AGRIBUSINESS MARKETING MANAGEMENT

TRAINING COURSE FOR YOUTH AGRI-ENTREPRENEURS

Ethiopian Agricultural Transformation Institute

Content

OVERVIEW OF THE MODULE

ATI has designed and implemented the agriculture-focused dignified employment for youth (ADEY) program to accelerate the job creation by enhancing the support provided to young entrepreneurs and wage-employment seekers for self-sustained and improved livelihoods. The program is achieved through capacitating the agri-entrepreneurs by providing continuous business development services that enhance their market competency. In line with this, establishing youth-focused hard and soft-skill training is one of the major initiatives that the program identified. Out of many training modules planned to be developed for the platform, the youth-centered agribusiness marketing management training module is the one that has been developed to use as training material for new agri-startups/existing entrepreneurs and other agribusiness actors which is planned to provide personal as well as digital/online approaches.

The module is organized into six sections as follows. The first section explains the concept of agribusiness, and the second section deals with the concept and elements of agricultural marketing. Marketing strategy and marketing plan are included in the third and fourth sections respectively. In the fifth section customer relationship management and effective selling skills have been discussed, and finally, the digital innovative and agricultural marketing concepts are depicted. Furthermore, the module consists of learning activities and post-self-assessment questions that help to evaluate the level of training caught up by trainers.

The Agriculture-focused Dignified Employment for Youth (ADEY) program is implemented by the Ethiopian Agricultural Transformation Institute in partnership with the Mastercard Foundation to enable 611,343 inclusive and dignified work opportunities for young women and men and support youth entrepreneurship, employability, and sustainable livelihoods in the agribusiness sector.

Introduction

Youth make up an increasingly large share of Ethiopia's population. However, a significant portion remains unemployed. The agribusiness sector is often seen as a key driver for creating youth employment. Despite this, agriculture holds little appeal for many young people, who often migrate to urban areas in search of better opportunities. Several challenges hinder efforts to make agribusiness more attractive to youth, particularly due to a business environment that is not inclusive or youth friendly. Recognizing this, Ethiopia, like many countries around the world, is adopting policy measures to support youth involvement in agribusiness, aiming to create job opportunities and ultimately transform both the agricultural sector and community livelihoods. Among the major obstacles facing youth in agribusiness are limited business skills and poor access to markets. Addressing these issues is vital to ensuring dignified and sustainable employment for young people. Initiatives that enhance youth business competencies and improve market access are essential, especially for young startup farmers seeking better income and working conditions. As part of these efforts, the team has developed a youth-focused training module designed to build skills in agribusiness and marketing management.

Training methods Presentation, group discussion, assignment, and practical exercises, self-education through ATI & other online platforms

Training Materials Flip charts, Phones/Tabs, laptops, markers, internet connection

Target participants Regarding the participants, the module was developed for agri-entrepreneurs and other actors who are involved in the agribusiness sector.

Time Required The total required time for the module is estimated to be 24hrs (3 days)

SECTION 1: CONCEPT OF AGRIBUSINESS

1.1. BASIC CONCEPTS OF AGRIBUSINESS

Section overview

Conceptually, the agribusiness sector includes five distinct sub-sectors, such as inputs, production, processing, marketing and trade, and support services. These distinct sub-sectors contribute towards value addition by way of increasing farm income, saving the loss of farm products along the traditional supply chain, and creating more employment opportunities. The sound development of agribusiness provides a new frontier by creating an environment of much-needed investment in agriculture, marketing, and trade.

In this section concept of agribusiness with its components has been discussed briefly.

Learning

After this training, the trainee should be:

- *Describe the concept of agribusiness.*
- *Elaborate components of agribusiness*
- *Explain the importance, dimensions, and structures of agribusiness.*
- *Describe the roles of agribusiness in job creation*

Time required: Half a day

1.2. WHAT IS AGRIBUSINESS?

The term "Agribusiness" was first introduced by John Davis & Ray Goldberg of Harvard University in their book 'A Conception of Agribusiness' in 1957. Agri-business is a term that combines the words "agricultural" and "business," and it refers to any farming-related economic activity. Agribusiness is the business sector encompassing farming and farming-related commercial activities. It involves all the steps required to send an agricultural good to market, namely production, processing, and distribution. Process-wise, John et.al defined agribusiness as: "the total of operations involved in the manufacture and distribution of farm supplies, production activities on the farms, and the storage, processing, and marketing/ distribution of farm commodities and items made from them".

1.3. WHAT IS AGRIBUSINESS?

Agricultural Input sector:- it deals with the supply of inputs required by the farmers for raising crops, livestock, and other allied enterprises. These include seeds, fertilizers, chemicals, machinery, and fuel.

Farm sector: It aims at producing crops, livestock, and other products.

The Processing/Manufacturing sector: the processing and manufacturing sector is primarily responsible for transforming a given agricultural product into some other valuable product. It deals with various aspects like storage, processing, and marketing the finished products to meet the dynamic needs of consumers.

Marketing – Distribution sector: the distribution or marketing sector is accountable for the distribution of processed or raw agricultural products to the right customers at the right time and place with the right price through the right channel of distribution.

Support sector: encompasses all organizations and institutions and other entities, directly and indirectly, affecting the agribusiness system through the provision of services, logistics, and coordination of services from technology, information, programs, and incentives to the system.

Post-assessment questions

- *Please give short answers to the following Questions.*
- *Define the term "agribusiness".*
- *Elaborate components of agribusiness*
- *Can you describe which agribusiness value chain segment you are involved in?*
- *What kind of value addition are you using on your farm to maximize profitability?*

Time required: Half a day

Takeaway

- Agribusiness covers all the value-added activities that link raw materials required for agriculture production to products and services that satisfy the demand of end consumers of agriculture products.
- Agribusiness consists of different sectors along the value chain such as the agricultural inputs.

