ANALYSIS OF SAFFRON INDUSTRY IN KASHMIR: ISSUES, THREATS, WEAKNESS AND RECOMMENDATIONS

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ABSTRACT

Saffron is an important cash crop of Kashmir valley. This high value low yield crop helps thousands of families to earn their livelihood. From past decade the saffron industry is suffering on many fronts. This case study gives a holistic view of saffron industry in Kashmir. It addresses issues and threats that the industry is facing. The recommendations and remedial measures are also discussed. This case study also reflects upon the future growth prospects of industry while taking into account many aspects that many impact its growth. The implication of this study is that it may help to understand the current scenario of saffron crop industry in Kashmir and will provide an analytical overview, thereby suggesting sustainable measures of survival and growth of saffron industry in Kashmir.

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SAFFRON IN KASHMIR

The state of Jammu and Kashmir is losing the competitive advantage in the emerging national and global arena. The state is in economic distress and financial instability. The state’s economy is facing deficits of international investment and export led growth. Economy’s supply and demand sides are strained and bleeding leading the socio-economic problems. The state is comparatively disadvantaged across the sectors that were socio-economic backbone a few decades back e.g., tourism, handicrafts, horticulture, human resources etc. It is unable to protect its century’s old monopoly in the hard-core agriculture products, particularly in the aromatic and medicinal plants like saffron. The emerging landscape of market driven forces and cut throat hyper-competition demands reconsideration of its market strategies vis-à-vis its indigenous heritage products and services. Kashmir is struggling in the promotion and sustainability of such heritage agro-products. These products have become victim of the emerging competitive forces comprising of marketing, promotion and branding. The emerging and changing market forces are responsible for devastating our centuries old advantage in such products. This economic downturn can be transformed into economic growth and prosperity provided scientific and market oriented methods are incorporated in our marketing and public policy.

SAFFRON AND ITS SUSTAINABILITY

Saffron (Crocus sativus; Iridaceae), has been derived from the Arabic word ‘zafran’ meaning yellow, is a medicinal and aromatic product. Saffron production in India is confined to a limited geographical area in the state of Jammu and Kashmir. Saffron has traditionally been associated with the famous Kashmiri cuisine, its medicinal values and it’s the rich cultural heritage of Kashmir. Its role in enriching the local cuisine, its medicinal value and its use in important religious rituals is well known. However, Saffron production is currently suffering on several counts, especially those relating to productivity as well as postharvest management. This has resulted in lower production and poor quality. There are reports that several farmers are abandoning Saffron cultivation in favor of other crops. The main reasons responsible for this trend are senile fields with inadequate plant population (2-3 lakh/ha instead of 5 lakh/ha) moisture stress (rain fed cultivation), inadequate availability of disease free Saffron corms, nutrient depletion in Saffron fields, longer planting cycle of Saffron corms (>15 years as against 4-5 years), higher incidence of pests and diseases, delayed stigma separation, lowering Saffron recovery to 22g/kg of fresh flowers (optimum recovery 309/kg), quality deterioration due to traditional practices: (sun drying lowers coloring strength from 16 to 8 per cent), Inadequate quality control / certification/ branding system, poor price discovery and lower farm gate price (involvement of intermediaries), and issues of adulteration and admixture. Saffron cultivation in Kashmir is under threat of extinction. This is evident from its dwindling share in global production. Area under Saffron cultivation has declined from about 5707 ha in 1996 to just 3715 ha in 2009-10.
Productivity has also declined from 3.13 kg/ha to 2.50 kg/ha in the last few years. District Pulwama, commonly known as Saffron bowl of Kashmir, is the main contributor to Saffron production followed by Budgam, Srinagar and Kishtiwar districts. Saffron is cultivated by more than 16,000 families located in 226 villages, the majority (61 per cent) of whom has holdings of less than 0.5 hectares, thus having community and socio-economic relevance. The state has the potential of producing 30 metric tons of saffron. The state exports around 2.60 metric tons of saffron that fetches ₹ 74.05 crore at the rate of ₹ 15576.92 per kg. Saffron, the legendary crop is under threat of extinction and thus warrants attention of researchers, farmers and policy makers. Strong market demand is the biggest opportunity for revival of this industry as is being presently done in Kashmir India. There is need to work more on genetic enhancement, GAP, post-harvest technologies. Need has arisen to establish a consortium group of traders and producers at the International level for market assurance and price stability.

