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Module 3: Marketing and Branding

Session 1: Marketing Strategy

Description

Session One introduces participants to the general marketing principles of launching an Agri business. The module aims to provide participants with a comprehensive knowledge of core marketing principles and an understanding of digital skills required for venture creation in agriculture.

Learning Outcomes

On completion of session one, participants will be able to:

- Understand general marketing principles and how to apply them to an Agri business
- Implement market testing techniques and evaluation methods
- Develop a marketing strategy for an Agri-business
- Understand the importance of marketing for business development

Indicative Syllabus			
Topic	Methodology	Activities	Resources
1) What is marketing 2) Why marketing is important 3) Determining and analysing the target market 4) The marketing mix 5) Pricing strategies 6) Digital marketing 7) Developing a marketing plan 8) Marketing plan implementation 9) Marketing tips for Agri-food entrepreneurs	A Blended learning approach incorporating both Classroom (face to face) and Online delivery	Participants will be expected to take the lectures and participate in the associated learning-by-doing activities sequentially.	Marketing Management (4 th European Edition) by Philip T. Kotler, Kevin Lane Keller, Andy Goodman, Mairead Brady and Torben Hanson ISBN: 978-1292248448 Principles of Marketing, Global Edition (18 th Edition) by Philip Kotler and Gary Armstrong ISBN: 978-1292341132 New Venture Creation: A Framework for Entrepreneurial Start-Ups (2 nd Edition) by Paul Burns ISBN: 978-1352000504 Social Media Marketing: A Practitioner Guide (4 th Edition) by Marc Oliver Opresnik, Philip Kotler and Svend Hollenson ISBN: 979-8643250623 Digital Marketing Strategy: An Integrated Approach to Online

			<p>Marketing (2nd Edition) by Simon Kingsnorth ISBN: 978-0749484224</p> <p>The Essential Guide to Small Business Marketing - https://smallbusiness.co.uk/the-essential-guide-to-small-business-marketing-2542147/</p> <p>Small Business Marketing Strategy - https://blog.hubspot.com/marketing/small-business-marketing-guide</p> <p>Top Ways to Promote Your Business - https://entrepreneurhandbook.co.uk/how-to-promote-your-business/</p>
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1. What is Marketing?

The Chartered Institute of Marketing (CIM) defines marketing as *“The management process responsible for identifying, anticipating and satisfying customer requirements profitably”* (cim.co.uk, 2021).

Marketing is a vital skill required by every company, whether big or small. In today’s highly competitive environment, businesses’ financial success is often dependent on their marketing ability. Businesses need to use marketing to understand their core customers and ultimately grow their businesses.

Over the years, the aim of marketing has evolved from just selling to the customer to providing value for customers in order to gain value from them in return. This is known as **values-based marketing**. Companies actively engage their customers, build strong customer relationships and create customer value in order to capture value from customers in return. Ultimately, marketing has a two-fold goal – to attract new customers by promising superior value and to keep and grow current customers by delivering value and satisfaction. It involves defining customer targets and the best way to satisfy their wants and needs competitively and profitably.

Activity:

Take some time to think about and define the **value proposition** that your business has to offer your current and potential customers. Write this down as clearly as you can.

For further information, please see the following resources:

What is marketing?

<https://entrepreneurhandbook.co.uk/what-is-marketing/>

What is marketing today?

<https://www.youtube.com/watch?v=vrJY85dBJLc>

2. Why is Marketing Important to your Business?

Irrespective of the size or industry of any business, marketing is a critical ingredient for its success. Marketing is important to your business because it helps you sell your products or services to your customers. It is so important that even the biggest companies continue marketing, no matter how financially secure they appear. Marketing is an important strategy to ensure the growth of your business and help reach its end goal of making money. While your current customers should always be your main priority, marketing efforts can help you expand this base by securing your business's future through new and old customer engagement.

Every kind of company from consumer product manufacturers, to healthcare, to banks, to Agri-Food businesses, to non-profit organisations need marketing to help them understand their core customers and grow their business. Other areas of a business such as finance, operations, administration, accounting and other business functions are all dependent on sufficient profit generated from the sale of products and services to customers who are prepared to pay for them.

