

# SUPERSEED COTTON: A SALES FORECASTING DILEMMA

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## Abstract

*The case studies the challenges being faced by Superseed, a hybrid seed manufacturer, in order to increase their market share. While currently placed as the fifth largest player in the Indian cotton seed industry, the CEO believes a higher sales budget for the next season would solve for its target of being the number one player in the industry by the season 2020. Industry successes so far have been due to high product quality or features, channel strategies, and the use of mass media for promotional activities. While Superseed has best seller brands, which also faced supply shortages in the last season, its relationships with the channel are not as robust as desired. However, to their strength they launched the Kisaan Vikaas Project in 2011, which focuses on face-to-face interaction with farmers and equips them with information and crop management practices. The aim of the project was to address the firm's planning and forecasting issues. [Market share is defined as its sales measured as a percentage of the industry's total sales, for a particular fiscal period.*

**Keywords:** Demand Forecast, Business Development, Sales Planning.

## INTRODUCTION

As the board meeting began the CEO was thrilled by the feedback received from the sales team and he was looking forward to chase the target of becoming the number one player in the Indian Cotton Seed industry by *Kharif-2020*. Owing to his aggressive and motivational leadership, the company had witnessed tremendous growth, over tenfold in the past eight years. Even though the industry had experienced a massive slump in the previous season, the CEO was certain of his product's potential and performance. Last year's targets were achieved up to just 60% of the 3 million budgeted number, and contrary to the popular practice of reassessing targets, Superseed is now aiming to achieve an even bigger number of 4 million, in sales of cotton seed packets by *Kharif-2016* (Table 1).

The board meeting ended on a high note with the ambitious sales plan of 4 million packets, agreed upon by all stakeholders. However, another year of inflated figures would mean inventory build-up, higher operational costs, and hence, stunted bottom line growth, which would impact business elasticity in the long run. The marketing manager, thus, has the challenge of coming up with a realistic forecast number which would not disappoint the senior management. The manager, aware of these challenges, has two tasks at hand – first, to arrive at a realistic *Kharif-2016* sales figure acceptable to the senior management, and second, to devise a marketing strategy to be the market leader by 2020. The manager knows that a figure below last year's target would not be appreciated, and he plans to evaluate critical growth drivers for the next season. He is wondering if he can reassess the markets and customer segments.

<b>STATE</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Maharashtra	15.1	13.8	17.4	15.1
Andhra Pradesh	10.2	11.4	13.3	12.2
Gujarat	4.6	3.9	5.2	4.7
Harayana	2.8	2.8	3.7	3.5
Karnataka	2.5	3.0	4.0	3.2
Madhya Pradesh	2.4	2.0	2.5	2.1
Punjab	2.2	2.2	2.4	2.0
Rajasthan	1.7	1.7	1.8	1.6
Tamil Nadu	1.0	1.2	1.3	1.4
Total	42.5	42.0	51.6	45.8

## **ABOUT SUPERSEED**

Agro Solutions Private Limited (ASPL) was founded in 1989 with two business units: agribusiness and energy, and since then had diversified the portfolio into plastics, chemicals, cements, and textiles. ASPL manufacturing facilities operated on well-defined processes, and underwent continuous improvement through global benchmarking. While ASPL offered multiple agricultural products like urea fertilizers, other fertilizers, pesticides, and other agricultural input products, it sold hybrid seeds only via its former subsidiary, Superseed, which was later acquired by the ASPL Group in 2002.

Superseed offers hybrid seeds for field crops, like Corn, Rice, Cotton, Sunflower etc., and vegetable crops, like Tomato, Okra, Cabbage, Cauliflower, etc. It mainly caters to the Indian farmer market; however, it has also expanded its mark in other South-East Asian countries like Vietnam, Philippines, and Thailand, with a limited product range. With multiple cotton seed products in the Indian market, Superseed introduced their brand ALPHA in 2012 to address the imminent and recurrent issue of sucking pests, pests which suck liquid from the plant and result in restricted or stunted growth, and at times crop failure in Table 2.