SECTION 2: AGRICULTURAL MARKETING AND ELEMENTS

2.1. CONCEPT OF AGRICULTURAL MARKETING AND MARKETING ELEMENTS

Section overview

This section deals with agricultural marketing and marketing elements. It is the process of Agricultural marketing that comprises all activities involved in the supply of farm inputs to the farmers and the movement of agricultural products from producers/ suppliers to the consumers. It consists of different activities and actors. In the section you will learn concept of agricultural marketing, key aspects of the agricultural marketing system, types of agricultural Markets, demand and supply, value proposition principles, and marketing functions.

Learning outcome

By the end of the session, the trainee should be:

- *Describe the concept of agricultural marketing management.*
- *Identify the marketing Mix "the 4Ps."*
- *Explain value proposition concept and its principles.*
- *Elaborate marketing functions*

Time required: 8hrs

Learning question

When explaining agricultural marketing to someone, list three points that comes to your mind.

2.2. CONCEPT OF AGRICULTURAL MARKETING AND KEY ASPECTS OF THE AGRICULTURAL MARKETING SYSTEM

2.2.1. CONCEPT OF AGRICULTURAL MARKETING

The term agricultural marketing is composed of two words: agriculture and marketing. Agriculture generally means growing and/or raising crops and livestock, Marketing encompasses a series of activities involved in moving goods from the point of production to the point of consumption. It is the process of identifying, anticipating, and fulfilling customer needs and wants, while also creating and exchanging value with customers, partners, and society at large. Agricultural marketing can be defined as a process that starts with a decision to produce a saleable farm commodity. It involves all the aspects of market structure or system, both financial and institutional, based on technical and economic considerations, and includes pre- and post-harvest operations, assembling, grading, storage, transportation, and distribution (Indian National Commission on Agriculture, 1976).

2.2.2. KEY ASPECTS OF THE AGRICULTURAL MARKETING SYSTEM

Agricultural marketing comprises all activities involved in the supply of farm inputs to the farmers and the movement of agricultural products from the farms to the consumers.
The agricultural marketing system includes two major sub-systems, such as product marketing and input (factor) marketing.

The product marketing sub-system includes farmers, village/primary traders, wholesalers, processors, SMEs, importers, exporters, marketing cooperatives, regulated marketing committees, and retailers.
The input sub-system includes input manufacturers, distributors, related associations, SMEs, importers, exporters, and others who make available various farm production inputs to farmers.

The agricultural marketing system is understood and developed as a link between the farm and non-farm sectors. A dynamic and growing agriculture sector requires fertilizers, pesticides, farm equipment, machinery, diesel, electricity, packing material, and repair services which are produced and supplied by the industry and non-farm enterprises.

The expansion in the size of farm output stimulates forward linkages by providing surpluses of food and natural fibers that require transportation, storage, milling or processing, packing, and retailing to the consumers.
These functions are performed by the non-farm enterprises. Further, if the increase in agricultural production is accompanied by a rise in real incomes of farm families, the demand of these families for non-farm consumer goods goes up as the proportion of income spent on non-food consumables and durables tends to rise with the increase in real per capita income.Several industries, thus find new markets for their products in the farm sector.

2.3. MARKETING MIX "THE 4PS"

The ownership of the product is transferred from one person to another.	*Transfer of ownership (commodity circulation)*	*The flow of things between the point of origin and the point of consumption*	*Circulation of agricultural products material (logistics)*
Information communication about commodity, seller, buyer, material flow and so on.	*Circulation of related information (information flow)*	*Circulation of funds (capital flow)*	*The distraibution transfer of funds paid by the final customers in different linksof circulation.*

Parts of Agriculture product circulation

Marketing strategies should be based on the **four Ps** of the marketing mix, such as product, price, place, and promotion, which have also been expanded to reach 8Ps that add elements more relevant to services, including People, Process, Physical Evidence, and Performance/Partnership.
But for simplicity purposes, we will focus on the traditional 4Ps only

2.3.1. PRODUCT

Refers to the features, benefits, and quality of the agribusiness's offerings.

Production and Sourcing Decision
Sourcing is defined as the strategic process of finding the right partners and resources that you need to run your company. Today, sourcing requires a lot of smart decision-making to maintain a balance between cost, quality, and innovation. It is more than just finding suppliers or materials; it's the strategic art of identifying, evaluating, and securing the best possible resources to meet your company's needs. When planning to search suppliers for sourcing of specified products/services, first, it's important to describe what kind of products/services you are producing/supplying and their features, for instance, the type, size, color, shape, variety, etc.

Hypothetical sourcing strategy for agribusiness products, agri-enterprises
The agri-enterprises may source agribusiness products using sourcing strategies for the supply of agricultural inputs and output based on the business sector they are engaged.

Sourcing of agricultural input
The agri-enterprises engaged in the agricultural production and input supply business can source products from seed producers, chemicals producers, importers, or distributors based on the type of inputs and farm equipment they specialized.

The agricultural one-stop shopping (AOSS) supported by ATI's, direct seed marketing (DSM), as well as community-based seed production (CBSP) project model is very helpful to create linkage for youth agri-entreprenuers engaged in input sourcing. By providing continuous market linkage and business to business linkage support agri-enterprises can directly network with these producers and importers.

INPUTS SUPPLIERS

Seed Companies (Public, Priv., CBSP)
Inputs importers (fert., chem., animal drugs, equipment's)
Machinery

Extension service advise
Market information

AGRI-PRENEUR	AGRI-PRENEUR	AGRI-PRENEUR
Smallholder farmers Commercial farms **A**	Smallholder farmers Commercial farms **B**	Smallholder farmers Commercial farms **C**

Sourcing agricultural outputs for

The agri-enterprises engaged in the value additional activities such as aggregation, cleaning/sorting, packaging, processing, export preparation, and other value-additional businesses can source the produce (crops, livestock, and livestock products milk, meat, poultry, honey, fruit, vegetables, etc.) from their farm, or/and from cooperatives unions, and sourcing from the farmer's production cluster through different marketing arrangements, for instance, contract farming, out-grower schemes, business to business partnerships, etc.

2.3.2. PRICE

Pricing Decision: Analyzing and setting selling prices.

