TOUCHING LIVES WITH STEEL
A case on creating the market for steel wires in rural. This is in the backdrop of commoditized product.
GALVANIZED STEEL WIRE FINDS APPLICATION IN FENCING AND FARMING

- Big farmers are prime consumers and use these wires to fence their farms and/or provide support to creeper crops.

TATA Wiron, big consumer are grape farms owners, cash crops growers (like cotton, soya bean, flowers, fruit & vegetables etc.)

PROBLEM STATEMENT
What Did Tata Share

TATA WIRON
KEY CHALLENGES

- Current distribution channel includes a distributor, who then uses his own dealer chain to further sell the product.

- Considerable challenges in reaching the last mile in a cost effective manner.

- TSGW, priced at 18-25% higher than competition, faces stiff competition from the unorganized market.

- Farmers lack awareness & are unable to differentiate between a local wire and TSGW.
Farmer's Awareness
Farmers lack awareness on quality steel products

Distribution Channels
Local players/competitions and their distribution channels

Farmers/Consumer Preferences
Farmers/consumers preferences, perceptions and usage of the product

Target Group
Identifying target customers group

Sharing Technical Knowledge
Sharing technical know-how on quality fencing

Present Distribution
Assumption > 50K population town

Last Mile Connect & Channel
Assumption > 20K population town & Villages

Consumer Engagement
Communication & Awareness

1. Creating Mass Awareness
At relevant congregation platforms in shortest possible time, with the fusion of education & entertainment- "EDUTAINMENT"

2. Behavior Change Communication
Communication where the focus shifts to targeting individual, which is sporadic but at a continuum scale to ensure continuity - BCC

Target Audience
Assumption Small Towns 2-5k and 5k + Pop. Villages
Cost of fence for one acre of land is approximately ₹ 30,000 excluding installation.

That is turnover of Rs 600 crore p.a ₹ 30,000 = 2,00,000 which is my current consumer base.

We today cater to 2,00,000 consumer both new and repeat in a year.

Assuming our share to be 30% the total consumer base for fencing, 3 times that is 6,00,000.

Total farmer base is 110 million.

As per census the total number of farmers having more than 5 acres is 2.2 million which is total universe.

Repeat business by engaging with consumer continuously

Highly aware consumer need to maintain connect.
Most rich and affluent Household in the village

Owns more than 5 Acres of land

Has irrigation – does cash crops

Innovators and early adopters roughly 5% of HH in a villages

Upper middle income Households owning 2-5 acres of land

Rain fed and irrigated – into cash crops

Early majority like to follow the leaders

Roughly 11% of Households

R1 CONSUMER

R2 CONSUMER
Area need to be addressed:
- Fencing is a derived need
- Crop protection awareness is low
- Limited perception and brand recognition
- It’s a commodity deciphering Tata too difficult
- Need to get into the consideration set

Three key steps are initiated to address the following issues:
- Mapping the potential
- Customer acquisition process - SPANCO
- Engagement by Farmer Meeting
Go-To-Market Strategy
Post the exercise of ecosystem analysis

To tap the potential farmers, MART suggested three steps

Potential Customer Data (PCD)
Potential Customer Data (PCD). Through Village Mapping

SPANCO Process
Plotting potential customers / farmers into SPANCO Sheets

Farmer Meetings
Finally, inviting prospective farmers for Farmer Meetings

Usage and Behavior
A fairly detailed profile of the consumer and segment along with a robust understanding of usage and behaviour around the wires category

Distribution Channels
Full understanding of the channel of distribution; Tata’s channel and competition, surrogate categories and alternative possibilities

Product and Price
Product and Price positions vis-a-vis other players in the market

Consumer Engagement
Modes of engagement of the consumer along with platforms for engagement
VILLAGE MAPPING

• Select or short listing of villages with 2.5K & 5K above population
• Design route plan to cover maximum village in 1 month (target bare minimum 40 villages)
• Map out all R1 & R2 farmers in those shortlisted villages

Plotting SPANCO Sheets

• Dividing the sale process of the fencing products into different stages can really help RMDEs to refine their approach and increases the chances for success
• whichever way RMDEs cut it, the more effort which is put into converting the highest ratio at each step, the more RMDEs will sell

FARMER MEETING

• This is the final stage of customer acquisition cycle
• Those farmers who are marked Prospect, Approach & Negotiation (SPNACO sheet are being invited
• In general, RMDE of the respective district leads the farmer meeting
• RMDE tries to address the farmer specific queries like best practices in fencing, local Vs. Wiron (quality & price difference), Chain link Vs. barb wires, details of authorized dealers point etc.
• In Rajasthan, due to the distance between adjacent villages, RMDE forced to conduct farmer meeting in every villages

Till date we are able to capture around 14790 potential farmer database in Rajasthan

Lead the final consumer for the correct buying from nearest possible dealer point

Prospective / potential farmers can clear their doubts on the quality & price of the Wiron products
Prospective Customer Data (PCD)

We have observed R1 & R2 are our key consumer base & they are 5% & 11% of total farmer base in a village, PCD sheet help us to identify R1 & R2

