

# NICHE MARKETING OF HIGH VALUE VEGETABLE CROPS

4P  
Marketing  
Mix

"CC"  
Analysis

SWOT

Market  
Analysis

Internal  
Assessment

Purpose

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# PURPOSE OF MARKETING

ATTRACT  
ATTENTION/CREATE  
BUZZ

TELL A STORY

“REMARK”ABLE

INCREASE SALES



# PURPOSE OF MARKETING ANALYSIS

REDUCE COSTS

INCREASE PROFITABILITY

FIND YOUR CUSTOMER

MAKE A PLAN!



# MAKE A PLAN BEFORE YOU PLANT

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## **Producers need to offer:**

- Products customers want
- In the right form
- At the right time of year
- In the right quantities
- At the quality and packaging required
- In the right place
- At the price customers are willing to pay

REVENUE  $\neq$  PROFIT

**Revenue - Expenses = Profit**

Revenue	\$100
Cost of Goods Sold	<u>\$ 50</u>
Gross Profit	\$ 50
Operating Expenses	<u>\$ 30</u>
Operating Profit	\$ 20
Taxes	<u>\$ 5</u>
Net Profit	<u><u>\$ 15</u></u>

# INTERNAL ASSESSMENT

VISION & MISSION

BUSINESS PHILOSOPHY

BOTTOM LINE BEYOND  
PROFIT







# MISSION STATEMENT EXAMPLES:

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- sweetgreen: Our mission is to inspire healthier communities by connecting people to real food.
- ECHO:
  - Vision: Honoring God by empowering the undernourished with sustainable hunger solutions
  - Mission: Following Jesus by reducing hunger and improving lives worldwide through partnerships that equip people with agricultural resources and skills.
- EMERICK FARMS Vision Statement: To operate a family-based and sustainable agri-business that provides solid returns for both landowners and our operation so future generations can continue in farming.

# THE GLOBAL GOALS

For Sustainable Development





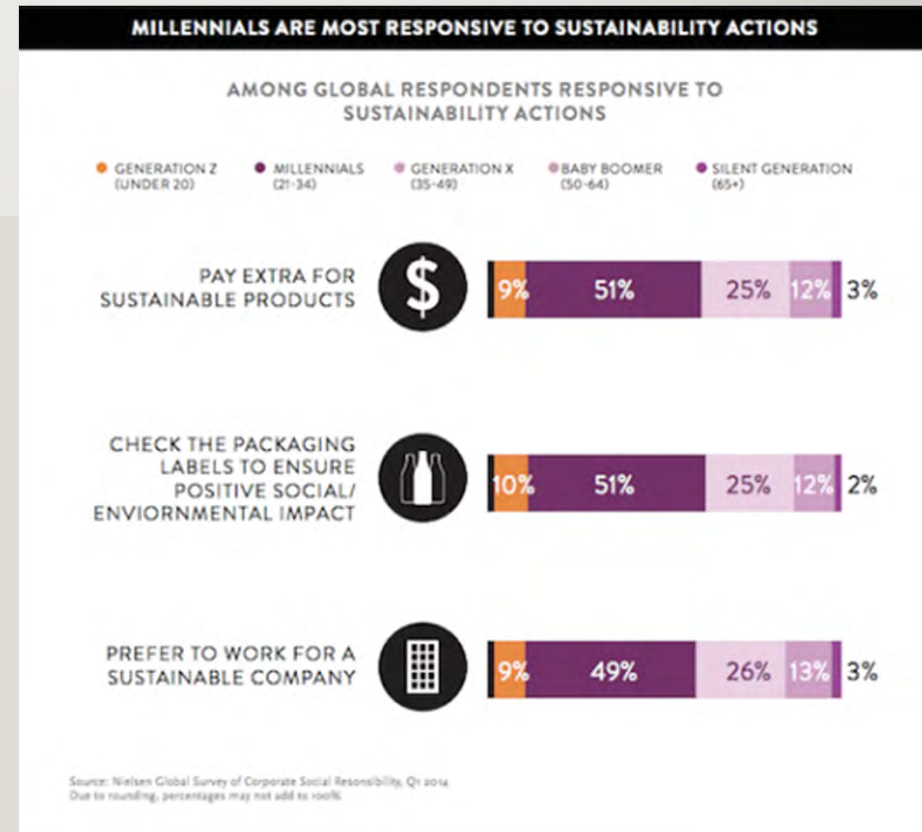
## TRIPLE BOTTOM LINE:

- Economic Sustainability
- Environmental Sustainability
- Social Sustainability

Book: Cannibals With Forks

# WILLING TO PAY MORE

- Overall, the number of consumers willing to pay more for brands committed to a positive social and environmental impact continues to rise—reaching 66% in 2015. Nearly three-out-of-four consumers ages 34 and under willing to pay more.