<b>COMPANY</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
NSL Group	6.5	9.0	10.0	9.3
Ajeet Seeds	2.2	3.3	6.5	6.0
Kaveri Seeds	3.6	5.1	8.0	6.0
Rasi Seeds	2.0	2.0	3.2	4.2
Superseed	0.7	0.8	1.9	1.9
Mahyco	2.7	3.8	2.2	1.5
Bayer	0.9	0.7	1.0	1.3
Others	23.9	17.3	18.6	15.6
Grand total	42.5	42.0	51.6	45.8

A research-oriented organization, Superseed has grown exponentially under the current leadership, from a business turnover of INR 400 million (US\$ 5.7m) in 2007 to INR 5 billion (US\$ 71.4m) in 2015. It is spread across 18 Indian states, operating 16 testing centres and six research labs. Major markets for Superseed are the states of Karnataka, Andhra Pradesh, Maharashtra, and Gujarat, with more than 200 distributors in each state, and smaller markets are Assam and

Himachal Pradesh, with ten distributors each. With a strong research team and an aggressive sales force, the company is hoping to achieve a big jump in *Kharif-2016* in table 3.

COMPANY	PRODUCT	2012	2013	2014	2015
Ajeet	Ajeet-155	2.0	3.0	4.8	4.3
	Ajeet-199	0.2	0.5	1.5	1.0
Superseed	ALPHA	0.1	0.4	1.0	0.8
	BETA	0.0	0.1	0.4	0.5
Kaveri	Jadoo	2.7	4.0	5.1	3.2
	ATM	0.2	0.5	2.0	2.0
NSL	Bhakti	0.0	0.5	1.8	2.2
	Mallika	4.5	2.5	2.8	1.6
Rasi	RCH-659	0.0	0.0	0.2	1.0
	RCH-2	1.0	1.0	1.1	0.8
Grand total		10.7	12.5	20.7	17.4

### Superseed Cotton

Superweed's cotton portfolio carries over 30 different brands of hybrid cotton seeds, specific to special use cases, and it sold around two million packets in 2015. Product performance reviews are generally positive, yet growth is far below expectations, especially for leading brands ALPHA and BETA which contributed to 44% and 28% of net sales in 2015, respectively. Brands like SS-100, SS-105, and SS BETA BG-II, offer high sucking pest tolerance, easy boll picking features (*cotton bolls* are the fluffy clumps in which form cotton grows on a cotton plant), and higher crop yield (i.e., higher number of cotton bolls). Superseed positions itself as "*Hardam Behtar*" (*'Always Better'*), and frequent awareness and promotional activities (Table 4) lead to resource optimization and yield maximization for the farmers. In general, farmers have observed a 20% increase in yield, and a 10% reduction in cultivation costs by using Superseed, when compared to other products in the market.

AEO ACTIVITY	USED FOR	WHEN	DESCRIPTION	REMARKS
Demo Distribution	Free sampling across villages	During new product launch	2-3 Demo Farmer selected for monitoring hybrid crop and for feedback across crop cycle. Demo farmers were selected based on management practices, field locations, and influencing capabilities in the village.	Supervised by AEO
Field Visit	Knowledge sharing session for management practices	After demo field was ready	Nearby villages mobilized and farmers visited the field and received technology information from the AEO	One-day visit with about 60 farmers from 3-4 villages
Farmers' Meet	To understand local crop performance, management issues, increase customer satisfaction	Throughout the year	Bring out concerns and expectations for product performance, aiding in subsequent hybrid development. Knowledge advisory session with technology advancement awareness	10 farmers and AEO
Harvest Day	Calculation of final yield with mechanized harvesting	-Same as Field Visit-	End result was available for evaluation, and hence, increasing technology receptivity	-Same as Field Visit- (addition: Mechanized Harvester)
Knowledge Kiosks	Information centre for farmer interactions at a common market area	On Market Days	Used as a mass interaction tool where the AEO resolved farmer queries and suggested technological developments	More than 250 farmers

Jeep Campaign ( <i>Technology at Your Doorstep</i> )	Awareness by recalling tech benefits across crop cycles	Just prior to the Sowing season	Multimedia tools showcasing farmer testimonials, documentaries, etc. at the farmer's doorstep	More than 5 villages/day
Farmer Workshop	Awareness drive	Throughout the year	Large scale knowledge sharing meeting which lasted for about 3 hours	EC member, AEO, MDO available for over 100 farmers
Sports Meet	Awareness drives for exposure	Once in 6-12 months	Acted like catalyst to increase attendance in knowledge sharing sessions	-

Regional teams planned for multi-fold growth each year, but those results were seldom achieved. The sales forecast activity conducted in March 2015 set the sales targets of 3 million seed packets for *Kharif-2015*, and with this budget allocation, approximately 2.8 million packets were dispatched. However, 950,000 packets were returned to the company (an industry policy held the company liable to accept sales return in case any packet remained unsold in the market). With inflated forecast figures and shorter product life cycle, sales return have the potential to adversely affect the bottom line.

