

IMPLICATIONS OF DIGITAL MARKETING ON THE INDIAN AGRICULTURAL SECTOR

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ABSTRACT

Agriculture is the prime framework for the development of the Indian economy. Therefore, effective agricultural product distribution is necessary to develop the country's economic condition. Digital marketing is one of the most important tools that can transform rural India into a digital India. Moreover, it connects the farmers with their customers with no involvement of any middlemen. Therefore, the government introduced several digital means of marketing, including e-NAM, e-governance effort, Agri Market app, and many more. The general overview of this article is to display farmers' awareness of digital marketing and the problems farmers face due to the lack of technology.



INTRODUCTION

India is one of the world's most influential countries that contributes to the world through its more outstanding production of numerous foods and agricultural goods. Globally, India occupied the sixth position regarding grocery and food markets (Deshmukh and Patil, 2021). In addition, India is known for its more prominent capacity to produce agricultural goods, including several operations in this method which begin with buying agricultural inputs, i.e., fertilizers, seeds, pesticides, herbicides, and so on, till harvesting of crops or other produce, followed by their selling to the market. Hence, it indicates that from purchasing various inputs to selling the products, agriculture is directly connected with marketing. Therefore, the loss and profit of the farmer mainly depend on marketing through which the exchange of goods and services will be delivered (Deshmukh and Patil, 2021).

Agricultural marketing encompasses two words, i.e., Marketing and agriculture. Generally, agriculture is defined as the cultivation practices of crop plants and livestock using natural resources, whereas marketing refers to the distribution of goods or commodities from production to consumption. A few years ago, marketing was done through radio, pamphlets, tv, and billboards. However, nowadays, it can be done through digital marketing, where social media platforms, SEO (search engine optimization), and several other technologies are applied to marketing agricultural goods. In comparison to 2018, digital advertisements increased revenue by 26 % in 2019, reaching about Rs. 13683 crores (Deshmukh and Patil, 2021). The Dentsu Aegis Network reported that overall growth due to advertisement was 9.4%.

Moreover, global data reported that in 2020 the growth was 27%, transcending the 17000-crore mark due to the blooming of the digital marketing segment. According to global data, India contained the most internet users, about 700 million, and it is expected that the number of users will be increased to 970 million in 2025 (www.globaldata.com). In addition, it will assume that in India, active internet users will be 666 million by 2023. Hence, digital marketing will play a significant role in the successful growth of several companies like AgroStar, Ninja cart Flipkart, Dehaat, Amazon, and so on. Therefore, it can be said that digital marketing plays have an immense potential in boosting production and agricultural market growth.

DIGITALIZATION OF THE MARKETING SECTOR OF AGRICULTURE

Digital marketing is one of the major interventions promoted by Governments which helps sell products or commodities digitally from the point of source to the consumer directly without interposing from any mediators. On July 1st, 2015, Digital India was launched to change rural India into a digitally authorized economy (Rameshkumar, 2022). Many farmers and industries use digital marketing to sell goods or commodities digitally in the global market without mediators. In comparison to the traditional method of marketing, it is much more facile to contact larger consumers with the help of digital marketing.

Moreover, the advertising cost is also less for digital marketing and deals with the consumers depending on their daily needs. Therefore, it offers many opportunities to the youth agriculturist by developing online marketing tools to extend their commodities to the global market. In the business sector concept of digital marketing is well accepted. However, in the agricultural sector, it is still less accepted due to insufficient knowledge about digital marketing,

more cost for initiating start-ups, scarcity of digital tools and proper infrastructure, and farmers' lack of habituated or interest in accepting new technology or methods (Rameshkumar, 2022). Therefore, if this kind of limitation is minimized promptly, the farmers or many agroindustries will profit more. Hence, it can be said that Digital Marketing has an immense role in developing the country's socio-economic condition.

FUTURE SCOPE OF DIGITAL MARKETING IN AGRICULTURE

Several business sectors have introduced digital marketing methods and continue their business strategy by using both online and offline campaigns, but in the agriculture sector, the adoption rate of technology is quite low. Even though the government pushed the "Digital India Movement", in which the main focus is on the transformation of rural areas of the country into a digitally empowered economy, due to the belief that traditional marketing is more valuable than digital marketing, it is not gaining momentum. The government is promoting initiatives to educate and train farmers on weather forecasts, crop care, and farming practices. In 2017, a survey discovered that 65% of data of internet users came from households in rural areas using e-commerce. In 2017, the revenue was 86 billion Indian Rupees, less than 292 billion generated in 2022 using digital marketing (Fig-1) (Alokbatia.com, 2022). From discovering that data, it can be said that there is mild hope that farmers are now shifting their marketing strategy toward digital marketing (Linkedin.com, 2022).