There are three ways to determine the selling price of products:
"Comparison" method- is based on a comparison of your products with similar products in the market. Comparing the quality and other characteristics, you can set the price lower, higher, or the same as the competitor's product price.
"Cost plus" method- is based on adding a reasonable profit (for example, 20%) to the total cost, which includes the marketing, production, administrative, and financing costs. To calculate the total cost per unit, you should divide the total cost by the number of outputs products.
The "Can the market afford this price?" method is based on the supply and demand of products on the market. For example, there is a lack of certain products, so the entrepreneur can set a higher price and increase his profitability.

Issues that should be considered during the price setting of a product.

My Price

- How much consumers are willing to pay
- Pricing policy of competitors

2.3.3. PLACE

Place or Distribution Decision

Now identify how to move or distribute products from your farm/factory to the customer's dinner table, or store shelves. Distribution strategies typically describe scope (market reach), movement, packaging, and scheduling/handling.
The main point here is the description of the location where the business takes place. You should specify the address where the business is located; and why did you choose this place? What are the advantages of this location?

Business location is important to reduce costs and to make close your products to consumers.
If the business is oriented to production, it is probably best to place it near sources of raw materials or means of infrastructure, transport centers, and technical communication.

When you are describing the location of the business is necessary to show relation to the main roads, water supply, energy, telecommunications, business impact on the environment, the political situation in the region (where the business in), and the tax system.

Suitable location of the business is one of the most crucial factors for the development of the market, so you should carefully analyze when you are choosing it.

It is necessary to distinguish between the place of the market (selling place) and the location of the enterprise. Often for small businesses the market and the location of the enterprise are in the same place.

2.3.4. PROMOTION

Regardless of the product or service offered, almost all businesses must engage in some form of promotional activities for their product.
Traditionally, this has taken place through media and physical advertising, but with exponential growth in the popularity of digital technologies, the opportunities for different promotional streams are now almost endless.

Promotion is to inform about products or services and attract consumers to buy them.
Advertising provides information to potential customers so that it will initiate interest of buying products or services. Ultimately increase sales of the company.
Advertising is the most difficult aspect of marketing.

A few of the more popular free promotional strategies entrepreneurs can use include:

- Creating a website
- Creating a social media presence (Facebook, TikTok, Instagram, Twitter)
- Fostering word-of-mouth promotional campaigns
- Ask customers to review your product or service online.
- Some of the more popular paid strategies include:
- TV advertising

- Radio advertising
- Print media advertising.
- Social media advertising
- Creating an email campaign

Influencer marketing (Paying individuals to promote your product on their social media profiles) Which strategy will work best for any business depends on budget, who the target customers are, and the nature of the business offering.

Furthermore, agri-enterprises can use one or more of the following means of advertising based on their types of business.

- Outreach to Farmers
- Farm Demonstrations and Field Days
- Participation in trade fairs and exhibitions (may be in support of different parties)
- Leaflets/flyer.

TIPS

Starting points:

- Read about and consider which promotional strategies will best reach your target customer.
- Consider setting up a website, directory listing, and social media presence. If you do choose to do so, ensure they are regularly maintained and updated.
- Research what other, similar businesses are doing in this space. Is it working for them?

Suggested strategies:

- The terms 'advertising' and 'marketing' and 'sales promotion' are sometimes used interchangeably – consider carefully when researching.
- Where possible, consider finding resources and information specific to your business. Not all products or services can or should be marketed the same way.
- Look for recently updated resources, especially regarding online promotions. The world of digital marketing is dynamic and fast-changing, and anything more than a few years old is likely to have lost relevance.

LEARNING OUTCOME

Dear Trainers/trainees

Define your Marketing Mix as per the 4P indicated above

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____
____

How do you evaluate the importance of promotion?

____
____

Related to your product which means of advertisement is more appropriate? Why?

____
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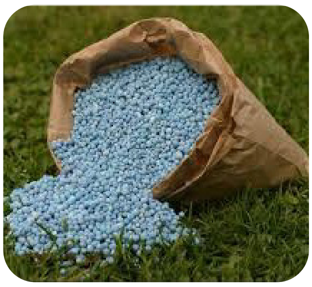


Some Agricultural Marketing activities

2.4. SUPPLY AND DEMAND

Agri-entrepreneurs should have a good understanding of the demand and supply concept.

What is demand?

Demand is the amount of goods and services that buyers are willing and able to purchase at different prices.
Prices, income, population, prices of substitute goods, price of complements, consumer price expectations, and preferences are the most important determinants of demand.

What is supply?

Supply is the amount of a good that agricultural producers or market intermediaries are willing and able to provide or sell at different prices.
While supply is strongly influenced by production, the two may not be the same.
Production and supply may not be the same because supply has its own set of determinants, one of which is production.
Prices, price of substitute commodity, Price of a complementary commodity in production, number of producers, climatic and related factors, production costs, and technology are the most important determinants of supply.

Market equilibrium

It is the (price) level where quantity demanded is equal to quantity supplied.
It is also called market clearing (price) level b/c all the commodities provided for market are sold in the market since the demand is there. The price level at this intersection point is called equilibrium price and the quantity at this level is called equilibrium quantity.

2.5. MARKETING FUNCTIONS

Marketing functions are the activities performed by market participants as the produce moves from the farm to the consumer.

Marketing functions can be classified into three categories:

Physical function: are those activities that involve handling, movement, and physical change of the commodity. The physical functions relate to the basic value-adding process, including bulking, cleaning, drying, sorting, packaging, transporting, processing, and storage of agricultural produce.

Exchange function: Exchange functions consist of buying and selling functions. It consists of those activities involved in the transfer of produce and title from seller to buyer.

Facilitating functions: Activities that accelerate the smooth performance of the exchange and physical functions.

