

IMPORTANCE OF MARKET RESEARCH IN FERTILIZER INDUSTRY

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Fertilizer industry is a major driving force behind the economic development of this country in general and agricultural development in particular. It consists of markets in which similar or closely related products and/or services are produced/generated and sold to buyers. Market research (MR) determines how to market your product.

Before I go into the nitty-gritty's of MR, I have an APPEAL to make to you and all the readers. More than 100 years ago, H.G.Wells has written 'Statistical thinking will one day be as necessary for efficient citizenship as the ability to read and write'. Taking lessons from the recent economic disaster in USA (and partly India) and with the backing of a very dynamic IT sector in our country in your command, my appeal to each and all of you 'transplant statistical thinking process into the core area of your brain in order for you to become a successful MR personnel, marketing personnel or a fertilizer industry personnel. With that reorientation of mind, you can play a very proactive and effective role.

What does MR do? It discovers what people want, need, believe or even how they act. It allows you to seek direct feed back from your market. MR was basically developed as an off shoot of the advertising boom of fifties in USA.

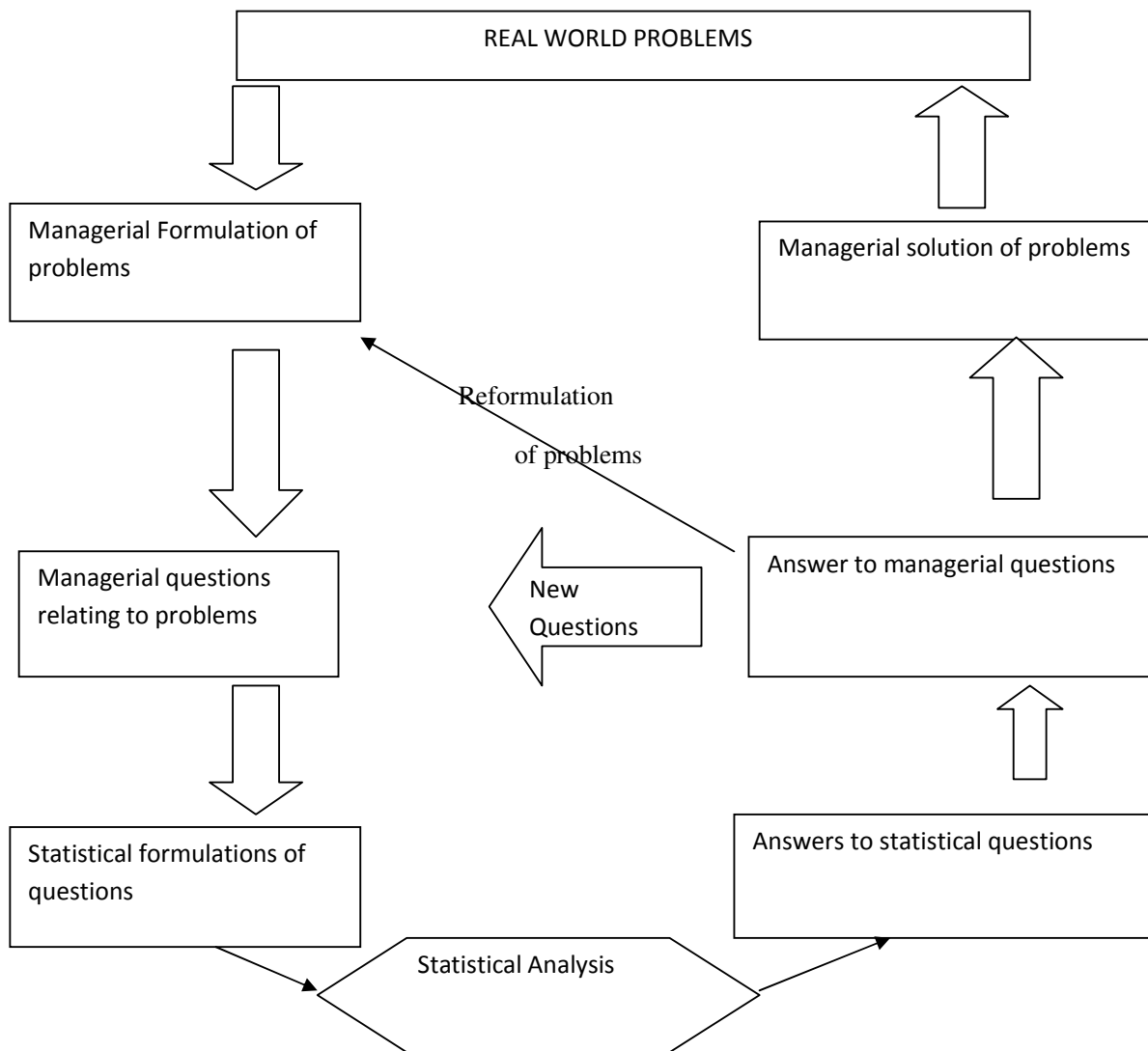
Unlike the FMCG's in India, MR has not played any major role in shaping fertilizer industry in this country. Major work in this field relate to the following:-

- a) Supply-demand analysis
 - by individuals
 - by research organizations like NCAER
 - by FAI
 - by Planning Commission
- b) Crop-wise demand for fertilizer
 - by NCAER
 - by FAI
- c) Marketing strategy- conducted in early 70's by FAI