SAFFRON, MARKETING CHANNELS AND BRAND EQUITY

Marketing margin is one of the key aspects for determining the market performance. There are different marketing channels that can be used by the company/firm to reach the customers. The most efficient marketing channel is considered the one which has least intermediates. As Ghorbani (2008) rightfully quantified the efficiency of marketing channels in the saffron industry, his research depicts that the direct marketing channel i.e.; producer-consumer channel is more than 80 per cent efficient for both producers and customers because it serves producers with higher profit margin and the customers with good value for money. Accordingly he debated that the least efficient marketing channel is the one which comprises of greater number of intermediate agents. The one discussed in his paper is only 20 per cent efficient and serves more than five intermediates. This dilutes the profit margin between many groups or agencies; hence the customer gets the least value for the money or has to pay high price for the product. As on the producer side the intermediates have high bargaining capacity in the said marketing channel. So the producer cannot negotiate above a limited profit margin, thus he has to be satisfied with low profit margin and minimum returns on his production.

As, Betti and Schmidt (2000) is least hopeful for a positive change to happen in saffron industry, they have debated on various reasons which create a deadlock in the path of improvement. Usually, the whole industry is being run on an unorganized market so the agents involved in deteriorating the scenario regarding the saffron quality and market may oppose any change suggested in their research. They have discussed about the adulteration and its effect on overall market. It is assumed that the adulterants have a strong hold on the linkages between producer and the consumer, thus any positive effort to increase the quality may not serve their purpose, which in turn discourages any effort done towards reducing the adulteration. However, branding of a saffron product may be taken as initial effort to bring about better quality saffron to the
end users. Thus branding seems to be a ray of hope and a small step towards overall betterment and sustainability of saffron industry.

Some brands have been able to carve out a space for themselves in the consumers' hearts over the centuries and still stand out among floods of others. Researchers have been able to show that the brand equity of a product affects consumer preferences and purchase intention (Cobb-Walgren et al. 1995), market share (Agarwal & Rao 1996), long-term cash flows and future profits (Srivastava & Shocker 1991), consumer perceptions of product quality (Dodds et al. 1991), stock prices (Simon & Sullivan 1993), mergers and acquisitions (Mahajan et al. 1994), creates sustainable competitive advantage (Bharadwaj et al. 1993) and resilience to product-harm crisis (Dawar & Piltula 2000). Brands with high brand equity enjoy high consumer preference, purchase intention, purchase, loyalty, and even higher stock returns (Cobb-Walgren et al. 1995, Aaker & Jacobson 1994). Almost every single marketing activity works to create, manage and exploit brand equity. Also from a consumers point of view, a brand with high equity increases the credibility of the information provided for/with the product, reduces the perceived risk, reduces the consumers need to think and overall enhances the consumers utility from the product/ brand (Erdem & Swait 1998).

ISSUES REGARDING COMMERCIALIZATION

1. **Price for producers:** less income of saffron producers is one of the critical factors in the production of saffron that makes it difficult for growers to acquire the important missionary and tools for cultivation. This pushes the growers to go for traditional methods of cultivation. Another growing concern is the lake of training and education among the growers. Though these problems arise in other vegetable markets too but with the saffron this problem is acute. Currently saffron commercialization system is also lacking in coordination and centralization of supply of saffron product. As saffron growers are not much in number when compared to other agricultural crop growers, this results in limited influence of saffron growers on the process of commercialization. Thus it becomes necessary to develop new commercialization strategies and production structures.

2. **Limited differentiation:** As competition in the international market is constantly increasing, the chances of successful commercialization of products or services offered by small enterprises become very less. This may push these enterprises, (who only compete with other products on basis of price only) to exit the international market. So the proper differentiation is a must for having a competitive edge.

