CHAPTER V

BRAND LOYALTY FOR FERTILIZERS IN KANYAKUMARI DISTRICT
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5.1. Profile characteristics of the sample respondents (Farmers)

A special type of questionnaire was administered to 50 farmers in Kanyakumari district. The purpose of the questionnaire was to know the competency or otherwise of these farmers in dealing with the business.

5.1.1. Age

Age is conceptualised as the number of years completed by a respondent at the time of interview.

The average age of the sample respondents of the Kanyakumari District was found to be 56.4 years with a standard deviation of 14.6 years. This shows that, in the case of Kanyakumari District, the farm operations are mostly taken care of by the elders. This might probably be due to the fact that due to the higher literacy level, the youngsters may went for white color jobs either within or elsewhere. This might have made the elders to go for farming operation at the higher age.
5.1.2. Education

Education is conceptualised as the minimum number of years needed to complete the programme. For example, in the case of a basic degree, the minimum number of years needed to complete is \(12 + 3 = 15\) years. In this way the score was assigned for all the respondents in the two study areas. The average education level of the respondents in the Kanyakumari district is 13.8 with a standard deviation of 2.7 units. This shows that the minimum average education level is 10\(^{th}\) std for the respondents of the Kanyakumari district. This might be due to the fact that in Kanyakumari district every village has at least one school at the S.S.L.C level and people are highly aware of the value of the education. As observed at the time of the interview, the people of the Kanyakumari district irrespective of their economic position, take education as their main source for achievement. Towards achieving this, they put in all efforts so that their wards get at least school education. Moreover, the people in this district are prepared to go to any distant places for securing a job. Since, most of the youngsters go out seeking a job, the farming operations are being attended by the elders here.
5.1.3. Gender

In order to quantify the gender, the male is given a score one and the female zero. Thus the gender is conceptualised as a binary variable.

Out of the samples taken from the Kanyakumari district, there were 28 men and 22 women attending the farming operations. This shows that in this district almost 50% of the farming operations are taken care of by the house wifes.

5.1.4. Major occupation

Since fertilizer is one of the major inputs in farming, a score of one was given if the major occupation is farming and zero, if the major occupation is any other than farming. Thus, occupation, is conceptualised as a binary variable.

The data reveals that, in the case of the Kanyakumari district, the total score is 22 for major occupation, which shows that below 50 percent only keep agriculture as their main occupation.
5.1.5. Loan in Co-operative Societies

Since participation in co-operative society activities will help the farmers to contact with experts, which in turn will help them to know the comparative performance of the different brands, a question was asked to know whether the respondent has already, at any time, availed loan in any of the co-operatives societies. If the replay is yes, the score one was given and zero otherwise. Thus, this variable is also conceptualised as a binary one.

In Kanyakumari district, the total score for this variable is 50. All the respondents in this district have availed the Co-operative loans. Normally, issuing loan in Co-operative bank is based on the repaying capacity. The assured rainfall and channel irrigations guarantees the output and hence the higher probability for repayment, which in turn attracts more loans. Moreover, in most of the families at least one will be employed in regular salary which also assures prompt repayment.

5.1.6. Land holding

In this case because of the assured income in the wet and gardern lands, land holding is categorised as: wetland, gardern land, and dry land. In the case of the Kanyakumari district, the average wet land possessed
by the respondent is 1.4 acre, the average garden land is 2.6, and no dry land. The data shows that there is assured irrigation in Kanyakumari district for the entire land which they own. This might have helped them securing 100 percent Co-operative Bank loan.

5.1.7. Usage of Farm Yard manure

Every farmer, irrespective of the region, is expected to possess working and milching animals. Even if they don’t possess, they cannot do any agriculture without using farmyard manure. Hence the farm yard manure is a major component in farming in Kanyakumari District.

As per the data, in this district all the farmers are habituated to use farm yard manure.

5.1.8. Use of Chemical

In Kanyakumari district all the respondents are using chemical Fertilizers.

