

# Rural & Marketing

February 2017 | ₹120

Integrating Urban With Rural Markets

#TrendingRuralIndia



# 8

**TECHNOLOGIES** THAT CAN  
CHANGE AGRICULTURE  
IN 2017 **Pg22**



# CONFLICT OVER CONTROL



M  FPI

PROJECT  
**UDAAN**

**Pg56**

**UNION BUDGET**  
A GAME CHANGER  
FOR RURAL ECONOMY

**Pg14**



**START-UP  
STORY**

Sujit Jain, CMD  
**Netsurf Communication**

**Pg48**

# 13

BENEFITS OF **GST** FOR  
RURAL INDIA **Pg68**

# Integrating agri inputs with direct selling and e-commerce

Netsurf Communication sells organic farming products through Direct Selling Channel and e-commerce platform. Its product range consists of 7 farm care and 2 cattle care products, which help farmers take a step forward towards adopting a holistic approach for organic farming. In a candid interview, **Sujit Jain**, CMD, Netsurf tell **Mohd Mustaqim** about challenges and prospects of his agribusiness segment.

## What offerings you are having for farmers?

We, as a leading direct selling company, are offering over 50 products across four categories such as Agriculture, Healthcare, Personal Care and Home care. All these products are demand driven and they target specific requirements of the consumers. Netsurf is the first company to start selling organic farming products through Direct Selling Channel in India. Today more than 40 percent of our business comes from Rural India.

Our agriculture range under the name of 'Biofit' brand has been formulated considering specific requirements of the Indian farmers. It consists of 7 farm care and 2 cattle care products, which help farmers to take a step forward towards adopting a holistic approach for organic farming. The farm care products include organic growth promoters, adjuvant, bio-pesticides and bio-fertilisers for farming, while cattle care products have nutritional supplements for livestock.

## What was the objective behind selling and promoting organic farm care and cattle care products through direct selling?

As an IT company, first we introduced IT packages to be sold through direct selling route. We had many direct sellers from Tier II, Tier III cities and villages. Then we started focusing on products that would be relevant for our direct sellers who were having predominantly rural background. Hence, we introduced agriculture product which led to the acquisition of Ajay Bio-Tech (India), a company that manufactures organic and bio agriculture inputs.

Direct selling is the most effective distribution channel, when it comes to marketing products in rural India, as it is more personalised. Netsurf is extremely successful in penetrating not only agriculture products but even health care and personal care products to Rural India.

The organic market was still at infancy when Netsurf was conceptualised. However, there was a pressing need of alternatives

for chemical agri-inputs, which were being used at high rates post-green revolution. Hence, we introduced Biofit product range, useful for organic farming.

In addition, direct selling model has created an inbuilt two-way feedback channel, which helps us to understand the consumer demand and serve them better. Retailing of Netsurf products has created a secondary livelihood option for many farmers, especially during the off-season days.

## How much your products are helpful for the farmers?

The benefits of Biofit products are many-fold. Our biofertilisers and growth promoters improve soil health and fertility in long term by promoting natural flora and fauna in the soil and help increase the farm yield by 20-25 percent. The herbal biopesticides - Wrap Up & Intact - control the pests and disease in crops thereby improving the quality and yield. The spray additive - Bio-95 Concentrated - increases the effectiveness of other pesticides, fungicides and



micronutrient sprays. On the other hand, the cattle care products - CFC & CFC Plus - address the holistic needs of livestock nutrition.

In this way, Biofit product range helps increase the farm production, while reducing the cost of chemical inputs. In addition, 'Biofit farming' eliminates the health risk linked to the residual effects of hazardous chemical, hence farmers can expect better price for their crops.

**What challenges did you face while taking farm care and cattle care products to direct selling and how did you tackle them?**

Farmers are used to buy products from fixed outlet and are highly influenced by the recommendations made by retailers. Hence, they were skeptical about buying products from a direct seller.

Hence, we needed a multi-pronged approach to instil a in with them. The first and foremost step was to conduct farm trials with the help of direct sellers. The initial farm trials gave us the required thrust, as the results were excellent. Simultaneously, we trained our direct selling workforce with the help of agriculture experts. With this, we transformed them to on-field technical advisers.