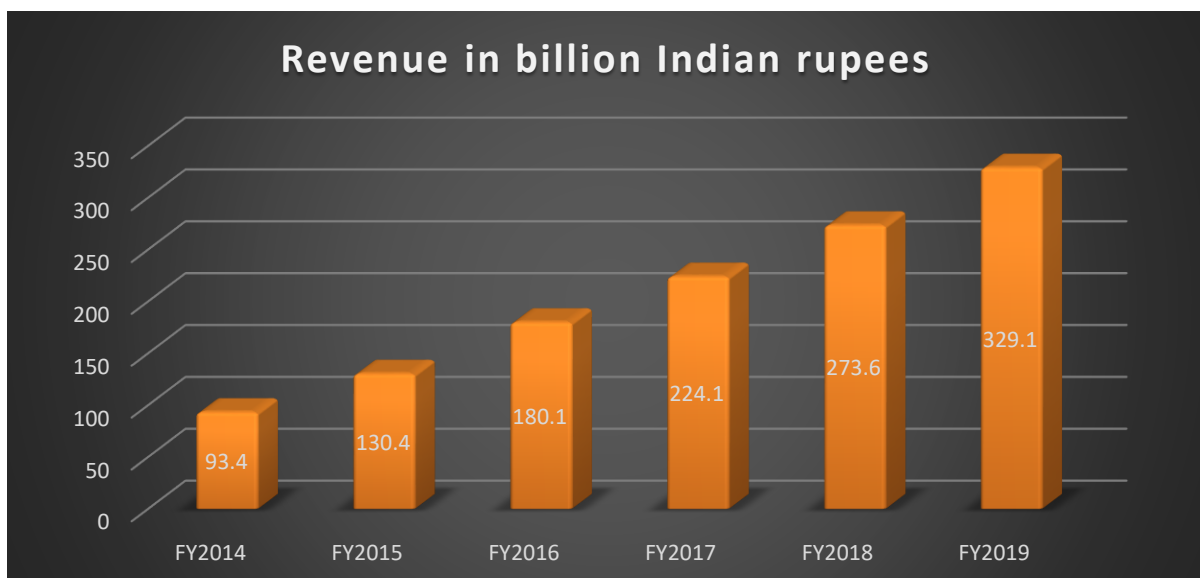


Fig.1 Revenue generated in India 2017-2022. (Source: Alokbatia.com, 16th September 2022)

NEEDS OF DIGITAL MARKETING IN THE AGRICULTURAL SECTOR

Nowadays, people are more likely to purchase products through online marketing; Hence without digital marketing, it is more difficult to reach all consumers worldwide (Schwarzl and Grabowska, 2015). In India, internet users are expected to increase by approximately 970 million in 2025 (Deshmukh and Patil, 2021). Therefore, there is a chance for the farmers to reach their customers directly. Moreover, it eliminates the commission of intermediaries, and farmers will be able to get more profit by selling their ample amount of fresh products to consumers, i.e., chefs, direct buyers, restaurants, etc. It creates an opportunity to get consumer feedback and assess target customers' general requirements. Understanding the necessity for digital marketing platforms in the agriculture sector, the Indian government has taken some innovative action through digital India and email marketing and also by developing an online trade portal named e-NAM, mainly used for trading agricultural produce (Deshmukh and Patil, 2021). Some of the initiatives introduced by the government to encourage the digital marketing of agriculture are mentioned below-