3. **Global & domestic market:** As far as quality of saffron is concerned, saffron of Kashmir is considered among the best saffron brands in the world. But because of limited commercialization and less production, it is not yet spread widely across the globe. As the reputation of quality of Kashmiri saffron has been there for
centuries but the production of saffron in Kashmir has considerably decreased now. So in the global market, importers get saffron imported from other parts of the world to fulfill the demand that Kashmiri saffron is not able to fulfill. Although there is a much earned reputation by Kashmiri saffron in global market, but it is still unknown to a large portion of domestic Indian market entities such as North East and Orissa. A large part of Indian population does not have proper knowledge about its origin, use and characteristics. There is a much prevailing concept that Kashmiri saffron being very costly is not affordable to a large portion of population who desire to buy it. But considering the necessary small doses of saffron needed in any preparation, it does not prove costly at all. The calculation of absolute value per kg for saffron being high, has converted saffron into a luxury product which vanished from a middle class household and is replaced by artificial coloring agents which are potentially harmful and pose a health risk to a consumer. The usefulness of natural coloring agents like saffron has been widely debated by experts all around the world. Thus there is a need to promote the usefulness of saffron across the global market for the greater benefits to consumers.

WEAKNESS IN SAFFRON MARKET

The weakness in saffron market is concentrated in fragility of chain of production and in the mechanism of relationship among the entities of the process of production. There also seems to be weakness in strategic implication of the process of market assessment and technological assistance for streamlining such processes.

1. **Fall of production:** From the past few years, the saffron production in Kashmir has decreased drastically. Not only the cultivable land for saffron has decreased but also the production per unit of land has seen a downfall. The figures from Jammu and Kashmir horticulture department about the saffron production have been discouraging. Even if lot of schemes have been implemented for its revival but still the fall in the production of saffron has not been restored yet.

2. **Price:** Experts say that price has an important role to play to streamline the production process of saffron. One of the reasons for the fall of production is the loss income of saffron growers. It becomes hard for growers who are already running low on income, to acquire modern tool and products needed for a good cultivation. Thus the primitive and traditional methods of cultivation are adopted. The non-availability of proper marketing channels and improper regulation in the market render the growers powerless and more dependent on inter-mediators. Thus they do not get the proper value for their production. This results in low income of these growers. Moreover the Iranian saffron is cheaper than Kashmiri saffron and mostly the same is adulterated into Kashmiri saffron, thereby decreasing the credibility of Kashmiri saffron in global market and affecting its price too.
3. **Allocation of cost:** Due to the various versatile characteristics of saffron cultivation it is difficult to calculate the real cost of cultivation, most of the families involved in saffron production recruit their own family members for labor force. They do not take into consideration the direct labor cost of family members and do not even include the working hours of family in evaluating the overall cost of production.

4. **System of production:** The production system has not been updated from decades. People still use the primitive ways for cultivation where the main focus lies on the quantity and the quality of production. The farmers have to be made aware of sustainable agriculture and importance of growing a quality crop for not losing the credibility in the market.

5. **Techniques of cultivation:** The modern cultivation techniques are not known to a large portion of producer population. Even if many growers may afford to have modern tools and techniques but the lack of training and knowledge does not allow them to go for it. Tools such as the ones used for appropriate irrigation are very rarely used or not used at all.

6. **Channels of commercialization:** The supply of saffron is extremely fragmented in the current chain of commercialization. As current commercialization and production organizations are not developed sufficiently, growers fail to orient their produce with the channels of commercialization.

7. **Cultivation mechanism:** One of the factors concerning the saffron production is unmechanized cultivation of the crop. Though cultivation of the other crops evolved with time, the saffron cultivation does not seem to be keeping up with the pace. Saffron cultivation has not evolved for centuries when compared to other crops. It is still more labor dependent and less machine dependent. There is not much of utilization of modern machinery and advanced tools for its cultivation in the valley.

8. **Lack of vocational training & production of bulbs:** If we take the aging population into consideration, the lack of vocational training apparently seems to be one of the major barriers in the path of innovations in saffron cultivation. Bulbs are not cultivated extensively. Cultivators obtain these bulbs from the traditional cultivation of flowers and because of this additional problems arise in cultivation.

9. **Inability of consumers to differentiate quality:** One of the strengths of saffron industry is the distinction among the different quality features of saffron at retail and wholesale level of marketing channels. But the obtained level of distinction in quality is insufficient and consumers are not able to significantly distinguish various saffron qualities and origins of saffron brands.

