Marketing of raw jute and jute products are facing tremendous competitive pressure in present days due to new market players from different countries, substitute products and breakthrough innovation in cotton, synthetic and plastic industry. Situations are getting tough day by day. Notwithstanding of the problem in determining appropriate policy for facilitating this sector by the government, countries like India, Bangladesh, Nepal and China have significant presence in this sector presently both in raw jute and jute product market.

But, over the years, contribution to the overall economy and export, jute is facing a great challenge. Major reasons for having this situation are:

- a) poor supply chain infrastructure,
- b) lack of using modern marketing tools,
- c) failure to deliver compelling and persuading advertisement,
- d) low promotional endeavor, and
- e) faulty delivery-chain of Jute, Kenaf and other allied fibres/product.

Owing to environmental conditions, dearth of land for cultivation, high input cost, hybrid crops, high profitability of high-yielding variety (HYV), and an inauspicious jute-rice price ratio those were once considered to be the fundamental obstacles for jute marketer, jute at present tends to be more threatened by the above identified marketing problems. The consequence of lower productivity and low profit thus gave rise to a vicious cycle. Low output prices and inadequate marketing support and extension services had a significant negative impact on jute cultivation and export earnings now a days (FAO, 2011).

**How to Market Jute Products**:

Unlike convenience goods, Marketing of Jute Diversified Products should start with accessing the markets and customers need by best reflecting their desire and expectation. Failure to do so will eventually lead to product failure. After having clear understanding of the market, both domestic and international, jute marketer must pursue suitable marketing strategy followed by proper pricing, delivery method and distribution channel.

**Modern Jute Marketing Concepts**:

Concepts of marketing of raw jute are quite similar to that of agricultural marketing, but when transformed to a finished product they mainly fall into two broad categories; i.e. ‘convenience’ jute products and ‘shopping’ jute products. A very few of them are ‘speciality’ in nature that require special purchase effort, little comparison of products and high price sensitivity.

Presently, most of the products are marketed using production and selling concepts that depend only on production and distribution of products through traditional channel, e.g. local dealer, buying association, import/export traders and C&F agents. But recent study showed that blending of marketing concepts along with societal marketing strategies yield maximum opportunities in marketing jute products. Basis of this concept is not just “Make and Sell” rather “Sense and Response” philosophy that also considers the environmental effects and greater societal welfare of producing such products.

For example: two apparel giant – Uniqlo and Levi have recently launched a promotional campaign portraying that some Uniqlo’s products are made of recycled old cloths and are distributed to poor people for free and on the other hand, Levi marketing campaign shows that their special Levi jeans are made out of recycled plastic specially bottles; claiming that one Levi Jeans equals to 8 plastic bottles. In petite, they are not doing business only for money, moreover; they always consider the environmental effects and social urgency. As jute itself, is a biodegradable and environment friendly products accepted worldwide, jute producers and marketers can easily leverage this breakthrough marketing concepts that blends marketing opportunities with social welfare, in promoting jute and jute products to meet the 21st century customer’s demand.

**Figure 1: Blending jute marketing concepts with societal welfare**
Modern jute product should have

<table>
<thead>
<tr>
<th>Variety</th>
<th>Wide &amp; Larger varieties that omit all substitute and competing product's need.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>Higher quality that negate competitors.</td>
</tr>
<tr>
<td>Design</td>
<td>Superior design that best reflect the customer’s expectation.</td>
</tr>
<tr>
<td>Features</td>
<td>Improved &amp; sophisticated features that differentiate the product from rest of the market players.</td>
</tr>
<tr>
<td>Brand Identity (name)</td>
<td>Strong Brand Identity that secures significant position in the mind of the Target customer.</td>
</tr>
<tr>
<td>Packaging</td>
<td>User-friendly packaging that portray ease-of-use and communicate user information on top. (for shopping &amp; specialty jute products)</td>
</tr>
<tr>
<td>Services</td>
<td>Outstanding customer and after sales service that exceeds customer desire.</td>
</tr>
</tbody>
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Jute Product and Price:
Throughout the world, Jute Diversified Product (JDP) manufacturers produce and market a wide range of products including hand bags, shopping bags, office bags, file covers, soft luggage, floor coverings, wall decor, footwear, home textiles/fabrics, handicrafts and novelties. All these products are mainly marketed as 'convenience' products attributable to frequent purchase, little planning to purchase, little comparison or shopping effort and low customer involvement; or marketed in the category of 'shopping' products attributable to less frequent purchase, much planning and shopping effort, comparison of products on price, quality and style (Dirksen, 2010). Therefore, considering each product’s nature and customers’ perceived value, jute marketer should determine appropriate pricing scheme of their product.