This was supported by various farmer meetings and farmer seminars for creating awareness about the organisation and products. We also created an effective technological infrastructure for creating smooth communication channel.

Another challenge was addressing the credit driven agriculture market which posed a major challenge for us as we have a different system altogether, which requires payment at the time of purchase. However, after showcasing the products' results, they were happy to make payment upfront in order to reap the benefits.

**What opportunities do you envisage for the future of organic farm care and cattle care products?**

With the increased awareness about the organic food cultivation practices and rising disposable income, consumers are now ready to pay premium prices, about 20-25 percent higher, for the healthier organic food. This has translated in the significant increase in organic food demand in the domestic market, with 40 percent growth, while the exports grew between 25-30 percent (2015). It is estimated that domestic organic food sales are growing at a

**Sujit Jain**  
Chairman & Managing  
Director, Netsurf  
Communication





compound rate of 30-40 percent each year. Realising the market potential, farmers too started exploring the realm of organic farming by eschewing the use of agrochemicals.

As a result, more farmers are becoming organic producers - about 650,000 organic producers, (2013) - with 720,000 hectares of cultivation area. There is also an, evidence of willingness in farmers to extend the concept of organic for cattle and other livestock, where they are looking for an alternative, which would help livestock to fulfil their entire nutritional feed and increase their production.

**How has been the journey of your organic farming products so far and what is the current market share do you have in this segment?**

It feels great to hear incredible stories of farmers using Biofit products and how these products not only helped them reduce input cost but also to made profits. The organic farming is not an organised industry in India yet, so can't comment on our market share in the segment. But, in our product portfolio, Biofit shares a 47 percent of total turnover, making it our best-selling range.

**What marketing strategies do you apply in reaching farmers?**

In off-line strategies, many BTL (below-the-line) activities are being conducted. We regularly schedule block-level trainings, seminars and expert meeting to create knowledge about organic farming and about our products. The farmers who have used our products, have become our brand ambassador to share their

**We have created a mobile friendly e-commerce platform that enables farmers to connect to our direct sellers present in their nearby geographical area. The mobile application also spells out the product usage information and our direct sellers can download that information**

experiences. Farm-level meetings as well as field demos are also being conducted time to time. In addition, we have a dedicated customer care centre, where farmers can connect with us and get answers and support from our agri-experts. In on-line strategies, we have created a mobile friendly e-commerce platform that enables farmers to connect to our direct sellers present in their nearby geographical area. The mobile application also spells out the product usage information and our direct sellers can download that information.

**Direct selling requires a big workforce to reach the consumers, how many sellers do you have right now?**

Right now we have 2.5 lakh active direct sellers who have helped us reach to more than 3.5 million farmers across India. So far we have sold more than 8 million units of Biofit products since inception.

**Technological advancement is playing important role in all business areas now a days, do you have such integration with your agricultural business?**

Netsurf's latest innovation is GeO retailer platform. It has been observed that many a times, farmers find direct selling products helpful but can't buy them again because they have lost the contact details of the direct seller who sold it to them for the first time. Considering this, Netsurf has launched its Geolocation platform, GeO that turns consumers' physical location into valuable data and using this data the consumer experience is made convenient and smooth. Besides an e-commerce App, we have another Netsurf mobile App and so far 41,000 people have downloaded it. Through this App, we disseminate timely information to our farmers on how to use products on various crops.

**In what geographical areas, you are currently penetrating?**

We are present across 22 states of India including Maharashtra, Gujarat, Madhya Pradesh, West Bengal, Rajasthan, Uttar Pradesh, Karnataka, Punjab, Jharkhand, Uttarakhand, Northeaster states and Tamil Nadu. We operate in 605 districts, 4,222 blocks with 7,069 PIN Codes.

**Do you have any expansion plan?**

We are planning to extend our agriculture range with 7 new products. The R&D team is already working on it and the launch is expected in the coming financial year. We are also planning to enter into US farm care sector. **R&M**