Keep in mind though that marketing efforts are meant to sustain a company's presence, not remedy its lack of engagement. In this sense, marketing is something that businesses need to create and manage every day to maintain a healthy relationship with their consumers. Businesses must put in the necessary effort needed to maintain long-lasting and ever-present relationships with their audience. It is not a one-time fix; it is an ongoing strategy that helps businesses flourish.

Activity:

How do you think marketing can apply to your small Agri-Food business?

For further information, please see the following resources:

Why is Marketing Important?

<https://www.business2community.com/marketing/why-is-marketing-important-9-reasons-why-you-really-do-need-it-02186221>

The Importance of Marketing for the Success of a Business

<https://smallbusiness.chron.com/importance-marketing-success-business-589.html>

Why is Marketing Important for Businesses?

<https://www.youtube.com/watch?v=WVBP3sZIApo>

Phase 2: Business Model Development

https://www.youtube.com/watch?feature=oembed&v=MsRmV_Yt4DE

3. Determining and Analysing the Target Market

One of the first steps to take in structuring your business is to identify your target market, what they want and why they will buy from you. Your target market is the group of customers to whom you want to sell your products and services and to whom you direct your marketing efforts. A business will only succeed if it offers customers a value proposition that meets their real needs or solves real problems for them.

Your initial target market should be those customers who most need your solutions to their problems because other solutions are less satisfactory. Though customers are all individuals, it is usually possible to group them in some way that is useful for targeting e.g., demographics - age, gender, education, family size, ethnicity, religion, income, marital status; lifestyle, location or identifying their different group needs or problems. These are called market segments.

Target marketing is the process of focusing a business's marketing efforts on the customers that they have the greatest chance of satisfying. Identifying your target market enables you to tailor your marketing mix, marketing and communications strategy to meeting the needs of these specific customers. Though there are different ways to identify target markets, it is important to segment customers according to their product/service wants or needs and the benefits that they are looking for (and which you are able to provide for them). Keep in mind that you are looking for a gap in the market where the needs of a particular segment are not being met as well as they can be.

As you identify your target market, you also need to define your value proposition to this customer base. Your value proposition is the reason why customers buy from you rather than from your competition. Customers will only buy a product because it provides a benefit or solves a product for them. In addition, the features or characteristics of the product or service must combine to deliver that benefit to or solve that problem for the customer, or they will not buy it. You need to understand the core benefits a customer is looking for when they purchase a good or service and then engineer the features to deliver those benefits. Note that customers buy benefits, not just features. These features could take different forms and could be both physical and psychological. Focusing on the benefit-needs of your target market and delivering distinctive, differentiated value propositions to each of them should be at the very core of developing your marketing strategy.

How to identify your target market:

- Identify and profile distinct groups of buyers who differ in their needs and preferences (market segmentation)
- Select one or more market segments to enter (market targeting)
- For each target segment, establish and communicate the distinctive benefits of the company's market offering (marketing positioning)

For your target market to be viable, it needs to be:

1. **Distinctive** and have needs that are significantly different from other market segments. Otherwise, the segment boundaries are likely to be too blurred.
2. **Sufficiently large** or willing to pay a high enough price to make the segment commercially attractive and viable. Note that it could be that the current gap in market exists because it is not commercially viable.

3. **Accessible.** The gap in the market might not actually exist in reality because the segment cannot be reached – through communication and distribution channels.
4. **Defendable from competitors.** If the segment is not defendable, for instance if you're selling copy-cat products and services, prices and profits will quickly reduce as competition increases.

Target markets should vary in size. The slimmer the market or segment that the product/service is tailored to suit, the higher the customer satisfaction is likely to be, but so too is the cost and therefore price. It is also dangerous to focus on selling to slim market segments as that would be an overreliance on a small customer base. So if tastes change, the segments could disappear. Therefore, it is really important to vary your markets by thinking about how your product/service can fit into different markets.