Research shows that low price penetration, offering product at a lower price to offend the existing competitor at the initial stage to generate larger volume and greater market awareness, is very effective to enter into the market. Later, following the product life cycle, jute marketers need to adjust the price according to the value it provides to the customer. This policy of pricing scheme is generally known as the “Cool-down and skim profit” strategy. Over the years, Marketers have been using various price adjustment strategy followed by the jute life-cycle and market demand. But majority of them failed to use the proper pricing methods to adjust the price accordingly with the phase of the jute product cycle.

Effective Price Adjustment Strategy for Jute:
Price adjustment strategies are mostly used for product that are dying or faded away by the intense competitive pressure or substitute product (Alan, 2004). A recent study of Harvard business review (2013), unveils some effective pricing strategies for marketing of agricultural product that also covers jute, kenaf and other allied fibers’ products. Based on that effectiveness parameter; some of the most important are as follows-

- **Dynamic Pricing**: Adjusting jute price continuously to meet the characteristics and needs of individual customers and situations. It is also effective to keep up with the market pace.
- **Promotional Pricing**: To generate short run sales volume and market demand, jute marketer can use promotional price adjustment strategy by reducing price temporarily. Mostly used for adjusting seasonal sales variation.
- **Psychological Pricing**: Sometimes jute marketers can adjust price only to have psychological effects in the mind of the customer as customers perceive higher-priced products as having higher quality.
- **Discount & allowance Pricing**: Cash discount, quantity discount, functional discount or promotional allowances are the forms of this pricing strategy. Used mostly for store traffic.
- **International Pricing**: Adjusting price for international markets. Sometimes, also termed as International segmented pricing.

But, new marketing communication landscapes are acting as major deterrent in promoting manufactured products including jute sector. Many of them are attributable to:

1. Consumers are changing; better informed and more communication empowered.
2. Marketing scope is changing; mass market has fragmented, more focused customer relationships and vast improvement in information technology.
3. Sweeping changes in communication technology causing remarkable changes in the way both companies and customer interact; e.g. email, brand web, social networks (facebook, tweeter, myspace etc.), bulk messaging (SMS ads) and e-commerce transaction (Amazon, flipkart, cellbazzar etc.).

### Specific tools for 21st Century Jute Marketing:

**a) Larger In-Store Display/Partnering Display**

Wider assortment of ‘in-store display’ are considered to be the best promoting and marketing means for jute products focusing specially on the variety, ingenuity and environmental friendliness of the product. Besides using their own in-store display centre and show room that requires larger sole investment, jute marketers can also partner with other existing super shop, chain shop and mega shop to display

<table>
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<th>Description</th>
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**Jute Promotion and Distribution:**

Promoting jute and jute products are always been a problem that pave the way of its success. Lack of using modern promotional means and distribution methods are causing negative jute market demand over the years.

Even many of the jute manufacturers and marketers do not have sufficient expertise of how they can effectively promote their products as many of them are not reluctant to hire professional marketing personnel; because, most of them are low capital firms having small number of individuals working. Hence, they are mainly relied on ‘copy cat’ marketing strategy by following other’s traditional promotion and distribution system; e.g. merchant show room and delivery through retail outlets.

**Use of Integrated Promotion Mix:**

Integrated promotion mix also called marketing communication mix, consists of the specific blend of advertisement, public relation, personal selling, sales promotional and direct marketing tools that the company uses to persuasively communicate consumer value and build strong customer relationships (Kotler, 2012).

But, new marketing communication landscapes are acting as major deterrent in promoting manufac-
and sell jute products by establishing a within store jute corner e.g. Partnering with Wal-Mart, K-mart, Aarong, Bigbazzar etc. would add a new dimension in jute sector.

b) Connecting to Global Market-Space

Modern market requires modern tools and marketing means to cope with the market pace, therefore demands to be connected to the global market-platform by going beyond to physical market place. Connecting to global gateway, e-commerce will eventually help the jute marketers to increase their marketing scope by shifting to what 21st century customers have demanded the most.

c) Frequent Jute Trade Fair

Trade fair is known to be the traditional means of commodity promotion that is also very effective in present days marketing. Jute marketers can also leverage this tool with others to have the greater awareness and sales. Frequently organizing Jute trade fair with the help of local authority or government will surely be the best local promoting means of jute and other allied fibers products.

d) Establishing Sector Specific Buying House

Success in apparel industry in countries like China, Bangladesh, India, Vietnam, and Sri-lanka are vastly attributable to the effort of buying house concepts in this sector. Same ‘buying house’ concepts could be used in jute sector as well. Therefore, establishing separate jute buying house will be one of the new scope to successfully promote jute sector and its products.

e) Co-Branding With Regular Apparel Brands,

Promoting one new brand with another established brand together is known as co-branding (Keller, 2011). Most of the co-branding is formed with similar products. As jute and jute composite could be used with others textile fibres to make innovative finished product, using this as a meaning and leveraging with existing apparel brands, jute manufacturer can effectively co-brand their product. e.g. jute producer could tie up with denim, cK, Levi and other strong brand in innovating newer products and promote as co-brands.