5.1.9. Preference to chemical Fertilizer

Since the study is pertaining to the brand loyalty of chemical fertilizers, it is most essential to know the factors, which made them to go
for a particular Brand. Hence, they were asked to state what are the factors which influenced them to use chemical fertilizers.

In the case of Kanyakumari district the various reasons quoted for the purchase of chemical fertilizers are: easy availability, immediate return, and easy transportability.

48 percent of the respondents have stated easy availability as the reason, 40 percent of the respondents stated immediacy of returns and only 12 percent have expressed the transport comfort, as the reasons for purchase of chemical fertilizers.

5.1.10. Reason for choosing branded fertilizers

Since, this is a major constituent of the study, special care was taken to enumerate from the respondents the exact quality information. Accordingly, in the schedule, based on the experience got from pilot study, the following reasons were quoted, namely, easy availability, good quality, good packing, and immediate effect on the soil.

From the data, 40 percent of the respondents have stated easy availability as the reason, 28 percent have stated good quality as the
reason, 8 percent have stated good packing as the reason, and 24 percent have stated immediate effect on soil as the reason, for selecting a particular fertilizer brand.

5.1.11. Sources of brand information

Information source is another major constituent in the brand loyalty. Hence, a question was asked wherein the respondents were to indicate the source through which they obtained information about their preferred brand. The sources identified, through pilot study, were: neighbours, mass media, dealers, and all others were put as other sources.

Here, majority (44%) have expressed mass media as their major source. Second comes the neighbours (36%), third comes the dealer (20%), and there is no other sources.

5.1.12. Farmer’s Preference to Dealer

It is a fact, customers prefer certain dealers, because of some specified reasons to them. In order to assess this, in the pilot study itself, the farmers were asked to state their reasons for their preference to a particular dealer. All the reasons were tabulated and included in the final question.
They are:

i) Availability of preferred brand

i) Technical guidance from him

ii) Price of the product

iii) Availability of Credit

iv) Quality of the product

v) Peer group influence

vi) Discount and subsidy

In Kanyakumari district majority (30%) have quoted the quality of the product as a reason; second is the price of the product (26%); third comes the availability of credit (24%); fourth is the technical guidance (16%) and the fifth preference is discount and subsidy (4%).

5.1.13. Farmers loyalty towards a brand

By the above, the researcher identified the reasons, which made a particular farmer to go to the purchase of a particular brand. This being the major objective, the researcher gathered information during the pilot study as well as from similar earlier studies. Altogether, seven reasons have been identified, namely,
i) Price
ii) Package
iii) Quality
iv) Efficient handling
v) Advertisement
vi) Peer group influence
vii) Availability

Here, majority (36%) have preferred certain brand because of its quality; second the availability (22%), third the package (20%), fourth the price (16%), fifth the advertisements (4%), and last by the peer group influence (2%).

5.2. Profile characteristics of the Dealers

A separate questionnaire was administered to 50 dealers in Kanyakumari district. The purpose of the questionnaire was to know the competency or otherwise of these dealers in dealing with the business.

5.2.1. Education

The average education level of the dealers in Kanyakumari district is 12.43 with a standard deviation of 3.14 units. The higher literacy level
here is, as in the case of the farmers, because of the availability of many schools.

5.2.2. Experience

This is conceived as the total number of years in which a particular dealer had been involved in this business.

The average number of years of experience for the dealer in Kanyakumari district is 12.75 years with a standard deviation of 3.11 years.

5.2.3. Number of employees employed

In this survey, it was observed that in both the districts all the dealers employed only full time employees. Hence, there is no need for any sub-classification.

In Kanyakumari district the average number come to 2.1 with a standard deviation of 1.28 units. Mostly, they employ 2 to 3 persons.
5.2.4. Brands of fertilizer stocked

A peculiarity in the study area (Both the districts) is that there are no separate dealers for particulars brand alone. Every dealer is maintaining all the brands which are fast moving. In the case of Kanyakumari district they hold: SPIC, FACT, VIJAY, PARRY, STANES, IPL, MFL, and KOTHARI.