Getting the most out of your target market

To get the most out of your target market or to effectively serve your target market:

- Ensure that your product and or service provides a benefit or solves a problem for your target market.
- Also, the features or characteristics of the product or service provided must combine to deliver that benefit to or solve that problem for the customer, or they will not buy it.

Activity:

Take some time to think about who your target market might be, what problems they encounter and how your product/service can solve that problem for them.

For further information, please see the following resources:

Target Market

<https://www.investopedia.com/terms/t/target-market.asp>

Six Steps to Defining Your Target Market

<https://www.marketingdonut.co.uk/marketing-strategy/your-target-market/six-steps-to-defining-your-target-market?cmpredirect>

Target Market Strategy

<https://smallbusiness.chron.com/target-market-segment-strategy-63724.html>

Target Marketing and Market Segmentation

<https://www.thebalancesmb.com/target-marketing-2948355>

How to Identify Your Target Market/Target Market Examples

<https://www.youtube.com/watch?v=LelePgFDAQI>

How to Create a Target Marketing Strategy with Strategy with Examples

<https://www.youtube.com/watch?v=IWN3GDs-Io>

4. The Marketing Mix

The marketing mix is a combination of factors about your product or service that you can use to influence customers to buy your products and services. It is also the tool businesses use to deliver their value proposition to each of the market segments or target markets that they have identified.

Customer relationships are an important part of the marketing mix and marketing strategy. Customers buy the marketing mix as a package and the mix must be consistent with the value proposition so as to reinforce the overall benefit that the customer is looking for. For example, putting a low price on a high-quality product will likely jeopardise sales as it sends a confusing message to customers and raise questions about credibility. Putting a high price on a quality product would make more sense, however for this to work, other aspects of the marketing mix must be consistent with this.

The chosen marketing mix can serve as a form of differentiation or a Unique Selling Point (USP) for a business. However, it's important to note that any individual element of the marketing mix is unlikely to be unique in and of itself and can easily be copied by competitors. Instead, elements of the marketing mix can be combined to create something that is unique and distinctive. It is the combination of the marketing mix elements that is unique, not the individual elements and this is what provides a competitive advantage for the business.

Elements of the Marketing Mix

1. **Product/service** – This represents an item or service designed to satisfy customer needs and wants. The product must do what consumers expect it to do. To effectively market your product or service, you need to identify what differentiates it from your competitors' products or services. It's also important to determine if any of your other products or services can be marketed in conjunction with it.
2. **Pricing** – The sale price of the product reflects what consumers are willing to pay for it. Your product's price should reflect the attributes of your target market as best as possible, be pitched at the right level, but still turn a profit for your business. In setting your product/service price, it is important to consider costs related to research and development, manufacturing, marketing, and distribution.
3. **Place** – The type of product sold is important to consider when determining areas of distribution. Basic consumer products, such as paper goods, often are readily available in many stores while premium consumer products are typically available only in select stores. Another consideration is whether to place a product in a physical store, online, or both.
4. **Promotion (communication)** – This is all about developing the messaging and being able to communicate what your brand and product does and present it in the most effective way. Activities might include advertising, sales promotion, personal selling, and public relations. It is important to consider the budget assigned to this element of the marketing mix. Determination of the best mediums to communicate the message and decisions about the frequency of the communication are also important.
5. **Process** – Anything within the organisation that has an impact on how the product/service is handled by the employees and delivered to the customer. This element covers the interface between the business and consumer and how they deal with each other at every stage of your

process. Service delivery is an important consumer touchpoint that forms part of the customer feedback loop, encouraging process innovation.

6. **Physical evidence** – Simply existing as a business isn't enough for brands today. Consumers want to build authentic relationships. One way to achieve this is through physical evidence. This could take the form of products, brochures, information pages, or even PDFs, with the main goal of supplementing the psychological evidence that the brand exists with something tangible. The more relevant, personal and exciting the better.
7. **People** – Companies are reliant on the people who run them, from the managing director to the front-line sales staff. Employing the right people is essential because they shape your brand, and its product offering.

