

Branding for agro based products : Need of the hour

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With number of products in the international and domestic markets increasing, they are virtually indistinguishable from one another. The only way to break out of the commodity status for the agro based products is by incorporating value into consumer's perceptions of the products. This is where branding comes into picture. Brand is the intangible value built into an ordinary product or service that helps it to stand out from the crowd and command premium price. It has to be supported by product quality and market accessibility. Value-added products need a distinct identity-they need a brand.

Branding is one of the most important factors influencing an item's success or failure in today's marketplace. A brand is the combination of name, words, symbols or design that identifies the product and its company and differentiates it from competition.

Although agricultural commodities are harder to brand than manufactured products, there are nevertheless success stories for developing-country-based agricultural brands. Most unprocessed agricultural outputs have been sold as generic products i.e. unbranded. Agricultural product is frequently marketed as a commodity where within particular grade a product from one source is considered identical to that from another source. Until relatively recently, most fruit and vegetables were largely unbranded. The exceptions have been fruit and vegetables marketed by multinational companies like United Fruits with the Chiquita brand and Geest. Some country exporters such as South Africa (Cape brand) and Israel (Jaffa and Carmel brands) broke from tradition at an early stage and adopted a strategy. Recently there has been a remarkable increase in the interest in branding amongst exporting countries. A few years ago, Algeria decided to brand their dates so that consumers could identify both the variety and the country of origin. Previously most of their date exports went to France where they were mixed with dates from other regions and branded by the French. Branding has played a

great role in developing market for agro and food based products which were largely commodities such as wheat flour, basmati and non basmati rice, salt, edible oils, milk etc.

Importance of branding : A brand offers instant product recognition and identification. Consumers identify branded products and, as a result of effective advertising, have confidence in product quality. Retailers like branded products because they make the store profitable - shoppers attracted to branded products spend three to four times more on groceries than do private-label shoppers. For

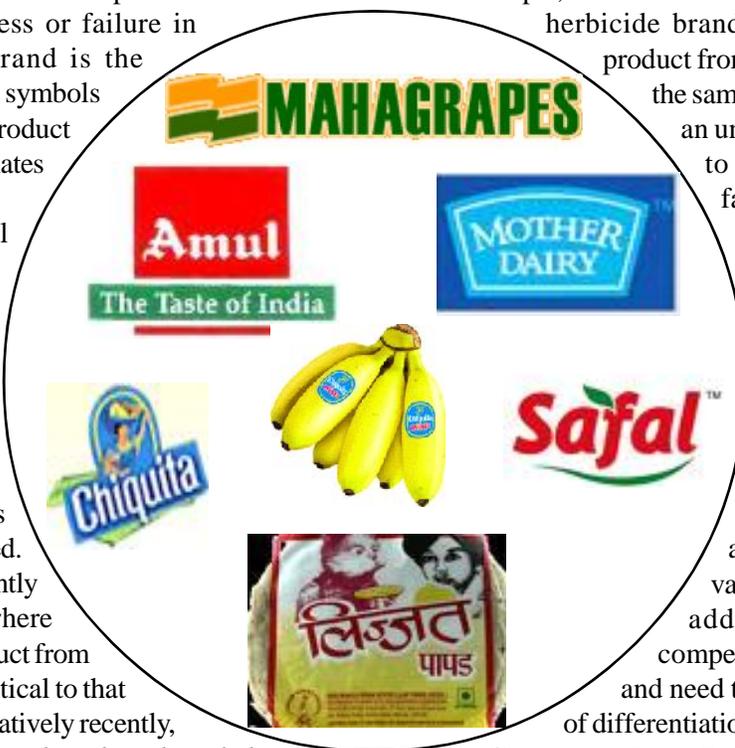
example, most farmers would perceive Monsanto's herbicide brand *Roundup* as a quality product from a reliable company; but the same chemical formulation in an unmarked drum is unlikely to gain the same level of farmer confidence.

Branding is beneficial for four reasons:

Differentiation: A brand provides a clear and definitive reason for customers to buy your product. If this reason does not exist, your product is a commodity and the only measure of value is price. Small, value-added businesses cannot compete on price successfully and need to incorporate some form of differentiation.

