



Building Local Networks for Integrated Agribusiness Development

Learning Module Series

**Module 7: Introduction to Marketing
of Agricultural products**

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This learning module series is based on ICRA's 30+ years of knowledge and expertise on functional capacity strengthening in agriculture and is produced by ICRA within the framework of the 2SCALE programme during 2012–2017. 2SCALE – "Toward Sustainable Clusters in Agribusiness through Learning in Entrepreneurship" – is implemented by a consortium of IFDC, BoPinc and ICRA and funded by the Dutch government (www.2scale.org).

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Module 7: Introduction to marketing of agricultural products

Foreword

Marketing of agricultural products is more than ensuring the flow of a product from the field to the warehouse, or from a warehouse to a selling place. Marketing consists of several, diverse operations and requires multiple skills, as explained in this guide. The longer the distance between a market and a production area is, the higher the demand, the higher the competition, and the tougher the marketing conditions as well. This increases the necessity for value chain actors to consolidate their forces and skills into agribusiness clusters (ABCs).

This module, which introduces themes around the **Marketing of agricultural products**, is designed for BSS coaches. It presents basic knowledge on the concepts, pillars, and values of agricultural marketing. The module also proposes an outline for ABCs to implement and operationalise a Marketing strategy, with tips for coaches on how to support this process.

The module specifically deals with **concepts** such as trade, actors, stakeholders, supply chain, value chain, marketing intelligence, strategy, promotion, market study, prospection, etc. It is important to explore and deepen these concepts as they represent the basis of the understanding of Marketing.

This module is only an introduction and does not get into the detailed marketing matters and complexity of agricultural products. Rather this guide provides essential tools to understand the approach and the ways to act as a supporting body for chain actors. Other marketing modules in this series (see Modules 8-10) go more deeply into particular marketing themes, while literature references provided in this module allow those interested to find out more about the subject.

About this module

Learning objectives of this module

At the end of this workshop, participants will be able to:

- Understand the fundamental differences between marketing, trade and business
- Identify and correctly use concepts linked to the marketing of agricultural products
- Coach ABC members in agricultural marketing skills
- Support actors to develop a profitable marketing strategy
- Assess the quality of marketing strategy and its action plan presented by actors

A sentence extracted from a Rabobank study¹ summarises very well what this module aims to do: support stakeholders to *'evolve from a vicious circle to a virtuous circle'*.

¹ 'Framework for an intensive food strategy', Rabobank, 2012, p. 18

Proposed outline of the sessions

The workshop comprises 8 sessions, including introduction and synthesis/evaluation. It includes both theoretical background and practical exercises. These can be adapted to your context. Please note that the time indications are also not set in stone. Depending on the context, it might take more or less time. Session 1 invites participants to express their knowledge and ideas about agricultural marketing. In Session 2 their knowledge is tested in a scenario in which they will have to think as supply chain stakeholders. Some key concepts of marketing are detailed, as for example marketing intelligence, market survey, market prospection, promotion in Session 3. Participants will have the opportunity to test out the theories in a meeting with professional actors (Session 4). This meeting should demonstrate the importance of developing a vision and a strategy regarding marketing aspects, which is subsequently operationalised through an action plan (Session 5). The workshop ends with the making of 'ToR for field coaching' (Session 6), and the workshop assessment (Session 7).

MODULE 7**Introduction to marketing for agricultural products**

Session title	Session activities	Time involved
Session 0: Introduction	Plenary workshop introduction Exercise 1: Testing basic knowledge on Marketing Plenary exercise: Identifying expectations Exercise 2: Daily reflection sheet	Up to 2 hours
Session 1: What do we know about marketing?	Plenary brainstorm Group Exercise 3: What do we know about marketing? (45 min) Plenary presentations and discussion Individual reading of handouts	About 3 hours
Session 2: From trade to marketing	Plenary introduction Group Exercise 4: Role play – From trade to marketing (about 3 hours with preparation) Plenary ‘debriefing’ session Plenary summary & conclusion	About 5 hours
Session 3: The tool box (Market survey and Prospection, Marketing intelligence and Promotion)	Group Exercise 5: The toolbox (60 min) Plenary presentations Plenary exchange & discussion	3 hours
Session 4: The real world	Preparation and conducting of a workshop/ meeting with an ABC	4 hours
Session 5: The spinal column	Plenary discussion Group Exercise 6: The spinal column (45 min) Plenary exercise Concluding remarks	3 hours
Session 6: Synthesis of sessions and drafting ToR for field coaching	Plenary reflection of module sessions Plenary brainstorm Group Exercise 7: Preparing ToR for field coaching Plenary discussion	2.5 hours
Session 7: Workshop assessment	Final assessment exercises Plenary conclusion	1.5 hours

Session 0: Introduction

Introduction

The length of this introductory session depends on whether the participants and facilitators have already worked together or not. In the prior case, there is no need for an elaborate introduction. However, if they have not worked together before, it would be good to have some exercises in order to get to know one another better.

Learning objectives

This session introduces the participants to one another, and sets the foundation for the workshop programme.

Procedure

List of tools/equipment required

- Flip chart, markers
 - Coloured cards for expectations
 - Sticky tack, pins or tape – depending on the location
1. **Plenary introduction:** Welcome the participants, and if they do not know each other, come up with an introductory exercise. Then provide information on any outstanding accommodation issues, the workshop program, learning tools, directions, etc.. Vary the methods by doing brainstorming, asking participants to fill in cards, etc. Include the following elements:
 2. **Justify the workshop:** Remind participants of the context in which the ABC evolves: uncertainty and difficulties in the agricultural sector, both in terms of production (climatic hazards, isolation of certain areas, access to quality inputs, old practices, etc.) and in terms of market access (many intermediaries, lack of demand, prices' volatility, competition, etc.). This justifies the organisation of this workshop, aimed at giving ABC members the tools for understanding economic and commercial issues related to the sectors and value chains, to be stronger players.
 3. **Identify expectations and worries:** Ask participants write down their expectations and worries on cards – or as points on a flip chart sheet. Summarise these expectations and worries, organised into three main categories: knowledge, know-how, and social skills. Mention that at the end of the workshop (Session 7) these expectations and worries will be reviewed.
Define content: Share and agree on the workshop objectives and content (program, schedule).
 5. **Reflection Diary:** Introduce the idea of keeping a reflection diary in which each participant writes down his/her reflections of the day using a standard format, indicating what was done, interesting, important and applicable (see general introduction; Annex 1).

Session 1: What do we know about marketing?

Introduction

Marketing should not be seen as a too technical term, only reserved for economic actors, entrepreneurs, post-graduated people, etc. Everyone has practiced marketing, even without knowing it. That is what this session aims to demonstrate. It also aims to make participants understand that marketing is not only about delivering a product from point A to point B, or C. It is much more complex and richer than that. The session is organised into two parts: one to give a common understanding of the subject area, and one to provide testimonies.

Learning objectives

At the end of this session, the participants will be able to:

- Determine the areas in which marketing can be defined
- Visualise situations in which they have been in contact with marketing actions
- Get some preliminary knowledge of the work done with clusters on marketing

Procedure

List of tools/equipment required

- Flip chart, markers
- Coloured cards
- Sticky tack, pins or tape – depending on the location

1. **Plenary brainstorm:** Ask participants to give their vision on marketing, and to share with the group some concrete examples and experiences in which they have been involved in marketing. To increase their understanding, ask participants to define terms close to marketing, like trade and business.

Summarise the discussion and give the following definitions:

Marketing: ‘Marketing involves finding out what your customers want and supplying it to them at a profit’ (FAO, 2005)²

Business: ‘Commercial activity’ (Oxford Dictionary). You can extend this with management, planning, monitoring, etc., with an objective of profitability.

Trade: ‘The action of buying and selling goods and services’ (Oxford Dictionary). Add that the notion of profitability is not considered essential to define this term.

2. **Group exercise:** Divide participants into working groups for 45 minutes to think about marketing experiences within ABCs, and to identify one cluster experience they think is nearest to marketing concerns (see **Exercise 1**).

² There are many definition of marketing. The one proposed is the simplest and nearest to reality.

3. **Plenary presentations and discussion:** Ask each group to summarise its work, justifying the choice of the selected ABC. After the summaries, lead a short discussion and asks participants to react on groups' presentations, considering the following marketing aspects (**write** these on a flip chart sheet):
- What are the products /commodities concerned?
 - What is the targeted market?
 - Is customer satisfaction taken into account?
 - What about the ABC's market knowledge?
 - Are the chain's links described: production, processing, trade?
 - Which actors are involved?
 - Are the quality aspects described?

After this exchange, recapitulate the discussion and indicate some key elements of marketing that this session helped to highlight, such as:

- Marketing is everywhere
- Marketing is not the sole or principal tool for running businesses³
- A person (physical or moral) is 'marketing' as soon as they try to satisfy specific needs;
- The final consumer is not automatically the 'target' in a marketing process.
- From a certain level (of quality, quantity), marketing becomes more efficient, profitable, and sustainable when it concerns a group of actors: for example an Agri-Business Cluster.

4. **Individual reading of Handouts:** Invite participants to read the **Reference sheets M7/1 and M7/2** in which terms and concepts on rural marketing are given.

Advice for the facilitator

During the first plenary session, write on the flipchart/board the answers given by participants without interfering. Make adjustments while talking about the definitions.

Groups' compositions will vary from one workshop to another, according to the country, the number of clusters, their situation in terms of products, etc.

The general idea is to let participants evolve and learn about marketing concepts throughout the workshop. At this early stage, however, to avoid possible confusion, it is important to have a common understanding of the major terms.

³ Others tools are for example: finance, human resources, management, technical skills, etc.

Information for the facilitator, to share with participants if considered useful:

What are the specificities of marketing agricultural product in Africa we need to take into account?

- The great uncertainty about offer in terms of quantity, quality, depending on climate, diseases, perishability
- The price volatility, especially for annual commodities
- The low capacity to face competition from imported products and toward exportations
- The lack of means (and results) for research and development
- A poor link between research and reality in the field (farmers)
- A good local/national demand but a low purchasing power
- High requirements for agricultural products (standards, environmental and consumers' protection)
- The weakness in mutual confidence between economic actors
- Low market infrastructures: roads (+ abusive controls), vehicles (+ cold chain), warehousing, airport
- The largely informal trade partnerships¹
- Heterogeneity in local measure units
- Weak Governmental institutions (in terms of technical support, information, protection, and research)
- Weak financing and funding of agricultural trade

¹See GIZ's publication '*Contract farming handbook – A practical guide for linking small-scale producers and buyers through business model innovation*', M. Will, 2013

- A business institutional environment poorly incentive for private actors

Additional reading

- Reference sheet M7/1: Marketing glossary
- Reference sheet M7/2: Back to some concepts as Trade and Business

Session 2: From trade to marketing

Introduction

The main objective of this session is to introduce main concepts that are most commonly used in agricultural marketing: Marketing Intelligence, Market Survey, Market Prospection, Promotion, Marketing Strategy and Action Plan. Participants will find out about these concepts (and others) by being put into a role play situation.

Learning objectives

At the end of this session, the participants will be able to:

- Know more precisely what marketing is about
- Understand in what situations these marketing concepts can be used
- Identify the marketing topics to be developed with the ABC that they support

Procedure

List of tools/equipment required

- Flip chart, markers
- Sticky tack, pins or tape – depending on the location

Advise for the facilitator

Prepare for the role play ahead of time: Prepare your idea about the scene for the role play. Read the terms of reference for the role play in **Exercise 2** over very carefully to be able to guide the process well. **See materials needed in Exercise 2.** To enable participants to address marketing concepts, this scenario includes the following characteristics:

- o a specific value chain with a highly competitive market
- o the quantitative needs of the market for this value chain (approximately)
- o a reference price for the given product ready
- o the institutional environment as follows: involvement of State institutions, lack of information supply

1. **Plenary introduction:** Explain that the session's objective is to facilitate the discovery of some basic concepts about marketing (*without mentioning them to the participants!*). (Note: Find the definitions at the end of Exercise 2.)

Then explain that this session is organised in the form of a role play for which are needed:

- i) 3 groups of actors (seller S, buyer B, support institution SI) and 2 observers
- ii) a baseline scenario

Handouts of the terms of reference for each group (see **Exercise 2**)

2. **Setting the role play scene:** Develop and introduce the scenario (previously elaborated) from which the role play will be developed and start in a simple and almost ideal vendor-purchaser relationship. Explain the conditions of the market that you prepared ahead of time (see points above).
3. **Role play in groups:** Divide the participants e.g. into 3 groups of 3 people, each group playing the role of one actor (either the seller S, the buyer B, or the support institution SI). In addition, two participants are designated as 'observers' of the role play (see **Exercise 2**). Explain the timing of the role play:
 - Duration of the group work: 40 minutes maximum
 - Duration of the role: 40 minutes
4. **Plenary 'debriefing' session:** To collect the participants' views on the role play, start with the actors (S, B, SI), followed by the observers. Finally, synthesise the observers' comments and end the session by referring to the 5 concepts (**Marketing Intelligence, Market Survey, Market Prospection, Promotion, Marketing Strategy and Action Plan**) and interpreting them in the way in which the participants have addressed them.

Conclude the discussion by informing participants that this exercise has been no more than the reconstruction of an ABC. It would have been possible to add a processor as a seller or as a buyer, according to his situation, a microfinance institution, etc., but this simple setting was chosen to allow the smooth running of the game and the introduction of the concepts.

5. **Plenary summary and conclusion:** Summarise the discussion and indicate some key elements of marketing that this session helped to highlight, such as:
 - It is important to be able to think like the business partner, to better anticipate their needs and to be reactive. This capability is also useful for a supporting body, as for example a BSS.
 - This exercise emphasises the importance of market anticipation, thanks to tools such as marketing intelligence and market prospection.
 - Price is important, very important, but not the most important factor in marketing. Price is the result of a negotiation based on various elements linked to the product (quantity, quality), the way of delivery (transportation, period, duration), the context (formal and informal barriers, competitors), etc.
 - Each step in the marketing process (conquest, development, loyalty) is a new challenge that raises new problems. There is therefore a need for permanent questioning.

Finally, invite participants to read **Reference sheet M7/ 3** that presents the history of marketing through the centuries. This paper describes the situation experienced in industrialised countries from the past (to current) causes of marketing development, which are very similar to those in the African continent.

Advice for the facilitator

- Take care to properly prepare the scenario that is proposed to the participants, **prior to the workshop**.
- At the start of the session, do not indicate to participants (except to observers) the concepts that are introduced in the exercise. The idea is to get the participants to 'spontaneously' approach them without having heard them before. Deepening of the concepts is the objective of the next session.
- Do not lose sight of the essential, which is not the quality of the 'actors' role in the role play or to seek to absolutely reach the play's purpose (main actions). The importance is:
 - To ensure that the vested role play time is not exceeded.
 - To listen and interpret the assessments and opinions of the participants during the debriefing, to see if they were able to address the issues experienced by various stakeholders.
- The post-role game debriefing is (at least) as important as the game itself.
- Note on a separate flipchart visible to participants terms and thoughts expressed by participants that are considered interesting for the rest of the workshop, and which can enrich the glossary.

Additional reading

- Reference sheet M7/3: The History of Marketing



Session 3: The tool box**Introduction**

Marketing is a ‘practical and technical’ concept, which means that what is presented in a theoretical way is easily put into practice. This session gives the ‘keys’ to putting four main concepts into action: **Market survey, Market prospection, Marketing intelligence, and Promotion**⁴.

