment. Moreover 50% of the non-branded products contribute insignificant value to the organisation.

Clifton R & Simmons J (2004) takes on view that Price Premium method depicts that Branded products had a significant edge over non branded products.

According to Steve Hilton (2004) success of a brand commercially can be possible if the brand is accepted by all the category of users. According to the author the social impact is likely to be zero if the commercial success comes to forefront.

Steve Hilton (2004b) highlighted the role of the brand as a generator of wealth in any product segment in other words it is a medium for developing wealth for a long term social improvement.

Steve Hilton (2004b) explained that brand came up in the new generation as the outline of protective measure in the commercial era. According to the author for financial growth and economic development branding plays a vital role. There are a segment of people who all goes for high price products and hence make the equilibrium.

Steve Hilton (2004b) highlighted that it is no coincidence that in the most effluent country in the globe are having maximum number of brands which indicate that they are effluent because they have brands.

Steve Hilton (2004b) highlighted that social advantage can be gained by brands against the pro quality product demand. It has been believed that if there is no logo then there is no knowledge about the brand which is not true in the developing countries.

According to Thompson a B (2004) the positioning of a brand should be the fundamental theme. Positioning commence with a product and with outlook of the locality. The author
supported the theme of positioning and believes positioning and re-positioning in accordance with competition is a must.

Levitt T. (2013) emphasized that the branding scenario in oil industry wherein technology is the driving factor but still SP contributes significantly to take on a good market share.

Smith S et.al (2002) highlighted that one of the uncommon exercise in marketing is branding because there is no guiding structure exist for brand management.

Smith S et.al (2002) emphasized that conventionally brands have been a prefecture in the department of marketing. Focus being the communication about the brand in a unique way to the targeted customer and overseeing the outlook.

Allen T & Simmons H (2004) defined various identity required to stop migration of the brand from one form to other. They are Visual and verbal. Visual generally reflects company’s identity”.

Allen T & Simmons H (2004) defined identity in terms of Verbal element is aimed to create brand’s language unique.

Feldwick P (2004) highlighted that the main work of a brand is transferring a message about the product. The communication starts from the pack look to the advertising theme. Strength of a brand though includes sale it can do much more than sales volume.


Highlighting Putting the brand in context Feldwick P (2004) explained that any brand is more than an optical sign and unforgettable tagline.

According to Klein, N (1999) Brand has been accused exploiting the memory of children and homogenizing the tradition and eventually taking benefit of the world’s fashionable desire.

Compared to western part of the globe where in there are frequent complain about consumerism, there brands are not emotional rather on the surface which can work as a pointer of economic strength. MNC brands are no doubt having a better edge over the
local brands due to western action plan and cultural superiority, but in the same time they can’t understand the local sentiment and more over these activities can hurt the local emotion.

The professional handling marketing is in crisis management phase where in quickly effective campaign is required, so most of the times the bigger brand extends bigger difficulty.

Clayton M. C. (2013) highlighted it is possible that equity of a brand can be wipe out when brand managers don’t bind the brand to an objective.

An apparent intention of a brand is just like a double sided sword. One face directs the consumers the opt products. The second face guides the organization’s brand designers.

Thout, J (2001) highlighted most of the gigantic branded consumer product companies, in Europe, Japan and US realizing stunted growth.

Doane D (2004) emphasized about the negative brand campaign like the culture of commoditization is very well prevalent in many sectors, so just after 2-3 years they become a simple commodity.

It has been realized that the success of a brand mostly dependent upon the sustainable communication that has been drafted over years. There are so many brand that are successful only and only due to its one clear brand communication has pertained for years of practice.

According to the author while making valuation of a brand the valuator should consider the indicators that affects the environmental & social influence and the penultimate performance of the same.

Agarwal P. K (2012) highlighted the stage of achievement of a product or brand depends on building a recognizable branding strategy. It may be for years or may be for a short period of time.

Doane D (2004) highlighted that few Asian market strategy have been shield from outer competition irrespective of sector of operation. The successful and full proof segments are agriculture, airlines, public sector etc. In this category unique packaging is a key
ingredient. The campaign is based on at least one time try of a product. It is quite helpful in tapping niche or new markets.

