

PRINCIPALS OF MARKETING AS APPLIED TO AGRI INPUTS

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What is Marketing

- “The creation and delivery of a standard of living.”**
- “Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals.”**

Marketing Defined (cont'd)

“Marketing is the process by which individuals and groups obtain what they need and want through creating and exchanging products and values with others.”

Customer-Related Factors

Needs

Values and Satisfaction

Wants

Exchange Transactions

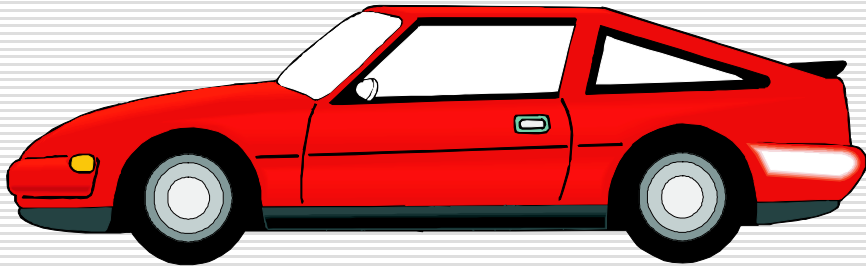
Demand

Products

Needs, Wants and Demand

- ☐ Need is a basic human requirement like for food, clothing, shelter, transportation, etc.**
- ☐ Want is a desire to satisfy the need in one particular way when given a choice.**
- ☐ Demand is a want backed by economic power to enter into the exchange.**

Needs and Wants

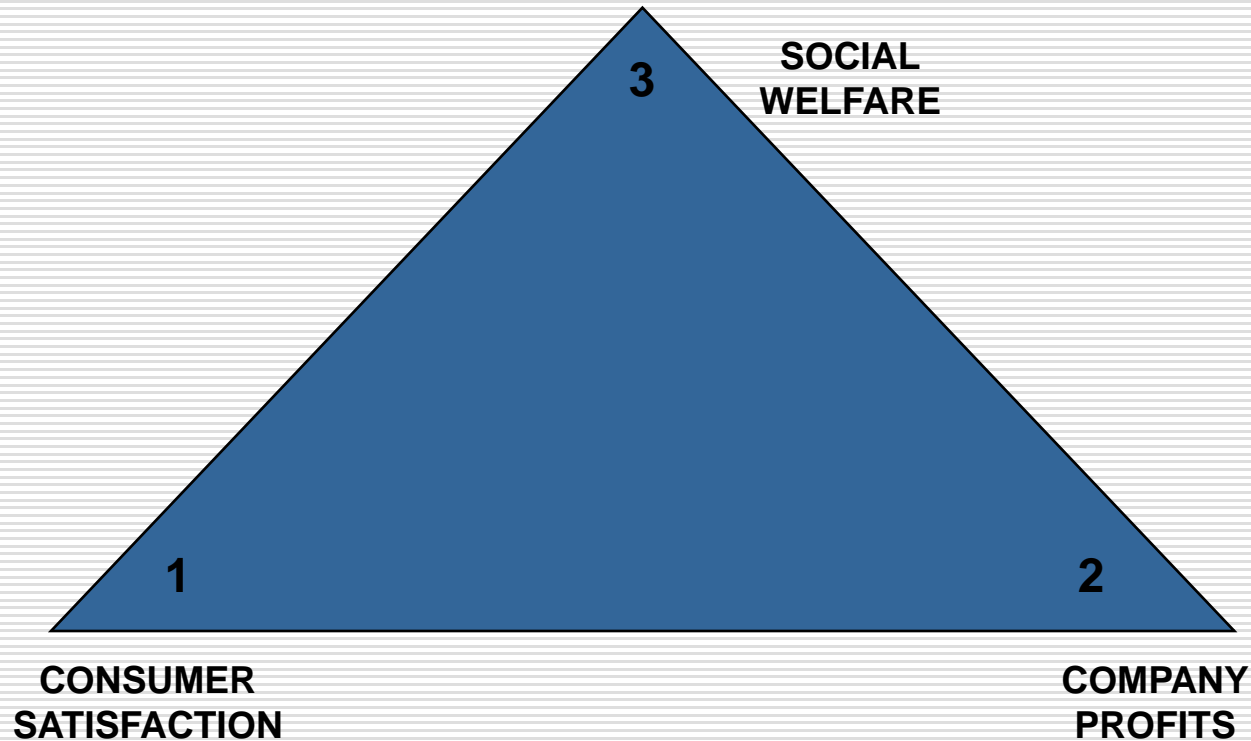


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Marketing Needs, Wants, and Demand