**THREATS TO SAFFRON SECTOR**

1. **Low price policy of other countries:** The price of Iranian saffron is much lower than the saffron produced in Kashmir. Even if the saffron cultivated in Iran is poor in quality and lacks aroma, still the lack of preventive measures may result in
extinction of saffron cultivation in Kashmir. It is a threat to the commercialization of our enterprises which can lose the competitiveness to the enterprise of other countries.

2. **Urbanization:** Urbanization had a drastic effect on saffron cultivation and production. As the population has been increasing, the land meant for saffron cultivation kept on shrinking. The growing need for more residential space and infrastructure is a well-known fact and it resulted in availability of lesser land for saffron cultivation than ever before. Though the government is taking necessary steps to stop saffron land encroachment but nothing seems to be working on the ground.

3. **Impact of cement factories:** In the recent past many cement factories have been set up in close vicinity of saffron cultivations. The extracts from these cement factories have had a negative impact on the environment. The research suggests that these extracts have been polluting the cultivable land and the result is that the production of saffron is severely affected by it. The cement extracts when mixed with rain, form an intensive coating on land and on the saffron plant itself, thereby decreasing the productivity of land and also rendering the land less fertile. Thus the increase in the number of cement factories in the saffron cultivation areas is a cause of great concern.

**ENVIRONMENTAL ISSUES**

Global warming has affected the climate of Kashmir also. The rains are much unexpected and floods are more frequent. The change in climate has affected the productivity of saffron land too. Now that rains are more intense and more unexpected than before, this has led to an increase in unfavorable changes for the growth of saffron as researchers suggest that sudden heavy rainfalls are very unfavorable for saffron growth. These rainfalls are believed to be an outcome of global warming. Moreover the increase in pollution level has had a negative impact on agriculture. The saffron cultivation is no exception. Increasing pollution levels in air, water and soil has also affected the saffron production and quality of saffron produced in Kashmir. Though not that evidently but the impact can still be seen.

**SAFFRON MISSION**

The saffron mission is a great initiative by state and central government to revive the saffron industry in Kashmir. Though a lot of money was injected for the revival of saffron through this mission, this mission has not been able to deliver at its best on the ground. Irony is that since the mission started, the saffron production and the land under the saffron cultivation, which was supposed to increase, rather has decreased immensely. The main cause for the mission not being able to deliver on the ground, is framing an action plan without doing an intense research on framing the objectives. There was no proper
research done before framing the objectives for saffron mission. Thus there happens to be a gap between what we wanted to achieve and what the real situation on the ground was. The other issue that could have led to the non-delivery of saffron mission on ground is that the mission did not take the management perspective into the consideration. The mission looked at the saffron cultivation from the agricultural perspective and not the management perspective. No effort was done to consult the management experts and there was no action plan for the management of saffron. There was not even any proposed model for handing and branding finished saffron product. Thus the lack of research before implantation of mission and lack of action plan after the packing of saffron product has been a drawback in the mission

**MARKETING ISSUES**

The basic marketing problem that saffron industry is facing is the unorganized market. The saffron market is not tightly regulated. We don’t have well managed marketing channels to distribute saffron to the end user. The saffron promotion practices have not been well established in the system and there is no proper traceability and accountability of saffron products. This has led to the higher incidents of exploitations of growers and non-availability of good quality of saffron to the end users. The unorganized market does not allow the agencies to a check on adulteration. As a result, the saffron of Kashmir faces the biggest threat from adulterants and in many cases the end users are fed with Iranian saffron in the name of Kashmiri saffron. The marketing channels have not been properly established so to keep a check and trace the movement of saffron products by the agencies. It can be said that biggest marking problems came from unorganized marketing channels, adulteration and non-synchronized promotional processes.