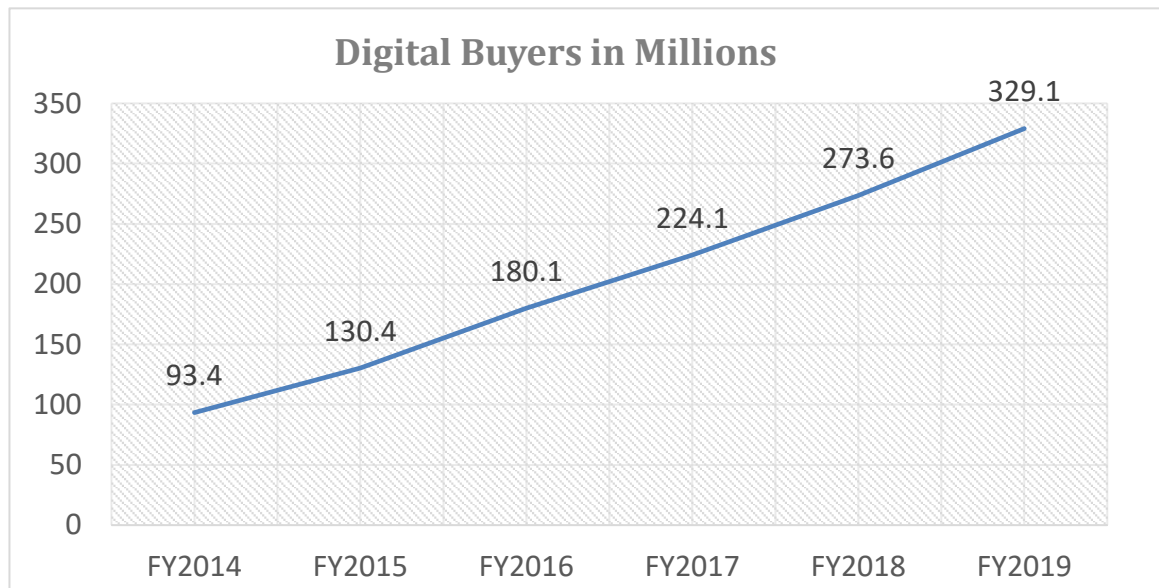
- e-NAM (National Agriculture Market): It is a platform for online marketing of agricultural products aiming to aid traders, buyers, producers or farmers with online marketing and receiving a profitable price through soft marketing. Moreover, it also removes asymmetry information between sellers and buyers, and based on the supply and demand of the current situation; it flourishes the discovery of authentic time prices.
- Agri-Market app: The IT department under the Ministry of Agriculture in India developed this application for farmers to keep them informed about the current prices of crops.
- Efforts of E-governance: In this portal government put three operations, i.e., Kisan call center, Kisan portal, and farmer portal, to aid the farmer by informing decisions about effective farming under different agro-climatic situations. In addition, a soil health card is also included in this e-governance portal to provide recommendations about integrated nutrient management for the crop using the soil test method.

Apart from that, various social media tools such as Facebook, Instagram, LinkedIn, Twitter, YouTube, Email, and so on may also be used as a medium for digital marketing of agricultural goods and services.

SCENARIO OF USAGE OF DIGITAL TECHNOLOGY IN THE COUNTRY

Due to a vast population, i.e., about 1.3 billion in India, mobile phone users are more in the country, which is near about 970 million. Hence, there has been a tremendous increase in

mobile phone users since 2000 (Fig-2). It has also been observed that in 2019, the number of smartphone users was 299 million compared to 140 million users in 2014. Moreover, it's also been discovered that in 2018 the number of internet users was 527 million compared to 213 million users in 2013 (Bank, 2019). Thereby, the people in India can negotiate with each other using internet technology.



(Fig. 2). Digital Buyers in India from 2014 to 2019. (Source: Published by Statista Research Department, August 15th, 2016).

FACTORS OF DIGITAL MARKETING IN THE AGRICULTURAL SECTOR

FAO (2018) states that three major factors are mainly responsible for developing digital marketing of agricultural outputs and will affect the future growth of digital marketing. These three factors are as follow:

1. Usage of mobile, social, and internet networks among the extension officers and farmers.
2. Digital efficiency among the farmers or rural community.
3. A culture that impels digital innovation and agri-entrepreneurship.

Using an internet connection of high speed, such as mobile apps, 4G connections, digital engagement, and social media platforms, can improve the accessibility of information and services to the people engaged in producing and distributing agricultural goods. Newly obtained skills regarding digital technology help people to operate it conveniently. Income and education are two vital definitive as the educated crowd is more able to adopt or develop new technology better and faster. As demand for the development of digital skills is increasing, digitalization is

also increasing. Hence, with the enhancement of the literacy rate, digital skills demand is also increasing, leading to rapid adoption. The digitalization process will be faster due to the increment in the competency level of the effective user (Bose and Kiran, 2021).