MARKETING FUNCTION

Physical Functions

- Bulking
- Cleaning
- Drying
- Sorting/grading
- Processing
- Storage
- Packaging,labling/brandin

Exchange functions

- Searching for a supplier or buyer
- Searching for information
- Market negotiating
- Contracts arrangements
- Transferring ownership
- Promotional activities
- Customer Relationships Management

Facilitating Functions

- Standardizations
- Financing
- Risk bearing
- Brokering and commissioning
- Market information and intelligence

Figure. Basic Marketing Functions

2.6. VALUE PROPOSITION

It is one of the most misunderstood topics in marketing.

- Value propositions seek to solve customer problems and satisfy customer needs with value propositions.
- It explains the reason why the customers should consider your product or service.
- It describes the benefits customers can expect from your products and services.
- A value proposition stands as a promise by a company to a customer or market segment.
- The ideal value proposition is to the point and appeals to a customer's strongest decision-making drivers.
- A great value proposition demonstrates what a brand has to offer a customer that no other competitor has and how a service or product fulfills a need that no other company can fill.

Key Questions

- What do we deliver to the customer?
- Which one of our customer's problems are we helping to solve?
- What bundles of products and services are we offering to each customer segment?
- Which customer needs are we satisfying?

Key Points

- A value proposition creates value for the customer segment through the distinct mix of elements catering to that segment's needs.
- Values may be quantitative (e.g. price, speed of service,) or qualitative (e.g. design, customers experience)
- Elements that contribute to customer satisfaction value creation: Newness, Performance, Customization," Getting the job done", Design, Brand/Status, price, Cost Reduction, Accessibility, Risk Reduction, Convenience/Usability.
- price of complements, consumer price expectations, and preferences are the most important determinants of demand.

A value proposition statement must contain:

- Describe "What" we provide.
- Answer "So what"
- Quantify "How much"
- Provide Proof

Steps process to build value proposition.

01. Start with core competencies.

- What are you really good at?
- A value proposition has to be what you do and who you are. It cannot just be what you want to be and what you say you are.

02. Study your customers.

- Who are your top customers?
- What problems do you solve for them?
- What problems do they want solved?
- Is there a new trend in any of your key customer segments?

03. Turn core competencies into values.

- Ask yourself why someone should buy from instead of competitors.
- Using the language of your customers, refine your core competencies as values.

04. Study the competition.

- Choose 3 or 4 competitors and study how they market their company and products
- What is their value propositions?
- Map their core competencies versus yours

05. Look at trends in your industry.

- Are things changing?
- Can you take advantage of a trend and grasp an exciting position in the market?
  - Process Fieldbus
  - Process safety.
  - Wireless
  - Industrial Security

06. Articulate or define the company vision.

- Product leadership
  - Unique products and services
  - State features of the art
  - Innovative solutions
- Customer intimacy
  - Quality relationship, with customers
  - Offer "complete" solutions.
  - Operational excellence
- Excel at attributes such as prices, quality, delivery, selection, availability, etc.

07. Identify one core value.

- A hiker cannot simultaneously go North, South, and West at the same time …it is impossible.
- Choosing makes a statement as to what your structure, core competencies, business process, and culture will look like, and provides the customer profile upon which you can build a well-constructed business strategy.

08. Build a value chain.

- Determine whether you can support your top value across every part of the company, from product design to your channels for support.
- Make sure to identify areas in your company where you are weak, and where you may break the value chain.

09. Articulate the value proposition.

- Refine your value proposition until you can articulate it in one sentence.
- You should be able to communicate who your customers are, what you provide to them, and why they buy from you.
- You should develop a value proposition statement that everyone in marketing will use as the starting point for developing positioning or messaging for products or services.

10. Test the value.

- Test the final value proposition with customers to see whether it resonates. As you go through this process, continuously ask yourself these questions:
- Are you and your executives being honest, or are you using wishful thinking, when you list your core values?
- Can you defend the value? What are the proof points?
- Can you quantify the value of your customers?

Learning Questions

Dear Trainers/trainees

- *Identify one example of a brand/product/service which have succeeded in strategizing value proposition concept*

Post-Assessment questions

Please give short answers to the following Questions.

- *Define the term agricultural marketing.*
- *Describe the marketing mix (the 4 Ps)*
- *Discuss basic marketing functions.*
- *What is the importance value propositions?*
- *List at least five agricultural marketing activities*

Takeaway Messages

- Efficient agricultural marketing has the following importance.
  - creating new demand

- activating existing demand (e.g. through
- promotion)
- transforming farm products (to meet
- consumer preferences)
- encouraging farmers to use new
- production opportunities.
- promoting innovation in response to
- market signals (demands and prices).

- Agricultural marketing comprises all activities involved in the supply of farm inputs to the farmers and the movement of agricultural products from the farms to the consumers.
- Agricultural marketing is composed of three functions such as physical functions, exchange functions, and facilitation functions.
- A value proposition is the basic reasoning for why people should consider your product or service.
- Efficient marketing is all about fulfilling the satisfaction of customers.

SECTION 3: MARKETING PLAN

3.1. SECTION OVERVIEW

Developing a marketing plan is a very important part of any company to achieve its organizational goals. In this section, major topics such as the concept of a marketing plan with its importance, Tips considered during marketing plan preparation, and other issues have been addressed by making it more understandable.

Learning outcome

By the end of the section: the trainee.

- *Understand and equipped with the marketing plan development skills.*

Time required: 4hrs

3.2. DEFINITION AND CONTENT OF MARKETING PLAN

A marketing plan is therefore defined as a written document that details the necessary actions to achieve one or more marketing objectives. The plan identifies the target market, the value proposition of the brand or product, campaigns to be initiated, and metrics to be used to assess the effectiveness of marketing initiatives.

The marketing plan is concerned with the 8 Ps as listed below.

S/NO	TIPS	DESCRIPTIONS
1	Price	The amount of money needed to buy products.
2	Product	The actual product
3	Promotion (advertising)	Getting the product known
4	Placement	Where the product is located.
5	People	Represent the business.
6	Physical environment	The ambiance, mood, or tone of the environment
7	Process	How do people obtain your product?
8	Packaging	How the product will be protected.

Since the marketing plan is supposed to be an actionable document it must therefore be:

Clear: it should be an unambiguous statement of 'exactly' what is to be done.