### Cotton Seed Industry in India

Cotton, a cash crop, is grown during the *Kharif* season in India, and forms a major part of the agricultural and industrial sectors of the country. A cash crop is considered easily marketable and is grown for the sole purpose of being sold in the market, unlike a subsistence crop, which is consumed by the farmer as well for his personal use or for animal fodder. Cotton is a water and pesticide intensive crop, which makes it a health hazard in the food chain via cottonseed meal (often used in cattle feed), and also raises cultivation challenges for the farmer, like irrigation, pest control, harvesting, etc. In order to mitigate this risk, the farmer purchases multiple hybrids, with a preference for a 'safe' product which would protect him against the extremities of nature. The industry had doubled in acreage (under cultivation) and tripled in value, with the introduction of Biotechnology Hybrid Seeds, i.e. Bt. Cotton, in 2002. It was considered one of the best technology adoption examples in the rural parts of the country, achieving over 95% penetration in Table 5.

STATE	NUMBER OF DISTRIBUTORS	REGIONAL OFFICE
Karnataka	676	Bangalore
Andhra Pradesh	611	Hyderabad
Maharashtra	472	Pune
Gujarat	262	Ahmedabad
Uttar Pradesh	205	Lucknow
Madhya Pradesh	114	Indore
Tamil Nadu	85	Chennai
Bihar	77	Patna
West Bengal	63	Kolkata
Chhattisgarh	61	Raipur
Rajasthan	57	Jaipur
Orissa	48	Bhubaneswar

However, similar technology adoption was not seen in crop irrigation with most farmers still relying heavily on rains. A recent Indian Meteorological Department (IMD) issuance created panic over predictions of poor rain in 2015, leading to no emergent market leader and no hybrid dominating the market. The poor monsoon prediction had created confusion and miscalculations for the market size. However, one Superseed cotton hybrid bestseller, BETA, was able to generate a pull from the market and received positive responses from farmers. Amidst the havoc, the company fell short of BETA supplies and lost a chunk of sales, hence denting the growth potential of BETA and Superseed in *Kharif*-2015. The Superseed management wished to eliminate this error and risk in calculation and predictions, for the next season.

### **Customer Buying Behaviour**

A typical customer buys three to four different brands of hybrid seeds, heavily influenced by the past experience with the brand. He is also not averse to trying new products which display potential, and the farmer accommodates retailer suggestions for the remaining balance in his shopping bag. A farmer does not judge a product's performance scientifically, but only through observation over the crop cycle and the final yield of the hybrid. Word-of-mouth and publicity product campaigns also help strengthen the post purchase satisfaction of the existing customer while also adding the product to the consideration set of the next potential customer. New products in the market rely heavily on their acceptance in the channel. Channel partners, viz. distributors and retailers, play the role of product gatekeeper for newly launched products which face low awareness.

The market operates on credit sales, which provides the retailer an influence over the final purchase decision of the farmer. However, retailers are cautious while suggesting new hybrids, to not harm their credit recovery, and credibility. Retailers never oppose leading hybrids, however, they push products with better margins and the ones which have the potential to capture at least 10-20% share in the farmer's basket. Credit farmers do not have substantial resources for high crop management, and hence, low crop yields are majorly attributed to resource limitations. Therefore, the channel pushes any hybrid with average yield, but better trade margins. For areas of poor crop performance, the bargaining power lies completely with the channel, and the channel is the biggest source of credit for the farmers in distress. Farmers often borrow money to operate their cultivation practices.

### **Promotional Activities**

The Indian rural market is a critical example of a heterogeneous market, where interpretations of customer-perceived value may differ across multiple customer segments as they assign differential importance weights to the value drivers, viz., perceived quality and price. The Indian seed industry is an example of a market where lack of awareness about the right product had given varied results, causing customer dissatisfaction and thereby inhibiting technology transfer. It has been observed that choosing the product without paying attention to its accurate customer segment fit increases the probability of poor yield, resulting in significant loss for the farmer, and farmer suicides, in some extreme instances.

