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Factors influencing the brand preference and farmers loyalty towards Bt cotton in Sabarkantha district

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Abstract

The performance of agriculture is important as the sector not only contributes to overall growth of the economy but also provides food security to majority of the population in the country and is also a major source of livelihood. Indian Seed Industry has been growing at a CAGR of 12% compared to global growth of 6-7%. Cotton often referred as “White gold” or the “King of fibres” enjoys a predominant position amongst all cash crops in India and is closely linked to human civilization itself. Seventy percent of cotton grown under rainfed. Clear sunshine & proper moisture level during boll formation is required. Only certified and tested seeds should be used for irrigated cotton. Generally 2.5 to 3 Kg seed per hectare should be used. According to farmers’ perspectives, they mainly factors considers for customer loyalty were Quality, Yield and Past Experience and factor considers for brand preference towards Bt cotton seeds were Yield, Price and Product availability. Farmers’ meeting by company, Field Demonstration and Exhibition were respectively found most influence promotional activities on farmers for brand preference and loyalty.

Keywords: Hybrid cotton seeds, brand preference, brand loyalty

Introduction

The performance of agriculture is important as the sector not only contributes to overall growth of the economy but also provides food security to majority of the population in the country and is also a major source of livelihood. Notwithstanding the fact that the share of this sector has been declining over the years, its role remains critical as it provides employment. Other sectors growth is dependent on performance of agriculture to a considerable extent. Because of these reasons agriculture is at the core of socio economic development and progress of Indian society and thus proper policy is crucial to improve living standards and welfare of masses.

Seeds are an incredibly important part of human life, without which we would simply not exist. Our food supply totally depends on seeds and seed stock, many other natural resources that we use as human beings, such as cotton, paper, timber, and edible oils, all begin their live as seeds. Seeds are part of the ever evolving constant of nature that is maintained by complex series of inter-relationships between her different component parts, of which seeds play a central role.

Indian seed Industry is one of the most mature and vibrant one in the world currently occupying the 6th position with nearly 9000 Crores turnover. During the past 5 years the Indian Seed Industry has been growing at a CAGR of 12% compared to global growth of 6-7%. Indian Seed Industry is poised to grow at a CAGR of 17% for next 4 years. By 2014, India will rank at No 3 or 4 in the Global Seed Business. At the current pace of growth, meeting the future food grain demand would be an uphill task. The new technologies for increasing yield should also be sustainable in the long run. Cotton often referred as “White gold” or the “King of fibres” enjoys a predominant position amongst all cash crops in India and is closely linked to human civilization itself.

In India, cotton is grown mainly in the nine major states in three different zones. Punjab, Haryana and Rajasthan in north zone, Madhya Pradesh, Maharashtra and Gujarat in central zone and Karnataka, Andhra Pradesh and Tamil Nadu in south zone. North zone accounts area of about 13.65 lakh ha, Central zone accounts area of about 71.84 lakh ha, and south zone accounts area of about 28.37 lakh ha with the total area is 115.53 lakh ha.

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North zone contributes in terms of production of 51.4 lakh bales (18.44%), central zone contributes production of 206.35 lakh bales (57.96%), and south zone contributes production of 85.2 lakh bales (23.93%) with the total production of 356.02 lakh bales.

(All India Co-ordinated Cotton Improvement Project – Annual Report, 2013-14).

Methodology

A purposive sampling was adopted as sampling procedure for the study. The data on area under cotton in Sabarkantha was collected. It was proposed to select districts for the study so as to investigate into the research problem. From district five taluks were selected. It was decided to select five taluks in district based on area of cotton seeds, hence, total of five taluks were selected. Khedbrahma, Idar, Vadali, Himmatnagar, and Prantij talukas were selected in Sabarkantha district. In third stage, four villages in each of the selected taluks were selected based on the highest area coverage under cotton production. Hence, in all a total of 20 villages were selected for the study. From each village 10 farmers who were growing cotton from each village were selected on random basis accounting for respondent sample farmers selected from districts. Hence, in all a total of 200 farmers were selected for the study.