Doane D (2004) highlighted that in his view the probability of getting odd can’t be more than 50%. It is clearly evident that understanding the common drifts may be technical, economic or social. Still the tough brands as on date can remain fixed in a satisfied time twist, overtaken by new and without any baggage.

Rita C (2004) emphasized that the brands especially of American origin are tough and more visionary positioning. Communication in this category is very tough to make uniform and perceiving of communication is not easy, what works in this segment is relationship and trust about the company.

Keller K L. (2013) emphasized that various intangible components are tied up with the brand equity development of some brands. Now the intangible components vary from time to time and situation to situation. According to the author the few of the intangible factors are handling metaphors, impulse reaction to the activities, etc.

Keller K L. (2013) while highlighting the strategy on price mechanism it is important to realize the perception of consumer for the value for money for the brand. A perfect mix of quality of product, design, characteristics, pricing & costing not easy to attain but the effort is worth mentioning.

Keller K L. (2013) while emphasizing the consumer’s mindset for positioning of a brand they are no different from the competitors, so the brand who all are successful, they create a point of parity and take the advantages till competitors are venturing into the segment. To maintain the value or image of a strong brand, there should be a perfect balance in between stability in marketing campaigns and the required changes or alteration over a period of time.

According to Keller K L. (2013) in depth audit of a brand is must now a days to track the performance of the brand. Normally it comprises of brief description of the marketing activities conducted and to do in the next course of action.

According to Keller K L. (2013) Brand Equity is a connecting link, but if we talk of a power brand it remains in the mind of customers. Knowledge of any brand found in heart more than in memory of the user.
Fournier S & Lee L (2013) explains the most influencing person are the Opinion leaders who play a vital role in extending information, influence the decision taken by the user.

It is most effective in rural marketing or marketing of Agrochemical products. Generally the fellow farmers are opinion leader about the brands they use. Marketers generally dependent upon these people.

Reichheld F (2013) stated that Loyalty of any product or brand is the eagerness of a customer to own the brand for a period of time. They generally don’t disturb by all the small factors that come across during that period.

Kotler P (2013) highlighted that a traditional view do exists that it is the onus brand managers to furnish at least the first four action of purchasing behaviour they are Brand awareness, consumer awareness, preference & consideration of the brand.

Champniss G et.al. (2012) highlighted that in the twenty-first century the visibility should be very high, which will enhance the trust factor to a great extent. As long as the solid trust factor is not there making of strong brand is next to impossible. Now with revolution industry involvement of man power is less in the production of the product, so more focus to be put for social development of a brand.

Champniss G et.al. (2012) emphasized that brands are connecting bridge between enhancing efficiency and more business magnitude. Equity of Brand mainlyfabricate upon thehope in conveying theassurance.

Vargo, S.L.et.al. (2004) describes the segregation of material and personal resources as a limitless resource. With this we entered into an age where in strong association can be made between concept and thinking.

By ‘practice ‘we mean a sense –making, repeatable and repeating action by many. This is what sociologists call ‘practice theory ‘, with practices being ‘linked and implicit ways of understanding, saying  and doing things ‘.Consumerism , on the other hand, is the broader social model that accommodates and encourages consumption as a dominant practice.It suggests that brands are failing to engage consumers effectively on these issues; they are too sterile, serious and apologetic.

Barry Schwartz (2005) realizes it makes an additional important argument around this expanding choice, our pressure to maximize and our overall wellbeing. As choice
increases. So a bad decision becomes increasingly our fault, for which we must take the blame.

Studies have been conducted to analyse how to mediate the sensible effect of the entire value chain.

Brands need to focus on how they say what they want to communicate. As Health and Feldwick (2008) say, ‘... how you say it is more important than what you say. The sentimental topic of discussion perseveres in forming a circle which provides importance to social wealth.

‘A Social Equity Brand that recognizes both the private and public importance and value of investing in long – term, balanced stocks collaborative, innovative and dynamic solutions to the sustainability issues we all face.’

Champniss G et al. (2012) refer to Jennifer Aaker demonstrates the importance of emotion in the audience brand relationship through a fascinating experiment with online users interacting with a new photo – sharing and printing company. The implication of an interesting study for brands and social wealth generating are also noteworthy.

Barry Schwartz (2005) suggested that substantiations are there which propose shopping is no more a need based activity rather a fashion wherein we look for an action of consumption. We select a brand for the sake of selection and becoming a part of social equity development.

