

# Effects of Globalisation on Marketing of Pesticides in Nagpur District (2001-01 to 2005-06)

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## Abstract:

In an age of intense competition and a race for market share, pesticides systematic penetration of the agricultural market has given pesticides' producers the much-needed impetus to be the largest provider of agro products. Today, as like multinational companies, we can assuredly say that no other types of pesticides companies have the infrastructure and capabilities to match pesticides' products reach in the rural sector. With the liberalization and globalization of the Indian economy in last two decades, many multinational companies began to enter the country to tap the vast potential market of Nagpur farmers. The entry of multinationals had made a significant effect on the Indian agriculture marketing environment. Many companies entered the country with the same strategies they had followed in their home countries or they alter their strategy and offer products that are significantly adapted to Indian agriculture conditions. The study investigates the effects of globalization on firm performance.

**Keywords:** liberalization, globalization, agriculture, multinational etc.

## I) INTRODUCTION:

Building an international business, strategic management, and marketing literature, this paper advances prior knowledge on globalization and business by analyzing effects of globalization on firms. Globalization—the process of increasing social, cultural, political, and economic interdependence—has resulted in several changes in business environment. Global market opportunities and threats are major effects of globalization. While the former refers to the increases in market potential, trade and investment potential, and resource accessibility, the latter refers to the increases in number and level of competition, and the level of uncertainty. Two empirical studies included in this paper explore how these effects influence firms' international marketing activities and performance.

## II) OBJECTIVES OF THE STUDY:

1) To know the effects of Globalisation on Marketing of Pesticides in Nagpur District (2001-01 to 2005-06)

2) To study the marketing strategies adopted by different pesticides' companies in Nagpur district.

3) To examine lacunas in marketing of pesticides and suggests for improved techniques and strategies for marketing of pesticides in Nagpur district.

## III) RESEARCH METHODOLOGY:

The sample of the study includes 200 cultivators from each taluka of Nagpur district, thus measuring total 2400 farmers of the district. However, out of 2400, sample of 2330 cultivators have been finalized. For removing language barrier the Marathi language is used. The sampling procedure adopted for the purpose of study was cluster sampling which involves selection of samples, universe of a group or cluster items.

The information necessary for the study is collected through 50 dealers/retailers using Judgemental and convenience sampling and 25 field officers (executives) using Simple Random sampling method is collected in particular areas of Nagpur district.

## A) Method Of Data Collection:

The questionnaire was designed after conducting in-depth interviews with few pilot respondents. A Self-administered structured survey questionnaire was targeted to carefully select respondent farmers using cluster sampling techniques to collect primary data. For secondary data collection Annual report, e-books Catalogues, Brochures, Agricultural Magazines, Website are used, and the conclusions are drawn on the basis of analysis.

## B) Research Design:

The present study is Descriptive in nature. Accordingly, the use is made of secondary as well as primary data.

Apparently, the conclusions drawn from this study was descriptive in nature.

### C) Hypothesis:

Alternate Hypothesis H1: Globalization has adverse effects on marketing of (domestic company's) pesticides in Nagpur district.

Null Hypothesis H0: Globalization has no adverse effects on marketing of (domestic company's) pesticides in Nagpur district.

### III) 'SURVIVAL OF THE FITTEST': PROMOTIONAL STRATEGIES ADOPTED BY THE MULTINATIONAL COMPANIES IN NAGPUR DISTRICT:

As the domestic companies have to fight out foreign competition, they are not able to raise their standards and customer satisfaction levels in order to survive in the market. Besides, when a global brand enters a new country, it comes in riding on some goodwill, which it has to live up to. This creates competition in the market and a 'survival of the fittest' situation.

The aim of the promotional programme is not only to increase the sale of the company but also to educate the customers for the judicious and balanced use of products and to help in adopting the modern practices for increasing the production and thus fulfilling the economic and social responsibility as well.

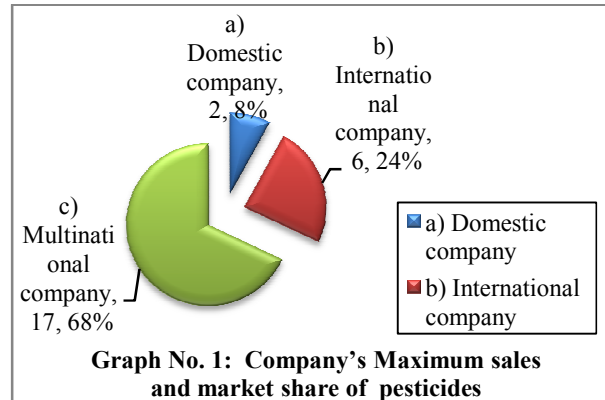
Various Promotional Strategies adopted by the multinational companies for rural area are:

- a) Use of Mobile van
- b) Visiting to farmers customers and giving samples on
- c) Meeting to village head and giving the information about products
- d) Meeting to the learned persons and telling them the information.
- e) Pasting posters in the villages/towns
- f) Erecting hoardings in the villages/towns near bus-stand, public health centre and Gram Panchayat
- g) Distributing pamphlets in villages/towns
- h) Distributing free books and other gifts like pens, bags etc.