PRODUCT	PRICING	PLACE	PROMOTION	PROCESS	PHYSICAL EVIDENCE	PEOPLE
Product/service variety	List Price	Global supply networks	Sales promotion	Service design blueprint	Service environment	Staff personnel
Quality	Consumer psychology	Multi and omni channels to marketing	Advertising	Process design	Experience landscape	Staff motivating and training
Features	Discounts	Selecting channels	Direct marketing	Self-service technologies	Managing senses – sound, sight, smell and touch	Managing customer staff engagement
Design	Payment period	Managing channels	PR and publicity	Managing service variability	Digital technologies	Touch versus technology
Warranty	Allowances	Locations	Integrated marketing communication	Online, mobile and offline service process		Customer to customer engagement
Sizes	Credit terms	Inventory	Internet and social media			Service failure recovery
New Offerings		Transport	Word of mouth (user generated content)			Co-creation
Packaging		Online, mobile and offline channels	Personal selling			
Services						
Returns						

Importance of the Marketing Mix

- A deep understanding of the marketing mix elements is required to ensure scalable success for businesses
- It's important to know your target market well enough to figure out exactly what they want or risk entrepreneurial suicide
- The marketing mix is based on a good knowledge and understanding of the target market and what they want because the MM has to accurately reflect what they target market wants
- The marketing mix has to revolve around the target market and what they want to be effective

Activity:

Keeping your specific business in mind, put together a draft of what you think your marketing mix should be. Remember that this has to be centred on your **target market** which you should have defined in the previous activity.

For further information, please see the following resources:

What is the Marketing Mix and How Can I Use it?

<https://blog.globalwebindex.com/marketing/marketing-mix/>

A Brief Summary of Marketing and How it Works

<https://www.cim.co.uk/media/4772/7ps.pdf>

The Marketing Mix 4P's and 7P's Explained

<https://marketingmix.co.uk/>

What is Marketing Mix

<https://www.youtube.com/watch?v=d0NMSqeKpVs>

5. Pricing Strategies

A pricing strategy is a model or method used to establish the best price for a product or service. It helps you choose prices to maximise profits and shareholder value while considering consumer and market demand. Determining the price to charge for your products/services should entail more than just calculating your costs and adding a mark-up. It should be a function of how much your customer is willing to pay for the value they derive from your product/service. Identifying how much value your product/service represents to your customer and pricing it accordingly is called **value-based pricing**. This is what businesses should strive for – value-based pricing.

Common Pricing Strategies

- **Cost-based pricing** – this involves calculating your costs and adding a mark-up or profit margin
- **Consumer-value based pricing** – price is set based on the perceived value to your customer

- **Competition-based pricing** – you set your prices based on what your competition is charging
- **Price skimming** – start out setting a high price and then lower it as the market evolves
- **Penetration pricing** – setting a low price to enter a competitive market and then raising it later
- **Promotional pricing** – prices are temporarily reduced to attract prospects and customers

Activity:

Based on the information that you now have about pricing strategies, think about which pricing strategy/strategies might be best suited to your particular business? Why have you made this choice?

For further information, please see the following resources:

Pricing Strategies: Which is best for your business?

<https://startups.co.uk/strategy/pricing-strategies-price-skimming-penetration-pricing-and-premium-pricing/>

Pricing Strategies of Companies

<https://smallbusiness.chron.com/pricing-strategies-companies-2730.html>

How to Price Your Product

<https://www.bdc.ca/en/articles-tools/marketing-sales-export/marketing/pricing-5-common-strategies>

7 Pricing Strategies – How to Price a Product

<https://www.youtube.com/watch?v=qutavZTkFeY>

Pricing Strategies in Marketing

https://www.youtube.com/watch?v=G1_n0J5zz_A

6. Digital Marketing

Digital marketing encompasses all marketing efforts that use an electronic device or the internet. Businesses leverage digital marketing channels such as search engines, social media, email and other websites to connect with current and prospective customers. Digital marketing is vital for business and brand awareness and digital content and marketing has become something that consumers now rely on as a way to learn more about brands. Therefore, to be competitive in the current landscape, it is essential for businesses to incorporate some aspects of digital marketing.