Learning objectives

At the end of this session the participants will be able to:

- Master some marketing tools
- Understand when and how to use them in supporting clusters

Procedure**List of tools/equipment required**

- Flip chart, markers
- Coloured cards
- Sticky tack, pins or tape – depending on the location

1. **Group exercise:** After a quick introduction, divide the participants into four groups, one for each marketing concept. During 1 hour, ask each group to explain its understanding of the terms given, and then to adapt its common knowledge and understanding to a cluster experience introduced in the first session (see **Exercise 3**). Have each group write its answers on coloured cards that are then pasted on a flipchart in the plenary session.
2. **Facilitator preparation:** During the group work, prepare on the wall a blank table to insert the results from the groups (on coloured cards) as well as your previously prepared own cards with the ‘correct’ answers. This table must be large enough to accommodate all participants’ cards, and the correct answers. The outcome of this work will be a table with 5 columns with the responses from all groups. This table is presented on the next page.
3. **Plenary presentations:** Ask each group to present its results by pasting on the wall table the cards with the responses. Get all participants to contribute feedback on groups’ answers, and complete the information contained in the table below:

⁴ The fifth concept, *Marketing strategy and plan*, will be dealt with later (session 5)

	Market and consumers survey	Market Prospection	Marketing Intelligence*	Promotion
What does this term mean to you?	Mechanism that helps to understand the buyers' demand	Identify possible buyer(s) of a given product in a given market, and the way to promote it	Mechanism that enables to get strategic information to be able to anticipate and organise the trade of a given product	Series of operations designed to publicise a product, to give visibility to a specific audience
Which question/issue does it meet?	<ul style="list-style-type: none"> Buyers and consumers' needs in terms of quality, quantity, period, price, etc.? Who are the potential buyers? The environment: formal and informal barriers, standards, infrastructures, competitors, etc. 	<p>Who can be interested in our product? And at which conditions?</p> <p><i>This question is close to the one searched for market survey but is more targeted to the potential buyer</i></p>	<ul style="list-style-type: none"> Risk management (price, production) Market and competition anticipation Maintaining its commercial position 	Facing competition, how to bring buyers / consumers interested in my product and buy it?
How to operationalise it (action)?	Meet potential buyers (traders, consumers, providers), state bodies (regulation, control, market information), see and visit infrastructures, etc.	<ul style="list-style-type: none"> Cluster's representative (with communication and commercial skills) meet potential buyers; it can be done during a trade fair (best) 2 important previous conditions: A good knowledge of the product. Prepare and present samples + docs 	<ul style="list-style-type: none"> Focal points' network in strategic places Access to MIS (national and external) Explore various sources of information within literacy, media, internet, etc. Data collection, treatment and analysis Information distributed to cluster's members 	<ul style="list-style-type: none"> Develop a consensus within ABC (possibly also between ABC and buyer) Develop and implement a communication and marketing plan Participate in trade events Developing a brand, etc.
Which output can be expected from its implementation?	Analysis of the targeted market helps to determine the interest to develop marketing actions	Cluster has identified the buyer(s) whom the product can be sold to	Strategic commercial information	Visibility, reputation, development of sales and turnover.
When is the best moment in 'value chain life' to operate it?	As soon as possible, in order to organise production according to the market requirements (<i>demand-driven approach</i>)	After a market survey, which brings information about the market	Once the market is known, in order to control a maximum of commercial elements	When the supply is controlled (quantity, quality), when the product's characteristics are established, and when the product begins to have success
What are the possible bottlenecks for its implementation?	<ul style="list-style-type: none"> A poor organisation and then low quality result A survey realised by under skilled person The poor quality of official data The cost 	<ul style="list-style-type: none"> An inadequate preparation: limited knowledge of the supply's potential, of buyers' demand, weak market study Financing issue to organise it Wrong choice of the cluster's representative 	<ul style="list-style-type: none"> Cost: level, funders Network implementing (find focal points), quality of the focal points Sustainability (technically and financially) Quality of analysis Weak interest from members 	<ul style="list-style-type: none"> Inability to control supply in quantity, quality, deadlines, etc. Cost Insufficient knowledge of the product standards

* For the difference between Marketing Intelligence and Business Intelligence, see ICRA's document 'CASE. A grassroots approach to agribusiness development in Sub-Saharan Africa' (Reference sheet 4)

4. **Plenary exchange & discussion:** Ask participants to express their views on how they see their intervention with the ABC for each concept in the above table. Starting with concrete cases experienced by the ABC, ask the participants to indicate how the definitions and details of these concepts may be exploited in their coaching work.

Emphasise the high importance of information as a marketing tool and for risk management. Explain that marketing intelligence needs a good organisation and good skills for collecting, treating and analyzing the information. ABC actors must not forget that local and personal information is as important as external information. It is therefore necessary to be aware about crop’s specificities and features (according to market needs), harvest periods, storage capacity (perishability), costs, etc. Each ABC member should have these data to be able to face market demand.

End the session with a short discussion, asking participants their opinion on the qualifications and skills required to effectively manage an ABC on marketing issues.

- Explain that the required skills are not highly technical, unlike the skills needed in agriculture and agri-food, for example. Marketing includes a wide range of aspects, from the choice of varieties to the needs of niche markets. Thus, the required skills are rather having a wide knowledge of the agricultural sector gained through reading relevant publications and meetings, the creation and development of an individual and institutional network, strong analytical skills, etc.

Examples of these qualities are listed in the table below.

Knowledge	Know-how	Social skills
<ul style="list-style-type: none"> • Master marketing concepts • Develop broad knowledge on the economics of agricultural products, value chains, etc. • Know how to identify market needs • Etc. 	<ul style="list-style-type: none"> • Analyse information and the situation • Understand a situation and propose appropriate solutions • Develop a vision for the development of an ABC • Be able to anticipate market evolutions, with the help of good information • Be able to adapt theoretical tools to a specific ABC’s context • Obtain the participation of many ABC members • Etc. 	<ul style="list-style-type: none"> • Listen to actors • Be curious • Be creative, innovative • Stay humble • Be dynamic, enthusiastic, committed • Respect the other, and be respected • Etc.

Advice for the facilitator

Even if participants won’t notice it, this table is organised, from the left column to the right one, in a chronological and logical order. This may help to answer the 4th question: *When is the best moment in ‘value chain life’ to operate it?*

Information for the facilitator, to share with participants if considered useful:

This exercise introduces the concept of **Marketing mix** which describes the main elements developed in marketing, and known as the ‘4Ps’: Product, Place, Promotion, Price (see **Reference sheet M7/5**).

Additional reading

- Reference sheet M7/4: Business intelligence definition
Reference sheet M7/5: Marketing Mix

Session 4: The real world

Introduction

Since the beginning of the workshop, many marketing concepts have been discussed. It is now time to get exposed to a concrete situation, by visiting an ABC with marketing experience.

Learning objectives

At the end of this session, the participants will be able to:

- Better understand the meaning of terms and concepts learned and their concrete use
- Understand the complexity of agricultural marketing
- Understand the problems faced by an ABC in terms of marketing

Procedure

List of tools/equipment required

- Flip chart, markers
- Coloured cards
- Sticky tack, pins or tape – depending on the location
- See Step 1 to consider the **preparations needed** at least 1 week ahead of time.

The session consists of a short meeting (two hours maximum) with an ABC, organised in four steps:

Step 1: Cluster identification (before the meeting)

The ABC to be selected must have developed marketing activities. For logistic reasons, it should be located close to the workshop location. The following organisation is suggested:

- At least 1 week before the workshop starts, identify an ABC and contact a leader associated with it, to know about how it works and its members' availability – and whether they are willing to meet the workshop participants.
- A few days before start of the workshop inform the selected ABC about the practical details (date, time, location, etc.) and settle the meeting's logistical organisation in terms of transportation, time schedule, etc.

Step 2: During the meeting

1. **Preparation: In plenary** one BSS coach among the participants is selected to be the 'meeting moderator'. This coach must have the following qualities: be close to the chosen ABC, open-minded, talks easily in public, animation skills, etc. Inform the meeting moderator that during the meeting, when introducing the talks, he/she should ask the

cluster to present its history and context of its marketing activities.

In groups: Divide the participants (except for the meeting moderator) into 3 groups, each of them getting 40 minutes to prepare some questions about:

- Vision and strategy
- Marketing actions
- Assessment and lessons learned

Get the meeting moderator to walk from one group to another (with you) to catch information on the direction groups are going into, asking for some explanation.

In plenary: Ask each group to show its list of questions for the actor and the discussion; this should not be too long, to be monitored by you and the meeting moderator (see **Reference sheet M7/6** for examples of questions prepared during the ToT workshop in Benin, November 2013).

2. **Meeting the ABC:** Have the meeting moderator briefly introduce the workshop's objectives and the reason of this meeting. After a 'round table' introduction, the meeting moderator starts the discussion by asking the ABC members about the history and context of its marketing experience, and then leads the discussion between workshop participants and ABC members, keeping to the time schedule. Maximum duration: 2 hours. The language of the exchange will generally be the language of the ABC's members.

Step 3: After the meeting

1. **The meeting assessment in groups:** Back at the workshop location, participants meet in groups for 30 minutes to organise the collected information. They try to make the link between what they learned from the ABC member and what has been learned in the workshop so far.
2. **Plenary presentations:** get each group to present its work. Then invite the meeting moderator (who in many cases is the coach for the ABC) to give their opinion on how the meeting went, on the link between the concepts acquired so far and discussions, and on the directions to be taken by the ABC in the short term for marketing.
3. **Plenary discussion:** After these presentations, make the link with the marketing concepts covered in the workshop by asking two questions:
 - Does the ABC use the tools developed in Session 3?
 - If not, should it have done it?
4. **Facilitator summary:** Reflect on two key aspects of coaching (see also Session 6):
 - It is not necessary to seek to systematically develop all concepts discussed so far. It will depend on the situation of each ABC. Thus, for a good use of these concepts in the support to an ABC, the coach should well know the ABC's specific situation (product, organisation) and its economic and commercial environment, and sufficiently master the marketing concepts.
 - Two concepts are essential, whatever the ABC's situation: marketing prospecting, and marketing intelligence.

Advice for the facilitator

If for various reasons (limited time, large distance to the ABC, etc.), the meeting with an ABC is difficult to organise, the facilitator may consider proposing that 1 or 2 participants present the activities of an ABC they support, and play the 'game' of the questions and answers¹.

Word of caution during meeting: Ensure that the participants avoid asking the ABC any confidential or delicate information, e.g. e benefits or profit, and to not insist on getting answers if they notice any reservations. This workshop is not the place for such questions; it is just an exercise.

¹ as was done in Nigeria with success in January 2014

Additional reading

- Reference sheet M7/6: Samples of questions prepared for a cluster's meeting

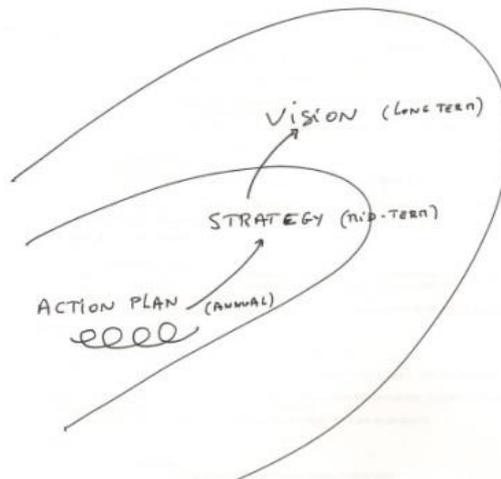


Session 5: The spinal column...

Introduction

The technical tools and theoretical aspects discussed so far are of little use if they are not articulated together, and if they're not clearly organised to achieve a precise goal or in other words a **vision** (where are we going?) which is backed by two inseparable tools: a **strategy** (what to do?) **and an action plan** (how to do?).

These three aspects (vision, strategy, and plan) can be depicted as follows:



Learning objectives

At the end of this session, the participants will be able to:

- Understand the vital importance of thinking before acting
- Draft a marketing strategy and an action plan
- Facilitate a work session to draft these tools

Procedure

List of tools/equipment required

- Flip chart, markers
- Coloured cards
- Sticky tack, pins or tape – depending on the location

1. **Plenary discussion:** Ask participants for their opinions on how an ABC can make its marketing ideas more concrete. Guide the participants to get into a discussion about the **vision, strategy, and action plan.**

Then guide the participants to develop elements of a strategy, like:

- Diagnosis: SWOT analysis (Strengths, Weaknesses, Opportunities, Threats)

- Objectives (diagnosis' output): general, specifics
- Activities
- Responsibilities (within the cluster)
- Monitoring and Evaluation (M&E) system
- Partnerships
- Budget

Try to develop the discussion around the concrete experience of an ABC that has been mentioned in a previous session, trying to link the commercial activity of the ABC to the above points.

The facilitator emphasises that marketing **strategy** is part of an organisation's (ABC's) global strategy and business plan, and is transformed into an operational tool: the **action plan**.

2. **Group exercise:** Divide the participants into 2 groups and ask them to develop a marketing strategy for specific cases, during 45 minutes (see **Exercise 4**).
3. **Plenary presentations:** Have each group present its proposed strategy and discuss the options. Point out the elements and marketing tools that were introduced in the previous sessions in each presentation. Emphasise the strategy's sequence (*see above illustration*), the clarity and the logic of the proposed process. Then point out the importance of the ABC's management and internal democracy to develop and implement the strategy. These 'structuring' elements are often forgotten during such exercises. Note that in the rural sector, a **strategy** cannot exceed 3 years. A marketing strategy is presented in **Reference sheet M7/6**.
4. **Plenary exercise:** If time permits, ask participants to develop elements of an **action plan** (AP): activities, responsibilities, costs and sources of funding, external support needed, time schedule, etc. **Reference sheet M7/7** gives inputs for drawing up an AP, inspired by the 2SCALE document '*PPP protocol*'.

Explain that an **AP** is renewed each year. To be successfully operated, it must respect at least three golden principles:

1. Be the result of consensus among all stakeholders concerned;
 2. Be very clear and not too heavy in terms of number of activities to run;
 3. Have very clearly defined responsibilities for management and for assessment (monitoring & evaluation).
4. **Concluding remarks by facilitator:** To end this session, indicate options that may be part of an ABC's marketing strategy:
 - The choice of the value chain, through **market study** and/or **market prospecting**, allowing participants to appreciate the type of buyers the ABC will work with, the requirements in terms of quantity, quality, etc.
 - The internal organisation to satisfy the market: production, harvest, storage, delivery, etc.
 - Development of a mechanism enabling the ABC to get regular, viable and accurate information about the market, institutional context (formal barriers), competitors, etc., in particular **marketing intelligence**.
 - Development of reflection and a mechanism enabling the ABC to maintain customers' loyalty, and eventually open up opportunities for new markets (if production and organisation allow so).

- Developing a proper marketing management, including implementation, monitoring, and evaluation.

Finally, remind the participants that the **marketing strategy** and the **action plan** are the elements of an ABC's Business Plan with specific topics related to market satisfaction and profitability. The responsibility for the implementation of the business plan should be given to a specific person or group of persons within the ABC, to ensure the realisation of all actions planned and thereby the ABC's professionalism.

Advice for the facilitator

The facilitator must avoid giving too general information and advice about the elaboration of a strategy and action plan. The groups' work should be based on practical examples from ABCs' experiences.