There are some sources from where RMDEs gather information for the prospective / potential farmers:

- Door-to-door visit by RMDE’s, in a target villages
- Through the village Sarpanch
- Village farmer community (particularly through big farmers)
- Permanent retail points like fertilizers or hardware etc., who regularly interact with the farmer community of the village

Impact of generating Prospective Customer Data (PCD)

Help RMDEs to analyze the general trend of farming

RMDEs can develop a list of potential farmers in his/her territory

Farmers become more confident on the product, once they get a company representative (RMDE) at their door point

Communication to the prospective farmers become more direct & time saving for the management

This process helps RMDEs both ways, to communicate and even collecting their feedback on the subject
It is assumed that the customer who is going to interact is potentially a consumer for our products.

Initial interaction helps us to understand that a customer can be a consumer if some problem is sorted out.

It can be a solution to the problem, creating understanding through awareness or persuasion.

Sharing and getting through the hindrances to finally arrive at conversion.

Helping to zero down on size, length, weight, and finally the cost of acquiring.

Lead the final consumer for the correct buying to the nearest possible dealer point.

**Impact of SPANCO as a process**

- Dividing the sale process of the fencing products into different stages can really help RMDEs to refine their approach and increases the chances for orders.
- Whichever way RMDEs cut it, the more effort which is put into converting the highest ratio at each step, the more RMDEs will sell.
- SPANCO as a process helps RMDEs to handle the farmers' queries and confusion in a smoother and proper manner.
Advantages of Farmer-Meetings

**Communication Tool**
Most effective communication tool in a village level

**Platform for RMDEs**
Farmer meet creates a platform for RMDEs to demonstrate the product features for the interested farmers

**Prospective Farmers**
Prospective farmers can clear their doubts on the quality & price of the Wiron wires

**RMDEs exhibits**
RMDEs exhibits the difference between the local and Wiron products

**Technical Aspect**
Here RMDEs tries to brief farmers on technical aspect of fencing like the fencing patterns, steel wire compositions, weight and length relations etc

This is the final stage of a particular cycle

- Those farmers who are marked in Prospect, Approach & Negotiation slot (SPANCO sheet) are being invited
- Generally, respective RMDEs lead the
- RMDE tries to address the farmer specific queries like best practices in fencing, local Vs. Wiron (quality & price difference), Chain link Vs. barb wires, details of authorized dealers point etc.
### KEY FIGURES

Number of villages covered yet in MP and number of farmers touched in those villages.

<table>
<thead>
<tr>
<th>Districts</th>
<th>Total covered</th>
<th>Farmers’ Contacted</th>
<th>Meeting Conducted</th>
<th>Attended Meeting</th>
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<tbody>
<tr>
<td>Sri Ganganagar</td>
<td>23</td>
<td>655</td>
<td>31</td>
<td>364</td>
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<tr>
<td>Hanumangarh</td>
<td>23</td>
<td>670</td>
<td>31</td>
<td>389</td>
</tr>
<tr>
<td>Bikaner</td>
<td>23</td>
<td>630</td>
<td>32</td>
<td>313</td>
</tr>
<tr>
<td>Jaisalmer</td>
<td>21</td>
<td>440</td>
<td>33</td>
<td>471</td>
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<tr>
<td>Pali</td>
<td>18</td>
<td>300</td>
<td>32</td>
<td>520</td>
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<tr>
<td>Nagaur</td>
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<td>675</td>
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<td>Jalore</td>
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<td>Churu</td>
<td>11</td>
<td>150</td>
<td>30</td>
<td>373</td>
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<tr>
<td>Barmer</td>
<td>21</td>
<td>415</td>
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<td>225</td>
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<tr>
<td>Jodhpur</td>
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<td>410</td>
<td>31</td>
<td>435</td>
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<tr>
<td>Sirohi</td>
<td>21</td>
<td>390</td>
<td>26</td>
<td>360</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>5145</strong></td>
<td><strong>320</strong></td>
<td><strong>4227</strong></td>
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</table>

### DEALER EXPANSION

<table>
<thead>
<tr>
<th>Districts</th>
<th>Active Dealers</th>
<th>Added This Month</th>
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<tbody>
<tr>
<td>Barmer</td>
<td>9</td>
<td>1</td>
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<tr>
<td>Bikaner</td>
<td>6</td>
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<td>Churu</td>
<td>5</td>
<td>2</td>
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<tr>
<td>Hanumangarh</td>
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<tr>
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<td>Jalore</td>
<td>8</td>
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<tr>
<td>Jodhpur</td>
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<td>Sri Ganganagar</td>
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<td>1</td>
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<td><strong>5145</strong></td>
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</table>
**Observation**

- We are losing secondary sales due to stock outs.
- The Distributor system does not show pending orders.
- Days orders pending is also not available.
- Once dispatched the orders reflect in Tally system of the distributor with days outstanding.

**Achievements and Issues**

- Approx. loss of 20% against order received in June-July’17 due to stock out.
- Dealers added in July - 10.
With that last Information
THANK YOU