Quantified: The predicted outcome of each activity should be, as far as possible, quantified, so that its performance can be monitored.

Focused: The temptation to proliferate activities beyond the numbers that can be realistically controlled should be avoided.

Realistic: it should be achievable.

Agreed: Those who implement should be committed and agree that they are achievable.
Review your marketing plan often quarterly or even monthly.

3.3. MARKETING PLAN

A marketing plan for an agribusiness enterprise should include:

- Product: the good or service being offered
- Price: the value the company sets for the product or pricing strategy
- Placement: the system used to bring the product to the market.
- Promotion: communicating the benefits of the product (advertising, personal selling, point of sale promotion, etc.).

Market Segmentation

Furthermore, the marketing plan should consist of a SWOT analysis.

A **SWOT** analysis helps companies decide how to maximize opportunities and minimize threats by understanding the strengths and weaknesses within the organization. It can also aid in developing goals and objectives that complement the company's mission.

A **SWOT** analysis evaluates a company's:

- Strengths
- Weaknesses
- Opportunities
- Threats

Elements of Marketing Plan

A marketing plan will typically include the following elements:

- Marketing objectives of the business: The objectives should be attainable and measurable – two goals associated with SMART, which stands for Specific, Measurable, Attainable, Relevant, and Time-bound.
- Current business marketing positioning: An analysis of the current state of the organization concerning its marketing positioning.
- Market research: Detailed research about current market trends, customer needs, industry sales volumes, and expected direction.
- Outline of the business target market: Business target market demographics.
- Marketing activities: A list of any actions concerning marketing goals that are scheduled for the period and the indicated timelines.
- Marketing mix: A combination of factors that may influence customers to purchase products. It should be appropriate for the organization and will largely be centered on the 4Ps of marketing – i.e., product, price, promotion, and place.
- Competition: Identify the organization's competitors and their strategies, along with ways to counter competition and gain market share.
- Marketing strategies: The development of marketing strategies to be employed in the coming period. These strategies will include promotional strategies, advertising, and other marketing tools at the disposal of the organization.
- Marketing budget: A detailed outline of the organization's allocation of financial resources to marketing activities. The activities will need to be carried out within the marketing budget.
- Monitoring and performance mechanism: A plan should be in place to identify if the marketing tools in place are bearing fruit or need to be revised based on the past, current, and expected future state of the organization, industry, and the overall business environment.

Post-Assessment questions

Please give short answers to the following Questions.

- *Describe the importance of the marketing plan.*
- *List elements of a good marketing plan document.*
- *Conduct a one-month marketing plan document for your business*

Takeaways Messages

- A marketing plan is therefore defined as a written document that details the necessary actions to achieve one or more marketing objectives.
- The marketing plan is concerned with the 8 Ps i.e. product, price, place, promotion, people, process, physical environment, and packaging

SECTION 4: MARKETING STRATEGY

4.1. SECTION OVERVIEW

In this section, the principles of marketing strategy and procedures considered during market strategy development are discussed. The section consists of the concept of market research, the importance of market strategy, SWOT analysis, and a list of the steps of competitor analysis, market segmentation, and selection elements.

Learning outcome

By the end of the section, the trainee should be:

- *Elaborate concept of market strategy and market research*
- *Discuss the importance of the market strategy.*
- *Describe SWOT analysis.*

Time required: 8hrs

4.2. CONCEPT OF MARKETING STRATEGY

A Marketing Strategy- Marketing strategy refers to efforts undertaken by an organization to increase its sales and achieve competitive advantage. The ultimate goal of a marketing strategy is to achieve and communicate a sustainable competitive advantage over rivals. To do this, a business must understand the needs and wants of its customers.

The marketing strategy is outlined in the marketing plan. This is a document that details the specific types of marketing activities a company will conduct in a given timeframe.

It contains important information such as what the current and near-future marketing initiatives will be, how they will be conducted, what their goals are, and the timetables for enacting them.

A company may have separate marketing initiatives for each of its products or services; it may also have multiple marketing initiatives for the same product or service that are implemented at different times or on different platforms.A marketing strategy refers to a business's overall plan to convince customers to buy its products or services.

It determines how to reach prospective consumers and turn them into customers.

It contains the company's value proposition, key brand messaging, data on target customer demographics, and other high-level elements.

A marketing strategy covers the four Ps of marketing such as product, price, place, and promotion.

4.3. MARKET RESEARCH

Market research is thus an important element of marketing strategy because this is the process involved in finding out what customers want. Market research is a crucial part of all marketing activity, whatever the size of a company.

At the outset of a new business or a new product, research into the target market needs to take place to determine:

- What agribusiness products or services does this market consume and when
- What it is that they are looking for in the agribusiness product
- What messages resonate with them?
- What colors, designs, and logos work with them

4.4. COMPETITOR ANALYSIS

Agribusiness enterprises operate in competing environments dealing in similar products and targeting similar customer bases. When a customer buys from one of them, he or she is not able to buy from the other business.

Therefore, for a small business to succeed there is a need for the owner to know almost as much about his/her competitors as they do about their own business and customers.

A competitive analysis allows the entrepreneur to identify his/her competitors and evaluate their respective strengths and weaknesses.

By knowing the actions of competitors, the entrepreneur will have a better understanding of what energy products or services to offer; how to market them effectively; and how to position his/her business. Competitive analysis is an ongoing process. It involves gathering information about what is happening in the marketplace and could be sourced widely.

Steps that an agri-entrepreneur could follow to analyse the competition.

Identify Competitors	Competitors are those businesses that offer similar products to the same target market.
Analyze Strengths & weakness of those competitors	In which areas are they strong or weak in?
Look at Opportunities & threats	Are the opportunities and threats similar?
Making comparison between the enterprise and competitors	Understanding of the business's competitive position in the market, & develop the strategy

This analysis should result in an understanding of the business's competitive position in the market. Each business would try to capitalize on the competitor's weaknesses by using its strengths to take advantage of the prevailing business opportunities. The other strategy is to avoid or minimize weaknesses and exposure to threats as much as possible.