- i) Organizing various melavas, exhibitions, and demonstrations

### IV) DATA ANALYSIS:

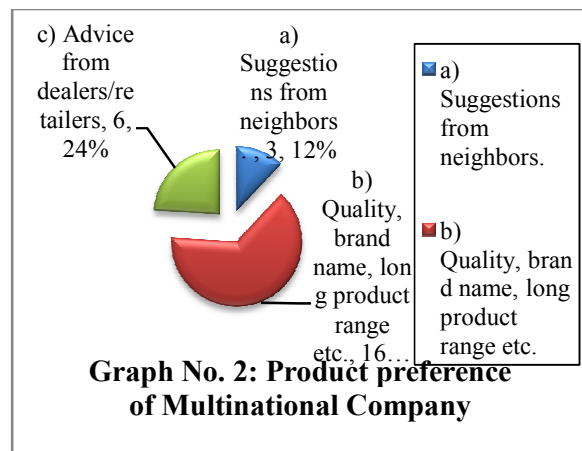
Que1: Company's Maximum sales and market share of pesticides



From the graph, it is clear that, there are 8% executives i.e. 2 out of 25 who have mentioned that maximum sales of pesticides belong to domestic company. 24% executives i.e. 6 out of 25 have mentioned that maximum sales of pesticides belong to international company and 68% executives i.e. 17 out of 25 have mentioned that maximum sales of pesticides belong to multinational company.

Thus it is clear from the above that multinational companies are holding major market share of the district.

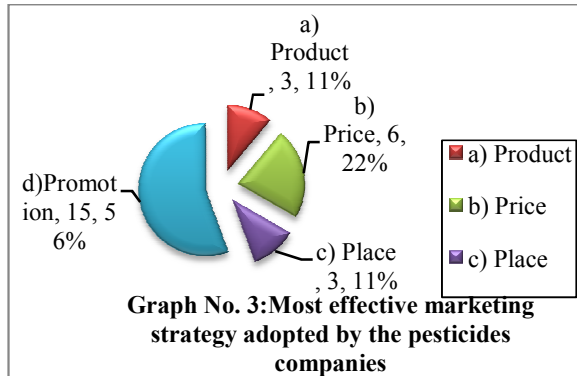
Que 2: Product preference of Multinational Company



From the graph, it is clear that, there are 12% executives i.e. 3 out of 25 who have mentioned that customers prefer the products on the basis of neighbours' suggestions. 64% executives i.e. 16 out of 25 have mentioned that

customers prefer the products on the basis of quality, brand name, long product range etc. and 24% executives i.e. 06 out of 25 have mentioned that customers prefer the products on the basis of advice from dealers/retailers.

Que 3: Most effective marketing strategy adopted by the pesticides companies



From the graph, it is clear that, there are 11% executives i.e. 3 out of 25 who have mentioned that company has preferred product strategy for marketing of pesticides. 22% executives i.e. 6 out of 25 have mentioned that company has preferred price strategy for marketing of pesticides. There are 11% executives i.e. 3 out of 25 have mentioned that company has preferred place strategy for marketing of pesticides. There are 56% executives i.e. 15 out of 25 have mentioned that company has preferred promotion strategy for marketing of pesticides.

It is clear from the above graph that most of the companies are giving preference to promotion strategy. This help them to perform the business in rural and urban areas for earning more profit.

It is observed that the promotion strategy is being used mostly on large scale by the multinational companies. They are setting high advertising budgets and using various advertising mediums, campaigning, organizing exhibitions, melavas, demonstrations, free samples, sale points, farm visits etc. to educate the farmers as compared to domestic and international pesticides companies. The multinationals are entering in the market with high research and development, newer technology, licensing, joint ventures, exports creating adverse effects on marketing of pesticides for domestic companies in Nagpur district.

The multinational companies engaged in the agriculture business of Nagpur district has entered with exports, indirect exports, licensing, joint ventures, indirect investment etc. From the analytical study, it is clear that the Customers preference of products from multinational companies is 64% and is only because of good quality, brand name, long product range etc. It is also clear that the multinational pesticides' companies performing their business in Nagpur district have maximum sales and holds market share of 68%. They are betterly offering schemes, offers, foreign tours, gifts to the dealers and retailers.

Strategic alliances in the form of licensing agreements and joint ventures between an multinational and a local partner in a host country are fast becoming a means by which the multinational gets an entry into Nagpur district. The key to successful strategy implementation lies in the selection of the local partner. They are capturing the Nagpur district market by giving attention on organizing farm visits, krishi melavas, exhibitions, trade fairs, demonstration programmes etc. on large scale as compared to domestic companies working in Nagpur district. Also the multinational companies are providing better products with different prices having active ingredients, higher molecules with better results. They are entering in the market with high research and development, newer technology, licensing, joint ventures and exports etc. During the research study and from analysis, it is proved that most of the farmers in the surveyed area of the district have used the products of multinational companies and provided better results having maximum sale of pesticides. Also, the analysis of the questionnaire of executives proves that *Globalization has adverse effects on marketing of (domestic company's) pesticides in Nagpur district*. Hence, Alternate hypothesis is proved.

## V) CONCLUSION

- As the domestic companies have to fight out foreign competition, they are not able to raise their standards and customer satisfaction levels in order to survive in the market. Besides, when a global brand enters a new

country, it comes in riding on some goodwill, which it has to live up to. This creates competition in the market and a 'survival of the fittest' situation.

- The multinational companies are setting high advertising budgets and using various Advertising Mediums, Campaigning, Organizing customers' Counselling, Exhibitions, Melavas, Demonstrations, Free samples, Sale points, Field visits etc. to educate the customers as compared to domestic companies. The multinationals are entering in the market with high research and development, newer technology, licensing, joint ventures etc. creating adverse effects on marketing of pesticides for domestic companies in Nagpur district.

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