Analysis and Discussion

The findings of the present study as well as relevant discussion have been summarized under the following heads: From respondents majority of the farmers having 2 to 5 hectare irrigation area, followed by large farmers with more than 5 hectare irrigation land. 17% farmers having 1 to 2 hectare of land and 15.5% farmers have less than 1 hectare irrigation land.

Primary data represent that, majority of the farmers (39%) having 2 to 5 hectare lands under Bt cotton followed by 34% farmers have 1 to 2 hectare land next to this 23.5% farmers have less than one hectare are under cotton crop and only 3.5% big farmers those have more than 5 hectare land under Bt cotton.

Majority of the farmers are used cash and credit both method for purchasing Bt cotton. According to survey 27.5% farmers are purchased Bt cotton by Cash method and remaining 25.5% farmers purchase Bt cotton seeds by Credit method.

Respondent’s farmers preferred Dhanlaxmi’s cotton seeds that is 49% followed by 37.5% farmer’s preferred Gurabini seeds and remaining 13.5% farmers preferred local company seeds to grown Bt cotton for current year.

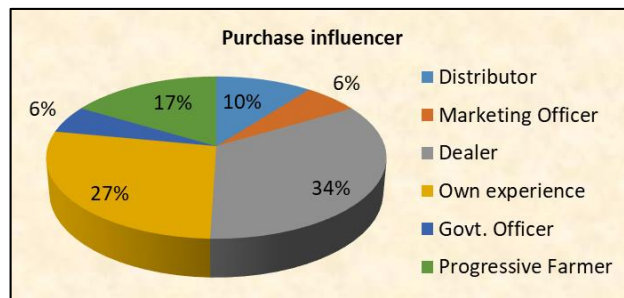


Fig 1: Purchase influencer

Here, the chart shows that, most of the farmers (34%) are purchased Bt cotton seeds by dealers suggestion followed by 27.5% farmers purchased due to own past experience. 16.5% farmers purchased due to influence by progressive farmers followed by 5.5% purchased due to suggestion of government officers and only 6% influence due to marketing officer.

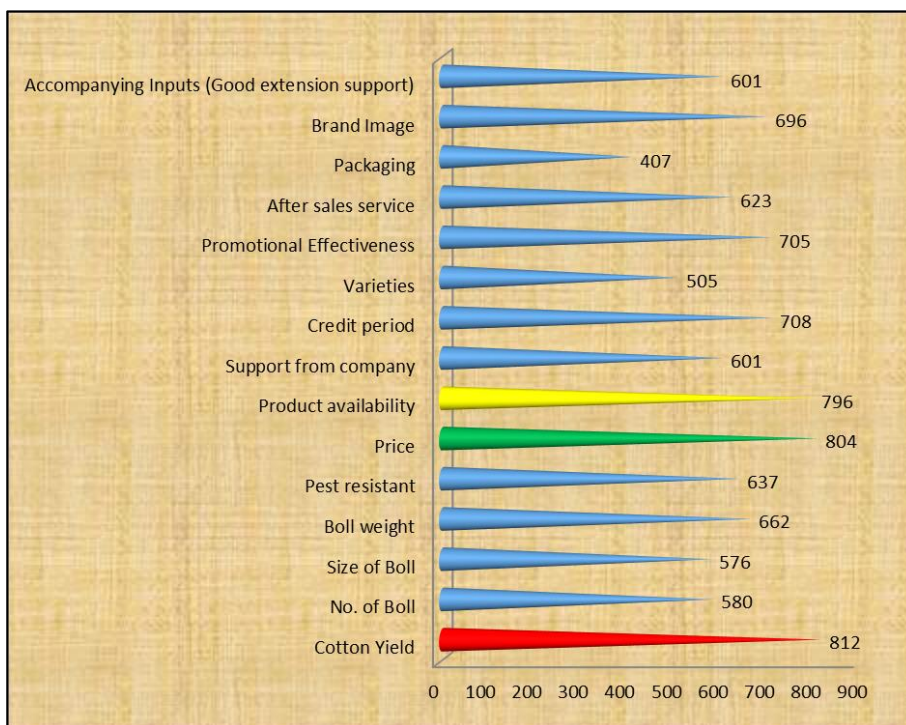


Fig 2: Factors influencing brand preference

From the above graph it was revealed that factors which places an important role in brand preference are Cotton Yield, Price and Product availability respectively first, second and third rank. Some of the other factors like Credit period,