There are so many brands which are specifically not driven by a desire to snatch a short – term pecuniary gain from an audience,

### 2.10 Brand Equity

Sarangi S. (2011c) highlighted Consumer based brand equity happens when a customer gets long term association with a brand makes it a favourite brand.

Sarangi S. (2011f) explained brand associations is no matter which connected to the memory of any brand, and this type of connection will be life time for the customer.

Kapferer, Jean noel, (2000) highlighted in one of the book Brand equity is in question mark. World economic interest in brands is a recent phenomenon. Indeed, some would argue that for a long time now advertising agencies and marketing managers have been
doing their best to convince others that brands are a company’s most precious asset. The perception of the added value of a brand was seized by several sectors of activity even though accounting standards were not yet allowing companies to include brands on their balance sheets. Brand equity is influenced positively by the promotion mix. It can better be utilized for making strategies for developing highest level of brand equity.

Mohan BC et al (2013) the connection between and functioning performance & brand equity & brand equity and financial performance. Brand equity is an important topic in the field marketing. If a Brand is having very good brand equity can offer many benefits to an organization. Companies are widely adopting various strategies in branding to capture a place in the minds of the consumers. Companies need to understand how brand equity can be leveraged to enhance business performance.

Kabre V (2013) emphasized that the most expensive asset of any organization is a brand having a considerable share of a company’s market worth or equity.

According to Shasikala & Suresh (2013) CBBE is essentially the means customers respond to the promotional campaign of the brand. This arises from the differences in consumer response resulting from consumer’s brand knowledge, which in turn consists of all the thinking, emotions, symbols, etc. The author narrated that premium revenue to be taken from a brand is a hypothetical estimation which need to be validated time to time. When we talk of a strong brand it endows with worth and got a diversity of advantages. They give us an arena of offering through which we can differentiate the benefit in comparison to the competitors.

Burmann et al (2009) highlighted that a wide-ranging brand equity evaluation method imitates the existing progress of a brand, and also its chances of getting higher equity in the tears to come.

According to Tuominen p (1999) if a single customer will evaluate the equity of brand equity then it will reflect the power of attachment of the individual for a product by using the brand for a long time.

Aaker D A (1996) highlighted that the capability of setting goal and analyse the benefits are the trademark of successful marketers.
Donthu, and Lee (2000) emphasized that brand equity measurement may be applied to analyse how customer based brand equity yielded from the possible back history like knowledge about the brand, know-how of buy and usage, marketing campaign & circumstances factor. As per the understanding of the vibrant between marketing endeavours and equity of brand, brand marketers may fix a sensible objective for generating brand equity.

2.11 Consumer Based Brand Equity (CBBE)

Pati D. (2002a) narrated Brand equity, in economic expression as the extrascheme reduction in money flow produced by linking a brand to any concerned product. The additional future cash flow is driven by consumer response to the branded offering that exceeds the response that would be created by that same offering without the branding on it. The perception of a consumer is different from the brand manager of the company then there is an ambiguity in communication and necessary action should be taken.

According to Karadeniz (2010) despite of the experiential hold up for the impression of brand equity. Two theories have been discussed by the author one elated to the human behaviour and the second was offering from the brand for a particular segment of customer. With respect to the theory, the considerable know how about a brand is the depends up on the channel of communication.

2.11.1 Brand Awareness & Brand associations

Sarangi S. (2011f) explained Brand Awareness another factor contributing to BE is the real awareness of the brand. It is the competence of able customers to recollect or recognize the brand and concerned product Segment.

Sarangi S. (2011f) explained BE is the degree to which brands have the benefit of loyalty of customer. It is imperative to differentiate between customary buying and brand loyalty. Many a time such repeat purchases are mistaken for brand loyalty.

Kapferer J N (2000) highlighted that the power of a brand is estimated by the quantum of awareness gained by the brand may be through various activities like catchy slogans, appreciable jingle lines etc.

Pati D. (2002b) explained Brand associations as a part brand relationship. It includes all the activities that connect to the brand’s offerings, brand benefits, and design. Brand
association is all about the mind. Brands have a physical presence at the marketplace and a mental presence among the consumers.