- Marketing cannot create needs.**
- Marketing can influence want by adequate communication, advertising, and promotion.**
- Marketing can satisfy demand by undertaking all activities related to fulfilling the customers' requirements.**

Key Considerations of Marketing



4 Ps of Marketing

- Product**
- Price**
- Place**
- Promotion**

Value and Satisfaction

A customer assigns *value* to a product or service based on the *satisfaction* derived from its use.

Business (Exchange) Transactions

- There should be at least two parties**
 - Each party has something of value to the other**
 - Each party is capable of communication and delivery**
 - Each party is free to accept or reject the offer**
 - Each party is willing to deal with the other**
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Exchange Process

- Search for buyers (prospecting)
 - Determine their needs (market research)
 - Design products and services to satisfy those needs (product development/research)
 - Promote those products and services (communication/advertising/promotion)
 - Store and deliver product and services (distribution)
 - Price Products (pricing)
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Markets

- Economists view markets as collection of buyers and sellers.**
- Marketers view markets as collection of potential customers sharing a particular need or want.**

Modern Concepts in Marketing

Marketing Concepts

Product Concept

- Develop and produce a good product and customers will buy.

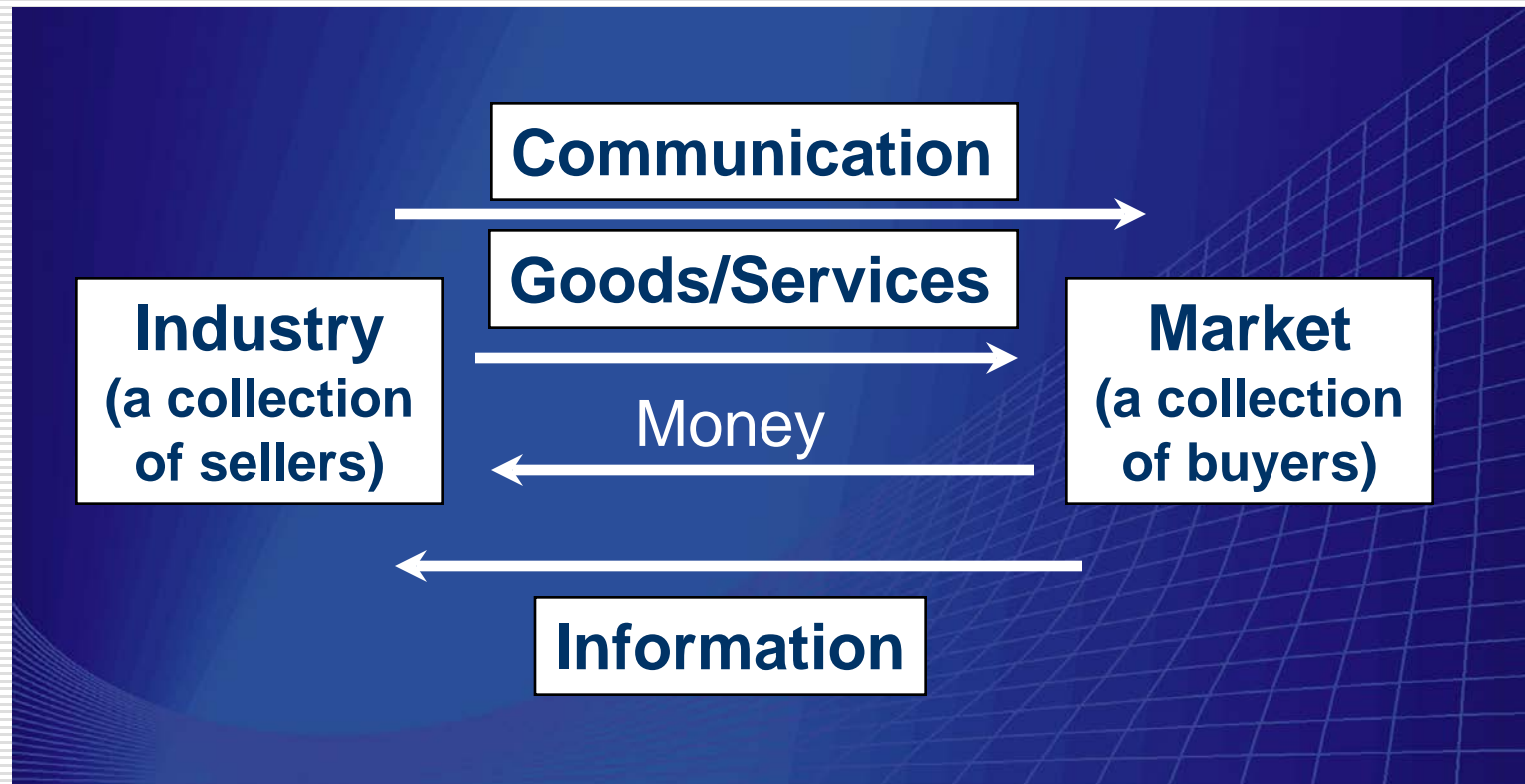
Selling Concept

- Aggressively promote products and sell.