Promotional Effectiveness are also affected, varieties and Packaging are found least influencing factors for Bt cotton’s brand preference. Yield is on first rank because when there is maximum production then only farmers get more money from

the grown crop else not. Price is on second rank because when seeds price is high then generally small and marginal farmers can't afford it, so there must be valid price of seeds required even when farmers sale his produce to market and get good price for produce. Product availability was one of the major factor because many time farmers not get that seeds when they required, it makes them to move on another brand, so product availability seeds is one of the most important factors for brand preference.

Primary data shows that majority of the farmers (68%) purchased same brand's Bt cotton since last three years and remaining 32% farmers those are switcher who grown different brand cotton seeds. So it was revealed from the study that 68% farmers are found loyal to the brand in study area.

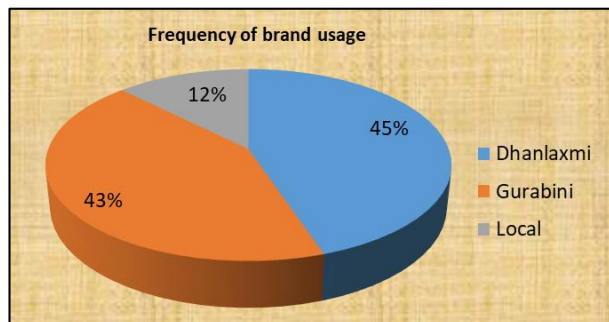


Fig 3 Frequency brand usage

Here, the graph shows that, most of the farmers found loyal to the Dhanlaxmi brand followed by 43% are loyal to the Gurabini brands and only 12% farmers are loyal to the local company's brand.