Information for the facilitator, to share with participants, if considered useful:

This session introduces the term **Risk management**. Risk is everywhere, at each step of the value chain, and for all stakeholders. Concepts and tools introduced during this workshop are part of the keys to address these risks. In terms of marketing, risks are theorised as shown in the following table¹:

	Existing product	New products
Existing markets	MARKET PENETRATION Low Risk	PRODUCT DEVELOPMENT Higher Risk
New markets	MARKET DEVELOPMENT Medium Risk	DIVERSIFICATION Highest Risk

See **Reference sheet 8** for additional theories on risk management.

What are the possible negative/dangerous effects of a successful marketing action?

- A growing demand: There will be a need for a new internal organisation, strengthening capacities, etc.
- A growing greediness of some members and consequently possible internal problems.
- Smaller members could be left behind, which may create internal problems.
- Farmers may be tempted to demand higher prices: it will be the duty of the BSS to sensitise people to the risks of price construction and to the need to reduce costs.

Advice: stay realistic, develop a professional behaviour within the ABC through good internal communication, through joint decisions, and take sufficient time to think (and calculate) before acting.

Additional reading

- Reference sheet M7/7: ABC Action Plan (source: PPP Protocol)
- Reference sheet M7/8: Managing risks

Session 6: Preparing of the ToR for field coaching

Introduction

This session follows two major steps: A review of the various workshop sessions, and the design of the Terms of Reference for future coaching actions. This session is to help those coaches who have little marketing experience with ABCs. The previous sessions had a pedagogical orientation whereas this one is more pragmatic, aiming at guiding coaches to assist ABCs in marketing-related issues.

Learning objectives

At the end of session the participants will be able to:

At the end of the session, the participants will have a better understanding of the relevance of the different concepts and tools on how to guide the ABCs in how to develop actions toward market satisfaction

Procedure

List of tools/equipment required

- Flip chart, markers
- Coloured cards
- Sticky tack, pins or tape – depending on the location
- Reference 6 & 9 handouts

Step 1: Review of previous sessions

Plenary reflection: Invite the participants to reflect on the six sessions in this module, making sure they have been understood the issues well and giving additional information where needed.

Review the different sessions and tools used during this workshop; for each session:

- what topics were treated and what tools use
- what did you learn
- what will be relevant for use and application

SESSION	TOPIC	WHAT I LEARNT	WHAT WILL BE RELEVANT TO BE APPLIED TO MY CLUSTER
1.			

2.			
...			

Step 2: Preparing ToR for the field coaching

- 1. Plenary introduction:** Introduce the step by explaining that following this workshop, the coach now have the tools to be able to facilitate a working session with ABC members on marketing issues. Ideally, the coach's work will not stop with the ABC's coaching session in a classroom, but will be followed by regular coaching of ABC members, both individually and collectively.
- 2. Plenary brainstorm:** It seems logical to suggest that coaches start the first coaching (collective) session with an ABC with an inventory of the market situation, followed by identification of short term actions. Such a start will quite rapidly involve the cluster members in their own environment and in the session's progress.

This first session may be implemented following the next steps, one after the other:

1. Description/Inventory of the market situation: products, existing and potential markets⁵.
 2. SWOT analysis for each sector (production, processing, marketing).
 3. Starting from the SWOT analysis, identification of a situation (positive, negative) 'central' common to all ABC's members in matters of marketing. From there, the ABC can develop a (long-term) vision of the value chain development that it intends to promote, and deduce a global objective.
 4. Identification of (up to 3) Specific Objectives.
 5. Identification of up to 3 actions per specific objective.
 6. Organizing an ad-hoc committee that is in charge of preparing a marketing action plan: operational mode, responsibilities, etc. (compare to session 5).
 7. Discussion on what comes next in the ABC members coaching process, either individually or as a group.
- 3. Group exercise:** Start by explaining that Steps 1, 2 and 5 above can be implemented in working groups during the coaching session; e.g.:

- Description of the sector's situation

ABC's members are split up into groups, according to the existing links: producers, processors, traders. Give each group 20 minutes to complete the following table:

Product / sector / value chain	
Current market(s)	

⁵ See *Reference sheet 6*, suggesting a canvas to achieve that inventory

Potential market(s)	
How was the market identified?	
How can we make this market sustainable?	

This exercise, which starts the coaching session, has the advantage of immediately throwing actors in ‘at the deep end’, dealing with what they know. It will also identify both the advantages and the constraints related to marketing. The technique of mapping of ABCs, described in **Module 1**, (Introduction to local networking and empowerment) may be useful to do in this exercise.

- Description of a value chain

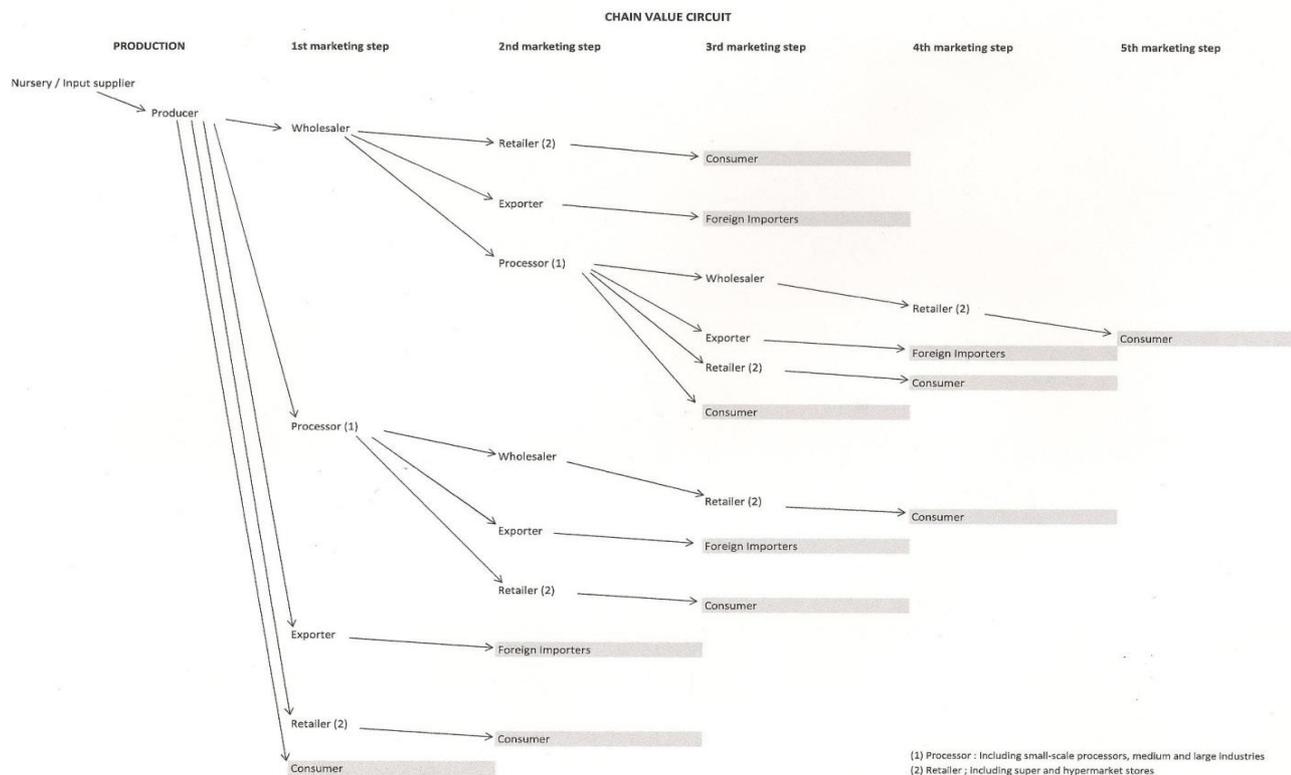
In plenary, ABC member participants choose a value chain which they describe step by step in terms of marketing channel

The diagram presented below may be used by the coach to animate this exercise. It shows the different possible channels of a value chain at each stage of product marketing. It may be used as a frame for ABC members to describe the situation of a particular value chain.

In the diagram the following elements may be highlighted and used for the rest of the coaching session:

- The product’s channel, describing the situation accurately (*highlighting the known channel*)
- The names of known buyers (*using the space below each profession*)
- The buyers who are ABC members and those who are not (*in different colours*)
- The current and potential market (*in different colours*)

The shaded parts indicate the level where the channel ends (final consumption, exports).



4. **Plenary discussion:**

The inventory of the market situation (point 1 above) concerns the product/supply chain, e.g. the cashew nut, and will bring all actors in the ABC together. On the other hand, for better efficiency, from point 2 (SWOT analysis) onwards, the exercise should be targeted to a very specific value chain, e.g. the raw cashew nut. The result (priority actions) can then be replicated for all other value chains the cluster members are involved in (going back to cashew nut example, other value chains are: almond, apple, etc.).

Reference Sheet M7/9 offers ways to support the coaches to develop these skills towards ABC.

Information for the facilitator, to share with participants if considered necessary:

In a guide on marketing, *Russell and Fletcher* offer the following construction¹:

- M**aintain quality / price relationship
- A**lways listen to customers
- R**emember the need that you are satisfying
- K**now your customer
- E**xplain benefits not features
- T**alk to your customers
- I**nvolve all staff in marketing
- N**eeds not wants
- G**row your market share (profitability)

Remark: 5 out of these 9 letters emphasise the customers' needs!

¹N. Russell / J. and T. Fletcher: 'The marketing Pocketbook', 1996

Additional reading

Reference sheet M7/9: ToR for field coaching



Session 7: Workshop/Module assessment**Introduction**

This session looks at all of the sessions included in this module. It brings together all of the reflection and evaluation moments that have been done at the beginning and at the end of each day: Each day starts with a reflection, remembering the work done on the previous day, and each day ends with an evaluation session.

Learning objectives

At the end of this session, participants will be able to assess the different sessions of the module and identify ways to improve the next workshop and the knowledge about marketing

Procedure**List of tools/equipment required**

- Flip chart, markers
- Coloured cards
- Sticky tack, pins or tape – depending on the location

1. **At the beginning of** the workshop: each participant wrote down his/her expectations and worries; these were summarised and hang out on the wall. The facilitator now reviews these and discusses with the participants to what extent the expectations are met and worries are let go.
2. **During** the workshop: at the end of each day (even for a 2-day session), the participants were given the opportunity to reflect on what was done during the day in a Reflection Diary. Ask each participant to indicate how well they appreciated each session, why, and if relevant to propose improvements to the content.

3. Final assessment (in plenary)

Then, ask each participant to give an individual, confidential appreciation of the workshop by filling in the table below on a flipchart, unseen by other participants. This table has the titles of all sessions and columns for rating each, as shown below:

Session	Good	Average	Bad
1. What do we know about marketing?			
2. From trade to marketing			
3. The tool box			
4. The real world			
5. The spinal column			
6. Synthesis and TOR			

General appreciation of workshop			
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3. Plenary Conclusion by facilitator: State that the goal of this workshop was to introduce participants to the major concepts and tools commonly used in agricultural marketing. There are a few ideas and strong messages among these concepts that will need to be remembered. They are:

- **Production should be led by demand** ('selling before producing')
- **Working together is the key issue** and yet individual interests have to be maintained
- **Think in the same direction as the other stakeholders of the value chain;** other stakeholders should not be considered as competitors but rather as partners; listening is a very important skill.
- **We are not alone** (other institutions do the same or a similar job)
- **Price is (very) important though not the most important factor**

Advice for the facilitator

Do not forget to prepare the summary of participants' expectations (stated on 1st day) in this session.

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List of reference sheets

Reference sheet 1: Glossary

Reference sheet 2: Back to concepts as business and trade

Reference sheet 3: History of marketing

Reference sheet 4: Marketing intelligence

Reference sheet 5: Marketing mix

Reference sheet 6: Before a cluster meeting

Reference sheet 7: ABC's action plan

Reference sheet 8: Managing risk

Reference sheet 9: TOR for field coaching

Reference Sheet 1: Glossary

This glossary aims to give actors within the 2SCALE project the meaning of main items and terms frequently used in agricultural marketing.

The idea is to make this glossary interactive, i.e. each reader may propose modifications. This requires coordination. For any proposed amendments or remarks, please send a message to ICRA’s marketing specialist, Sylvain Dardel, at: sylvain.dardel@icra-edu.org.

Action plan	Detailed plan outlining the strategy – actions, partners, calendar, and budget – to reach one or more goals within a certain period of time (few months to a year).
Actor	Individual or organization / firm / institution that, by his/its actions, has an influence on a commodity’s chain, from the farmer to the final consumer. One had to distinguish between i) actors whose livelihood depend on the money earned by selling the commodity (farmers, processors, traders), and ii) actors who provide services and goods that support production, transformation and promotion of the commodity. These last actors are e.g. input suppliers, financial institutions, extension public officers, research centres, and transporters. All these actors may form a “cluster” regarding a specific commodity for a specific market.
Agribusiness cluster	Group of actors (direct and indirect ones) involved in the economic and commercial promotion of one commodity / product, organized together for the interest of each one.
Benchmarking	The process of comparing one's business processes and performance metrics to industry bests or to best practices from other industries.
Brand	A type of product manufactured by a particular company under a particular name The brand gives a unique identity to a product and a strong visibility, and can allow making the creator company known. Brand’s development needs some minimum steps before being done, as a proven capacity to produce regularly in terms of quantity, quality, and have developed a good logistic capacity enabling the supplier to deliver the product in good shape and with time respect.
Business	Commercial activity. Refers to the actors’ capacity, including small-scale farmers, to put a product in a market, against money and with profitability; whatever the quality of the product, and the place where it was sold. This is important to point because i) Farmers often think they can’t develop their business skills (traders are too powerful) and ii) supporting institutions don’t see farmers as able to develop business (even if it is changing). This term includes all actions done by an actor to get a benefit from his commercial activity, then it includes the way he/she commercializes the product(s), negotiates with partners, administrate his/her activity and his/hers employees, plan / monitor / evaluate the activities, etc. It differs from “management” because the work is done in the sole perspective of profit, which is not the case for management.