Learning Activity

Evaluate your Firm based on the following 4Ps

S/NO	COMPETITORS' STRENGTH/ WEAKNESS	MY STRENGTH/ WEAKNESS
Product Are the consumers in need of it?	Price	The amount of money needed to buy products.
Price Is it affordable to customers?	Product	The actual product
Place/Distribution Is it accessible to customers?	Promotion (advertising)	Getting the product known
Promotion Do all customers know about the product and service provided	Placement	Where the product is located.

4.5. MARKET SEGMENTATION AND TARGETING

Market Segmentation

Markets consist of buyers, and buyers differ in one or more ways. They may differ in their wants, resources, locations, buying attitudes, and buying practices. Market segmentation is one tool that helps firms better understand their customers' products, services, and information preferences.

Types of Market Segmentation

The base for market segmentation can be viewed from two different markets – the customer market and the industrial/business market.

Customer Markets can be segmented based on customer characteristics, including:

- Geographic (nation, cities, towns, etc.)
- Demographic (age, sex, income, lifestyle, etc.)
- Psychographics (social class, lifestyle, or personality characteristics) and
- Behavioral (group buyers by their knowledge of, attitude toward, use of, or response to a product)

TARGET MARKET SELECTION/Targeting

Target marketing tailors a marketing mix for one or more segments identified by market segmentation. Target marketing contrasts with mass marketing, which offers a single product to the entire market. Many SMEs dealing with one product also deal with other products and are tempted to use mass marketing. This affects the size market for products and eventually limits the income that could have been generated from sales of such products.

Two important factors to consider when selecting a target market segment are the attractiveness of the segment and the fit between the segment and the enterprise's objectives, resources, and capabilities.

Attractiveness of a market segment

The following are some examples of aspects that should be considered when evaluating the attractiveness of a market segment:

- Size of the segment (number of customers and number of units)
- Growth rate of the segment
- competition in the segment
- Brand loyalty of existing customers in the segment
- Attainable market share given promotional budget and competitors' expenditures.
- Required market share to break even.
- Sales potential for the firm in the segment
- Expected profit margins in the segment.

Post-Assessment questions

- *Please give short answers to the following Questions.*
- *Discuss marketing strategy.*
- *Write the benefits of market segmentation.*
- *Describe the Types of Marketing Strategies*
- *Explain the approaches of the agricultural product markets/outlets.*
- *Describe possible sourcing methods for your business.*

Takeaways Messages

- A marketing strategy is a business's plan for reaching prospective consumers and turning them into customers of their products or services.
- Marketing strategies should revolve around a company's value proposition and make use of unique brand messaging.
- The ultimate goal of a marketing strategy is to achieve and communicate a sustainable competitive advantage over rival companies.
- A marketing strategy is a big-picture idea that informs smaller, short-term marketing plans.

SECTION 5: CUSTOMER RELATIONSHIP MANAGEMENT (CRM) AND EFFECTIVE SELLING SKILLS

5.1. SECTION OVERVIEW

CRM (customer relationship management) is the combination of practices, strategies, and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle. The goal is to improve customer service relationships, assist with customer retention, and drive sales growth. To ensure that you implement your CRM well, you need to take into consideration the 4 pillars of CRMs: people, strategy, processes, and technology. Each one of these pillars is crucial to ensure that your CRM delivers what you need to help grow your business.

In this section, key points have been discussed to equip youth agri-preneurs on the way how to develop good customer relationship management skills. Based on this concept of customer relationship management, its benefits for entrepreneurs, Critical Skills and Knowledge for Effective Selling, learning activities, and post-assessment questions.

Learning outcome

By the end of the section, the trainee shall be:

- *Discuss the meaning and goals of customer relations management.*
- *Elaborate principles of business relation management (BRM)*
- *List critical skills and Knowledge for Effective Selling Skills*

Time required: 2hrs

5.2. MEANING AND GOALS OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Definition:

- Customer relationship management (CRM) involves the application of practices, strategies, and technologies to analyze and manage the interactions and relationships between a business and its customers.
- One of the main issues that new agri-entrepreneurs face is how to increase their sales in a risky and highly competitive market environment, which leads to the focus on customers, retaining existing customers, and obtaining new customers.
- Customer relationship management as a way of improving the performance of businesses has been receiving considerable attention.

Goal: It is important to align customer relationship management goals to the essential goals of the enterprise, which directly affect its performance.

These goals include:

- Increasing customer satisfaction with products or services.
- Providing value to customers and increasing customer loyalty
- Maintaining long-term relationships with customers/buyers and retaining existing customers.
- Gaining a reputation for fairness among customers; and
- Achieving mutual trust with customers and the Benefits of Customer Relationship Management

Successfully implementing customer relationship management in agribusiness enterprises has the following benefits:

- Increase in sales and profitability.
- Improved placement of products.
- Increased customer satisfaction- increased retention of the existing customer base, particularly during times of economic uncertainty; and
- Increased chance of attracting new customers.

Learning Questions

Dear Team - If you receive a complaint from a customer about the quality of produce, they purchased, how would you handle this situation to maintain customer satisfaction? Discuss in groups.

5.3. CRITICAL SKILLS AND KNOWLEDGE FOR EFFECTIVE SELLING

Market Segmentation

Selling skills refer to a specific set of skills (seeking, cold calling, nurturing, engaging, presenting, negotiating, closing, etc..) and knowledge (product, markets, trends, business, etc..) a salesperson possesses to enact the exchange of value between a buyer and the vendor.

To be effective in their endeavor, salespeople need to possess the following critical skills and knowledge:

- Interpersonal skill
- Communication skill
- Product knowledge
- Listening skill
- Strategic prospecting skill
- Questioning skill
- Time management skill
- Presentation skill
- Closing and follow-up skill
- Post-sale relationship management

Learning outcome

Discuss the following questions shortly.