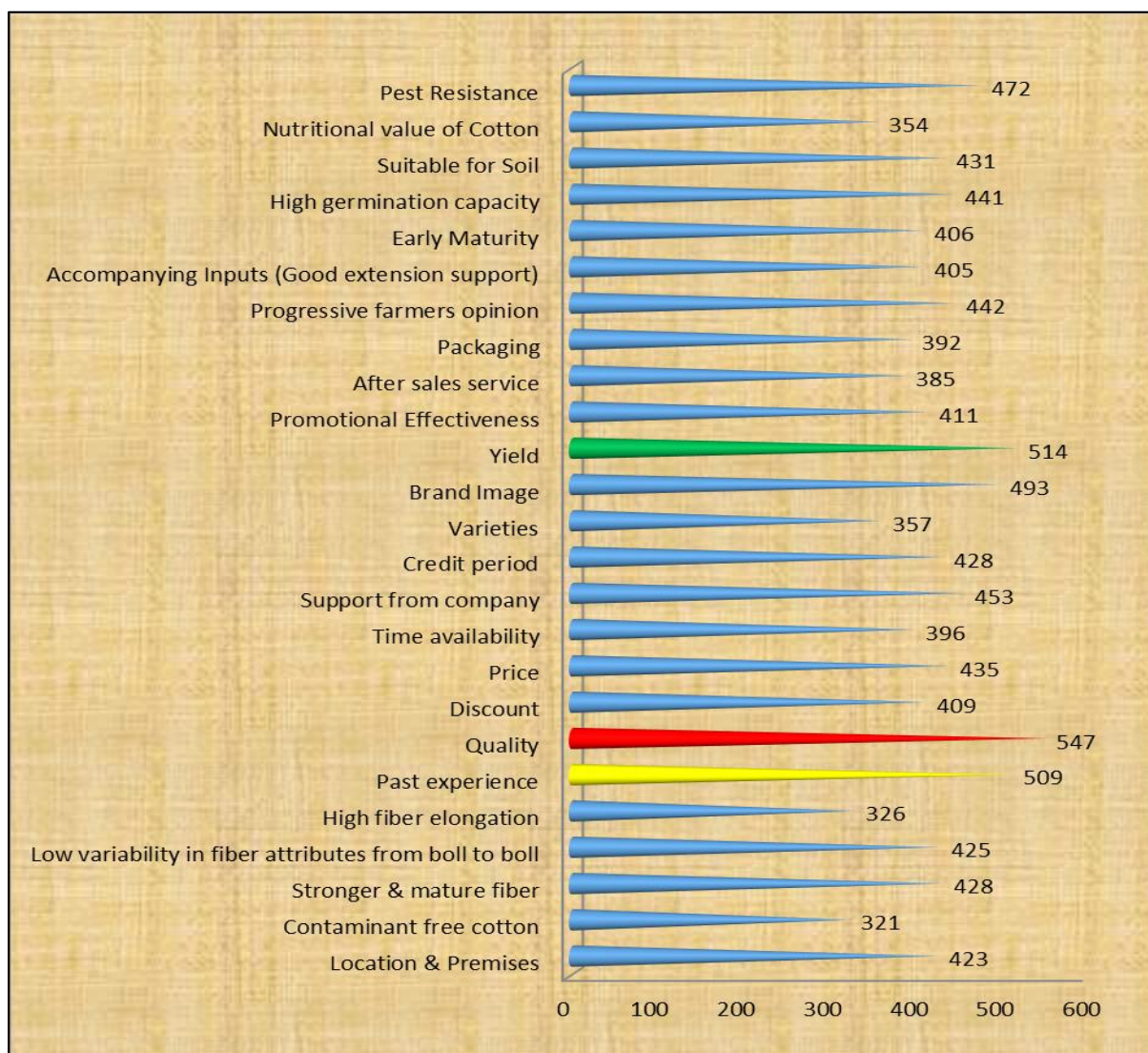


Fig 4: Factors influencing farmer's loyalty

The chart shows that the factors which places an important role in influencing on farmers' Loyalty towards Bt cotton. It was revealed from the study that the most 3 influencing factors are Quality, Yield and Past Experience respectively first, second and third rank. Varieties and Contaminant free cotton are found least influence factors for farmers' loyalty towards Bt cotton seeds. Quality stands first because the trend are changing now and farmers also need quality of seeds as well as quality of produce, so they can get maximum price for

the produce, followed by Yield because when there is maximum production then only farmers get more money from the grown crop. Past Experience comes third because it helps the farmers to take decision like whether to buy it or not. Data represents that, 68% farmers are influenced by promotion activities and remaining 32% farmers are not influenced by any promotional activities to brand preference and loyalty.