**RECOMMENDATIONS**

**Offering products of improved quality:** Due to the physical and chemical features of saffron of Kashmir, calculated by certain parameters, it is considered among the best saffron brands in the world. As its market demand is increasing, new standards for verification of high quality and new methods of evaluation must be adopted so as to determine the taste, color and cosmetic features. The actual methods used by these standards must be defined to prevent fraud. Distribution policy must be improved by streamlining the traceability, activities guaranteeing quality and food safety. Tracing of exact production of producers could be done by making use of new tools of quality verification, resulting in better quality supply and protection of features attributed to it. The government authorities must be persuaded to release new standards for saffron industry aiming at maintenance of purity of Kashmiri saffron, so as to avoid fraud and adulation. Storage condition is also an important aspect for maintaining quality of cultivated saffron. Product quality is directly affected by the right structure for the storage of the product as it decrease the spread of fungus, insects and other harmful organisms and helps in prevention of color aroma and other quality characteristics of saffron
Differentiation: Differentiation is one of the most important tools for good commercialization of Kashmiri saffron in global market. The product differentiation can be defined as the availability of different levels of quality for same kind of product. Differentiation can also be defined on the basis of consumer preferences or geographic location or when a particular brand name consists of features which happen to be different from the others. Though Kashmiri saffron is same in color, aroma and other features everywhere, but still different consumers do buy it for different reasons depending on the perceptual position of Kashmiri saffron in their minds. Some consumers buy it for color some buy it for aroma and some buy it for flavor. Thus considerably good results can be achieved through the differentiation process, be it among the Kashmiri saffron products only or between Kashmiri saffron and other saffron brands. In both cases of differentiation, desirable results can be achieved. Differentiation aims at generating highest consumer appraisal there by resulting in greater demand for the product. Though it is a different practice, but it must be noted that the process for attaining favorable results is available and differentiation is one of such processes.

Nowadays consumers are exposed to a great variety of presentations and brand names of the same product. The decision to purchase a particular product by the customer is influenced by:

- Intangible and tangible features of the product.
- Price of product and purchasing power of consumers
- Product differentiation.

The product differentiation is the practice of imparting many associations to the product that differentiates it from the other products falling in same category, thus creating impulse of buying for the consumer.

The Kashmiri saffron can be differentiated in many ways such as:

1) **New forms of selling:** Saffron product can be sold in many ways. The older version of packages must be constantly updated. The key is to offer the product in different ways and forms, so that the consumer may abandon his innovation fears and get a perception that the product being offered to him is constantly being updated.

2) **Identifying the consumer desires:** A product is bought by a consumer not just for fulfilling his need only but also to fulfill his particular desires as well. For example a consumer desires to buy a flavoring spice, if he finds Kashmiri saffron among this category, then he may put it on the purchase list. So the consumer’s specific desires must be identified and saffron has to be projected to him pertaining to his desirable perception.

3) **New concepts of presentation:** The increased sales can be contributed by redesigning product presentation. A product can be transformed into differentiated product when a innovation is incorporated in the product. This helps in obtaining a better market position for the product. The competition does exist in the market only
because of differentiation otherwise the only competing factor left with us is price of the product which cannot help us to promote the Kashmiri saffron because of its high price.

4) **Offering a rich variety:** Rich variety helps to preserve the interests of consumers so as to differentiate a particular brand name from the other.

**Brand names:** Sales in the saffron sector are becoming very hard to manage because the sector is going through a strong competition at global level. But still in Kashmir, the objective has been nothing more than the production of saffron at mass scale so as to capitalize on the low costs resulting out of mass production. That makes it somewhat competitive with regards to the price of Iranian saffron, which has always been cheaper than Kashmiri saffron. The average Kashmiri consumers possess significantly more purchasing power and he is always well informed. When given a choice, he may normally go for quality than quantity.

Though it is very hard to define the term “quality” as the measures to evaluate the quality happen to be very complex, but when it comes to food, the quality of product is strongly related to health. This can be the core for promotions of Kashmiri saffron as compared to the other saffron brands. The terminal desired result is to sell saffron product at a good price. This objective can be achieved by farming a distinguished production for high quality and for speedy distribution of products as well. That is when the brand names become relevant rather important. Some of the proposed options for brand names are given below:

- Collective brand name
- Single or separate brand name
- Label of guarantee
- PDO (protected designation of origin)
- PGI (protected geographical indicators)

**New product:** Apart from the recommendations suggested above, the structural condition of saffron industry advocates that the promotion of by-products of saffron is a key element for future development. The most of the saffron currently available in the market has been treated with the process of drying which decreases the overall value of final product. There can be many alternatives to the traditional use of products of saffron such as:

- Production of beverage.
- Plant can be used in gardens, parks and floricultural centers for the decoration purposes.
- Saffron can also be used in traditional cheese preparation process.
- Flowers can be used for dye substances.