Business Intelligence	It refers to the capacity of an actor, individual or collective, association or firm, to manage both performance monitoring (management, costs master) and market intelligence.
Chain study or value chain study	Description and analysis of the “life” of an agricultural product from the field up to the final consumer. It includes interactions between actors (direct and indirect ones), the flows from one place to another, the political and institutional context, the cost and profit and margin, etc. This study analysis all aspects of the chain, it then includes all possible products’ value chains. This work is mainly needed for institutional deciders (governments, funders) to give strategic orientations. The professional actors are more interested in market studies (see below).
Commercialize (to)	<i>Manage or exploit in a way designed to make a profit (Oxford Dictionary)</i> . It refers to all actions needed for a supplier, at any stage of the supply chain, to satisfy a demand, as for example: grouping, sorting, transporting, packaging, storing, etc.
Commodity	Raw material or primary agricultural product. Then, a processed product (semi or finished product) is not a commodity.
Comparative advantage	<i>The ability of an individual or group to carry out a particular economic activity more efficiently than another activity</i> <OD> ... and person. This definition goes for a country, as well. This approach brings to specialization, which has advantages (best practices, good reputation, etc.) and inconveniences (risks in case of failure of the specialized field due to internal or external cause). In order to decide the interest of developing a new market, it is however important to know its comparative advantages.
Competitiveness	The capacity of being better than other suppliers (competitors) to satisfy a common market. This regards as well individuals as cluster, at various levels (from local to international markets). Competitiveness is expressed by various means: cost/price, quality, management (profits), packaging, technology, capacity to innovate, origin (label), etc.
Consumer (intermediate, final)	Individual or enterprise which changes or ends the state of a product. A factory that processes commodity is known as an <i>intermediate consumer</i> because the (finished) product obtained from the commodity stays in the value chain; the <i>final consumer</i> ends the cycle life by cooking and/or eating product.
Consumer survey	Action consisting in interviewing current or potential consumers of a specific product (fresh or processed) in order to precisely know their expectations in terms of quality (taste, form, colour, etc.), prices, period of supply, etc. According to the means available, this survey can be done by interviewing people in a market place, in the street, or by organizing consumers’ tests (often done by professional bodies).
Distribution	The action of supplying goods to retailers. In the agricultural sector, this action includes packaging, transport, storage, delivery of goods. These actions can be taken at other links of the supply chain (from farmer to processor for instance) but this term is used commonly used in the case of supplying a large-scale retail firms (hyper- or supermarkets).
Distribution network	Description of the various steps for a commodity to go from the farmer to the consumer. Each step figures a different actor in charge of the product. This network can be reduced to a small area and very few actors (“short distribution

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	network”) or cover a long distance and then be treated by many actors or providers (“long distribution network”).
Economy of scale	<i>A proportionate saving in costs gained by an increased level of production (Oxford Dictionary).</i>
Finished and semi-finished product	At the processor level, a factory can supply 2 types of products : i) for direct consumption, which is then called Finished product (Juice); ii) to be processed again by another factory in order to obtain the finished product (cotton, wood for paper).
Globalization	<p>“The process by which businesses or other organizations develop international influence or start operating on an international scale” (Oxford Dictionary);</p> <p>“Sophia Murphy delineates three aspects of globalization (Murphy 2010): i) Global supply chains, based on information and communications technology that enable tightly coordinated trade; ii) Liberalization of trade policies, driven by a view of trade and capital investment that sees a single world market as the most efficient outcome to ensure economic development and public welfare; iii) The globalization of expectations, a cultural shift in which people aspire to a global standard of middleclass consumption. These three aspects interact and reinforce one another, and all raise challenges for developing countries and their small producers”.</p>
Holistic approach	Characterized by the belief that the parts of something are intimately interconnected and explicable only by reference to the whole. In the agricultural sector and commodities’ promotion it consists in taking into account all parameters in which actors are involved, e.g. economy, sociology, level of education, food security, political situation, and climate. This approach is developed since few years, and is very difficult to settle in, because of high costs (much expertise needed) and the complexity of analysis.
Horizontal link	Relationships within the same category of actors, farmers for example
INCOTERM	For International Commercial Terms , are a series of pre-defined commercial terms published by the <u>International Chamber of Commerce</u> (ICC) that are widely used in International commercial transactions or <u>procurement</u> processes. Incoterms rules are accepted by governments, legal authorities, and practitioners worldwide for the interpretation of most commonly used terms in international trade. They are intended to reduce or remove altogether uncertainties arising from different interpretation of the rules in different countries. As such they are regularly incorporated into sales contracts worldwide. Some of the better known Incoterms are: FOB (Fee on Board), CIF (Cost, Insurance, Freight).
Input	<i>What is put in, taken in, or operated on by any process or system (Oxford Dictionary).</i> In agriculture sector, it refers to all material needed by a farmer, a processor or a trader to do its job, such as: chemicals, seeds, tools, machines, etc. For a supporting institution, it refers to previous works used to produce its expected out-put (reports, studies, etc.).
Market	General term to denote the fact that a supply meets a demand; it can be physical (market place in rural and urban areas), or virtual (stock exchange). The term is also used in the case of a large space or area there are business opportunities (European market for oils, rubber, etc.).

Market Information System, MIS	Mechanism by which the information is taken in various markets places (rural and urban) at the same time, treated and dispatched to the public in a short time. Its concerns “ <i>primary information</i> ”, by the fact they are collected to the source. In 2000’s, the second generation of MIS has emerged (MIS2G), whose main innovations are the use of new ICT, the appearance of private MIS (run by farmers’ organizations, stock exchanges, NGO, etc.), the development of inter-countries MIS (RESIMOA, etc.).
Market prospection	Action aiming to identify the potential market to a given product or group of products. It is generally realized through a “prospection trip” in a precise area (in the country or abroad) which goal is to meet potential purchasers with the double objective to i) hear their expectation in terms of quality / quantity / period / payment’s mode, etc.; and ii) promote its product (by samples) and the supplier (communication and negotiation skills).
Market segmentation	Is a <u>marketing strategy</u> that involves dividing a broad <u>target market</u> into subsets of <u>consumers</u> with common needs and priorities and then designing and implementing strategies to target them.
Market study	Description and analysis of the ways a given agricultural product, raw or processed, is commercialized in a given area. Such a work is necessary when one actor (individual or group) knows what to promote and where, but is missing information in the area targeted about the size of the market, the competitors, the demand (quality, quantity), the regulations, etc. Within a development project process, a market study is often followed by a prospection trip and/or the participation to a trade fair.
Marketing	“ <i>Marketing involves finding out what your customers want and supplying it to them at a profit</i> ” (FAO, 2005). Marketing is focused on the consumer’s needs. That is to say that marketing efforts are efficient when one knows which product to promote /sell, where and to which type of consumer.
Marketing intelligence	Mechanism enabling to get strategic information in order to anticipate and organize the trade of a given agricultural product. Such a mechanism requires 2 minimum inputs: i) Networking, ii) Financial resources to maintain sustainability. It can be developed by private actors with important financial resources and/or with a large social network (human bodies). But the financial cost is important and, in developing countries and in agriculture, people who can have these facilities are very few. Usually such intelligence is homed at an official institution, governmental one or (mainly) project. Such a mechanism can be very useful but is scarcely existing because of: i) its cost, and ii) its complexity. And sustainability is a big issue;
Monopoly	The exclusive possession or control of the supply of or trade in a commodity or service.
Monopsony	A market situation in which there is only one buyer.
Niche market	A specialized but profitable segment of the market. As for example the luxury market, ethnic market, etc.
Observatory	Mechanism or institution whose mission is to treat and analysis information in order to give to private and public deciders tools for decision making. Information comes from various sources, from local to international, in order to be able to get the highest quality and the best updated analysis. It mainly works

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	from “secondary information” coming from other institutions as MIS, Ministries, other observatories, intelligence services, private actors, etc. Observatory is also a guarantor for transparency.
Partner	Individual or (mainly) institution who will bring an added value to an activity, or technically or financially.
Post-harvest activities	In agriculture and especially for the products to be commercialized, this term refers to interventions needed to put the given product in good conditions in order to satisfy the first purchaser (processor, trader, local consumer) such as: sorting, drying, storing, packaging, transport.
Productivity	<i>“The value of the output produced by a unit of labour or capital”</i> (M. Porter) ¹ . In agriculture, productivity is understood as the capacity for a farmer to grow yields by innovative technics, by sowing improved varieties, by adding chemicals in the field, etc.
Profession	<i>A paid occupation, especially one that involves prolonged training and a formal qualification (Oxford Dictionary)</i> . The terms “occupation” or “job” are also used to define the person, who occupies a specific place in its social and economic environment, and realise some specific tasks (or functions) that are characteristic to this profession. Example: a processor buys, sort, process, store, transport, sell, etc.
Professionalism	The competence or skill expected of a professional. It refers to the capacity for a given actor or institution to dominate duties and functions related to his job, in a sustainable way.
Promotion	Series of operations designed to publicize a product, to give it visibility to a specific audience. It can be performed through advertising in the media and displays, the development of a trade mark (and logo), participation in trade events, the canvassing, etc.
Quality	The standard of something as measured against other things of a similar kind; the degree of excellence of something. Quality’s criteria for a product are various, according to the purchaser’s need (and purchase power): shape, taste, colour, texture, weight, etc.
Standards	For agricultural products, there are rules on how to produce and sell a given product. Standards are of various precision according the countries’ wealth in order to assure its respect by actors. Exporters must be very well aware of standards in the targeted country.
Strategy	Given a global objective or final purpose, and in order to operationalize a vision, it includes all main steps that should be taken to achieve it. It generally gives a multi-annual perspective, in the main lines. The concretization of the strategy is included in an operational plan, usually renewed every year.
Supply chain	<i>The sequence of processes involved in the production and distribution of a commodity (Oxford Dictionary)</i> . A supply chain consists of different stages and actors that transform a raw material into a finished product for delivery to the ultimate consumer (Rabobank) ² . It describes the ways actors insure a product’s

¹ «Competitive advantage of nations», M. Porter, 1990

² “Framework for an intensive food strategy” Rabobank, 2012

	delivery up to the final consumer, and includes process, transport, management, information, etc.
Trade	The action of buying and selling goods and services.
Value chain	<p>The process or activities by which a company adds value to an article, including production, marketing, and the provision of after-sales service. For Michael Porter (1985) a value chain breaks down and describes a firm’s activities in order to identify elements and operations creating competitive advantages, adding value, from a product creation to its last.</p> <p>The diagram below, extracted from the publication "<i>Challenging chains to change</i>", clearly illustrates the context and environment in which develops a value chain³:</p> <div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="margin-bottom: 10px;"> <p>Chain context Justice system, government, economy, weather, etc.</p>  </div> <div style="margin-bottom: 10px;"> <p>Chain actors From farmer to trader to processor to retailer to consumer</p>  </div> <div> <p>Chain supporters Financial institutions, input suppliers, transport, business services, certification, etc.</p>  </div> </div>
Vertical integration	This term describes the situation in which an economic actor brings together different functions (production - processing - trade for example). In the agricultural sector, the most common case is that of exporting firms who, in addition to their core business is trade, develop investment for "integrating" functions of production, sometimes even processing.
Vertical links	Describe relationships between economic actors, from producer to consumer.
Vision	The ability to think about or plan the future. It remains quiet theoretical, and must be added by a strategy to become realistic.

³ "Challenging chains to change: Gender equity in agricultural value chain development", KIT, Agriprofocus, IIRR, 2012

Reference sheet 2: Back to concepts as Business, Trade

We propose here a development of some concepts that are complementary to the ones introduced in session 1: Business and Trade.

The term “marketing”, which is at the heart of this module, is covered in reference sheets 1 (Glossary), 3 (History of marketing), and 4 (Marketing mix).

BUSINESS

“Commercial activity. It refers to the actors’ capacity to bring a product to market, against money and with profit; whatever the quality of the product, and the place where it was sold”
(Source: Reference sheet 1)

The following text is extracted from Wikipedia⁴:

A **business**, also known as an enterprise or a firm, is an organization involved in the trade of goods, services, or both, to consumers. Businesses are prevalent in capitalist economies, where most of them are privately owned and provide goods and services to customers in exchange of other goods, services, or money. Businesses may also be not-for-profit or state-owned. A business owned by multiple individuals may be referred to as a company.

The etymology of "business" stems from the idea of being busy, and implies socially valuable and rewarding work. A business can mean a particular organization or a more generalized usage referring to an entire market sector, i.e. "the music business". Compound forms such as “agribusiness” represent subsets of the word's broader meaning, which encompasses all the activity by all the suppliers of goods and services.

Basic forms of business ownership

Forms of business ownership vary by jurisdiction, but several common forms exist:

- **Sole proprietorship:** owned by one person and operates for their benefit. The owner may operate the business alone or work with other people.
- **Partnership:** A partnership is a business owned by two or more people. In most forms of partnerships, each partner has unlimited liability for the debts incurred by the business.
- **Corporation:** The owners of a corporation have limited liability and the business has a separate legal personality from its owners. Corporations can be either government-owned or owned by individuals. They can organize either for profit or as not-for-profit organizations.
- **Cooperative:** Often referred to as a "co-op", a cooperative is a limited liability business that can organize for-profit or not-for-profit.

Management

The efficient and effective operation of a business, and study of this subject, is called management. Owners may administer their businesses themselves, or employ managers to do this for them. Whether owners or employees, managers administrate three primary

⁴ <http://en.wikipedia.org/wiki/Business>

components of the business' value: its financial resources, the capital or tangible resources, and the human resources. These resources are administered in at least five functional areas: legal contracting, manufacturing or service production, marketing, accounting, financing, and human resources.

Business process management (BPM) is a holistic management approach focused on aligning all aspects of an organization with the wants and needs of clients. It promotes business effectiveness and efficiency while striving for innovation, flexibility, and integration with technology. BPM attempts to improve processes continuously. It can therefore be described as a "process optimization process." It is argued that BPM enables organizations to be more efficient, more effective and more capable of change than a functionally focused, traditional hierarchical management approach.

Organization and government regulation

Most legal jurisdictions specify the forms of ownership that a business can take, creating a body of commercial law for each type. The major factors affecting how a business is organized are usually:

- **The size and scope of the business firm** and its structure, management, and ownership, broadly analysed in the theory of the firm. Generally, a smaller business is more flexible, while larger businesses, or those with wider ownership or more formal structures, will usually tend to be organized as corporations or (less often) partnerships.
- **The sector and country:** Private profit-making businesses are different from government-owned bodies. In some countries, certain businesses are legally obliged to be organized in certain ways.
- **Limited Liability Companies (LLC):** Limited liability partnerships, and other specific types of business organization protect their owners or shareholders from business failure by doing business under a separate legal entity with certain legal protections.
- **Tax advantages.** Different structures are treated differently in tax law, and may have advantages for this reason.
- **Disclosure and compliance requirements.** Different business structures may be required to make less or more information public (or report it to relevant authorities), and may be bound to comply with different rules and regulations.

TRADE

"The action of buying and selling goods and services" (source: Reference sheet 1)

The following text is extracted from CTA's official website AGRITRADE (<http://agritrade.cta.int/>) and from Wikipedia.

Trade

Trade is to transfer the ownership of goods from one person or entity to another by getting a product or service in exchange from the buyer. Trade is sometimes loosely called commerce or financial transaction. A network that allows trade is called a market. The original form of trade was barter, the direct exchange of goods and services. Modern traders generally negotiate through a medium of exchange, such as money. As a result, **buying** can be separated from **selling**, or earning. The invention of money (and later credit, paper money and non-physical money) greatly simplified and promoted trade.

Trade exists due to specialization and division of labour. Most people concentrate on a small aspect of production, and trade them for other products. Trade exists between regions because different regions have a comparative advantage in the production of some tradable commodities, or because different regions size allows for the benefits of mass production. As such, trade at market prices between locations benefits both locations.

Trade has its own laws that are collected in the *Commercial Code* and its own national or international courts. Trade is the natural extension of the activity of production of goods and services that can find an outlet in the direction of markets and potentially interested customers.

Trade refers to a reality in which human relations and economic exchanges occur mainly within a framework of geographical neighbourhood. Trade refers to the activity that will circulate goods, at more or less long distance, and offers them for sale on markets or fairs. It involves transactions from individual to individual, acting on their own account or representing a third party, as well as all operations useful for the realization of the exchange, as the appreciation of the exchange value, or material transfer of the good or the service exchanged.

Trade is one of the most ancient and important inventions of mankind. Some consider it being at the origin of writing, which might have been invented by Sumerian traders for their accounts, about 5500 years ago. Primitive agriculture was a subsistence activity, as a first step to the self-sufficiency cultures. Then, under demographic pressure, farmers and herders replaced hunter-gatherers. Trade was then facilitated by harvests exceeding the subsistence level. The surplus produced promoted:

- Exchanges which provided the opportunity to barter with other unnecessary product surpluses;
- Specialization of tasks, to the extent that it was not necessary any more that the entire of society was active in agriculture.

The industrial revolution, developments in transportation, the cold chain and canned food, next to the globalization of trade, allowed more extensive and rapid international trade.