A few players, thus, initiated awareness drives for the right product placement in the market. These include promotional activities done throughout the year which help the farmer understand and better evaluate the available product options. *Kaveri* Seeds was a pioneer in using mass media to directly reach the customer. Influenced by the success of *Kaveri*, other firms

followed suit and reallocated a major part of their promotional budget to mass media advertisements. A total of 15 firms are using mass media advertising in 2015, creating clutter on news channels with as many as six seed advertisements in a row. Despite increasing advertisement trends, Superseed employed its *Kisaan Vikaas* Project (KVP) network for spreading product awareness, and to help farmers achieve optimum yield through information exchange and technology adoption.

### **Industry Trade Channel**

The industry's trade channel is broadly divided into distributors and retailers. A distributor extends his credit limit to the retailers, which defines his network strength. His supplies are limited to retailers who are creditworthy and have low default rate. The distributor also acts as a financier with logistics support, facilitating last mile delivery. Retailers reduce their dependency on a single distributor by buying goods in cash and hence seek better discounts. With improved channel connect (number of distributors) up to the *Taluka* or *Tehsil* level (township), and enhanced infrastructure (in terms of information and road connectivity), a retailer could potentially buy the goods from anywhere, at the best price and in a short delivery time. In most cases, a distributor stocks product for two to three companies, of which one is the market leader with an excellent product providing high volumes with less profit margins, and another is an average performing product but generates high profit margins. The retailer serves the farmer, the end consumer, through a cash and carry model, or a credit model, for which he charges a high interest rate, up to 6% per month.

In a critical channel management decision, Superseed doubled its channel strength in the past three years. This was done to ensure maximum product penetration with a push strategy. Some retailers with a healthy retail counter were also converted into distributors. This helped Superseed reach the last mile in a relatively short time. However, the results soon turned south. With the increased channel strength and a static business volume, the trade channel started associating Superseed to high margin products. However, with the low volume of Superseed's business, distributors aim to achieve maximum profitability by offering discounts. Each sales team executive serves multiple distributors which is adversely affecting service frequency, and channel relationship, rendering almost 40% distributors dysfunctional.

### **Competitive Landscape**

The industry is highly concentrated with five major players, out of a total of over 300 companies, capturing 60% of the market share in the previous three years. The NSL Group has maintained unbroken market leadership, while the runner ups kept switching ranks. Ajeet Seeds, Kaveri, Rasi, and Superseed follow the market leader, in that order. The major driving factor of growth for any firm is the product (hybrid) itself, which is a result of five to seven years of R&D. Owing to changing customer needs and improved channels, product life cycles have now been reduced from eight to five years. A short life cycle coupled with long lead time required product development pushes across the industry in order to innovate and obtain sustainability. Historically, even market leaders had witnessed a decline of over 30%, when they failed to innovate continuously to accommodate farmer needs. In addition to product innovators, there are other market players who merely replicate a market leader's product and launch the same hybrid with another USP, and achieve the feat in a short period of time.

## NSL Group of Companies Ltd.

NSL is recognized as India's largest hybrid seeds organization and it has been an undefeated leader in the cotton seed industry, over the last six years. NSL's success is attributed to products like *Mallika* and *Bhakti*, and its sister companies viz. *Pravardhan*, *Prabhat*, *Yaganti*, Asian Agri Genetics & Fortune Hybrid Seeds. *Mallika* is NSL's oldest hybrid which has been in the market for ten years, and at the time of launch was a boon to farmers with poor management conditions. With a USP of high tolerance towards sucking pest and average yield in extreme climatic condition, *Mallika* was once irreplaceable.

NSL has the ability to directly influence the trade by spot pricing which ensures aggressive commitment from the channel. Their organizational structure facilitates the employee to take crucial and timely decisions, since the regional managers are responsible for net profitability only. Its strength of being present across the value chain helps in providing a Buy-Back option in the credit markets as well, which extends the credit limits to trade partners. Currently NSL is diversifying business by entering micronutrients and growth regulators markets (Global Agro Genetics Private Limited) under their umbrella brand.