**Commercialization:** Nowadays “sales” is the keyword. There are more evident problems regarding the supply of saffron in the market than the problem in the stages of production.
In the traditional supply chain the power is more concentrated to the ones who happen to be close to the end user of the product. But for long term development and sustainable sales of saffron in market, the improved interconnection or channels are needed among distributors, producers and traders. These trading channels have to be modernized for greater benefits.

**Reinforcing commercialization:** An ambitious goal to be taken under consideration regarding the saffron cultivation in Kashmir is the reinforcement of commercialization of good quality saffron. This commercialization will make it easy to access the international and national markets for all stake holders including the producers and distributors. Few of the objective of reinforcing commercialization are outlined below:

- Promoting the saffron produced in Kashmir.
- Improvement of food quality.
- Creation of brand name and its promotion.
- Support specialized staff in marketing domain and imparting training to human resource.
- Promoting food technological processes.
- Formation of large corporations of producers.
- Supporting research and development of innovative products.
- Encouraging globalization of products and enterprise.
- Training and information to consumers.
- Training and information to the small and large size retailers.
- Imparting training to distributors to make them aware with the import process of big commercial chains.

**Processors and cultivators:** The spirit of entrepreneurship of those who are involved in agriculture business or startups, should show a growing trend and government must support them by creating favorable policies. As of now most of the producers prefer to sell their products individually, this is the result of no availability of any organization that could have reinforced commercialization and regulated the price. If these saffron producers of Kashmir will come together to create an association, this will give them more bargaining power. They will be able to sell the product directly to the enterprises, cutting down the cost of middle man and thus can bargain more favorable price than the one they currently are getting for their production. The beneficial trade agreements with distributors could be met that could benefit all the producers and distributors.

**Globalization of enterprises:** The lot of support is needed to streamline the export processes for the globalization of all the small scale enterprises. These efforts are needed at individual level as well as at organizational level. The regional market in Kashmir and national market in India are not as attractive as global markets such as UAE. Fallowing actions are proposed for achieving the above objective:
• Support and assistance to the entrepreneurs that participate in global fairs.
• Support the promotion teams of entrepreneurs.
• Consulting the experts for implementing projects abroad.
• Locating opportunities in global market through information process.
• Actions to be taken for new market developments and new product differentiations.

**Saffron promotion Centre:** The promotion of saffron is much needed process for market development and increasing the awareness of Kashmiri saffron. This process can be enhanced if a dedicated Centre for promotion of saffron is established that could engage with activities of marketing campaigns for saffron and its by-products such as medicines and perfumes. It can also help in identifying the potential market in Asia and can also help to target potential consumers. If possible, the offices should be established in different parts of India which can provide the assistance regarding the information of products and enterprises. This could provide the platform for introduction wider range of saffron product verities.

**Promotion of research and development:** The technology used in saffron production is not in pace with the technologies used in other agricultural productions but saffron production adopts well with goals of research, training programs and promotional processes. The research and development close to the economic activities of Kashmir must be prioritized. But both private and public sector should also focus on development of by-products and use of innovative technologies. The government must support the organizations for taking on research projects regarding the Kashmiri saffron. Initiatives should be taken to engage government agencies in research and development process of saffron so as to adopt with the advancements of technologies. The enterprises based on technologies for production and processing of saffron must be promoted. The consumers, producers and distributors should be made able to adopt with the advancements in technologies and processes regarding saffron sector.