Digital marketing works for any business in any industry regardless of size. However, it still involves identifying your target market and creating online content that is valuable to them. Digital marketing also helps businesses reach a larger audience than they would with traditional marketing methods and more specifically target the prospects who are most likely to buy from them. Additionally, digital marketing tends to be more cost-effective than traditional marketing

and has the added advantage of being more measurable. With the use of analytics, businesses are able to track their performance on a daily basis and based on the data, pivot as they see fit.

Digital Marketing Channels

Search Engine Optimisation (SEO)	Content Marketing	Social Media Marketing
Pay Per Click (PPC)	Affiliate Marketing	Native Advertising
Marketing Automation	Email Marketing	Online PR
Inbound Marketing	Sponsored Content	

Activity:

Keeping your target market in mind, which digital marketing strategies do you think would be best suited to your business?

For further information, please see the following resources:

The Who, What, Why and How of Digital Marketing

<https://blog.hubspot.com/marketing/what-is-digital-marketing>

Digital Marketing

<https://www.marketo.com/digital-marketing/>

Ofcom Online Nation Report, 2019

https://www.ofcom.org.uk/_data/assets/pdf_file/0024/149253/online-nation-summary.pdf

7. Developing A Marketing Plan

A marketing plan is a written document that summarises what the business has learnt about the marketplace (target market) and how it plans to reach its marketing objectives. The marketing plan outlines a business's specific marketing strategy and details concrete actions to be taken as well as the anticipated results. Marketing plans also serve as roadmaps for companies to execute and measure their marketing effort's results over a specific period of time.

The marketing planning process involves analysing marketing opportunities, selecting target markets, designing positioning strategies; developing marketing mix programmes to reflect a brand that has loyal customers and managing the marketing effort. The core focus of the marketing plan is the customer; therefore, it is important for businesses to design and implement a customer-focused marketing plan for the organisation.

The Importance of a Marketing Plan

The purpose of a marketing plan is to decide how you will sell your products or services to your consumers. Rather than assuming that your product is perfect for everyone, the plan focuses on the key people who are most likely to buy your product. For some small companies or

professionals, the marketing plan might be completely referral based, which means the strategy is to provide the best possible results so that existing customers tell everyone they know about you.

Marketing plans and strategies are important because they make sales easier for any business owner. When you target your ideal customer in a smarter way, you reduce the costs of marketing and increase your chances of converting leads into sales. Asking what problem you solve and why customers should choose you helps you identify the specific issues of someone ready to buy and consequently, tailor your offerings to solve that problem.

How a Marketing Plan Works

An effective marketing plan helps a company understand its target market and competition, the impact and results of marketing decisions, and provides direction for future initiatives. Marketing plans need to be developed based on market research. A thorough market research helps guide the direction of a businesses’ marketing efforts by providing vital information about their potential customers (the target market) and the feasibility of their products and services. Market research should include the following:

- Monitoring industry and economic trends
- Scouting the competition to determine how you can gain a competitive advantage in pricing and customer service
- Determining the best ways to reach your target market via traditional advertising, social media, and other channels

Key Questions and the Process of Marketing Planning

Key questions and the process of marketing planning		TABLE 2.4
Key questions	Stages in marketing planning	
Where are we now and how did we get here?	Business mission Marketing audit SWOT analysis	
Where are we heading?	Marketing audit SWOT analysis	
Where would we like to be?	Marketing objectives	
How do we get there?	Core strategy Marketing mix decisions Organization Implementation	
Are we on course?	Control	

Burns. P (2018) *New Venture Creation – A Framework for Entrepreneurial Start-Ups*. 2nd Ed. Macmillan International HE

Marketing Plan Structure

Marketing plans can vary depending on the industry, type of products or services, and goals that the business wants to achieve, but there are certain essential elements that most plans should include:

- Executive summary
- Situation analysis
- External analysis (macro)
- Internal analysis (micro)
- Marketing objectives
- Marketing strategy
- Implementing the marketing plan
- Evaluation and control

Executive Summary – this gives a brief overview of the main contents of the marketing plan

Situation analysis – details the company’s current marketing efforts as well as its mission, vision, goals and current strategies.