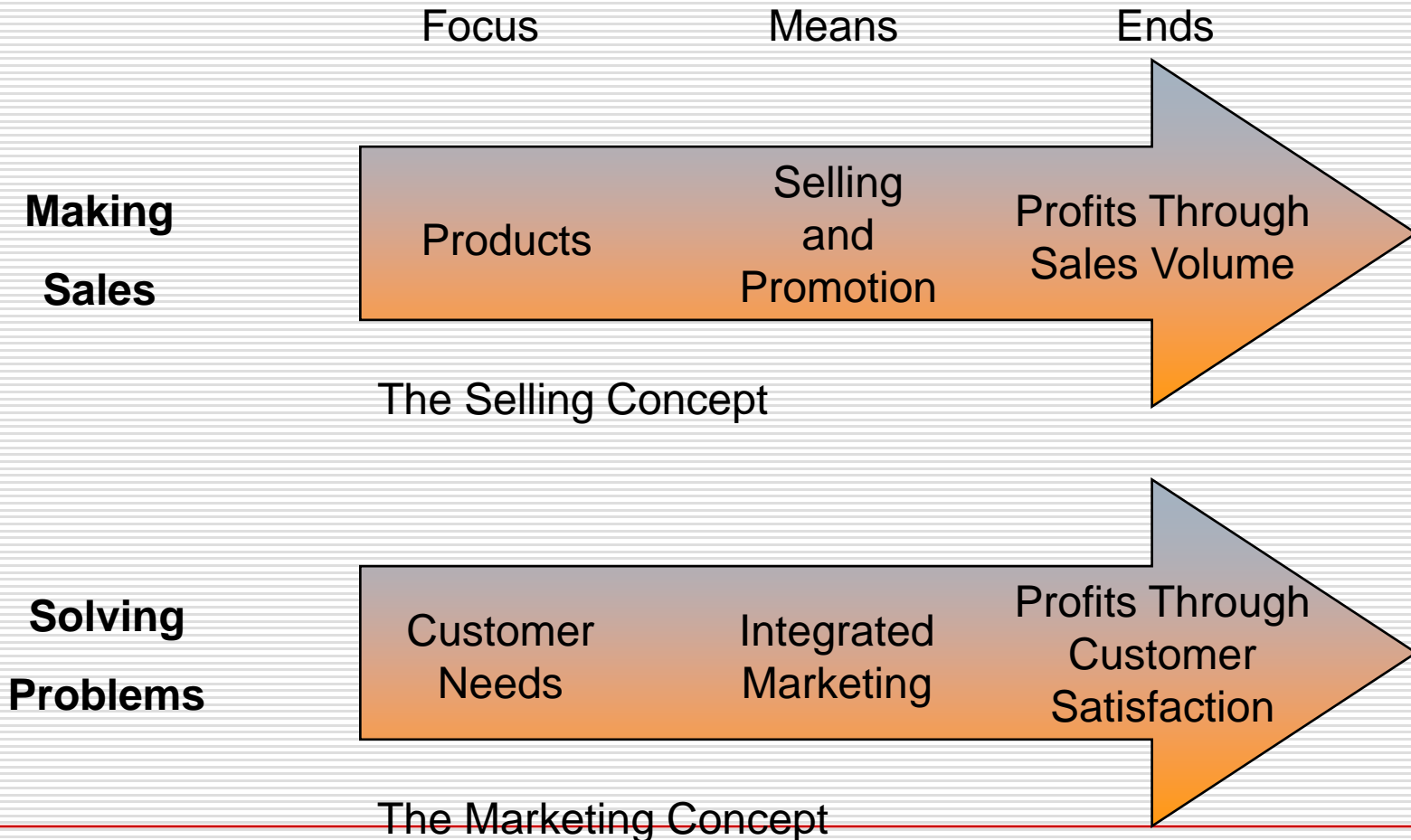
Marketing Concept

- Work towards meeting customer requirements.