Wirthwein C. (2010b) Actually for Brand awareness there’s no “suddenly” about it. Marketing isn’t magic. Creating awareness about a brand is the step-1 of the activity planning which effects preference. At the outset brand awareness need to grab 15 percent before buyer preference reaches a threshold share of two percent. If your four percent awareness to move the preference needle just one percent. You have to get to 70 percent awareness before preference reaches 25 percent. But this is the point at which preference can really take off. In many cases, a boost in brand awareness to above 70 percent will yield a one- to – one boost in brand preference. And above 90 percent brand awareness gets you even more: one-and –a-quarter points in preference for every awareness point you raise.

Agarwal P. K (2012) emphasized awareness or knowledge or of a brand necessarily a vital action in promoting a brand. In fact it is the first step to act on awareness campaign.

According to the author the associations of a Brand is generated through: Experience of self and others, the word of mouth, the exposure to brand communication, and the exposure to special initiatives and the events built around a brand.

The author further explained association of brand as anything that can be connected to the mind of customer. This is important to point out that earlier only advertising only can link the memory of the customers but sale promotion mixed with advertising can make a better impact on memory of the consumer.

Wirthwein C. (2010b) explained association of Brand help building better brand image than the other component of equity of any brand. In case there is an extension of product or brand line available customer may need a cause to retain or switch to other brands available at that point in time.

The author highlighted that to achieve high awareness few communication tasks can be undertaken viz. unique message, exclusive USP communication etc. get into the press as news item, or publicities the brand, pay for major events, believe extending brand to other products, apply prompts of either the product class, the brand or both, repeat constantly as long as benefits are there.
According to Pati D. (2002b) the Awareness, association and desire to attach are the dream of extravagance which need to be created constantly. In the real world it is needed to improve recognition more than real acquire or employ.

2.11.2 Perceived Quality:
Sarangi S. (2011f) explained one of the required associations an organization or company seek to have for a long term association. For the long term association shot term patch up is a must and sales promotion can make it happen.

Hammond J. (2008b), narrated the importance of perceiving quality can be confined to the definition itself which says it as ‘take hold of’. Perception is nothing but enable understanding about the outer world surrounded us.

In our empirical study of the factors that explain brand sensitivity (Kapferer and Laurent, 1992) conducted with G. Laurent in 20 contrasted markets, the main key factor is by far the perception of a difference between brands.

Every brand should be concerned reports from experts and opinion leaders. Every brand should be concerned about how it is perceived by these leaders. This goes without saying for high-tech products where, ‘Ten per cent of the people control what the other 90 per cent think.

Wirthwein C. (2010a) European study conducted by Medialogue (Stop Watch, 2005) summarizes around 300,000 observations of general consumers to nearly 3,000 print advertising campaigns. 7 People are People. We respond psychologically in similar ways whether at work or at home. Human behaviour is pretty much human behaviour, and it’s been this way for hundreds.

Sarangi S. (2011f) summarized that high brand perceived quality provides a reason to repeat buying. This may not the quality of manufacturer point or product based rather an evaluation of quality by individual customer.

2.11.3 Brand Loyalty
Successful loyalty programme series are successful because they are working for successful brands and vice versa. It has been noticed that all the well-built brands attached to one or other loyalty schemes. In spite of an advisory remark that there was no program which can provide sufficient justice to any branding activity.
According to McKenna (1991) and Marconi (1994) it is a must to recognize loyal customers which may be through collective activities or programs.

Kapferer J N (2000) highlighted that equity of a brand is highly dependent upon the loyalty of the users towards the brand. The capability of a brand to enhance profit lies in the enhancement of market share of the brand.

Edgy segmentation of a market as per brand performance is the obsession of that brand which is done by many of the marketers.

So loyalty of a brand may be destabilized by the proliferation of extension or new addition to the brand.

As per Rubinson (1992) the criteria for featuring a brand is the selection account of the branding.

Agarwal P. K (2012) highlighted the concept of Brand Loyalty; repurchase or rebuy of products-this behaviour is depicted by a customer and his commitment in showing this character is loyalty towards a brand, what it leads to is positive advocacy of products and rebuy of a product again and again, which also turns up into positive word of mouth marketing.