## Ajeet Seeds

*Ajeet* stands at the second position and is considered a conservative player. It maintains control over the supply chain in a way that farmer price levels are near or above the MRP (maximum retail price). The strategy it employs is pull demand with low market supplies, and this helps channel partners in realizing best margins from each cotton seed packet sold. On most occasions, the packets are booked in advance by the channel and are distributed to retailers and farmers on a cash-and-carry basis. *Ajeet-155*, launched in 2009, is the leading product of the company, and has a unique feature of high yield with sucking pest tolerance. It was introduced when farmers were using NSL's *Mallika* (average sucking pest tolerance hybrid with average yield) and *Rasi's* RCH-2 (high yield but low sucking pest tolerance). *Ajeet-155* bridged the gap by providing high yield with high sucking pest tolerance. The current portfolio comprises of *Ajeet-155* and *Ajeet-199* which are on a growth curve in Table 6.

YEAR	SHIPMENT QUANTITY	RETURN QUANTITY	TOTAL NET SALES
2012	1165163	553779	611384
2013	1790903	988211	802692
2014	2726268	839053	1887215
2015	2801504	948397	1853107

## Kaveri Seeds

*Kaveri* Seeds witnessed steep growth in the last four years with products *Jadoo* and *ATM*, and became the third top player in the cotton seed industry. The firm focuses majorly on Andhra Pradesh & Maharashtra and these two states contribute to 70% of the company's total sales. *Kaveri* provides a good product fit for the said geography and its innovative use of mass media had created a benchmark in the industry. The company's spend on mass media in 2013 & 2014 was approximately 80% & 60%, respectively, of the total mass media spend by the entire seed industry.

This helps *Kaveri* position their product against others. *Kaveri* also leverages small retailers and farmer groups, in 2013-14, and has achieved increased last mile penetration.

*Jaadoo* and ATM have easy picking features (making it easier for the farmer to pick cotton bolls from the crop) and address acute labour shortages, especially in Andhra Pradesh where *Kaveri* enjoys the market leader position. Crop yield, is better than average, but is communicated indirectly in advertisements, via farmer's opportunity loss without *Jaadoo*. *Kaveri's* aggressive field work and mass media usage has made it the fastest growing company in the industry. No hybrid, however, offers tolerance towards sucking pest.

*Kaveri* has limited channel partners, and a couple of distributors serve the entire market. This helps distributors to realize better profits margins through volume transactions. With a limited channel, *Kaveri* Seeds experiences better control over the supply chain and ensures that no undercutting (offering goods or services at a price lower than competitors) or cannibalization takes place along the chain. Proper geographic control is maintained by ensuring negligible clashes among distributors or retailers, thereby sustaining the bottom line.

### Rasi Seeds

*Rasi* occupies the number four position with its leading product RCH-659. A former flagship product, RCH-2, brought about a revolution in the market, during 2007-2009, and changed the way a farmer approached cotton cultivation. The product offers yield advantage, and the farmer is capable to use high grade fertilizers or other productivity enhancing inputs. This trend continued till the introduction of Ajeet-155 which offered high yielding and tolerance to pest attack. With this decline, *Rasi* took a step back and minimized their promotional efforts. The sales teams, however, maintained channel relationships and regularly updated retailers with information of upcoming hybrids. In 2014, *Rasi* introduced an innovative product, RCH-659, addressing labour shortage through easy picking, and high pest tolerance. Channel relationships helped in occupying retailer mind-space and made the product launch a success. With this new hybrid, the company has regained its position and is now poised to grow further.

### Superseed Sales Forecast

A general sales forecast is done using a bottom-up approach, beginning from the Sales Officer to the Regional Officer, in the Head Office. This estimate is based on certain amount of data dependent on individual opinions, industry interactions and assessments. The sales officer makes assumptions based on his interactions with a few farmers and trade partners. Similarly, regional heads take into account the previous season figures and the promotional activities, to arrive at the sales forecast. Advance bookings in the channel also form a basis of the sales forecast. Shipment quantities are decided based on these forecast figures and material movement trend is mentioned in Table 7.