A Simple Marketing System



Difference in Approach



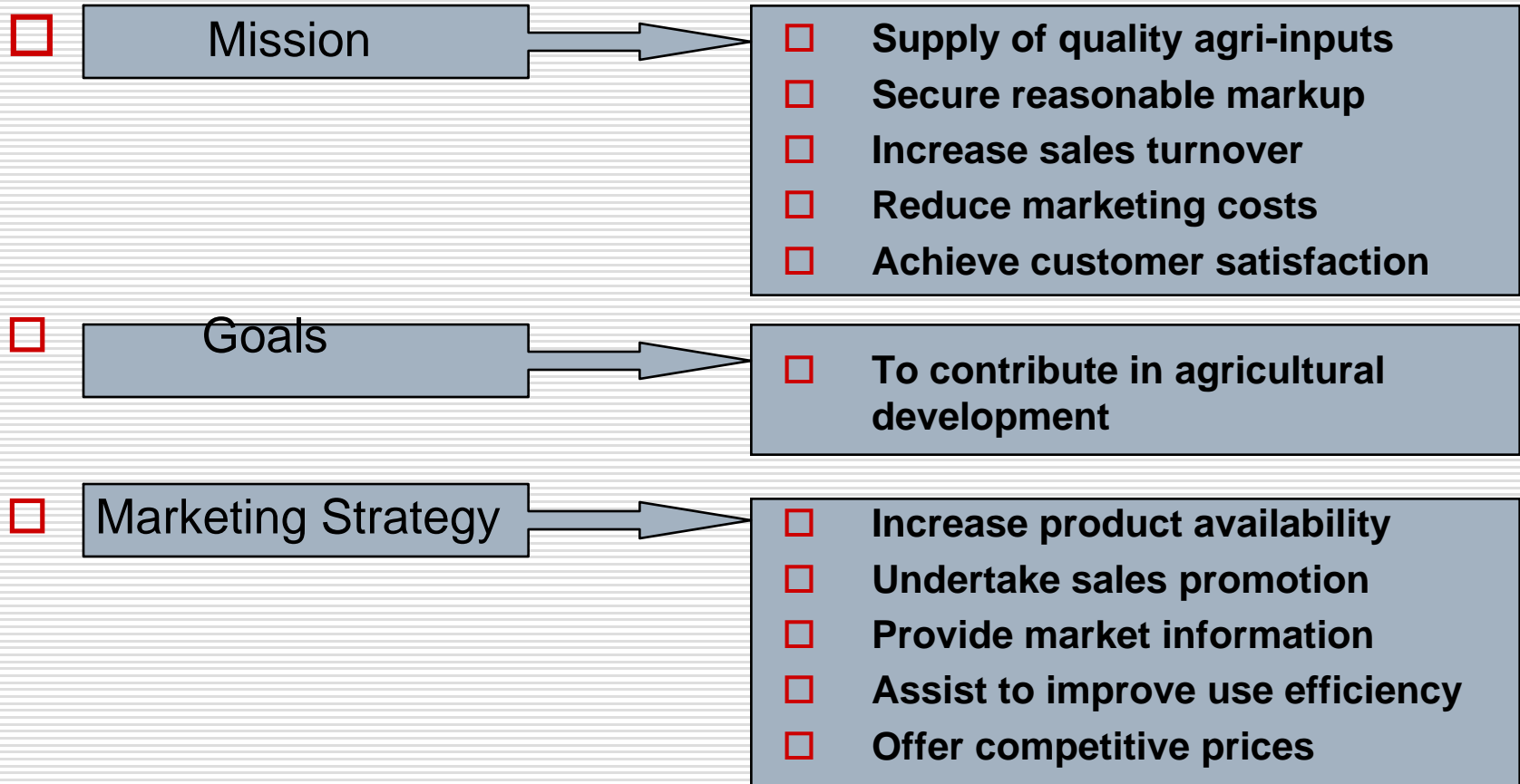
Selling and Marketing

Activity	Selling	Marketing
Starting Point	Production	Market
Focus	Existing products	Consumer needs
Strategy	Create interest through publicity and win tenders	Assessment of consumer needs and delivery of goods and services