The importance of MR in a country like USA (which economically dominates the world) can be gauged by the financial performance figures of top ten MR companies given below:-

Rank	Company	Sales in 2006 (million US\$)	Growth percentage
1	Nielson company	3696.0	2.6
2	IMS Health Inc.	1958.6	8.9
3	Taylor Nelson sofres	1851.1	2.5
4	Kanter Group	1401.4	4.1
5	GFK AG	1397.3	5.4
6	Ipsos	1077.0	6.5
7	Synovate	739.6	9.5
8	IRI	665.0	6.6
9	Westat	425.8	0.8
10	Irbiron	329.3	5.9

How does MR help? It helps you to play the rightful role in facing and solving the Real Life Problems. Diagrammatically shown below:-



(Source: Statistics for Business and Economics by McClave, Benson and Sincich, 9th Edition 2005)

The success of an individual/team/organization depends how effectively the person etc. executes the following:-



The above three words, per se, look very simple. Everybody may think that they are the easiest thing to do. But why success is not achieved? Simply because, they are the toughest to execute. But once the mental set up is tuned and some rule are followed, they can be achieved.

To make a PLAN is the starting and the key element. We will discuss few of the success methodologies which can be followed:

A. HOSHIN KANRI

It is a strategic planning/strategic management methodology, developed by Dr. Yoji Akao, to create goals, choose measurable milestones and link daily control activities to company strategy.

The discipline of Hoshin Kanri is intended to help you

- Focus on a shared goal
- Communicate that goal to all leaders
- Involve all leaders in planning to achieve that goal
- Hold participants accountable for achieving their part of the plan

(‘Hoshin Kanri, Policy deployment for successful TQM’ by Akao Yoji ed., Productivity Press, New York)

B. STRATEGIC PLANNING

Strategic planning is an organization’s of process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people.

Various analytical techniques are used in strategic planning:-

1. **SWOT Analysis**- Strength, weakness, opportunity and threat
2. **PEST Analysis**- Political, economic, social and technological analysis
3. **STEER Analysis**- Socio-cultural, technological, economic, ecological and regulatory factor analysis
4. **EPISTEL**- Environment, political, informatics, social, technological, economic and Legal

Strategic Planning can be as follows:-

- **VISION**- Define the vision and set a mission statement with hierarchic of goals and objectives
- **SWOT**- Analysis conducted according to the desired goals
- **SWOT**- Analysis conducted according to the desired goals
- **FORMULATE**- Formulate actions and processes to be taken to attain this goals

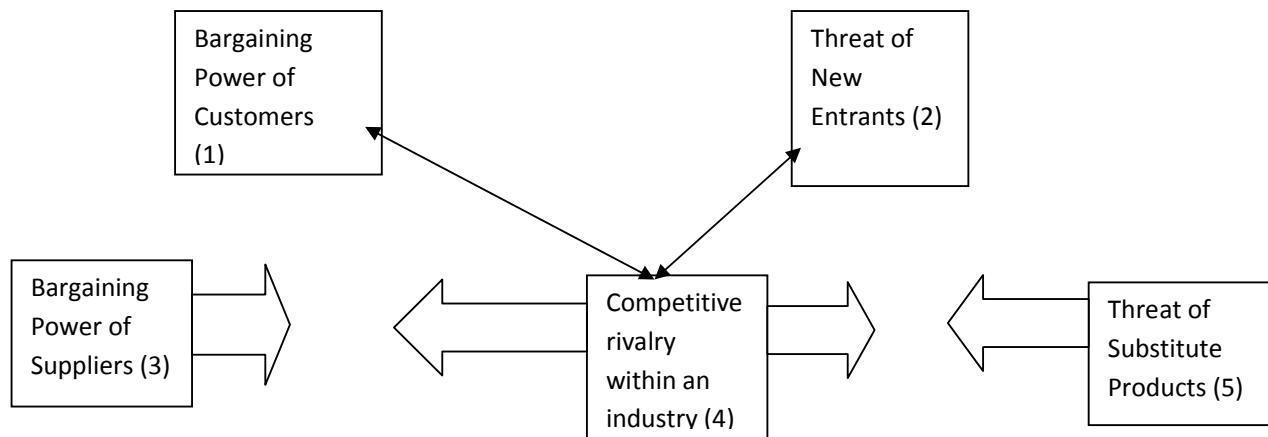
- **IMPLEMENT**- Implementation of the agreed upon processes
- **CONTROL**- Monitor and get feed back from implemented processes to fully control the operations

(Source: Strategic Planning- Wikipedia, the free encyclopaedia)

C. PORTER FIVE FORCES ANALYSIS

It is framework for the industry analysis and business strategy development developed by Michael E. Porter of Harvard Business School in 1979.

Porter's five forces are:-



Numbers 2, 4 and 5 are 'horizontal' competition forces while 1 and 3 are 'vertical' competition forces

Having made an effective and full-proof PLAN, the next step is to PROMISE. The PROMISE has to be elucidated by SMART- Specific, Measurable, Achievable, Relevant and Time bound terms.

Never make a false, unworkable and unrealistic promise. Do not believe in the saying 'promises are made to be broken'.

The last but not the least important and most difficult action is to DELIVER.

DELIVER as follows:-

- as per promise
- in time
- as per quantity
- within monetary limits

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