**Opportunities in saffron market:** Long cultural tradition of saffron cultivation and use for various purposes opens the opportunity to improvement and re-evaluation of this spice that has the capacity of being promoted as a tourism product within the production regions and become the starting point of agro-tourism development by emphasizing the archaeological sites, the beauties of cultivation, the shops using this spice, as well as the gastronomy of the production regions. Today the demand in natural food colors and additives happens to be higher than the demand in synthetic colorants, flavor, enhancers and aromas. The cultivation of saffron is reconsidered as a complementary cultivation, since all necessary activities linked to it are harmonized to all other cultivations of the production regions. The substantial condition for sustaining the cultivation of saffron is social promotion of female employment. Presence of women labor force pre-dominates during harvesting of saffron flowers and mostly during separation of the stigmas. Over the past decades scientific researches brought to surface the pharmaceutical properties of saffron used since ages for medical purposes. It would be a great opportunity to benefit
from the increasing interest of the nation in natural medicine in order to promote saffron consumption in virtue of its pharmaceutical properties including others.

**Branding Saffron:** Branding process is used by companies to improve the sales of products in many ways. These include the increase in product offerings, a sustainable position in the market, introduction of new products into the existing product categories and marketing these products strategically. For most of the small agri-businesses, branding of products starts with simple packing that reflects the name of their business or form or company, so that consumers may be able to identify the brand and share their experiencing regarding the encounter with these branded products primarily through the word of mouth. There are several reasons that reflect on importance of branding agri-business products. A branded product allows us to earn high price (premium price) over the unbranded products for the producers. Branding can result in consumers being loyal to the brand which leads to strong consumer base. It can be rightly said that branding not only is useful for consumers as it delivers the promise of quality, but also beneficial for producers as it allows them to serve their consumers better. Value addition in branding is done through the product differentiation by allowing it to create a distinctive image in the market that is reflected by the intangible aspects of the products. When consumers buy a branded product, they pre-assume the quality of the product thereby adding extra value to it. The quality perception of successfully branded agricultural product will always will better than that of unbranded products.

**Approach to the branding of saffron:** In order to establish a brand, it is imperative to define a product with respect to a particular salient feature. This is usually done by relating the product to the source of product (manufacturing company), country of origin (location), marketing agency (service or distribution or promotional channels) etc. in the case of saffron of Kashmir, it has always been differentiated on the basis of country of origin. So it is more feasible to define the saffron on the basis of producing country and brand & label it as a Saffron of Kashmir. To accomplish the objective of establishing Saffron of Kashmir as a brand it is indispensable to identify the factors which generate the brand value in the first place and to study (measure) the effect of such factors on the saffron product itself. This can be done using the concept of brand equity. The higher brand equity signals the greater brand value. So, it becomes important to identify and measure the effect of different brand equity dimensions on the saffron product. These brand equity dimensions may include different variables such as Perceived Quality, Brand loyalty and Brand awareness depending on which brand equity measurement model we may use.

The importance of branding is that it can play a role in removing market irregularities in saffron industry. As indirect evaluation of brand equity helps to identify potential drivers of brand equity of products and helps in developing a quality perception in the minds of consumers. This will enhance the demand for the product with higher brand equity (branded products), thereby enhancing consumer base and generating loyalty for Kashmiri saffron product. As a result, the usage/demand for unbranded product will
naturally fall. Branding will help in saffron market regulation which will result in greater control of authorities on the saffron market, thereby making it easy for them to keep a check on adulteration by identifying its potential sources. A sense of trust and reliability can be developed in the minds of consumers which can enhance long term sustainability of product in the market. For a product which is branded and having a positive brand image, customers rely on the brand rather than relying on the mediating entities (intermediates) for the better quality of the product. So, for the exchange of a branded product, the consumers and producers have to be less dependent on intermediates as the marketing channels will be shortened. So, we can adopt the shortest business to customer or producer to consumer channel for exchange of products. As a result, the price of the product for the customers will be decreased while also increasing the profit margin of producers. Thus, a win-win situation can be created for both procurers and consumers (sellers and buyers) due to brand building processes. Consumers are exposed to different promotional activities so as to create a distinctive perception in their minds regarding an offering/product that a company/producer/firm has to offer. This can get easier with a branded product as it differentiates it from the other products as it gives a clear idea about source of the product. Branding plays a vital role in establishing a marketing program and designing a promotional mix. It makes easier to streamline all the promotional activities along with the different product offerings and attempts in developing a pull strategy and a long-term demand for the product. We can also promote all the product lines individually by brands the products accordingly. Brand equity measures can be taken into the account while evaluating the output of promotional activities thereby evaluating the effectiveness of marketing programs.

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