Difference Between Selling and Marketing

Activity	Selling	Marketing
Means	Supply push and advertisement	An integrated marketing system
Goals	Product disposal Maximum profit business expansion	Consumer satisfaction Sustainability, social development, suitable returns

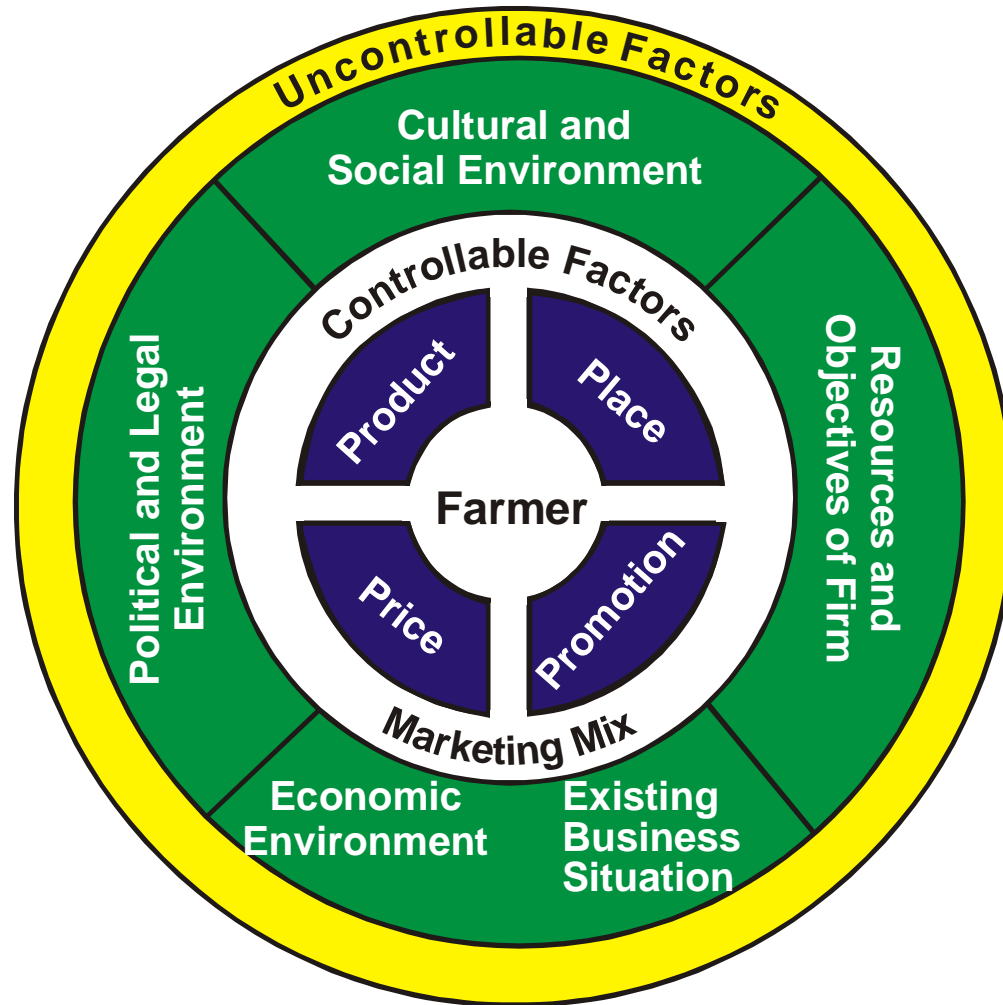
An Ideal Business Plan of an Agro-Enterprise