In conclusion, jute marketers are suggested to use its environmental friendliness and ecological helpfulness for man-kind in developing communicational means and value propositions. They can also blend other forms of eye-catching marketing means to establish and create larger product awareness. e.g. fashion show, Kiosk ads, free standing bill board and road shows are now widely spread forms of neo-marketing.

References:

Author: Fahad Ibne Zaid, Research Assistant, IJSG.

<table>
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<th>World Estimated Demand of Jute/Kenaf Products</th>
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<tr>
<td>Grocery Bags</td>
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<tr>
<td>Jute Geo-textile</td>
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<tr>
<td>Tree Free” Pulp and Paper</td>
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</table>

Jute…..the green effect

- In 120 days one hectare of jute plants absorb about 15 MT of CO₂ and liberate 11 MT of O₂
- Kenaf plant absorbs CO₂ from the atmosphere more than any other crop.
- Every hectare of kenaf consumes 30-40 tons of CO₂ for each growing cycle which equals to exhaust from 20 cars in a year.
- 1 MT of PP releases 7 MT of carbon dioxide (CO₂) in the nature.
- Jute products are carbon neutral if the entire life cycle of the product is taken into account.

Wipe your carbon footprints 🍃🍃🍃 with JUTE
Jute Festival Drew Huge Crowds

A five-day jute festival was held at Lakhidhar Kshetra, Guwahati attracting lots of visitors. Organized by the National Jute Board, the festival began on February 9 to promote jute products as well as give the participants an opportunity to interact with customers.

Visitors to the festival choose from various stylish and colorful jute bags, inexpensive sandals and shoes or home décor items. The products started from a range of Rs 40 to more than Rs 1,000. The three stalls displayed jute jewellery had drawn the maximum crowd, particularly women. The festival attracted a healthy crowd, Entrepreneurs and Artisans received good sales. There were live demonstrations by artisans on how to make different jute products for those who might be interested in taking this up as a profession. (Source: The Telegraph, Feb 13, 2014)

Ghana: COCOBOD to Produce Jute

The Ghana Cocoa Board (COCOBOD) is to enter into a strategic partnership to produce jute sacks in Ghana. This is expected to commence with the importation of jute fiber and sewing of the sacks locally. This was disclosed by the president Mahama, when he delivered his second state of the nation’s address in parliament. According to him, the move will enable COCOBOD halt the importation of jute sacks and buy all its sacks from this factory. (Source: al-Africa, Feb. 26, 2014)

Reopening of Closed Jute Mills

The Government of India has taken up revival of three jute mills of National Jute Manufactures Corporation Limited (NJMC) a Central Public Sector Enterprises, namely, Khardah (West Bengal), Kinnison (West Bengal). Technology Upgradation Fund Scheme has also been approved for continuation for the entire 12th Five Year Plan (2012-2017). (Source: Press Information Bureau, Feb. 19, 2014)

BJMC to Launch Mobile Courts to Enforce Act

The authorities are contemplating launching mobile courts to implement the ‘Mandatory Jute Packaging Act’ to ensure packaging of foodstuff and agricultural products in jute packs. The government had enacted the ‘Mandatory Jute Packaging Act’ in October 2010 to promote environment-friendly, biodegradable jute bags and discourage the use of polythene bags that are non-biodegradable and harmful to the environment. Polythene bags are also responsible for clogged drains and harmful for fish and other aquatic creatures, as well as for the soil. Mirza Azam, state minister for textiles and jute, recently told that they have directed the Bangladesh Jute Mills Corporation (BJMC) to implement the law. “The BJMC will take necessary steps, such as creating awareness among businessmen to popularize jute bags through advertisements and handbills, to implement the law. BJMC chairman Maj. Gen. Humayun Khaled said that they have already taken the initiative to implement the law, but the response has so far been very poor. “It’s not possible to implement the law without mobile courts. We’ve already sent a letter to the ministry to hold mobile courts,” he added. BJMC chairman said: “we’ve plans to produce packaging bags for foodstuff and agricultural products. We’re capable of producing shopping bags from jute as we’ve 26 mills to help jute farmers get a fair price. If the government directs us, we’ll be able to produce jute bags for kitchen markets.” The Textiles and Jute Ministry on September 29, 2013, issued a circular stating that it is mandatory for private rice mill owners to use 100 per cent jute bags for packaging under the Jute Packaging Law. Fertilizer factories, Food Corporations, as well as sugar mills have also been directed to use jute bags. (Source: The Independent, Feb 11, 2014)

IJSG News

Special Meeting on “Development and Application of Potentially Important Jute Geo-Textile Held at Dhaka