External analysis – an analysis of the opportunities and threats prevalent in the business’ external environment as relating to their competitors, customers and the market as a whole. E.g. PESTEL analysis.

Internal analysis – an analysis of the internal situation of the firm. It’s strengths and weaknesses in terms of its staff, finances, suppliers, distributions systems etc.

Strategic analysis – a holistic analysis of the environment the business operates in as a whole. This is essential to identifying key issues that may exist in the environment and developing a strategic plan to mitigate them.

Marketing objectives – details the business’ objectives for their products/services in terms of market share, sales and profit. These objectives must be SMART i.e., **S**pecific, **M**easurable, **A**chievable, **R**ealistic and **T**imely.

Marketing strategy – specify the broad marketing approach that will be used to achieve the objectives of the marketing plan.

Implementing the marketing plan – indicates what needs to be done, who will do it, when it will be done and how much it will cost.

Evaluation and control – details how the progress of the marketing plan will be monitored.

Activity:

Using the information you now have, and some of the resources detailed below, put together a marketing plan that is tailored to your specific business.

For further information, please see the following resources:

Your Guide to Creating a Small Business Marketing Plan

<https://www.business.com/articles/sample-marketing-plan-outline-and-template/>

The Ingredients of a Marketing Plan

<https://www.entrepreneur.com/article/43026>

How to Create a Marketing Plan

https://www.youtube.com/watch?v=4ti_uK60nLk

How to Write a Marketing Plan – Step by Step Guide

<https://www.youtube.com/watch?v=qYH0EqPqWfs>

8. Marketing Plan Implementation

Marketing implementation is the process that turns marketing plans into action assignments and ensures that they accomplish the plan's stated objectives. Implementing your plan is the most crucial part of the marketing process. No matter how brilliant a plan is, it counts for nothing if it is not implemented properly. Therefore, it is not enough to just develop a plan; requisite action must be taken by the business to achieve its marketing goals.

An effective implementation plan indicates what marketing activities are to be implemented, who will be responsible for their implementation, the time and location of implementation, how implementation will be done and how much it will cost.

How to Implement your Marketing Plan

1. Make sure that all team members know what tasks they are responsible for and the timelines for each task.
2. Make expectations around deadlines clear and ensure that they are realistic
3. Team members should be aware of how every single task impacts the big picture; communication is key
4. Identify what resources are needed to execute the plan and check that you have them
5. Break the plan up into smaller bitesize activities and attach specific timelines to each activity
6. Measure your results by tracking and monitoring every activity
7. Plans may sometimes need to change due to circumstances that occur so keep an open mind, be flexible and willing to adapt to necessary changes
8. Have a contingency plan
9. Share results with your team and celebrate success

Activity:

Now that you have a marketing plan draft in place, think of how you might implement that marketing plan using the steps detailed above.

For further information, please see the following resources:

8 Important Steps to Successfully Implementing Your Marketing Plan

<https://flybluekite.com/how-to-implement-your-marketing-plan/>

How to Implement Your Marketing Strategy

<https://matrixmarketinggroup.com/implementation-marketing-plan/>

9. Marketing Tips for Agri-Food Entrepreneurs

- Shake hands with farm associations, local farmers, agriculture stores etc. to get more leads.
- Participate in farm-related events, exhibitions, seminars etc. to demonstrate your products.
- Build a website and list all your services and products on it.
- Be active in all agriculture sessions or events and link with people by distributing business cards to them.
- Host agriculture sessions or seminars at different parts of the city, invite farmers and leave a good impact by giving gifts.

For further information, please see the following resources:

Proven Marketing Ideas for Agriculture Business

<https://thebrandboy.com/marketing-ideas-for-agriculture-business/>

Marketing Strategies for Small Agricultural Businesses

<https://smallbusiness.chron.com/marketing-strategies-small-agricultural-businesses-44691.html>

Key References Used:

- Burns. P (2018) *New Venture Creation – A Framework for Entrepreneurial Start-Ups*. 2nd Ed. Macmillan International HE.
- Kotler et. al.(2019) – *Marketing Management* (4th European Edition) Pearson Education.