Conveys value : Consumers perceive brand-name products as higher quality, more reliable and a better value than non-branded products. Generally speaking, the number-one brand in a category can command a 10 percent price premium over the number-two brand and a 40 percent premium over the store brand. This price premium is known as a brand tax. Consumers understand that a strong brand can reduce getting stuck with disappointing or faulty products.

Builds brand loyalty : Brand loyalty is the recurring stream of profit generated by repeat and referral sales of a specific brand. Repeat sales can be as much as 90 percent less expensive to a company than new customer development.



Builds pride : Branded, recognizable products invoke a sense of pride in those associated with production, promotion, sale and distribution of those products.

Businesses use branding to market a new product, protect market position, broaden product offerings and enter a new product category. Four types of branding are:
New product branding : creating a new name for a new product in a category completely new to the company. Pepsi's Frito lays chips

Flanker branding : protect market position by marketing another brand in a category in which the firm already has a presence. Britannia's various biscuit brands

Brand line extension : use of the company's brand name in the firm's present product category. Example: PepsiCo's Pepsi and Diet Pepsi.

Brand leveraging (franchise extension) : use of the existing brand name to enter a new product category is called leveraging. Example: TATA steel to TATA Salt

Challenges of building a brand: The greatest challenge faced when developing and building a brand is creating just the right name, slogan and symbol for the product. It will take a great deal of time and consideration. A thorough thought process and feedback from others will help to get past this obstacle.

It is often difficult to achieve initial customer recognition of a new product, regardless of branding. However, branded items are more recognizable and memorable. Effective advertising before and after the sale is key to overcoming this obstacle. Advertising and promotion before the sale are essential to obtain first purchases and follow-up advertisements after the sale will promote customer satisfaction and repeat purchases. Repeat purchases are one of the primary objectives in brand development. Repeat purchases are critical to a businesses long-term success and contribute to brand loyalty.

Country branding : Further, to achieve higher value addition, the government should seriously look at branding Indian agricultural and food products (beyond Basmati rice and Darjeeling tea). With increasing popularity of foods from India, there is no reason that an "Incredible Indian Food" campaign cannot pay rich dividends. Building brands

up slowly from the local to the global is an old strategy for many firms. A well-known, well-branded agricultural product can do a great deal to help build a nation's brand.

India should take up massive brand building exercise for promoting its agri products under an umbrella "Brand of India" logo. There are agri products like Indian Basmati, Darjeeling Tea, Alphonso mango etc., which have its own brand recognition in international market, though it is always better to build a national brand to gain more market acceptability in overseas markets.

With a similar view, Agricultural and Processed Food Products Export Development Authority (APEDA), a government organisation, has developed a system for grant of the certification mark *i.e.* "Quality Produce of India" for agricultural products. This certification mark will be granted on the basis of compliance with hygiene standards, implementation of quality assurance system such as ISO 9000, food safety system such as HACCP, backward linkage, residue testing of pesticides and contaminants, laboratory facilities and nature of complaint etc. This Certification Mark will be owned by APEDA and only such exporters whose produce / products conform to the prescribed parameters would be allowed / licensed to use the trade mark for exports. APEDA also publicise this certification mark globally across media.

Spices Board of India has also launched the Indian Spices Logo to make the international consumer aware about the intrinsic qualities and acquired superiority of Indian spices. The Board awards the logo selectively to exporters who have certified processing and quality control capability and maintain a high level of hygiene and sanitation at all stages.

Conclusion: Branding of the agriculture products is one of the important strategy to break out commodity status, incorporating value, ensure consumer loyalty and create differentiation in the era of today's globalized and competitive markets. It is important to take serious initiatives for national branding as well as serious efforts by the farmers, food and Agri entrepreneurs to develop and nurture brands for agricultural and food based products for their improved marketing.

Received : 30.11.2012

Revised : 17.04.2013

Accepted : 18.05.2013

Internationally Refereed Research Journal RNI : UPENG/2006/18351 ISSN : 0973-4759
 Accredited By NAAS : NAAS Rating : 2.7 ONLINE ISSN : 0976-8947
ASIAN JOURNAL OF ENVIRONMENTAL SCIENCE
Online Journal Visit : www.researchjournal.co.in