Trade and economy

Trade originates from the multiple needs of human. People's knowledge, physical strength and time availability are not sufficient to allow them to produce what they need to live from. The solution is to organize and divide the work, producing what one can and exchanging surplus for products one does not produce oneself. Exchange of goods naturally involves their transportation (land, marine, air)... Storage the expedition upstream and downstream distribution complete transport operations...

National and International Trade (*largely written by the author of this module*)

At national level, agricultural trade may be regulated for the product concerned, and according to the strategic priorities of the country. Beyond this, except in the case of so-called collectivist countries, most of the trade takes place in a liberalized framework, in which the law of supply and demand and the players' negotiating capacities dictate the decisions in terms of pricing and physical organization of exchanges.

At international level, trade is specified in terms of law (intellectual property...) and management. The same rule of autonomy of commercial transactions as at national level is

applied, but it is fitted in more or less regulated frameworks, on products that are allowed to enter a territory, with standards and requirements of qualifications mainly related to the aspect of safety⁵.

This regulatory framework is negotiated between nations within the World Trade Organization (WTO). According to this organization in January 2014, there are 377 trade agreements worldwide (<http://www.wto.org>)

Some examples of agreements/regulations on trade related to Africa are: The economic partnership agreement with the European Union (EPA), the African Growth and Opportunity Act with the USA (AGOA), the Economic Community of West Africa States (ECOWAS), the Common Market of East Africa and southern Africa (COMESA).

Over the last 30 years, due to the both trade globalization and an increasing demand of consumers for qualitatively high and save products, it has become more and more difficult for small-scale actors (farmers, retailers) to understand markets requirements and expectations. Similarly, is has become increasingly difficult for the poorest consumers to find cheap products.

Thus, led by NGOs and associations from countries from both the North and the South, new ways of trade emerged, that create as many new “niche” businesses. Among the best-known are:

- Trade of certified organic products
- Fair Trade

Some examples of organic and or fair trade organisations:

				
Fairtrade International	World Fair trade	EU Certified organic products	certified organic products Canada	OCIA International

⁵ Note that unregulated trade is the subject of demands from end buyers, which are called "non-tariff barriers". As such, unregulated trade is often as demanding and binding for suppliers as formal rules.

Reference Sheet 3: History of marketing

The following text is extracted from an article published in 2011 by Pierre Volle, professor in marketing at the University of Paris-Dauphine, France: "Marketing: comprendre l'origine historique".

The article is a clear and complete and, most importantly, gives several innovative, controversial ideas and opinions on the evolution of marketing through the centuries.

Some remarks before reading of this document:

- *Sentences separated by three dots (...) indicate a cut in the original text⁶.*
- *The document refers to the situation in industrialized countries, in particular the United States and the United Kingdom, as those countries are pioneers in marketing. The document is also interesting because of the striking parallel with the situation of the countries from the South, in particular in Africa. The explanation of some commercial choices can inspire strategic directions in the development of the Agribusiness Clusters (ABC) within 2SCALE project.*
- *A lesson also learned from this text is that, whatever the country, the evolution of practices and, techniques (here marketing) is the product of reflection and a permanent challenge.*

Marketing: Understanding the historical origin

"One may legitimately wonder why it is important to understand the historical origin of marketing. For those interested in history, marketing is certainly a fascinating and often disregarded subject. But beyond its strict intellectual interest, why is it important or even essential to put it in a historical perspective? As managers, students and citizens, we are daily bombarded with all kinds of information... Detecting a red thread in the jumble of events, making things more meaningful seems a prerequisite for any proved judgment and any effective decision making. We believe that understanding the historical origin of marketing and its developments leads to this necessary perspective for a reasoned action...

Marketing is an old management practice which roots date at least back to the 19th century, its modern origins rather dating back to between 1880 and 1930...

In this chapter, we do not analyse the historical use of the word "marketing", but the concrete practices that are generally connected to it ... even before the word ever existed.

We also mention the institutions that allow these practices and participate in changing them over time. For example, if the use of trademarks to refer to goods is a very old practice (for some of them since ancient times), advertising agencies have contributed to changing its use since the 19th century. The purpose of this section is therefore not only to understand the emergence of business practices, but also of institutions involved in marketing activities (advertising agencies, medias, shops ...).

Marketing history is a part of business history which again is considered a subdivision of economic history.

⁶ http://hal.archives-ouvertes.fr/docs/00/63/86/21/PDF/origine_historique_du_marketing_volle_2011.pdf

...

1. Controversies on the origin of marketing

Unlike what is generally mentioned in textbooks on marketing, for the past thirty years historians' work has clearly proven that the origin of marketing is not only American, but equally English and this origin certainly does not date back to the 1950s, but way back to the 19th century. The official history of marketing as presented in most university textbooks, including the most recent ones, is thus strongly reconsidered.

Research conducted since the mid-1980s questions the idea whether marketing was created in the United States after World War Two.

1.1 *The official history: marketing started in the US in 1950*

According to the official story, the marketing era probably started in the United States in the 1950s. This "marketing era" was presumably following a "sales era" (1930-1950), which came after a "production era" (1870-1930). The main features of the production era were a poorly competitive environment, an exclusive focus of managers on technological and industrial aspects, and the absence of sustainable commercial efforts. The products were being well sold due to an excess of solvent demand versus a limited supply. The features of the sales era were basically the need to implement aggressive marketing methods ... supported by an effort in market research and advertising. In this official story, the features of the marketing era are the development of sophisticated methods to include the customers' expectations starting from World War Two.

1.2 *Questioning the official story*

This depiction of the origin of marketing is simple and consistent. It does not reflect the facts, however, and is implicitly based on a "catastrophic" model in which changes occur suddenly and are not related to the past...

THE PRODUCTION ERA HAS NEVER EXISTED...

History seems to have proven that the production era, between 1870 and 1930, never existed. Indeed, study of both economic and business history shows that already in the 19th century, competition was intense with recurrent overproduction and quite uncertain demand. At that time, the business world was certainly as tough as nowadays due to many seriously violent crises (late 1870s, early 1890s and 1920s, from 1929 to 1932, etc.). ... During the 19th century, disposable incomes were low and tradition most often was against increasing consumption (social conservatism, ethic based on asceticism ...). The reigning religious values were often against development of markets, for example that of a life insurance.

In this context, manufacturers were forced to be strongly active in stimulating demand, as otherwise products would not be sold. To develop markets, the production activity had to go hand in hand with commercial activities (marketing) or even or with community activities to make consumption compatible with the values of the era.... Entrepreneurs did not sit back expecting the market to provide them the anticipated opportunities: they were very active in creating markets, not responding to a hypothetical demand only. Historians have proven that in the second half of the 19th century, many companies introduced voluntary policies to stimulate demand in especially the health and nutrition fields.

... THE MARKETING ERA IS THUS A FICTION

The production era (1870-1930) never existed. One could reasonably consider that neither the sales era (1930-1950) nor the marketing one (from 1950) historically made sense. In fact, questioning the official story presented in almost all marketing manuals, some historians believe that modern marketing has not developed after World War Two but in the early years of the 20th century. Others even consider that the marketing roots date back to the mid-19th century, or even earlier, at the time of the English industrial revolution in the late 18th century.

1.3 The marketing phases according to Tedlow

During the early stage ("fragmentation", which lasted until 1880), the United States were divided into a number of geographical parts. Business focused on low volumes of produce, with significant margins severely limiting trade. Trademarks were virtually absent, essentially generic products were purchased and self-production continued to be fundamental. During the second stage ("unification", from 1880 to 1920), American products started escaping the regional boundaries...

The emergence of the railway thoroughly changed the business world. Products were sold on a substantially larger market: unit costs were reduced and so were selling prices, and as a consequence many products were sold to a large part of the population.

Between 1880 and 1890 large companies were created which modernised many markets in the consumer goods sector such as American Tobacco (1881), Johnson & Johnson and Coca Cola (1886), Kodak (1887) and Heinz (1888).

During the third phase ("segmentation", from 1920 onwards), market segmentation started expanding on a demographic and socio-cultural basis. Differentiation replaced the price war. Segmentation was greatly facilitated through the development of radio and later television publicity. Would the "Pepsi Generation" - one of the segmentation largest cases in business history – have existed without television?

1.4 Roots that plunge in the 19th century... and even before

Say's law that production creates the demand is long since questioned, in favour of an idea whereby the growth depends as much on the conscious efforts of actors to create the demand as on the technological revolutions. Production and marketing are working together to develop markets... In fact, the first properly marketing practices emerged around the first industrial revolution, then gradually during the 19th century, with an acceleration in the last quarter of the century. Specific institutions - such as advertising agencies or stores - reinforced the emergence of these new business practices.

1.5 The development of practice itself marketing

... Not any exchange, whether monetary or not, induces a marketing practice.... In the 1770s, great English entrepreneurs developed trade techniques which were draw upon by many American and European industrials.

... When the origins of mass consumption can be identified in the course of the 18th century, the roots of marketing date back to the 19th century, first in England, and then, from the 1870s, in the United States. During the second half of the 19th century, several modern practices appear as marking, packaging and design of products. Some trademarks appear

before 1870 as Pear Soap (1860s), but most appear after... Packaging to identify brands and improve the attractiveness of products goes back to the 1870s, with Dr Lyon toothpaste powder (1874) or the packages of various types of soap and washing powder of the Lever brothers (1880s).

...

2. THE MODERN ORIGINS OF THE MARKETING

When marketing roots date back to the 19th century, development of modern marketing must be reported at the turn of the century, either as new practices such as the systematic study of markets, or as new institutions such as self-service retailers.

2.1 The development of new practices

In the United States, the first thirty years of the 20th century were very conducive to the development of new practices - some existed before but then got more common - as the systematic study of markets, market segmentation, marketing control, or brand development through advertising.

Market research is gradually considered necessary to properly conduct business and make the best decisions. By the end of the 1910s several companies in the United States have their own marketing departments.

2.2 The market segmentation

Market segmentation - which means differentiating products according to the targets - first translates into a systematic development of different quality and price levels, then by the arrival of new target groups. Adaptation of products to specific customers' requirements is an approach known at the beginning of the century. In 1913, the Arbuckle Brothers (coffee roasters) sell their product under two brand names, Ariosa and Yuban: the first is intended for the general public, the second one for a wealthier clientele. Segmentation is practised regularly by many industrialists...

2.3 Marketing taking over

Whereas some manufacturers control their distribution to the level of wholesalers and retailers, others simply use intermediaries for the necessary support to sell their goods. Whatever their policy, manufacturers are investing heavily in these new commercial activities.

... MORE OR LESS DIRECT TAKEOVER

Some manufacturers take control of their wholesale distribution, especially in the sector of products for farmers and packaged meat ('meat packers', e.g. Swift & Co). Other manufacturers manage sales activities to the final customer, either door to door or by correspondence, especially for many innovative products... Direct takeover of retailers remains very exceptional because of the difficulties and costs related to this policy. ... Many manufacturers offer possibilities for buying on credit or for partial payment.

... SETTING UP A SALES FORCE

Industries provide networks of stores with training from advertising in shop windows to demonstrations to clients. To do this, many put in place a sales force and train their sellers for more efficiency. Methods are greatly improving and sellers rely on new means of marketing through brochures or mails to clients following face to face meetings. Commercial actions to encourage distributors to cooperate with industrialists are increasing: promotional

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operations, training to stimulate product interest, etc. Industries not only intend to sell more but also to sell better products, and their promotional efforts go hand in hand with service offers to distributors.

A night of anguish in the Coca-Cola company

"In 1927, Robert Woodruff [Director general] brought together his commercial field staff in Atlanta and announced that the Sales Department has just be deleted, which consequently results in the loss of their work. At the same time, he asked them to attend a meeting on the following day to examine the possibilities of re-employing them in the company. After what had been a night of anguish for these people, he told them that Coca-Cola created a customer service sector, in which each of them was offered a job (...) Woodruff claimed that at the end of the 1920s, the sale forms inherited from the past had become obsolete, because they were based on strategies of quantitative increase of the distribution network. However, almost every drinking establishment in the nation from then on placed regular orders with Coca- Cola [more than 100,000 bars at the time]. Therefore, it was necessary for Coca-Cola sales to no longer focus the sale to retailers, but on sales promotion at the service of the retailers themselves. Members of the previous sales force would no longer be representatives but become educators, for cooling, gasification and hygiene of Coca-Cola". *Source: Tedlow, 1996*

2.4 The development of strong brands through advertising

Psychological pricing has become a common marketing strategy. In fact, the most powerful and famous brands are accepting the higher prices. These brands grow through substantial budgets for advertising, not just for selling products but for enabling image building... Advertising is also used to transform mentalities and change the general consumption attitudes of the public. For example, in the 1930s, a large British advertising campaign contributed to improve the perception of real estate loans (until then regarded very negatively by low-income homes)...

Industries partly controlled the marketing of their products through combining market studies and market segmentation, through incentive policies and measures of intermediaries, through advertising their products, and assisted by their vendors on the ground.

2.5 The development of new institutions

New institutions are launched to help all actors to better control their markets: full-service advertising agencies, institutes specialized in market studies, new forms of commerce, emerging markets knowledge institutions.

FULL-SERVICE MARKETING AGENCIES: in the 19th century, the first advertising agencies simply resold space advertising space. In the United States and in England, the appearance of agencies offering more comprehensive services, including the creation and testing of advertisements, date from the beginning of the 20th century...

MARKET RESEARCH COMPANIES: Industrialists create commercial intelligence study departments and advertising agencies are sometimes involved upfront in the design of the product, led by market studies they perform... The development of market studies goes hand in hand with the development of companies specializing in this activity...

2.6 New forms of trade

As Cochoy said, "to implement mass production and mass consumption, new ways of distributing and new actors need to be found". For this reason, in the trade sector, things speed up at the beginning of the 20th century, especially in the United States which became the country of commercial innovations. The "cash and carry" wholesale system was launched in 1908, to avoid credit problems; The "self-service" system » was created in 1916 and grew rapidly, even though some stores came back on this in the 1920s ... In the following decades practices such as stock control, systematic analysis of sales, speculative buying, call options, promotion actions, developed quickly. In the years following the Second World War, the development of chains was spectacular in the food and the non-food sectors. This development was completed by the emergence of new business forms as shopping malls and hypermarkets offering "everything under the same roof". In the United States, the number of malls increased from 8 in 1945, to 3840 in 1960 ...

...

Whereas it is clear that the origin of the marketing dates back a long time ago, it can be assumed that its evolution was not linear over time... the overall evolution of marketing is a combination of several internal movements that have been active for nearly two centuries: the evolution of the relationship between producers and marketers; matching production with sales, and the company with the client; the development of specific institutions...

...

THE EVOLUTION OF RELATIONSHIPS BETWEEN PRODUCERS AND MARKETERS forms the central dynamics of business, with profound impact on marketing practices. At certain times, the roles of production and marketing merge. In the middle ages, craftsmen sold their products directly and some merchants were producers as well. More recently, manufacturers develop their own networks of outlets and some traders produce largely in their name ... This ebb and flow movement of the intermediation is one of the most important movements of the evolution of business practices over a longer period. In this game, marketing has been a competitive weapon for both producers and marketers, in a global context in which where the increasing concentration of distribution has tipped the power to the marketers.

Due to limited organisational and communication resources, most producers lost control of their markets because of mass production that is increasingly spreading around the world. Larger producers have lost touch with their customers. Intermediaries then appeared to bridge the gap between producers and their clients who became anonymous customers... For producers, it became quickly necessary to implement specific action plans to control and invigorate the distribution channel. With regard to the final customers the brand and, more recently, loyalty programs play an important role. For intermediaries, a mixture of programs (sale promotions, training, etc.), contracts (franchising, licensing...), or even a forward integration with the direct acquisition of intermediaries, especially in the sector of sustainable products is needed.