A two days coordination meeting on the CFC Funded Project “Development and Application of Potentially Important Jute Geo-Textiles” (CFC/IJSG/21) held at IJSG Secretariat, Dhaka, Bangladesh during February 6-7, 2014. The meetings was held in three sessions. In the first session of the meeting important decisions were made about the financial matters for the proposed extension period of the project. Mr T Sanyal, Consultant, National Jute Board (NJB), India, Mr A.K. Khastagir, Project Manager, NJB, Dr Chandan Kumar Saha, Project and Operations Officer, IJSG, Mr. Khandaker Mokhlesur Rahman, Executive Director, JDPC, Mia Imam Musa, Coordinator of the project (Bangladesh Part) A T M Jahangir Alam, Project Assistant, IJSG and senior official’s of JDPC were also present. The second session of the meeting was held regarding the progress of field trial sites and monitoring process especially on the format of monitoring data collection. At the initiation of the meeting, Dr Sanjal briefly discussed the monitoring procedures and status of field trials in Bangladesh and Indian part. Representatives from Bangladesh University of Engineering Technology (BUET), Bangladesh Water Development Board (BWDB), Local Government Engineering Department (LGED) Bangladesh River Research Institute were taken part in the discussion.

The third session of the meeting decided that the standardization committee will submit their comments on the draft approach paper and justification of the extension of the project by February, 2014.

The Textiles and Jute Minister, Mr. Rabikar S. Chaudhury, formerly Major General Humayun Khaled, said that Bangladesh Jute Mills Corporation (BJMC) to implement the “Mandatory Jute Packaging Act” with 100 percent jute bags to be implemented to prevent jute farmers from getting a fair price. “We’ll launch mobile courts to implement the law,” he said.

Source: The Telegraph, Feb 13, 2014
Plastic Bag Charge a 'Complete Mess'

A cross-party committee of MPs says the government's plans for a 5p charge on plastic carrier bags in England are a "complete mess". The Environmental Audit Committee (EAC) says the current proposals are "unnecessarily complicated". Their report says that bans in Ireland and Wales were simpler and have significantly reduced the impact of plastic bags on the environment. Over eight billion disposable carrier bags are used in England every year. Last September, Deputy Prime Minister Nick Clegg announced plans for a single use plastic bag charge in England that would come into effect after the 2015 election. The proposals have been drawn up by the Department for the Environment, Food and Rural Affairs (Defra). They want the 5p charge to apply to supermarkets and larger stores. The government expects the charge to rise around £70m for charity, which shops will donate directly. The EAC wants the £19 million that will be raised as VAT from the charge to also go to environmental good causes.  

New York May Ban Plastic Microbeads

The tiny beads found in some popular beauty products, soaps and toothpastes are polluting the marine environment. Over eight billion disposable carrier bags are used in England every year. Last September, Deputy Prime Minister Nick Clegg announced plans for a single use plastic bag charge in England that would come into effect after the 2015 election. The proposals have been drawn up by the Department for the Environment, Food and Rural Affairs (Defra). They want the 5p charge to apply to supermarkets and larger stores. The government expects the charge to rise around £70m for charity, which shops will donate directly. The EAC wants the £19 million that will be raised as VAT from the charge to also go to environmental good causes.  

Natural Fibre Reinforced Plastic Blades Wind Turbine

Composites Evolution's Biotex Flax has been used to manufacture natural fibre reinforced blades for a rooftop wind turbine at the University of Stuttgart, Germany. The blades were conceived, designed and manufactured by the SWE (Endowed Chair of Wind Energy) found that Biotex Flax reinforcement’s twistless technology gave them the performance characteristics that they were looking for.

Plastic Waste Ingested by Worms Threatens Marine Food Chains

Smaller fragments of plastic waste are damaging the health of lugworms, putting a key cog in marine ecosystems at risk. Scientists at the University of Exeter and the University of Plymouth showed the impact of microplastics on the marine worms’ health and behavior. By exposing specimens to contaminated sediment in a laboratory, the researchers were able to observe a 50 percent reduction in energy reserves and other signs of physical harm. The lugworms feed less and breed less in areas heavily contaminated by microplastics and the harmful chemicals used to manufacture them. These include plasticizers, dyes and antimicrobials which, when discarded into the ocean, may also harm a multitude of sea creatures. When plastic litter breaks down into pieces smaller than five millimeters in diameter, it becomes known as microplastics, spread across the planet and researchers have only begun to discover the extent to which they are affecting marine wildlife. Small animals mistake microplastics for food. Because plastic takes up room in their digestive systems without providing any nutrition, the animals that consume it are at risk of illness, malnourishment and starvation. Given that it is estimated that plastic makes up to 60-80 percent of all ocean debris, the impact on ecosystems could become a formidable challenge for environmentalists across the globe.  

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