Marketing Mix - 4Ps

- Product – goods, services, place, ideas**
 - Place – channels of distribution, retailing**
 - Price – value to the customer**
 - Promotion – communication, advertising**
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Four Marketing Functions



Creative Marketing



**Using the Four
Ps (Tools)**

تدابیر/ستراتیژی_تولیدات

تولیدات

دبازار ضروریات. ❖

په لاس راغلی (موجوده) زېرمی اودهغوی استعداد/اصلاحیت ❖

تکمېلونکی (پوره کونکی) زېرمی . ❖

توپیر (تنوع). ❖

بنه (ترکیب) اوکتی (بې ساری/بی مثاله). ❖

قطی کول / بندول. ❖

دکخورو اندازه/کچه . ❖

دکخوروې / قطی کولو مواد. ❖

Strategies - Place (Product Positioning)

- Market segmentation**
 - Distribution channels**
 - *Own retail network
 - *Independent dealer (retailer) network
 - *Wholesalers/distributors
 - Territorial management**
 - *Regional
 - *National
 - *International
-

Strategies - Price

- Cost plus standard markup**
- Competitive**
- Based on supply and demand**
- Low-cost supplier**

Strategies - Promotion

- Personal selling**
- Media publicity**
- Point of purchase publicity**
- Field extension methods**

Promotion

Corporate image

- Company logo

Brand Image

- Brand – a customer's perception of your product
- Simple, non-controversial
- Consistent
- Protect your brand
- Slogans - jingles – house tune

Three Important Areas in Market development

□ Know and Monitor the Market

- Market research
- Market intelligence/analysis

□ Know and Focus on the Customer

- Research customer needs
- Watch for changes in needs

□ Develop Competitive Marketing Strategies

- Competitive analysis
 - Stress on areas important to customers
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Marketing Management

- Analyzing market opportunities**
- Researching and selecting target markets**
- Developing marketing strategies**
- Planning marketing tactics**
- Implementing marketing programs**
- Controlling the marketing effort**

Marketing Functions

- Market research and planning**
- Product development and supplies**
- Distribution and warehousing**
- Advertising and sales promotion**
- Sales**
- Sales accounting**
- General administration**

Characteristics of the Fertilizer Markets

- Fertilizer demand is a derived demand
- Numerous widespread customers
- Customers are resource poor
- Benefits of fertilizers not guaranteed
- Bulky, voluminous product
- Seasonal demand
- Fertilizers are commodity products
- International influence on domestic markets