ALIGNING SUPPLY WITH DEMAND, AND ALIGNING THE BUSINESS TO THE CLIENTS' NEEDS:

There is rivalry between producers and marketeers within each company, and between the production function and the sales function. For Tedlow, coordination of production and sales is "the main problem encountered by enterprises since the beginning of the first industrial

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revolution." On the long term, improved sales and marketing alignment – and thus better adjustments to clients' needs – is an essential move, whether concerning strictly technical

and technological issues, or more cultural and sometimes even ideological ones.

A first alignment is not having “sales as directed by manufacturing plants” but “production led by the expectations of consumers. At the beginning of the 20th century, aligning supply with demand had a rather technical dimension: it was to communicate sales forecasts to the plant, as accurately as possible, taking into account both the qualities expected by the market and the marketable quantities.

A second alignment, more cultural in nature, is to ensure that the sales and marketing department/the management builds more links with the other parts and functions of the company so as to put the consumer at the centre of the process of decision and action. This type of alignment started much later than the first alignment mentioned above. At the end of the 20th century, this second alignment became a major organizational challenge. It meant to ensure that the market orientation was spread throughout the organization, and to include the support functions that were not a priori related to clients. This is a “customer-centric”, approach where so-called “relational marketing” starts playing a role, as was the case before the industrial era as well.

THE DEVELOPMENT OF SPECIFIC INSTITUTIONS: Marketing would not be what it is without the development of numerous institutions that involved in informing customers (advertising agencies, media...), informing companies in return (market research institutes...), supporting physical flows of goods(wholesalers, specialized logisticians ...), offering goods to the public (retailers of all kinds), allowing purchase financing (financial company...), etc.

...

The increase of such institutions is explained by the birth of new intermediaries (hypermarkets, maxi-discounters, merchants on the Internet, etc.) that exist next to the older ones (shops and department stores). Each enterprise weighs little on the fate of these institutions, but fierce competition, co-operations and partnerships formed, determine the pace of marketing.

SELF-SERVICE, VEHICLE OF MARKETING PRACTICES TRANSFORMATION: The development of self-service stores... has had a profound impact on marketing practices and on customers' experiences. The absence of a seller took away the possibility for the customer to ask for advice... and took away the possibility of the vendor influencing customers, e.g. promoting a certain product, branding a store, or promoting high-margin products. As a trade expert explained in the 1950s, «leaving the housewife to herself, she sells to herself on average much more than the best clerk manages to sell from behind his desk on his most successful day»... But is the 'housewife' really 'left to herself' in a self-service store? The answer is certainly negative. The absence of advice is in part offset by the presence of a package that allows customers to easily identify brands and easily access the necessary information before buying a product (packaging is indicated as a 'silent salesman'). Also, the absence of a salesman is offset by the higher importance given to brands, which are known in large numbers from radio and TV commercials.

3. CONCLUSION: ONE STORY, STORIES

... There is no such thing as a marketing strategy. Marketing strategies are extremely diverse

and vary according to countries and sectors... Marketing of mass consumption products is not the same as marketing for cultural institutions or financial services, etc. Many issues are

at stake: which countries are front-runners and which countries are followers? Are the followers merely copying, adapting or reinterpreting the Anglo-Saxon practices, or not? Does marketing spread evenly from one sector to another, or are the forms fundamentally different? ...

In the history of marketing, practices and theories intertwine... Recognizing that there are several origins of marketing can certainly give a better insight into this important practice of modern management.”

Reference sheet 4: Business intelligence

The following extract from ICRA's document "*CASE. A grassroots approach to agribusiness development in Sub-Saharan Africa*", volume I (pages 98-100) details the distinction between the concepts of Business intelligence and Market intelligence.

"An entrepreneur in Sub-Saharan Africa operates in an extremely dynamic and uncertain environment. Market conditions and consumer behaviour may change from one day to another. Chain partners (suppliers, buyers) may suddenly disappear or become engaged in competing alliances. Even at local (cluster) level there may be changes that widen the scope for interactive learning and innovation or changes that undermine the capacity to maintain a competitive edge. Adequate information is valuable. The information that a local entrepreneur needs to be able to operate his/her business includes:

- A proper understanding of one's own enterprise (performance)
- Understanding of the costs and profits involved for various actors and groups of actors, along the value chain
- Information on the capacity (i.e., capacity to deliver) and reliability of actual and potential business partners within the cluster and along the input supply and commodity value chains
- Information on prices for agro-inputs and for the specific commodity at different (accessible/reachable) markets
- Information on consumer characteristics (preferences and requirements in terms of affordability – price – and availability in time and space), and possible trends
- Information on competitor strategies
- Information on alternative channel options (to supply the commodity to a targeted market segment)
- Information on (upcoming) regulations and policy measures that may influence the business environment

We call this **business intelligence**. Business intelligence can be divided into the following two categories:

1. Internal enterprise, cluster or chain information, which essentially comprises performance-related issues: productivity measures (yields, labour productivity), efficiency of agro-inputs, profits and unit costs and effectiveness (quality, volumes supplied)
2. External, competitive information or intelligence, which ranges from information on the capacity of business partners and the preferences of targeted consumer segments to information on alternative options and competitor strategies.

... "Information plays a key role in agribusiness development and the information that empowers smallholder farmers and stimulates entrepreneurship can be organized along two lines: performance monitoring and market intelligence. Together, we call this **business intelligence**.

Reference sheet 5: Marketing mix

Marketing Mix is a business tool used to determine ways to market a product. This means that it is developed once the product to sell and the place where to sell it have been identified (through a **market study**, and a **marketing prospection**).

The concept of the marketing Mix was introduced in 1960 by Edmund Jerome Mc Carty (USA) and is synthesized by the “4P” model (**P**roduct, **P**rice, **P**romotion, and **P**lace), referring to the following aspects:

Product	<p>A product is seen as an item that satisfies what a consumer demands</p> <p>Every product is subject to a <u>life-cycle</u>, including a growth phase followed by a maturity phase and finally an eventual period of decline as sales falls. Marketers must do careful research on how long the life cycle of the product they are marketing is likely to be</p> <p>The marketer must also consider the <u>product mix</u>, i.e. the product variety offered (packed or not, branded or not, etc.), which has an impact on the other “P’s”.</p>
Price	<p>The amount a customer pays for the product. The price is very important as it determines the company's profit and hence, its survival. Adjusting the price has a profound impact on the marketing strategy. Often it will affect the demand. The marketer should set a price that complements the other elements of the marketing mix.</p>
Promotion	<p>All methods of communication that a marketer may use to provide information about the product: advertising, public relations, informal communication, etc.</p>
Place (distribution)	<p>Refers to providing the product at a place which is convenient for consumers to access. Various <u>strategies</u> such as intensive distribution, selective distribution, exclusive distribution and <u>franchising</u> can be used by the marketer to complement the other aspects of the marketing mix</p>

Since the 1990’s, some theoreticians proposed to introduce the “7P Model”, adding to the former “4P” the following dimensions – more related to the “modern” infrastructures like super- and hypermarkets :

- **Process:** The processes and systems within the organization that affect its marketing process: reception, advices, schedules, etc.
- **People:** Employee with whom customers come into contact
- **Physical evidence:** Elements within the store, as employees’ uniform, signboards, and store front.

Some argue that these 3 additional “P” dimensions are already included in the “4P model” (Process and People vs Product, Physical evidence vs Promotion).

Also in 1990, the “4C model” appeared, that proposes a more customer-oriented approach that the “4P”, and attempts to better fit the movement from mass marketing to niche marketing”:

- **Consumer:** Insist on the need to know precisely what the consumer is looking for (quality, schedule, etc.)
- **Cost:** All elements of cost for a consumer, not limited to the product’s price

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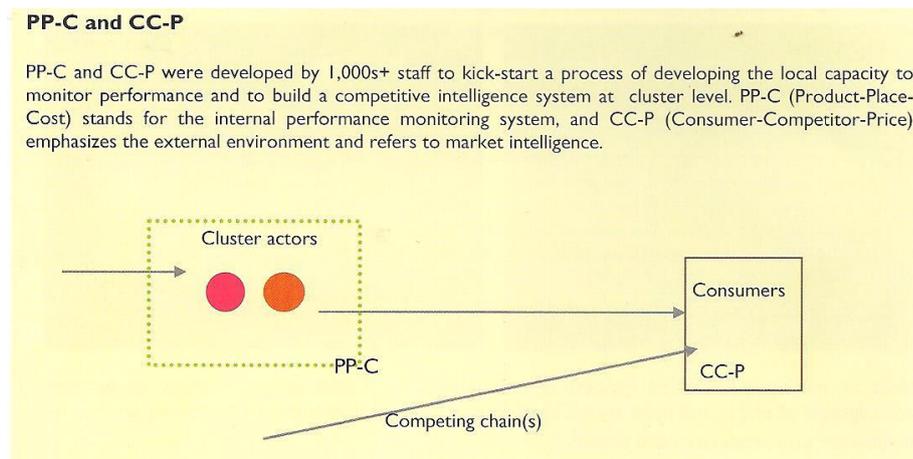
- Communication: Insist on the necessity to develop a dialogue with potential buyers
- Convenience: Take into account new technologies which allow to buy from and in any place

The 4C and the 4P model compare as follows:

Consumer	Product
Cost	Price
Communication	Promotion
Convenience	Place

This marketing mix approach resembles the “PPC and CC-P” concept developed by the 1,000+’s project. The difference is that the marketing mix approach aims to find the best way to satisfy a market, and that the PP-C/CC-P approach aims to develop the competitiveness of a cluster.

The PP-C and CC-P model, as introduced in the ICRA’s document: “*CASE: a grassroots approach to agribusiness development in Sub-Saharan Africa*”, is shown below:



Reference sheet 6: Before meeting a cluster

This refers to Session 4 “The real world” in which it is proposed to visit a cluster to talk about marketing actions. The following photos are example of questions that have been prepared by groups during the ToT workshop in Cotonou (November 2013)⁷:

<p>VISION</p> <p>1) Degré de Satisfaction de mise en marche de vos produits</p> <p>2) REFLECT ON YOUR MARKET ACTIVITIES OVER THE LAST 2-3 YEARS AND TELL YOUR EXPERIENCE, GOOD OR BAD</p> <p>3) WHICH FACTORS HELPED YOU ACHIEVE YOUR MARKETING GOALS ?</p> <p>4) WHAT CHALLENGES DID YOU FACE IN MARKETING; HOW DID YOU OVERCOME; WHAT FACTORS HELPED</p> <p>5) IF YOU ARE TO ADVISE ANOTHER CLUSTER ABOUT MARKETING; WHAT WILL YOUR ADVICE BE ?</p>	<p>MARKETING ACTIONS</p> <p>1) What marketing activities have you done so far?</p> <p>2) What do you do to prospect for buyers?</p> <p>3) How do you deal with competition?</p> <p>4) WHAT DO YOU DO TO ATTRACT CUSTOMER LOYALTY</p>	<p>1) Que produisez vous et quelles sont vos motivations ? (Nom du produit)</p> <p>2) Quelles sont les Es de stratégie que vous comptez mettre en oeuvre ?</p> <p>3) Qui sont vos principaux consommateurs et où sont-ils ? Acteurs</p> <p>4) Quelles sont les impressions de vos différents consommateurs sur votre produit ?</p> <p>5) Comment communiquez-vous avec vos clients ?</p> <p>6) Où voulez-vous être les trois prochaines années en terme de vente</p>
<p>1. Regarding “Vision and Strategy”</p>	<p>2. Regarding “Marketing actions</p>	<p>3. Regarding “Assessment and lessons learned”</p>

⁷ The ABC met by the group was “Benin Dangbo Adjohoun Riz”, in south Benin

Reference sheet 7: ABC’s action plan

The following text is extracted from the technical document edited by 2SCALE, called “2SCALE PPP – Protocol” which gives information and instructions about the concept of Private Public Partnership (PPP), involving large, medium, or small-scale enterprises, including farming co-operatives.

The table below is a “Checklist for an ABC’s Action Plan” and presents how an Agribusiness Cluster’s Action Plan (AP) can be developed.

1	Business idea of the business champion
2	Value proposition of the ABC: a. What value will the ABC (through the business idea) add to which, existing or new consumers (i.e., market)? b. What value will the business idea add to the business champion & other cluster actors? c. How will this proposition realize inclusive economic growth?
3	Who form the VC and/or ABC(s) in the coming period? Indicate as precisely as possible names and addresses of cooperatives, companies and service providers (financial, BSSs) involved.
4	What value (capacity) do the various key actors (including the BSSs) add to the action plan?
5	Activity calendar & budget (see table formats on the next page): 1. Activity calendar 2. Overall ABC budget 3. Specific BSS budget
6	Why the proposed activities need to be executed in the coming year (priority activities).
7	In case a strategy is available: How does the ABC action plan compare with this strategy (what are major changes / new orientations – because of lessons / previous experiences??)
8	An ABC-specific results chain ; some remarks on: <ul style="list-style-type: none"> • How outputs/ outcomes will be monitored • How information will be communicated. • Costs of entrepreneurial monitoring (to be included in the budget)
9	Approval of the selected ABC actors to participate in/ contribute to the PMP of 2SCALE
10	Other relevant info (e.g., on risk management/ critical factors for success beyond the control of the VC and ABC actors, or 2SCALE)

NB1. Most of the information for a 1st year action plan is available to the business champions after the D&D workshop (see format D&D workshop developed by ICRA: Diagnostic & Design Workshop: from business ideas to priority actions). The final action plan, including the tables as mentioned under 5, remains the responsibility of the business champion (in consultation with other key ABC actors).

NB2. The cluster action plans will be annexed to subcontracts with BSSs and/ or business champions. They should therefore themselves preferably not contain annexes.

Table A1: Activity Calendar

Activity		Responsibility	Period of implementation (month)											
N°	Description	ABC actor in charge	1	2	3	4	5	6	7	8	9	10	11	12
1														
2														

Table A2: Activity budget

Activity	Resources – inputs required*	Estimated costs	Source of funding			
			Internal (private) ; specificity of cluster actors		External (public); specify donor	
						2SCALE fund
1.						
2.						

* Resources/ inputs can be time, travel & transportation, cluster development activities, equipment/assets, office operations. Please provide the basic information for the calculation of the costs (unit, no. of units, value/unit, or other).

Reference sheet 8: Managing risk

The following text is extracted from a FAO Marketing manual, written in 2004 by Bob Densley (see bibliography in the Facilitators' Guide).

MANAGING RISK

1. The concept of risk management

Risk for farmers may come from the following areas:

- Production – weather (heavy rain or drought, winds, cyclones), pests and diseases, fire, theft of product etc.
- Marketing – market price downturn, market oversupply, losses in transport, losses in storage
- Financial – increase in interest rates on debt and credit, currency changes.

Risk management involves attempting to prevent an undesirable event from occurring or planning to make the negative effects as small as possible. There are three ways the farmer can deal with risk. These are:

- Deal with it if and when it happens – do nothing;
- Guess what may happen and try to avoid it –but growers cannot control most risks;
- Plan and take action in advance that will make the impact of the problem, if it occurs, as small as possible.