- *Discuss the meaning and goals of customer relations management.*
- *Elaborate principles of business relation management (BRM)*
- *List critical skills and Knowledge for Effective Selling*
- *Why is a CRM important for your business?*

Time required: 2hrs

Takeaways Messages

- CRM is more important than ever to businesses because it can help you to gain new customers and retain existing ones.
- CRM is the engine that drives customer trust and builds stronger customer relationships.
- An important cornerstone for the company's success satisfied customers buy more in the short and long term.
- Keeping satisfaction levels high requires an efficient CRM strategy.

Marketing Risks

- Risk can be defined as the possibility of adverse outcomes due to uncertainty and imperfect knowledge in decision-making. Each time a farmer plants his fields, it is possible that the weather will destroy his crops. Each time a feed-lot operation purchases calves, it risks a loss if market beef prices fall. And each time a dairy producer milks cows, he risks being kicked in the face.
- Given the changing structure of the agricultural industry, managing risk has become vitally important to the success of agribusiness operations. Among the risks agribusiness actors face is marketing risk.
- Marketing risk, which could also be referred to as price risk, deals with uncertainty about agribusiness product prices and the possibility of a change in prices that would adversely affect the farmer.
- Anything that leads to uncertainty about costs, prices, and demand for your product. Marketing risk derives from price risk, product quality, and market availability.
- The risk-bearing function is about the acceptance of the possibility of loss in marketing and the arrangement of risk-mitigating strategies.

Market risks

- Physical risks and,
- Market risks

1. The physical risks: this is the risk related to the loss due to the deterioration, and reduction in the volume and quality of the product. These risks are caused by fire, floods, accidents during transport, extreme weather conditions such as winds, excessively high or low temperatures, etc.

2. Market risks: those that occur due:

- Changes in the value of a product as it is marketed.
- A change in consumer taste
- Unexpected supplies to market
- Changes in government trade and energy policies, such as new government regulations, may put price ceilings.
- New competitors (domestic and foreign) may offer the product at lower prices.

Agricultural Marketing Risk Management Tools

There are many tools available to help agribusiness actors manage marketing risk from both the input and the output side. Which tools an agribusiness actor uses should depend on his individual farm/business situation and risk-bearing willingness and ability. The following are some of the agricultural marketing risk management tools.

Strategic Buying/Selling

Purchasing inputs for future use when prices are relatively low and expected to increase reduces the risk of being unable to meet increased costs if input prices rise.

Similarly, selling outputs when prices are favorable and expected to decline reduces the risk of losses if output prices do fall. Storage of commodities, however, can also introduce other types of risk (theft, spoilage, etc.) and the use of this tool will depend on individual farm capacity for storage and ability to manage inventory.

Insurance

The purchase of certain types of revenue insurance can also reduce marketing risk. Depending on the specific type of agricultural enterprise and individual farm characteristics, some of the available insurance programs may be useful tools to manage price risk.

Government Programs/Understanding Laws and Regulations

Understanding and participating in government farm programs can also help reduce marketing risk.

Contracting

A contract is a legal agreement between buyer and seller and can be used to reduce marketing risk.

Hedging

Hedging can also be used to manage input or output price risk and involves the purchase or sale of a commodity futures contract.

Understanding Market Trends:

Perform regular market analysis

SECTION 6: DIGITAL INNOVATION AND AGRICULTURAL MARKETING

6.1. SECTION OVERVIEW

Digital technologies have a high potential to enable the development of the agricultural sector, and significantly contribute towards more productive, resilient, and transparent food systems.

The digital platforms provide enable more efficient and more inclusive local and global agricultural markets by tackling their contribution to reducing information asymmetries, and transaction costs, and providing financial inclusion of agribusiness actors. Various examples indicate that digital technologies represent great potential benefits for agri-entrepreneurs and small farmers including increased efficiency of production, direct access to market, inclusion in global value chains (GVCs), and access to finance and insurance services. In this section role of digital innovation in agribusiness marketing is briefly discussed. Digital Marketing in Agribusiness, Type of Digital Marketing for Agribusiness, Benefits of Digital Marketing, learning activities, and post-self-assessment questions are included at the end of the section.

Learning outcome

After this training, the trainee shall be:

- *Discuss the concept of digital marketing.*
- *Describe the role of digital innovation in agribusiness marketing.*
- *Identify digital Agricultural Product Marketing Platforms*

Time required: 4hrs

Learning Questions

What do you think when you hear the term digitalization? And how do you understand its role in the marketing of agricultural products?

6.2. DIGITAL MARKETING IN AGRIBUSINESS?

The agriculture sector has traditionally relied on conventional marketing methods. However, with the rise of digitalization, the dynamics of marketing are changing rapidly.

- In today's rapidly evolving world, digital marketing has become an indispensable tool for businesses in various industries. The agriculture sector, too, is embracing the power of digital marketing to enhance its reach, efficiency, and profitability.
- Agribusiness is now using various online channels such as social media, search engine optimization, email marketing, and display advertising to connect with its target audience.
- They can also use data analytics and automation tools to gain insights into customer behavior and preferences, which helps them to personalize their marketing messages and improve their targeting.
- Furthermore, technology has also enabled agribusinesses to create more interactive and engaging content, such as videos, animations, and 3D graphics, which can help capture the attention of customers and create a more memorable brand experience.

Hence, this topic will provide you with some of the most effective digital marketing tools and platforms that are revolutionizing the agriculture sector, helping farmers and agribusinesses connect with their target audience, improve productivity, and achieve sustainable growth.

- The role of digital marketing in agriculture and its allied sectors is not merely a trend but a fundamental shift that is propelling these sectors into a brighter and more sustainable future.
- Digital marketing has significantly expanded market access for agri-entrepreneurs and agribusinesses, especially for small-scale producers who previously faced geographic limitations.

Digital marketing in Agribusiness is a concept that encompasses all the actions and strategies of advertising, communication, and public and commercial relations that an agricultural company carries out in digital media to connect with customers and capture their attention

- Through websites, e-commerce platforms, and social media platforms like Instagram, TikTok and Facebook allow agribusinessmen to share their stories, showcase their products, build brand loyalty, and promote their products to end consumers. Also, the E-Commerce platform provides a virtual selling window connecting directly with end users.