Agarwal P. K (2012) narrated that the Factors that Influence Brand Loyalty doesn’t come alone, it comes with pre-dispositional commitment. Loyalty towards a brand is expected to be a multidimensional construct. The measure of loyalty is judged by various different psychological processes, and it also involves multivariate measurement.

Brand loyalty enables a firm with competitive advantage that it benefits which loyalty brings in are reduced marketing cost, and hence increment in revenue generated increases.

Bloemer and Kasper (1995) stated that loyalty towards a brand is deep-seated dedication to brands and there are very little differences in re-buying and loyalty towards the brand. In their research, they mentioned that re-buying is repurchasing behaviour depicted by customer loyalty, while loyalty acts as a reason being re-buying.

Quelch and Kennedy (1994) recommended a stroke or action that can manage in an effective way and provide the real benefit to the organization. According to the author
brand is a mixture of something that act upon as function and also captures a place in the minds of customers. A brand can be described more fully, as a product or service that does a useful job, but in addition has developed a psychological affinity with its users—something usually called a brand’s added values—and this combination of functionality and psychological affinity is valued enough by some consumers for them to buy the brand frequently.

Sarangi S. (2011f) explained if a customer go to another shop and ask for its brand or will him or her leave with the substitute being offered to by the shopkeeper is referred as poor loyalty towards the brand. The main problem is brand loyalty is the high commitment dimension which will deviate quickly with lucrative offer in hand.

The author highlighted that the new product brand activity is the lifeline of consumer marketing that is an action that perpetually works in aggressive market. But important is the segregation between the kick off and establishment phase. Since the brands that are going to fail are often launched effectively but collapse within six months of launch. But what really matters is staying power, and it usually takes at least two years before a new brand really ascertains itself and its added values have been extended.

Bloemer and Kasper (1995) emphasized that in spite of the difficulties, manufactures and service providers feel compelled to persist in launching new brand in any sector. Ultimate cause of this is once a new brand is established successfully; it will continue to maintain its lead in the face of competition, which takes time to disturb. A follower sometimes known as a “me-too” brand will only achieve half the sales of a pioneer; and a third brand will only gain a quarter of its sales consequently.

Normandy Madden (2011) described however; the process of launching new brands can be disheartening process. The developed markets like the United States and Canada, Japan, Australasia and Western Europe, less that 10% of new brands gets successful. The major up-and-coming markets of China & India saw the introduction of a new brands is not so forbidding. Constant categorical growth means that room can often be found for a newcomer to enter, which means that a much higher percentage of new brands succeed, probably 50% or more as per the segment of launch.

Alistair Osborne (2011) highlighted that there are many types of new brands introduced viz. 1. Prevailing brands from other countries that are introduced without any major
changes mainly MNCs are doing, e.g. Unilever’s Lux Toiler soap; 2. Extension of an existing brand from other countries, e.g. the special versions of Nestlé’s Maggi lines that have been specially adapted for the Indian cuisine; and 3. Absolutely new&innovative brands developed initially for the Indian market alone

Wirthwein C. (2010b) studied the true difficulties in agrochemical sector actually the problem is the practice of need based marketing where in for Brand awareness “suddenly” happens. But Marketing isn’t magic. Creating awareness about a brand is the step-1 of the activity planning which effects preference. So want based marketing need to be followed.
Figure 1: Aaker's Model of Brand Equity (Aaker D. A., 1991)

BRAND EQUITY

- Brand loyalty
  - Reduced marketing costs
  - Trade Leverage
    - Attracting new customers
    - Time to respond to
  - Anchor to which other associations can be attached
    - Familiarity - Liking
    - Signal of substance / reason to buy
  - Price
  - Channel member interest
  - Help process / retrieve information
  - Differentiate / position
  - Reason -to -buy
  - Create positive attitude / competitive advantage

- Brand Awareness
  - Provides value to customer by enhancing customers:
    - Interpretation / processing of information
    - Confidence in the purchase

- Perceived quality
  - Provides value to firm by enhancing:
    - Efficiency and effectiveness of marketing programs
    - Brand loyalty
    - Prices / margins

- Other proprietary brand

---

Enhancing customers:
- 
- 
- 
- 

Provides value to firm by enhancing:
- 
- 
- 

Figure 1: Aaker's Model of Brand Equity (Aaker D. A., 1991)