For example, if a field is likely to get very wet, then planting all the crops on a ridge to keep the leaves dry and drain water away from the roots is a sensible strategy. Alternatively, a sensible strategy would be to plant a crop that thrives on very wet conditions (such as taro). In order to minimize risk, farmers need to make decisions or choices. To do this effectively they need to know both technical (soil conditions, weather patterns, knowledge on how to implement specific enterprises, etc.) and socioeconomic information (on input and selling prices, yields, markets, etc.). However, often farmers find that the decisions they have made turn out not to be the best, because:

- Conditions have changed from the time the decision was made and the crop or animal was finally harvested or sold;
- There are many factors or influences in agriculture over which farmers have no control.

For example, crop farmers must make some major decisions (such as what crops to plant and what seeding rates, fertiliser levels to use) early in the cropping season. The final yield and prices will not be known for several months, or even several years, in the case of tree crops. In addition, risks in farming activities can come from unexpected places such as drought, disease, low market prices, imports, etc.).

Risk management is about:

- Planning for the unexpected
- Planning for your possible problems

2. Information and decision-Making

What prices and returns farmers think they will receive in the future for their crop is important in the decisions they make. What happened in the past is important and helps decide what may happen in the future. Farmers tend to remember the bad things and not the good things.

What happened last month is considered more important than what happened last year. The most useful tool a farmer can have to help in the management of risk is good information. There are several sources of information available to the farmer:

- **Farm records:** The best source of historical production and marketing information are—or should be—the farm records. Crop yield, livestock production, and cost information generated by farm records tell the farmer what can be achieved. Production records should give the farming family some idea how successful they were at managing risk in the past. These should also give some hints to what they should do in the future to be successful.
- **Information from elsewhere:** This includes information from the Agricultural Statistics Service, National Extension Service, and other government agencies. In addition consulting advisory services, newsletters, magazines, agricultural suppliers, and neighbours can all prove to be valuable sources of information for farming families.
- **Production and market information:** Historical yield and price information will be available from the MAF Statistics Service. This information can prove useful when compared to the data generated by farm records. It is important to remember that national data is an average of many farms and may not tell the farmers exactly what they might get. Comparing historical farm yield data to that of similar farms in the same area should provide additional information on how the farmers can improve their performance.

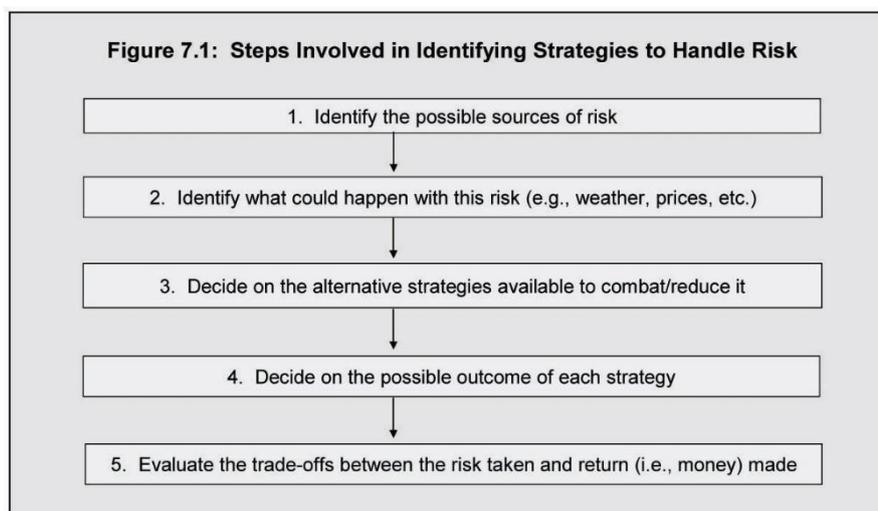
What the market is doing will not tell the farmer about the risk, it will just give a trend that the farmer must decide whether it is good or bad news. Understanding the importance of these issues and good information about them could help the farmer avoid bad decisions in both the short and long run.

3. Farming strategies to reduce risk

3.1 The approach

Farmers should make plans to cope with risk so that they can have some protection against the decisions they make today, not knowing what may happen tomorrow. Risk management strategies have many responses, which may reduce the chance of a bad event occurring and/or reduce the effect of the bad event, if it occurs.

Farmers can take risky decisions easier by comparing different strategies and the possible outcomes of each. The process can be broken down into several steps, as indicated in Figure 7.1.



3.2 Risk Minimisation

3.2.1 Production Responses

Six specific strategies used to deal with production risk are:

- **Choosing low risk production activities:** Farmers can manage their risk through the crop or livestock enterprises they chooses to implement. Farmers are likely to be aware of how specific crop yields are related to soils, management, and other factors on their own farm. For this reason, a crop enterprise may be considered high-risk by one farmer and low risk by another farmer. Some farmers may also undertake only part of a production activity as a means of reducing risk. For example, a farmer may breed pigs but may not fatten them.

Table 7.1: Risk Management Strategies According to Farm Operation Area

Area of the Farm Business	Strategies for Reducing Chances of Occurrence	Provide Protection Against Adverse Consequences
<i>Production:</i>	Choosing low-risk production activities Diversifying enterprises Geographical dispersion of production	Diversification of production practices and crops Maintaining flexibility
<i>Marketing:</i>	Obtaining market information Spreading sales over time	Forward contracting Minimum price contracts
<i>Financial:</i>	Off-farm activities Maintaining liquidity reserves Spacing investments Acquiring assets Obtaining limited amounts of credit	Insurance against losses

- **Diversification of enterprises:** Implementing many enterprises (growing many crops, often in mixtures) is a risk management technique traditionally used by farmers. If one crop does not do well, another crop may do better, because different crops have different production cycles, different rooting habits, different demands on soil nutrients, etc. The money the farmer may make may not be as high as if they had specialised in growing just one crop, but production and marketing risks will likely be reduced. For most farmers, combining crops (crop mixtures, crop rotation and diversification) is not only a risk management strategy but also good management: Farmers rotate crops to protect their soils and stop disease building up, a strategy which can reduce costs and potentially increase yield.
- **Growing crops in more than one farm location:** This production strategy may not always be suitable for small farmers. Growing crops in different places reduces the impact of localised weather, soil and pest and disease conditions.
- **Diversifying production practices for the same enterprise:** Farmers often choose different ways of doing things as a way of spreading risk. They may plant several varieties of a single crop; they may implement a plant protection programme to prevent pests (for example, bagging fruits). The additional cost of these approaches has to be compared against the potential losses that might occur without them.
- **Maintaining flexibility:** Farmers commonly try to maintain flexibility in their operations as a production response to risk. Increasing specialisation of livestock facilities and equipment limits flexibility. However, farmers are more likely to maintain flexibility in their marketing decisions than in the type and size of production activities. Often the costs associated with flexibility in production are higher than most farmers are willing to risk.
- **Crop Protection** Farmers may need to fence a field or have security guards in some circumstances to prevent theft of ripening crops

3.2.2 Marketing Responses

Fluctuation of product prices in the market place has increased farmers' awareness of price risks and highlighted the importance of good marketing skills. Farmers have increasingly attempted to improve their marketing knowledge and to develop new marketing skills. Four strategies to combat marketing risk are:

- **Obtaining market information:** Very often farmers do not know the national price for a product. Obtaining market information from friends, relatives and the radio is not difficult, but obtaining reliable information is. Getting market information is a starting place.
- **Spreading sales:** The technique of spreading sales (that is, selling a particular product several times during a year) is commonly used by farmers. This method of selling enables a farmer to avoid selling all of the production at the lowest price during the year. The more seasonal agriculture is (for example, rain-fed agriculture in drier areas) the higher the price variation is likely to be.
- **Various markets:** The Risk of not being able to sell all production can be reduced by using various target markets, such as combining direct sales with sales to traders and processors or to restaurants.

- **Forward contracting:** The practice of forward contracting, when available, can be used for all or part of the farm production. Some production contracts will also provide farmers with seeds, planting materials, chemicals and packaging which will offset some of the production risk. Forward contracting may result in the farmer getting a lower price than they would have if they had sold “on the day” but the market risk is reduced. The ability to guarantee the price the farmer receives allows them to plan ahead. If the farmer is happy with the gross margin made and feels that he can safely supply the quantities contracted, then forward contracting is a good risk-avoidance mechanism.

Reference sheet 9: TOR for field coaching

Additional advice for coaches

When working with an ABC, the coach's involvement must be organized at two levels: for collecting information, and for giving advices.

Regarding **collection of information**, the following elements may be developed:

- Always start exchanges with an ABC with a reconnaissance of the market: which product and value chain is involved? Does the ABC have a good idea of the product to be marketed and of the kind of market?
- At the same time, ensure that the ABC controls its supply in terms of quantity and quality (variety, packaging, etc.). Is the harvest period the same as in many other production zones (this gives an indication of possible competition)? Is storage possible? If yes, for which purpose (usually to take advantage of rising prices) and at which conditions (cost, organization)?
- Analyse the way the ABC is organized in order to market its products: are members dedicated to the task? How are decisions being taken? Is there an internal mechanism for information enabling all ABC's members to be informed about decisions made? Is the marketing individual or collective? What is the ABC's added value for its members in terms of marketing?
- Is the ABC aware of the production and marketing costs of its product? How does the ABC determine its prices? Are prices in the destination market and in others places (nationally, regionally, or internationally) known?
- Analyse the way the ABC works with its services and goods providers (input suppliers, financial institutions, extension, etc.).
- Determine the ABC's capacity and competencies in marketing. This can be checked through the quality of the answers given regarding the ABC's market knowledge, its vision on the way to develop its business and profitability, etc.

The **advisory** step (from the coach to the ABC) is a delicate one, because as a coach you are dealing with value chain professionals who have ample practical experience and knowledge in marketing, even though they may have weaknesses. Advices must be very well tested and thought-out before given to ABC members, firstly, because the coach's credibility is at stake (and that of the 2SCALE projects as well), secondly – and mostly so – because of possible side effects on the ABC.

So, any coach must **avoid lecturing the ABC**; he/she is just a “modest” advisor who proposes ideas and supports their implementation. He/she doesn't take as many risks as the ABC members do, neither financially, nor commercially. Some ideas for advice that could be given after proper discussion with the ABC's leaders before implementation are:

- After confidential interviews with ABC members, and if the coach finds it necessary, he/she could organize a short meeting with ABC members (maximum 1 day), to exchange on its marketing situation: establish a SWOT analysis, identify key actions to implement in the next months, with responsibilities split out among ABC members, the necessary partnerships, a schedule, and a budget.

- If the ABC members do not yet have clear ideas of possible markets for their product, a **market study** may be proposed, which could be followed by a **market prospection** (see session 3). According to the market the ABC wants to identify, the market study may be done by the ABC members themselves or by an external specialist. A training in market study could be organized for ABC members.
- In case of lack of information on markets and prices, the coach may propose to develop an appropriate information system, analyse and use existing information systems (at both national and/or regional level), and introduce the idea of a **marketing intelligence** (see session 3).
- Consider coach and 2SCALE project as a partner. It is their aim is to support the ABC's sustainability. So, mutual confidence must be developed. Nonetheless, the ABC must be well aware that its development should come from its own members and leaders, through their commitment and dynamism.

Advice for the coach in the marketing support

- Develop an interest and commitment for the subject (marketing).
- Master the ability to listen and analyse situations.
- Create an atmosphere of confidence and relationship with ABC actors and other stakeholders.
- Master or develop curiosity by constantly searching for information on a certain product and value chain, on the market (demand, competitors), on innovation, on institutional reforms, etc. This is possibly done through a lot of reading and through a good personal network.
- When talking with ABC members, do not be satisfied with the first answer you get, always ask "why" upon a "because", do not accept an unsatisfactory reply.
- Be humble and recognize the necessity to call for external skills when necessary ("we are not alone")
- Take into consideration that each ABC evolves differently, according to the leaders' skills and commitments, the value chain they are working in, the ABC's experience in trade, etc.
- Avoid considering buyers as bad people, despite the many stereotypes. These buyers are value chain actors, and assume functions others actors (e.g. farmers) cannot do. Some abuse exists (as among all types of actors), but do not generalize.

The reader will have noticed that these last tips refer to the social skills of a coach or facilitator. These are detailed in the conclusion of session 6 of the Facilitators' guide.

Instructions on group work and exercises

Before starting each exercise and the group work, please verify whether all group members have well understood the exercise or the assignment at hand.

To the facilitator:

- Make sure participants are distributed into groups of interest, based on gender, or at random, whatever is needed.
- Make sure each group receives adequate tools and materials such as flip sheets, markers, etc.
- Assign an appropriate place/location to each group and sufficient chairs and tables so that they can work comfortably.
- Make sure the participants have good understanding of the task at hand before they split into their groups so that they do not spend unnecessary time in trying to understand the assignment.

To the participants:

Discuss and exchange within the group about your individual understanding of the expected outputs of the exercise and make sure to come to a common understanding on:

- The objective of the exercise (what is expected and why?)
- How to proceed to answer the question as a group
- How to 'visualise' your findings (using poster paper or pin board and coloured cards or the computer)
- Who to appoint to lead/moderate the discussion
- How and who to present results during the plenary session
- Who will be in charge of the final electronic write up?



Exercise 1: What do we know about marketing?

1. For each group, the expected output is to come up with the cluster with the best developed marketing approach, based on the marketing definition given. This means that each group member has to present to the others in the group the situation of the cluster they know.
2. Then, once all clusters have been presented, each group identify the cluster that has the most advanced marketing approach. Once a decision has been made, each group presents its arguments for selecting the cluster, explaining its marketing approach in the plenary session.

Exercise 2: From trade to marketing

This exercise takes the form of a role play in two acts. The participants are divided into three groups, each representing a value chain's actors: seller (S), buyer (B), and support institution (SI).

The two acts of the play will be structured as follows:

Act 1: 'Searching for market'. It is expected that at the end of this act parties S and B agree to develop a commercial partnership, and that during this act the following concepts will be discussed: **Market Survey, Market Prospecting, and Marketing Strategy**.

Act 2: 'The growing Partnership'. Here it is expected that the facilitator discusses the concepts of **Marketing Strategy & Action Plan, Marketing Intelligence, and Promotion**.

1. The participants form 3 groups (S, B, and SI, see above). Two others volunteer to act as observers of the role play.
2. Each group gets their specific Terms of Reference (**see below**) containing information, instructions and questions.
3. Each group has 30 to 40 minutes to prepare its part in the role play.
4. The role play may not exceed 40 minutes, the time to be distributed evenly over the two acts.

Practical details

Materials needed:

- Tables + chairs
- Fictive market research study document
- Sufficient bags
- Camera + photographer
- Phone numbers of one person of each group

Staging of the roles

Installing the stage: A large space is created to enable the 'actors' to interact; Tables are placed in three groups, to house in) the sellers 'S group ii) the buyers group 'B', iii) the 'rest of world'.

- At first, only the S Group is staged, seated at its table => I discussion within the group
 - Group S calls SI who joins him at his table => Discussion on what S can supply
 - SI leaves the S group, walks around the room, passes through the 'rest of the world', stops for a short moment at B
 - SI sits for a (very) short while at a table away from B and S, simulating having a market research report, and then moves to S to give him this document ().
 - SI leaves S, and the stage
 - S stays alone for a while to prepare his meeting with B
 - S calls SI who joins him. Both are moving towards B.
 - The rest of the game takes place in B's corner.
-

Terms of Reference for the Seller group (S):

The role play will take place in 2 acts, i) "Searching for the market", and ii) "The growing partnership".

A scenario is presented with basic information on:

- the targeted product to market with indications of quantities, price;
- the market targeted in terms of location, volume, level of competition, etc.;
- the environment: information, involvement of the State, etc.