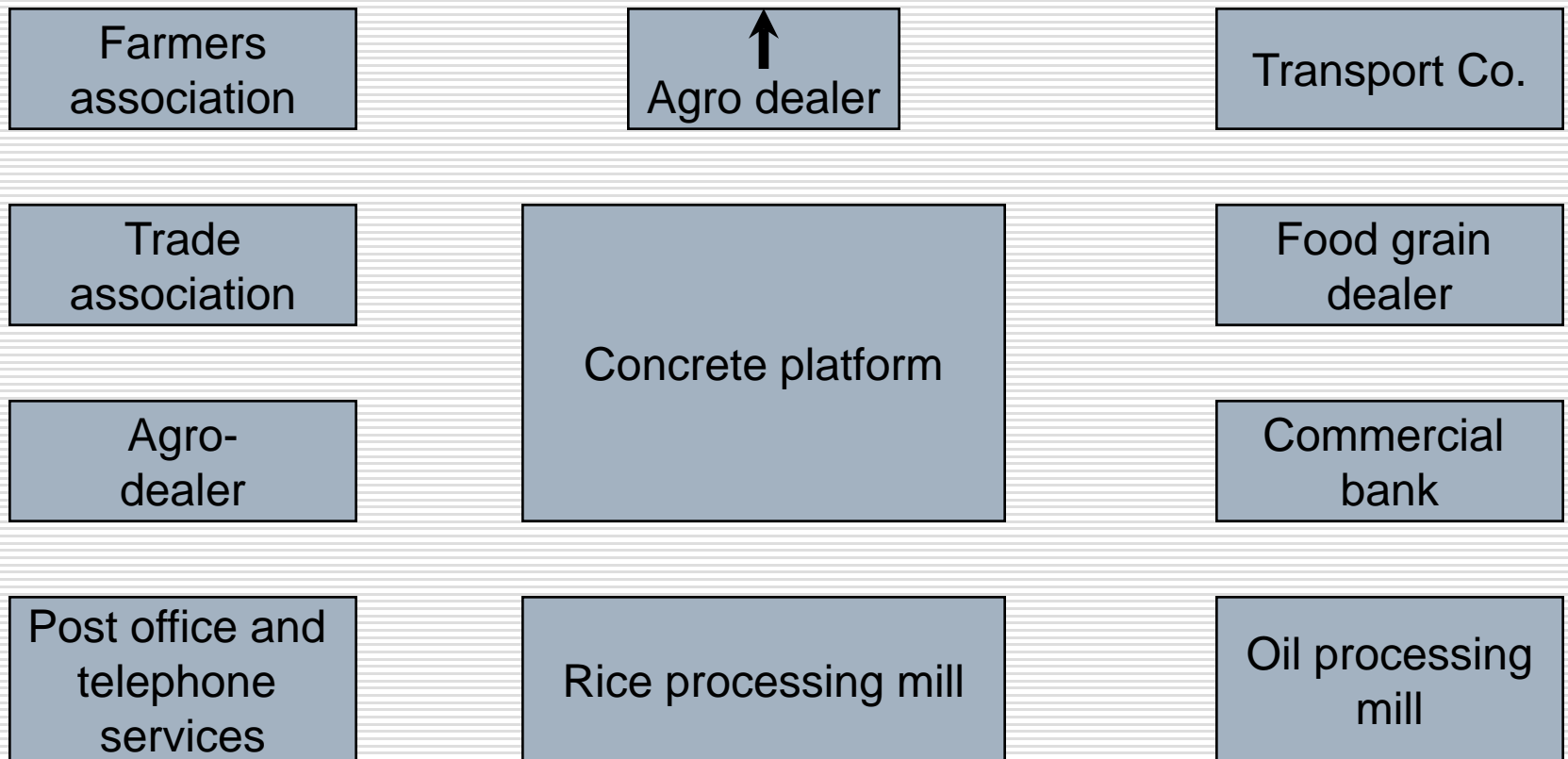
Requirements of Market Development

- Establishment of regulated rural agri-markets**
 - Provision of basic infrastructure**
 - Enabling environment for private-sector participation**
 - Training and networking of agri-enterprises**
 - Public/private-sector partnership**
 - Easy access to macro and micro finance**
 - Strong local institutions**
 - Reliable market information**
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Impact of Market Development on Agriculture

- ❑ Improved access and increased use of modern agri-inputs**
 - ❑ Easy access to crop markets and competitive prices**
 - ❑ Access to private micro finance**
 - ❑ Emerging of agro-processing units**
 - ❑ Development of small-scale industry**
 - ❑ Extension of public utility services**
 - ❑ Improved logistics and transport services**
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Composition of a Developed Rural Agri Market



Strategy of Input Market Development

- Identification of rural enterprises for development
 - Study of training needs and preparation of training materials
 - Training in business management and farm technologies
 - Networking of agro-dealers
 - Facilitation in micro finance
 - Strengthening of market information system
 - Policy dialogue – policy reforms
 - Promotion of public/private-sector partnership
 - Promotion of trade associations
 - Promotion of farmers groups/associations
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Regulatory Framework

Objective:

To facilitate the proper and healthy development of the fertilizer business in an open and competitive environment in the private sector in the best interests of all:

- **The farmers' interest**
- **The fertilizer businesses' interest**
- **The national interest**

Regulatory Framework (cont'd)

It should cover:

- Quality and quantity assurance for the farmers
- Fair trade practices
- Provision of all facilities and removal of restrictions and bureaucratic controls
- No collusion among sellers



THE END

THANKS