

Marketing efforts and sales revenue: A panel data analysis of Indian agri-input firms

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ABSTRACT

This study analyses the effect of marketing efforts like advertising and distribution expenses on the sales revenue of agri-input firms in India. The study is based on panel data collected from 64 randomly selected sample firms over the period from 2002 to 2011. Fixed Effect Model (FEM) and Random Effect Model (REM) were estimated to evaluate the effectiveness of marketing efforts on sales. The empirical results revealed that both advertising and distribution expenses have significant and positive impact on sales. The advertisement elasticity was 0.0007, while the distribution elasticity was 0.0002. These results help the managers in allocating the resources to different marketing efforts in a better manner, so as to improve the effectiveness of marketing expenditure.

KEY WORDS : Marketing efforts, Advertising, Distribution, Sales revenue

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