6.3. TYPE OF DIGITAL MARKETING FOR AGRIBUSINESS

With the rise of the internet and the proliferation of digital devices, businesses have more ways to connect with potential customers than ever before. Some of the most popular digital channels for businesses include:

Website

The website is like your business premise on the internet; it will promote you 24/7 and 365 days. By investing in a website, you are building your brand on the internet. The website is where your clients will visit and build a brand in the digital space to attract more clients.

Social Media for Agricultural Promotion

- Businesses can create profiles on popular social media platforms like Facebook, Instagram, Twitter, TikTok, LinkedIn, etc. to connect with customers, share information about products or services, and build brand awareness.
- Studies show that social media user spends nearly 3 hours per day on average on social networks; due to this, social media marketing is very vital in this digital world (Techopedia).
- Before you select a specified platform, it is important to know your audience on which platform they are active on, and you can choose from various social media platforms to create your profile, including Facebook, Twitter, or Instagram.
- Once you've chosen your platform, you can start posting content related to your industry, and you can begin to create an engaged online community with your current and potential customers.

Here are a few social media marketing tips for agriculture businesses to keep in mind:

- Post regularly to maintain your social media presence.
- Engage with your audience by responding to comments and messages.
- Ask for customer feedback to help you improve your products and services for the future.
- Promote your products and services.
- Share your customer reviews and testimonials
- Use social media ads to reach new customers.

Email Marketing

Email marketing involves sending promotional emails to a list of subscribers. This can be an effective way to nurture leads and build customer relationships over time.

- By starting an email newsletter, you can stay in contact with both your current and potential customers.
- Your email newsletter provides your customers with more information about your business and industry, enabling them to become more familiar with your agricultural company.
- There is much more to explore in email marketing like personalization, putting out the right content in the email, automated email, and implementing the different strategies.
- With all the new inventions, social platforms, and the rise of video content around, it may be weird to say email marketing is the cheapest and most effective way of marketing.
- With the right email marketing strategy, you'll build a trustworthy reputation with subscribers and increase your sales by keeping your customers continually engaged with your brand.
- Here are a few things you can include in an email newsletter:
    - Your newest products and services
    - Custom content
    - Latest industry news and updates

E-commerce Platforms for Agricultural Products

E-commerce opens new opportunities for farmers to explore untapped markets and diversify their customer base. E-commerce platforms provide a convenient way for agricultural businesses to reach a wider audience and sell their products online. Also, it secures and provides efficient digital payment solutions ensures smooth transactions and helps in building trust among online customers. Examples could be Amazon and Alibaba from internationally recognized platforms, and Ashewa technologies from our country.

Video Marketing in Agriculture

Video marketing offers a unique way to showcase farm operations, product launches, and behind-the-scenes glimpses. Engaging videos can create a strong emotional connection with the audience and leave a lasting impression. Apart from promotional videos, educational content can be highly valuable for farmers. Tutorials, tips, and expert advice can position agricultural businesses as thought leaders and trusted sources of information. Live streaming events, such as farm tours or Q&A sessions, can boost engagement and foster a real-time connection with the audience. It allows farmers to interact directly with their customers and respond to queries instantly.

6.4. BENEFITS OF DIGITAL MARKETING

Greater competitivity

In the digital ecosystem in which we are immersed, all companies have at their disposal the same tools to achieve the same impact, thus competing at the same levels. Therefore, it becomes essential to utilize a kind of digital marketing that allows us to compete at the level of large companies.

More profitable investment

Compared to traditional marketing channels, such as television, radio, or print media, digital marketing involves a much lower investment. In addition, measurements in digital marketing are obtained in real-time, which allows us to create an optimal strategy to maintain the best ROI.

Audience segmentation

The segmentation of digital marketing campaigns can be done in a more efficient, more specific, and tailored way, considering socio-demographic data, psychological data, internet behavior, and more.

More flexible

Based on the results obtained in the digital marketing campaigns, tests and changes can be generated according to the behavior of the target customers of the campaign in question.

Greater customer interaction

The Internet is the fastest-growing medium in terms of information searches in the agricultural sector. Being able to maintain two-way communication with customers will help us to improve the interaction and customer experience.

Digital marketing is measurable.

With so many digital marketing tools and software options out there, you can easily measure and track the results of your digital marketing campaigns. Traditional marketing campaigns are difficult to measure, and as a result, you aren't able to track the success of your strategies.

With digital marketing, you can easily see how consumers respond to your strategies. That means you can focus your resources on the strategies that drive the best results for your agricultural business.

Digital marketing increases your revenue and sale

Traditional marketing offers blanket targeting, which reaches a variety of consumers with different interests and backgrounds. That means your traditional marketing campaigns often reach consumers who aren't interested in what you offer.

On the other hand, digital marketing allows you to create targeted and personalized marketing messages to reach specific consumer groups based on their interests, hobbies, demographics, and more. As a result, you can promote your services to more people likely to convert into customers, boosting your revenue and sales.

Digital marketing has a high return on investment (ROI)

It's challenging to track the success of your traditional marketing campaigns, which makes it difficult to know if your strategies and investments are worth it in the long run.

Because you can easily measure and track the results of your digital marketing campaigns, you don't have to worry about wasting resources on strategies that aren't driving revenue for your business. That means you can earn a higher ROI as a result.

Learning Questions

Dear trainers/trainees

Do you have an experience of using any types of digital marketing platforms so far? If so, which digital platforms do you use and could you list some of the advantages you have got?

Post-Assessment questions

Please give short answers to the following Questions.

- *Discuss the concept of digital marketing.*
- *Describe the role of digital innovation in agribusiness marketing.*
- *Elaborate digital Agricultural Product Marketing Platforms*

Takeaways Messages

- Digital marketing empowers agri-entrepreneurs and agribusinesses to showcase their products and services to both a domestic and global market at the same time.
- It helps in identifying and engaging with potential customers, improving customer relationships, communication and ultimately driving sales

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