

Marketing ~ Fact Sheet

Purpose

To discuss the steps involved in marketing a product, and to understand the four elements that make up the marketing mix.

Expected Outcomes

After participating in this session, participants will be able to do the following:

1. Define the four steps that make up the marketing process
2. Understand the four components that make up the marketing mix
 - Product
 - Price
 - Distribution
 - Promotion
3. Relate these marketing concepts to products with which they are familiar

Materials

- Pen and paper - OR slates where commonly used - to record notes during the workshop
- Flip chart or newsprint and markers OR chalkboard, chalk and a cleaning rag

Time

- 30 minutes

Overview

The toughest challenge of operating a business today is trying to anticipate where a business is going and how it will get there. While no one can predict the future, marketing is an important tool in successfully managing your business. Simply, marketing is the process of identifying a need and then offering a means to satisfy that need.

For example, we realize that everyone needs food. Businesses and farmers can meet that need in a large number of ways. They can offer the consumer a range of raw agricultural products, such as bananas, rice or tomatoes, or they can develop some kind of processed product such as a tomato paste or bread.

How do you decide, however, what you should produce or whether you should have it processed in some way? How do you know if a new vegetable or processed product will appeal to customers? Even if they like the product will they pay the price you need to make your farm or business profitable? Marketing is the process that helps to answer these and other questions.



The Marketing Process

The marketing process consists of the following steps:

1. Finding out what customers want through marketing research. (This topic will be covered in the module on market research.)
2. Identifying who you want to sell your products to, “the target market”.
3. Developing a marketing plan that includes the various parts of the marketing mix.
4. Evaluating your marketing strategy after a period of time to ensure it is meeting the goals you set for it.

The Marketing Mix

The marketing mix will be looked at in more detail in the modules on pricing, new product development, and retailing and merchandising. However, a brief introduction is in order at this point. The marketing mix is a basket of marketing tools that - when combined - result in a product that is appealing to the target market you have selected.

The marketing tools we are interested in are normally divided into four areas:

1. The Product

There are a number of areas we can look at when examining the product we are going to sell and what will make it interesting to our target customers. For an agricultural product these can include such things as quality, variety, ripeness, packaging and colour. For a clothing product you might look at issues such as design, material and size.

Each of these issues may be of more or less importance to our potential customers and will be discussed in more detail in the module on new product development.

2. Price

This is an important consideration and one that will be covered in detail in the module on pricing. For many people new to business the temptation is to charge the lowest price you possibly can. This is often a poor decision because customers may be prepared, and even expecting, to pay a much higher price for a premium or unique product.

A thorough knowledge of your customers, the competition and the marketplace is necessary before coming up with an appropriate price.

3. Distribution

How will your product reach the consumer? In many instances it is simply a case of, for example, the farmer travelling to a local marketplace and selling their products from a stall. Alternatively a farmer may sell their produce to a middleman who then sells in a local or regional marketplace.

In either case the small business owner must make the decision that provides them with the highest return for their work.



4. Promotion

The final element of the marketing mix is promotion. In many cases promotion will consist of something simple, like word of mouth or a roadside vendor ringing a bell at passing cars. Friends and neighbours may have purchased a fruit or vegetable from a particular farmer for years and know they will receive a high quality product at a reasonable price. Sometimes that is enough.

Oftentimes, however, a small business owner might want to look at some more sophisticated form of promotion. This can be an attractive sign at their place of business, an advertisement in a local newspaper or on a radio station or handbills that are distributed in a major market town. All of these methods of promotion, and others, should be looked at to ensure that you are not missing a good opportunity to make your target customer aware of your product.

Summary ~ Marketing

- Taken together, the four areas described above are called the marketing mix.
- Each will be important to consider when thinking about how to successfully market your product.

Marketing ~ Workshop

General Instructions

Prior to conducting this workshop read over the General Workshop Guidelines. Additional information that explains the workshop process further will help ensure that learning objectives are achieved.

Background Information for the Facilitator

The purpose of this workshop is to reinforce the information learned in the lecture part of this module. The facilitator is encouraged to draw on his or her own personal experience with marketing to complement the information in the fact sheet.

Time

- 1 hour

Number of Participants

- A group should preferably include 10 to 15 persons but it should definitely not exceed 20 participants. Larger groups make it very difficult to follow the progress of individuals.
- Divide the group into sub-groups of 4 or 5 people.

Materials

- Pen and paper - OR slates where commonly used - to record notes during the workshop
- Flip chart or newsprint and markers OR chalkboard, chalk and a cleaning rag

Process

Ask each of the groups to choose a product or service with which they are familiar. Allow them 20 minutes to do the following:

- Attempt to identify the aspects of the marketing mix associated with this product or service.
- Think about how the product is distributed, priced and promoted and what are the unique attributes of the product.

At the end of 20 minutes, gather all participants into one group and do the following:

- Ask a representative from each group to present their work to the entire group.
- Discuss the similarities and differences that were discovered in the marketing mix applied to each product or service.
- Are there common themes that were noticed?