5.2.5. Sales Turnover

This stands for, the total amount of bags of a particular brand sold in one year. Below in the table, the quantity sold in each brand for one year is shown.

Table 5.1. The average sales per year for different brands in Kanyakumari District.

<table>
<thead>
<tr>
<th>Brand Name</th>
<th>Average Sales per year (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spic</td>
<td>143.8</td>
</tr>
<tr>
<td>Fact</td>
<td>61.3</td>
</tr>
<tr>
<td>Ipl</td>
<td>86.4</td>
</tr>
<tr>
<td>Mfl</td>
<td>18.6</td>
</tr>
<tr>
<td>Vijay</td>
<td>7.4</td>
</tr>
<tr>
<td>Parry</td>
<td>5.3</td>
</tr>
<tr>
<td>Stanes</td>
<td>3.1</td>
</tr>
<tr>
<td>Kothari</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Source: Primary Data
5.3. Functional Analysis

In order to know the impact of the different factors responsible for the loyalty towards a particular brand, the brand loyalty score (Y) is regressed on price per bag (x1), quality of the product (x2), amount spent on advertisement (x3), average number of contacts with the peer group (x4), and good package (x5). Here, for the variable - quality of the products (x2), the percentage as expressed by the respondents was used. The variable package is used as a binary with value one if package is good and zero otherwise.

The functional form assumed is

\[ Y = b_0 + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + b_5 x_5 \]

The estimation of the parameters was based on the principle of least squares.

The mathematical form of the estimated equation for the respondent in Kanyakumari district is

\[ Y = 21.542 + 0.610X_1 + 1.411**X_2 + 0.123\times X_3 + 0.0078^{NS} X_4 + 0.779**X_5, \]

NS - Not Significant
* - Significant at five percent level of probability
Significant at one percent level of probability

\[ R^2 = 0.683^{**} \]

The details regarding the variables, their standard errors, and the level of significance are presented in Table 4.2 below.

Table 5.2. Regression estimates and standard errors of the coefficients.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Variable Name</th>
<th>Regression Co-efficient</th>
<th>Standard error</th>
<th>‘t’ Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Intercept</td>
<td>21.542</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Price per bag (x1)</td>
<td>0.610</td>
<td>0.306</td>
<td>1.992</td>
</tr>
<tr>
<td>3.</td>
<td>Quality product (x2)</td>
<td>1.411</td>
<td>0.308</td>
<td>4.567</td>
</tr>
<tr>
<td>4.</td>
<td>Amount spent on advertisement</td>
<td>0.123</td>
<td>0.058</td>
<td>2.113</td>
</tr>
<tr>
<td>5.</td>
<td>Contact with peer group (x4)</td>
<td>0.0078</td>
<td>0.015</td>
<td>0.514</td>
</tr>
<tr>
<td>6.</td>
<td>Package (x5)</td>
<td>0.779</td>
<td>0.259</td>
<td>3.002</td>
</tr>
</tbody>
</table>

\[ N = 50 \quad R^2 = 0.683^{**} \]

Source: Computed from Primary data with the help of Computer.
The results presented reveal that R-Square is 0.683 which is significant at one percent level of probability. This shows that 68.3 percent of the variations in the brand loyalty is being explained by the five explanatory variable used in the analysis. The co-efficient for the variable price per bag is significant at five percent level of probability. This confirms that higher quality will have higher price. The significance of the co-efficient for the price is only an indication on the preference for better quality goods by the respondents. Again the co-efficient for the variable – quality of the product is also positive but significant at one percent level of probability. This indicates the highest preference of the respondents on quality fertilizers in Kanyakumari district. The Co-efficient for the amount spent on advertisement is significant at five percent level of probability, indicating the positive effect of advertisement on the preference of fertilizers. The co-efficient for the contact with peer group is not significant. This is in agreement with the results obtained for Tirunelveli district. Similarly the positive and highly significant level of the co-efficient for package indicates, the preference of the consumers on the appearance of packed items.