ADVANTAGES OF DIGITAL MARKETING

Digital Marketing plays a vital role in the nation as it has many environmental, social, and economic benefits. It can exceed challenges faced by farmers as well as agroindustries more effectively rather than the traditional method of marketing. Due to the innovation of e-commerce, the transaction mode of agricultural products is improved. It enhances the transfiguration of the whole agricultural marketing sector as it promotes agricultural products to the international market. To market agricultural products, there are two vital aspects 1) Physical mode, which includes processing, packaging, storage, transportation, and selling agricultural products to the market and 2) includes mechanisms of the market price. Digital marketing can improve the function of these processes, and its application helps the farmers and other communities involved in the agricultural sector by creating many opportunities (Bourish et al., 2006). A few of the benefits are described below:

- ✓ **Market Spread:** Digital marketing in the agriculture sector will aid in expanding the market worldwide. Farmers can reach numerous customers in the global market with the help of internet applications. Due to the spreading of internet marketing in the village areas, the farmers can easily receive information about the different agricultural aspects. As the internet is available all time, the farmers can access their marketing process at any time based on their needs. Hence, it allows people to participate in the marketing process at their convenience and provides much information regarding agricultural products, making the whole method more efficient and effective (Bose and Kiran, 2021).
- ✓ **Decrement of Cost:** Not only carrying out the transportation process of agricultural goods effectively is the main aim of marketing, but it should also keep in mind that the process will be done with less cost. Digital marketing increased the proximity to the global agricultural product market and decreased agricultural goods' transportation costs. In addition, it reduces the supply chain of marketing agricultural goods; therefore, it saves time, and unwanted expenses will also be reduced (Juswadi et al., 2020).
- ✓ **Exclusion of Middlemen:** After the innovation of digital marketing, agriculturists and farmers can reach buyers, including dealers, wholesalers, and consumers, directly without

the interference of any middlemen. Consequently, farmers can profit more by selling that product, and consumers get the product at an accurate price.

- ✓ Facile Availability of Scarce Products: Due to the digitalization of the agricultural market, rare products are available in a confined area where those products are not quickly getting the consumers.

CONSTRAINTS OF DIGITAL MARKETING IN THE AGRICULTURAL SECTOR

Farmers face many constraints in the digital marketing of agricultural goods and services. A few of them are expressed below:

- ✓ Infrastructure Issue: Agriculture is an underdeveloped sector for digital marketing, while another sector has already developed its business strategy digitally (Sulimin et al., 2019). Due to a lack of proper infrastructure, the farmers do not have access to agricultural information. Therefore, it is not always possible for them to sell the products globally.
- ✓ Connectivity Problem: Connectivity of the network is the important primary tool of any digital marketing sector. Although India occupied the 2nd position in using the network, most rural parts still faced connectivity issues (Sulimin et al., 2019).
- ✓ Illiteracy Level and Lacking of Digital Skills: The illiterate of rural people is the only major thing responsible for the lower development of digital marketing. According to FAO (2019), poor skills of digital skills and lower e-literacy hamper new technology usage. Therefore, the literacy level should increase among the country's local youths to overcome these issues.
- ✓ Lack of Awareness: Most farmers are unwilling to shift from traditional farming to modern technological agriculture due to a lack of awareness about digital technology. Due to a lack of information sources, 72% of farmers cannot practice new technology for better productivity. Moreover, the government set up many facilities such as insurance, marketing, and credit facilities for the farmers, but about 40 % of farmers are not able to access these facilities (Netscapeindia.com, 2022)

CONCLUSION

Digital Marketing will enlighten the usage and value of agricultural goods and services at a high swiftness and can work as an intermediary between farmers and consumers. Due to increased literacy and improved agriculture infrastructure, the agricultural marketing sector changed its direction toward digital marketing platforms. Several agribusinesses and agri-entrepreneurs are reaching their desired customers using the internet or digital marketing. State

and Central Governments are spreading the information effectively regarding projects, schemes, and beneficiaries among the rural people or farmers through the digital platform. Further increased adoption of digital marketing in the agriculture sector may further reduce transportation costs and improve farmers' profits.

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