<b>COMPANY</b>	<b>PRODUCT</b>	<b>INR MRP (US\$)</b>	<b>FARMER PURCHASE PRICE(US\$)</b>	<b>RETAILER DISCOUNT OVER MRP(US\$)</b>
Rasi	RCH 659	930 (13.28)	900 (12.85)	140 (2.00)
Ajeet	Ajeet 155	930 (13.28)	880 (12.57)	120 (1.71)



	Ajeet 199	930 (13.28)	830 (11.85)	140 (2.00)
Superseed	Beta	930 (13.28)	870 (12.43)	140 (2.00)
	ALPHA	930 (13.28)	850 (12.14)	140 (2.00)
Kaveri	ATM	930 (13.28)	850 (12.14)	130 (1.85)
	Jaadoo	930 (13.28)	830 (11.85)	150 (2.14)
NSL	Bhakti	930 (13.28)	830 (11.85)	150 (2.14)
	Mallika	830 (11.85)	830 (11.85)	70 (1.00)

### **Kisaan Vikaas Project**

To address the recurrent planning issue, Superseed established the *Kisaan Vikaas* Project ('*Kisaan*' – farmer; '*Vikaas*' – progress) in 2011, with a mission to create symbiotic relationships with the farmers, and to minimize sales forecast errors. KVP is used to educate farmers about segmentation and crop management practices. The project helps farmers evaluate the best crop management practices and hybrids suitable for their soil and local environmental conditions. The key to success of the project is the focused approach followed during the entire Information Dissemination Cycle (IDC).

Various divisions in the IDC together contribute towards increasing receptivity of the awareness drive, helping technology bring a positive change. During the entire process, personal interaction is given the highest importance to understand local needs and hence suggest the best solution for the farmers of that particular region. The contributors of IDC are mentioned below:

#### **Agriculture Extension Officer (AEO)**

These field experts are trained on segmentation and crop management, and assisted with communication tools like laptops, tablets phones, etc. to facilitate farmer interactions and online interactions with crop scientists. The presentations are designed in an interactive fashion to ensure maximum farmer involvement during the meet and to help clarify their doubts. The AEOs use multiple instruments to disseminate information via various media throughout the year Table 4.

#### **Telemarketing Officer (TMO)**

The Telemarketing Division uses an Information Communication Technology (ICT) platform for speedy information dissemination. Telemarketing Officers (TMO) are trained to handle farmer queries in real-time and provide agronomy suggestions to the farmers. This division works during office hours, but has a provision to extend operating hours as per business needs. A linkage exists between the TMO and AEO for real-time information sharing and swift problem handling for increased customer satisfaction. The division comes under direct supervision of an Executive Committee to ensure timely support to the end customer. There is also a provision under ICT for quick query management, wherein a conference is conducted between the farmer, AEO, TMO and a Senior Crop Scientist or Agronomist, to access the field situation and provide real time solutions.

#### **Executive Committee**

The Executive Committee takes care of technology evaluation, feedback for future research, support for the TMO, and development of technical communication tools. The committee is responsible for the following functions:

1. Product Evaluation and Agronomy
2. Product Management
3. Research and Development

The team works closely with the Marketing Development Officer as well. They conduct product evaluations by setting up multiple technological demonstrations for assessing product performance. These demos select farmers, offer them seed samples, and monitor the crop cycle, end-to-end (Exhibit-7. Demo Distribution). The team interacts with farmers to understand their needs and issues, thus generating information for new hybrid development.

### Market Development Officer

A Market Development Officer (MDO), a graduate in agriculture, is responsible for routine trainings of AEOs. He is responsible for making the trade channel aware of the technology by conducting field visits in demo fields. He summarizes the information generated by the AEOs, and segments the villages for future action. He provides inputs to the Product Evaluation & Agronomy team for developing technical communication required for specific agronomy adoption in the targeted villages. The MDO also provides feedback to the research team on technology performance and hidden needs of farmers for developing new generation hybrids. To sum up, an MDO serves as an anchor for information transfer between the executive committee and AEOs.

### IT Officer

Monitoring field activity is a major challenge faced by the entire rural industry. The company aggressively deploys IT interventions in its field activity for real time information sharing. The IT interface helps in project evaluation and activity review for effective technology implementations. The company has introduced SMS services for real time farmer registrations in the Information Dissemination Cycle. The registered farmers receive automatic updates on their specific technology. The Information Technology Officer (ITO) acts as an anchor for all the contributors and members of the Information Dissemination Cycle.