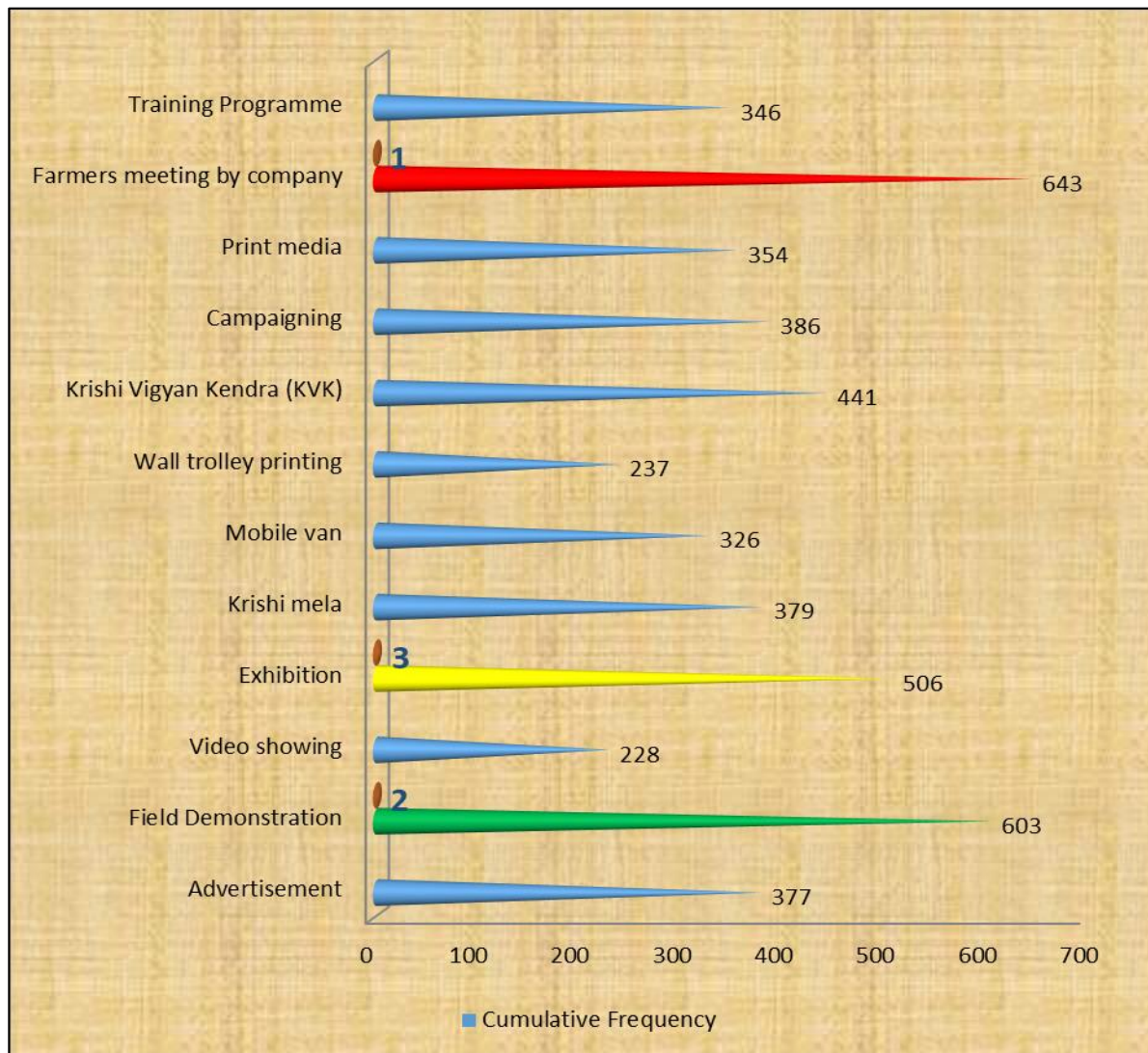


Fig 5: Promotional activities influence on brand preference and loyalty

The above graph shows the promotional activities influencing on brand preference and loyalty. From the study it was revealed that most promotional activities influencing are brand preference and farmers' loyalty are Farmers meeting by company, Field Demonstration and Exhibition respectively on first, second and third rank. Farmers Meeting is most influence promotional activities for brand preference and loyalty because through meeting only farmers can know about detail of product and his doubts would be also clear so it is a most influence one, next to this Field Demonstration because through demonstration only farmers can get to know about dose and quantity to be used. Third rank given to Exhibition that is also one of the most important for brand preference and loyalty.

Conclusion

It can be concluded that cotton is one of the most important commercial crop of India and it plays a dominant role in the industrial and agricultural economy of the country. Sabarkantha district is one of the largest producer of cotton in Gujarat state. Dhanlaxmi Crop Science Pvt Ltd is one of the reputed seed company in selected study area, which currently cover nearly half of the cotton seeds market. Nearly forty percent of farmers were found those who grow Bt cotton in more than two hectare land. Dealers were found to have most influence on farmers regarding purchasing decision of Bt cotton. Yield, Price and Product availability were most

influencing factors towards brand preference. Among all surveyed farmers, 68% farmers were found loyal to particular one brand since last three years. The most factors influencing on farmers' loyalty towards Bt cotton were Quality, Yield and Past Experience respectively first, second and third rank. Farmers' meeting by company, Field Demonstration and Exhibition respectively were found most influence on farmers for brand preference and loyalty. Germination issue in case of 2025 BG II variety so company need to immediately solve this problem by coming with seeds having high germination percentage and need to create more relations with dealers for effective business. Mostly farmers were found loyal to 2-3 major brands only so existing company have large potential to healthy business and cover maximum area.

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