The ToR concern both the story line (*what to prepare and say*) and how it is staged/acted (*how to behave*).

The parts marked in *italic* and **bold** are instructions that you prepare in your group before starting your participation in the role play.

Do not forget to distribute the roles within your group, so that all can express themselves.

ACT 1 (S)

Staging, beginning of Act 1 ("Searching for market"): your group is alone.

Your starting situation is as follows: Thanks to your efforts in production, your offer largely meets local needs. You are feeling encouraged to expand your sales space and want to find new selling opportunities, but you don't know how to do this. You should therefore seek the support of the support institution (SI) to help you in this.

- **Prepare a brief discussion within your group, which you will be then asked to play, to introduce the starting situation and the decision to call in the help of SI.**

Staging: you are alone. You call/ phone SI, who enters and sits down with you

You expose briefly to SI your constraint (the need to find new markets). SI will probably ask you what solutions you think about for identifying a new market.

- **Think about answers to this question (how to find a market?)**

In order to effectively assist you in this process, SI will stress the importance for you to prepare actively for identification of the market. Thus, SI will ask you whether you know the potential of your offer. You will respond positively.

- **Imagine what may be the potential of your offer in terms of quantity, quality, delivery dates, (minimum) price, etc.**

This information is collected/needed to attract the interest of a buyer who doesn't know you, to give the latter the wish to work with you, in a competitive environment. To help you determine a level of volume and price, please refer to the initial scenario.

Staging: SI and you. You communicate this information (quantities, quality, etc.) to SI who then gets up and walks around the room.... After a while, SI returns to you and hands you a document.

You briefly browse the document issued by the SI. You find it very interesting and you identify in this document a buyer who expressed an interest in your offer. Ask SI to introduce you to this buyer. Of course, SI accepts but warns you that you must prepare yourself well before meeting him to make sure the buyer is interested.

Staging: only you. SI left you to get prepared for your meeting with the buyer.

- ***Imagine what you need to do to prepare to meet a potential buyer that you have not seen before. Prepare these items.***
- ***Think of possible questions the buyer can ask, and prepare the answers (anticipate)***
- ***Prepare questions that you can ask to the buyer***

Once this is completed you are ready to go and meet the buyer.

Staging: you call SI, telling him/her that you are ready to meet the buyer B. SI joins you at the table and calls/phones B to arrange an appointment.

SI asks you for the elements and arguments that you developed in preparation for the meeting with B (see previous questions). You exchange your views with SI.

Staging: You all (SI and you) stand up and browse the room to where the buyer B is sitting.

After a brief mutual presentation, the meeting with B takes place, the potential buyer of your product on this new market. At the beginning, and logically, confidence does not exist because you do not know each other. The arguments that you prepared (above) will allow you to defend your product and your ability to sell your product to him in good condition. But meanwhile, B will also have to convince you of his professionalism. Do not forget that a good partnership is developed only if there is respect and mutual trust and by defending his interests also.

At the end of this discussion, S agrees to collaborate with B. B agrees to collaborate with S. A commercial partnership can start.

(Applause from the audience – Picture)

END OF ACT 1

ACT 2 (S)

Staging Act 2 "partnership grows": B, SI, and you. You discuss with B the terms of a commercial partnership in the short, medium and long term. SI facilitates the meeting.

This partnership is an opportunity for you. But it has not started yet and the discussion that is to take place should allow you to decide how to organize your collaboration with buyer B.

- ***Imagine the arguments that you develop during this discussion. What would be the elements (organisational, technical) to put forward to allow the partnership to evolve in the best conditions, in your interest, and of course in B's interest as well?***
- ***What will be your reaction to the proposal that B could make to provide you with market information?***

Imagine the partnership satisfies both you and buyer B too, and it is extended over several campaigns. The SI will bring B and you to decide on this near future.

- ***What actions or initiatives can you imagine need to be taken to strengthen this business relationship?***

Back to the current situation, SI will ask you to agree with B about two or three actions or topics that will start your collaboration

- ***What could they be?***

After a brief discussion, B and you will validate the lines of work for the /domain you will start the collaborating on.

(Applause from the audience)

END OF THE ROLE PLAY

Terms of reference for the Buyer group (B):

The role play will take place in 2 acts: i) 'Searching for market', and ii) 'Growing of/developing the partnership'.

A scenario is presented to you with basic information on:

- The targeted product to market with indications of quantities and prices.
- The targeted market in terms of location, volume, level of competition, etc.
- The environment: market information, statistics and strategies involvement of the State, etc.
- The ToR concern both the story line (*what to prepare and say*) and how it is staged/acted (*how to behave*).

The parts marked in ***italic and bold*** are instructions that you prepare in your group before starting the role play. Do not forget to distribute the roles within your group, so that all can express themselves.

ACT 1 (B)

Staging, beginning of Act 1 ('Searching for market'): your group alone.

At the beginning of Act 1, your presence is discreet. You install yourself at a distance from seller S, and support institution SI, who both start the role-playing game.

SI then comes to you.

Staging, SI and you. You pretend to discuss, nobody hears you.

At the request of seller S, SI comes to you to enquire about your activity, the markets you serve, your demands on suppliers, etc.

Staging, you are alone. You go about your business (in fact, waiting for what follows). The SI went and met S to present him the results of his research/study, which include the discussion with you.

Thanks to the information provided by the SI, S is very interested to meet you.

Staging, you're alone, SI calls by phone to arrange a meeting with S. You accept.

You are also interested to know this potential new supply's source.

- ***Imagine the information you can ask S to convince you of the importance of working with him***
- ***Imagine the questions you could ask S to convince him of the importance of working with you. Prepare the possible answers (anticipate)***

Staging, S, SI and you. Seller S comes to you

This first meeting with a potential supplier that is new to you should enable you to appreciate the importance of making a first business transaction with him.

- ***Prepare the conditions of your request to S, in terms of quantity, quality, price, etc.***
You can use the information from the baseline scenario. You attempt to measure his seriousness and professionalism, in order to decide whether to work with him. The questions that you prepared (instructions above) should help you in this.

Of course, S will try to convince you of the importance of buying his product.

- ***If S asks you to sign a contract at this very first contact, what will you answer? Prepare your response.***

At the end of this discussion, S agrees to collaborate with B. B agrees to collaborate with S. A commercial partnership can start.

(Applause from the audience – Picture)

END OF ACT 1

ACT 2 (B)

Staging Act 2 ‘Developing the partnership’: S, SI, and you. You discuss with S on the terms of a commercial partnership in the short, medium and long term. SI animates the meeting.

This partnership is an opportunity for you, because you know that the product supplied by S is of good quality and will be appreciated by your customers, but you need to defend your own interest.

The discussion must allow you to decide with S how you organize your collaboration.

- **Think of arguments you need to develop for this discussion. What would be the elements (organisational, technical) to put forward to allow the partnership to evolve in the best possible way, in your interest, and, of course, in S’s interest?**
- **Provide market information on a regular basis to S.** While knowing that the information you provide won't be complete, your interests must be safe. Likewise, S will be aware of the fact that you will not be able to give you all information, and will prepare his response accordingly.

You are aware of the risk of this new partnership with a seller (S) whom you do not know well and whose work you cannot control in terms of quantities, quality and delivery time.

- **Prepare the questions for S to reassure you of his potential supply.**

Imagine that the partnership satisfies you, as well as seller S, and that it can be extended over several campaigns. SI will ask S and you to decide on this near future.

- **Imagine actions or initiatives that need to be taken to sustainably strengthen the partnership.**

Back to the present situation, SI will ask you to agree with S on two or three actions or areas of work that will start your collaboration

- **What could they be?**

After a brief discussion, the conditions for the collaboration between S and you are validated.

(Applause from the audience)

END OF THE ROLE PLAY

Terms of reference for the Support Institution group (SI)

The role play will take place in 2 acts: i) ‘Searching for market’, and ii) ‘Developing the

partnership’.

A scenario is presented to you with basic information concerning:

- The product to market with indications of quantities and price.
- The targeted market in terms of location, volume, level of competition, etc.
- The environment: information, involvement of the State, etc.

The ToR concern both the story line (*what to prepare and say*) and how it is staged/acted (*how to behave*).

The parts marked in *italic* and **bold** are instructions that you prepare in your group before participating in the role play.

Don't forget to distribute of roles within your group, so that everyone can express themselves.

ACT 1 (SI)

Staging, beginning of Act 1 ('Searching for market'): you enter the scene when the seller S group calls you (on the phone).

S will explain his situation about a specific product: its production exceeds the needs of the usual local demand, and it is therefore crucial to find a new market. As a good professional, rather than giving ready-made solutions, you bring S to think about this question, and on ways to identify potential buyers in a new market, unknown to him.

- **Prepare the questions you wish to ask S to reflect on the best way to find a market.**

Staging, S and you, seated at the table

You exchange with S on ways to find a market. You suggest S to send one of your agents (a marketing specialist) to visit markets to collect information, meet buyers who might be interested in his product. You know the first concern of a buyer will be to know what a seller can offer in terms of quantity, quality, delivery, etc... So, you ask S to be ready for this and prepare information on the quantity, quality, harvest/delivery dates, and price, of the product he wants to sell.

- **Prepare the introduction of these instructions to S**

S will give you the information you requested (product, quantity, quality, etc.)

Staging, you walk around the room, right and left, simulating the collection of information on the market's situation. This 'walk' will bring you to sit down with buyer B, with whom you exchange a few words (silently and briefly). You leave him and set yourself down at a table to draft a report of your visit to the market, which you then hand/send to S.

Staging, S and you

After a brief look at the document you submitted, S asks you to put him in contact with buyer B. Of course you agree.

Staging, accompanied by S, you call B to arrange a meeting with S.

- **Imagine the telephone conversation you will have with B to arrange the meeting with S, then start to defend the seller's (S) professional behaviour.**

Before going to meet B with S, you exchange with the latter to prepare this 'trip'. At this stage, the aim is not to allow a seller (S) to understand a market on a global basis, but to bring S to discuss the modalities of a commercial partnership with a well identified buyer.

S must be prepared for this crucial meeting; there will be no second chance with this buyer, who can easily find other suppliers. S should therefore develop relevant arguments, give accurate information, asking himself the right questions.

- ***Imagine the arguments that you will develop to allow S to convince B it is the trading partner he needs***

Be aware that these arguments are composed of various elements: information (quantity, quality), samples of product, the quality of speech and behaviour, etc.

Staging, S and you) stand up and cross the room to where buyer B is seated

Your task is to introduce S to B, and to facilitate their discussion. Do not forget that this is the first time they meet, that trust and respect need be built with your help. You will intervene minimally, only when exchanges are difficult (misunderstandings, aggressiveness, etc.). Other than this you do not interfere in business' discussions between B and S. Their meeting must lead to an agreement on the conditions of partnership related to the product (quantity, quality, dates, price, etc.).

At the end of this discussion, S agrees to collaborate with B. B agrees to collaborate with S. A commercial partnership can start.

(Applause from the audience – Picture)

END OF ACT 1

ACT 2 (SI)

Staging Act 2 'the partnership develops': B, S, and you. B and S are discussing the terms of a commercial partnership in the short, medium and long term

As at the end of Act 1, your role is to facilitate the meeting between the two players. You are going to get them to identify ways and means to work together on the short and medium term. Each actor will have prepared the arguments to defend his/her own interests and the questions he/she will pose to his possible partner.

You seek to promote understanding between B and S, and although you need to be discreet in these exchanges, you can sometimes support the S's position in case he/she forgets elements.

- ***Imagine the content of discussions between B and S, and issues they could both raise***

Information is a subject B and S will probably not seek to talk about: information on the short and medium-term (anticipated) markets, information that could be shared between B and S.

- ***Imagine the arguments that you can bring forward to make stakeholders discuss the problem of not sharing information.***

There is the risk that B and S will limit their discussion to the short term collaboration. Your role is to get them to project themselves in the medium and long term partnership as well.

- ***Imagine what you will do to bring B and S to project oneself into the future. What***

actions and tools can you propose to make them develop a plan together for this purpose?

Finally, your leadership must bring/convince B and S to identify two or three major conditions that define their partnership (organisation of the supply, time of delivery, price, etc.).

○ ***Prepare arguments in this sense***

After a brief discussion, the conditions that set the beginning of the collaboration between B and S are validated/determined.

(Applause from the audience)

END OF THE ROLE PLAY

Terms of reference for the 'Observers' of the role play

Other workshop participants are preparing their role in the play. This role play aims to introduce and promote understanding of the following concepts related to marketing:

Market research: research that allows understanding market demand, the needs of buyers and consumers

Market prospection: identification of possible buyers of a given product in a given market, their requirements in terms of quantity, quality, delivery, price, etc.

Marketing intelligence: strategic information gathered through market and other analysis for the purpose of decision-making in determining and developing market opportunities

Product promotion: refers to a series of actions designed to make a product known, to bring it under the attention of a specific audience. These operations may be carried out through the development of a logo and a brand, advertising measures (media, display, etc.), the visible presence of the product at exhibitions, trade fairs, etc...

Business strategy: The plan of an organisation that details the roads and actions to be undertaken to achieve medium-term (3-5 years) goals.

Action plan: operational implementation of a strategy, in the short term (6 months to 1 year), action by action, including an implementation schedule, the partnerships involved, etc.

You are tasked to carefully follow the discussions and the conduct of the role-playing game. At no point may you intervene during the acting out of the role play. You will just listen to the discussions and only, once the role play is over, give your comments on the following in the debriefing session:

- Have the above concepts been discussed?
- Were the concepts used wisely?
- What concepts were well covered by the 'players'?
- What concepts have been covered least by the 'players'?
- Did the actors seem 'at ease' with the use of the concepts? Which concepts seem to have posed most difficulties? Why?
- Regarding the attitudes of the participants: did they manage to put themselves in a situation close to the reality of setting up a commercial partnership? Justify your answer.
- What do you think of the quality of the discussions between the players?
- Etc.



Exercise 3: The tool box

Here we return to the following terms and concepts that were highlighted in the previous exercise:

- Marketing intelligence
- Market survey
- Market prospection
- Promotion

Group work: The participants form four groups. Each of the above-mentioned concepts is represented by one group. The groups' tasks are divided into 2 parts:

1. Answer the following questions:
 - What does this term mean to you?
 - Which question / issue does it respond to?
 - How to operationalize (what action is needed)?
 - Which output can be expected from its implementation?
 - When is the best moment to have it operational?
 - What are the main bottlenecks to its implementation?
2. From a specific ABC's experience which you presented try to link this experience to the tool you are working on, by answering the following questions:
 - In the ABC's experience presented, has this tool been presented/developed?
If YES: Describe the experience and give your opinion on the way it is presented.
If NO: Why has it not been presented?
 - From what you know about this cluster, should this tool have been developed by the ABC? If yes, what would you advise to the ABC in order to develop it?

Exercise 4: The spinal column

Make a marketing strategy in 2 groups

1. Each group gets information on a cluster's experience in trade and marketing, based on the ones presented in Session 1.
2. Each group receives a different 'story'; given by the facilitator.
Please note: The experience of the ABC presented in Session 4 (if done) may be used for this exercise as well.
3. Each group develops a marketing strategy based on the information available of the ABC's marketing activities. Explain that the groups should use the tools and concepts introduced so far.

Caution:

The strategy to choose will differ from one ABC to another, according to its internal development, its market knowledge, the market features, and the economic and political context. So, each group needs to have a good understanding of the ABC's situation to come up with a suitable strategy.



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