As an extension to the project, Superseed initiated the “Connecting the Dots” program, to ensure farmer connect and to build channel relationships. Under this program, farmers covered in the previous post-season interaction are reconnected with, before the upcoming sowing season. This is done via missed call registration and regular broadcasts are sent during the season. The broadcasts include – product pitches, agronomy information, and agronomy practices. The company hopes these continuous efforts will help strengthen brand equity in the long run Table 8.

STATE	ACTUAL				BUDGETED			
	2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
Karnataka	217	229	697	600	260	242	470	925
Maharashtra	215	188	408	450	484	342	400	775
Andhra Pradesh	158	255	511	450	255	280	675	760
Gujarat	95	93	160	85	160	123	135	225
Haryana	0	0	0	75	0	0	0	40
Punjab	0	0	0	70	0	0	0	40
Madhya Pradesh	7	15	55	60	0	0	50	140
Tamil Nadu	12	21	60	50	0	0	50	80

Rajasthan	0	0	7	15	0	0	0	50
Total	705	801	1898	1855	1159	987	1780	3035

## CONCLUSION

Keeping in mind the challenges being faced in the channel, in addition to the errors in the sales forecast approach, the marketing manager is looking at the KVP statistics to evaluate current company performance and customer satisfaction levels.

The current approach uses a bottom-up approach, beginning at the sales officer (territory in-charge), and traveling up to the regional manager, and the head office. Adjustments are done at each level based on certain data; however, it is largely dependent on individual opinions, industry assessments, and industry interactions. The Sales Officer gathers raw data from interactions with a few farmers and channel partners, while the Regional Head considers previous season's sales and promotional activities.

The manager can now assess the company growth and extrapolate the numbers using the current methodology, or he could consider the market size growth in order to include macro-factors as well. Additionally, the manager also has data generated via the *Kisaan Vikaas* Project.

### Activity Protocol

A trainer visits a minimum of two villages per day and conducts at least one group meeting per village in the form of a c and/or a night meeting. Every farmer meeting involves a minimum of 10 farmers and each night meeting involves at least 25 farmers. In addition to this, the trainer occasionally conducts events like field visits, jeep campaigns, knowledge kiosks etc. to reach a bigger audience in a short time. The details are as below table 9:

Activity Name	Frequency/day	Frequency/month	Average Farmer Coverage	Daily Farmer Coverage
Farmer Meeting	2	50	10	16.66
Night Meeting	Once a Week	4	25	3.33
Field Day	N/A	Average 5 field days/trainer/year (Max.: 15 field days/trainer/year)	50	0.69
Jeep Campaign	N/A	Average of 8 Jeep Days/trainer/year	100	2.22
Total				22.9

The above activity structure has an average capacity of 22.90 farmers per trainer per day. These active interactions are supported with IT interventions like telemarketing, interactive missed call service & informative voice call broadcast. The following information is available in addition to the activity details:

1. There were 750 AEOs in the KVP.
2. An average farmer purchases 2 or 3 brands, and takes inputs from the retailers.
3. Average land holding of these farmers is 5 acres.
4. Average farmer consumption is 8 packets/year. There is a 70% customer retention, and these customers are likely to buy 3 additional packets in the next year.

5. Post Season Awareness Drives result in 20% Farmer conversions, and these new customers buy 4 packets each
6. Pre-Season Awareness Drives result in 10% Farmer conversions, and these new customers buy 2 packets each

### **Project Accomplishments till Date**

The *Kisaan Vikaas* Project started in 2011, benchmarked itself amongst the farmer community with record increase in yield levels. With the Information Dissemination Cycle, overall awareness levels for the technology are rapidly increasing. In April 2015, another pilot was launched, “*Connecting the Dots*”, wherein 281 AEOs and MDOs were provided with a dedicated missed call number for registering the farmers covered under various interaction sessions. With this technology, better accountability and real time monitoring was brought to the system, which further pushed the average capacity to 40 farmer registrations per day. During the pilot run, the company was able to interact with more than 3.6 Lac farmers in less than 60 days, resulting in an average of 21.35 farmers/day. Considering the mobile penetration, the real farmer interaction could be more than 30 farmers per day. Promotional Activities have an estimated 55% cost of sales.