# MARKET ANALYSIS OF EXTERNAL ENVIRONMENTS

“PESTDEL”  
ENVIRONMENTS



# “PESTDEL” ENVIRONMENTS

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- **Political-** government's attitude towards commerce, tax policy, fiscal policy, trade tariffs
- **Economic-** economy, inflation rates, interest rates, exchange rates, industry strength, taxation, regulations, urbanization
- **Social (Psychographics)-** The values, perceptions, preferences, attitudes and behaviours of people.
- **Technological-** advances in production, innovations, supply chains, distribution channels, available information, globalization
- **Demographic-** Gender, Age, Nationality, Education, Marital status, Salary, Disposable income
- **Environmental-** geographic (location, climate, weather), infrastructure, developed/developing countries
- **Legal-** regulations & legislation that affect businesses



## India-Asean Trade on the Rise

India-Asean trade relations have been growing steadily, with Asean being India's fourth largest trading partner. Both sides have set a target of at least US\$200 billion in two-way trade by 2022 compared to US\$ 71 billion in 2016-17.

(All figures in \$ million)

COUNTRIES	Brunei	Cambodia	Indonesia	Laos	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
<b>2016-17 TOTAL EXPORT</b>	42.88	105.06	3488.12	25.72	5,244.86	1,107.89	1,482.52	9,564.48	3,133.44	6,786.56
<b>2017-18 (Apr-Oct) TOTAL EXPORT</b>	29.88	64.15	1982.48	11.24	2,788.34	511.19	900.85	5,623.90	1,978.47	4,236.23
<b>2016-17 TOTAL IMPORT</b>	627.85	36.10	13,427.99	207.38	8,933.59	1,067.25	494.62	7,086.57	5,415.40	3,320.56
<b>2017-18 (Apr-Oct) TOTAL IMPORT</b>	286.56	29.68	9,402.25	125.27	5,211.17	540.28	465.15	4,038.78	3,916.55	2,573.55

Compiled by: ANN/DataLEADS

Source: Indian Finance Ministry, 2017



# “CC” ANALYSIS

CUSTOMERS

COMPETITORS



# CUSTOMERS

To find a customer for your niche product, you need to dig deep and find the niche customers.

## STP

- Segmentation- dividing up the market according to Demographics and Psychographics. Understanding that homogeneous attributes are not always seen in one country.
- Targeting- global mass market/niche/multi-segment/local
- Positioning- Standardization vs. Adaptation. How do you change and develop your product to attract your customer?  
No just what to adapt but how much to adapt?

# SAMPLE MARKET SEGMENTATION

The target customers include oriental vegetable markets demanding organic and semi-organic green vegetables, vegetable processors, and private individual buyers through direct selling and farmers markets. The company will continue to service the existing customers of the purchased vegetable farms. In its greens production the company will target virtually all main food outlets. The company plans to use the Internet as one of its marketing channels in the future. The company's target customers will be as follows:

- Oriental vegetable markets demanding organic and semi-organic vegetables.
- Vegetable processors.
- Alabama National Guard.
- People approaching the farm.
- Roadside stands and farmers' markets.

# COMPETITORS



# INTERNAL & EXTERNAL: SWOT ANALYSIS

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREATS



# SWOT: STRENGTHS



- Internal Assessment of your company and/or product's strengths
- “What you do well”
- “What is special about your product”
- Examples of “Strengths”:
  - Low cost of inputs
  - Unique flavour profile
  - Good relationships with distribution agents or retailers
  - Product appeals to diverse audience (NOT DURIAN)
  - Sales increased 18% last year
  - Product is in high demand

# SWOT: WEAKNESSES

- Internal Assessment of your company and/or product's weaknesses
- “What you do NOT do well”
- “What is challenging about your product or situation”
- Examples of “Weaknesses”:
  - Lack of official certifications
  - No current partnerships with retailers

# SWOT: OPPORTUNITIES

- External Assessment of possible opportunities to grow your business
- Examples of “Opportunities”:
  - New farmer’s market opened close to our farm
  - Retailer is looking for new products from a farm in your area.
  - Possible tax break if meet certain regulations



# SWOT:THREATS

- External Assessment of threats to your company and/or product
- “What
- Examples of “Threats”:
  - Competition is well established, long-term contracts with good companies
  - Competition has “scaled” their business so costs are lower and therefore prices are lower. (acquired more land, bought better and faster machines to help with processing)
  - Land taxes increase
  - Current market is saturated (mangoes, mangoes everywhere!)

# 4P MARKETING MIX

PRODUCT

PLACE

PRICE

PROMOTION



# PRODUCT

- What to do with your niche crop?
  - Develop it further
  - Adaptation- packaging/presentation
  - Value Added- further processing can be done by producers
  - Localization?
  - Reverse Innovation?
  - Proper storage of products to sell at the right time for the right price

# PLACE/ CHANNEL

Producers mainly sell at these places:

- Farms/ Farmers' Markets
- Wholesale Markets
- Retail markets
- Super markets

Factors to determine where to sell your products:

- Distribution
- Logistics/ Infrastructure
- Warehousing
- Trade Agreements

# PRICE



## Factors:

- Costs (Fixed/Variable/Shipping/Tariffs)
- Supply & Demand/ Customer expectations and power
- Price Elasticity of Demand
- Marketing Mix Strategy
- Competitor's Price
- Customer

## Strategies:

- Cost-based
- Value based (Value = Benefits/Price)
- Competition based
- Promotion/ early bird

# PROMOTION/IMC INTEGRATED MARKETING COMMUNICATION

Carefully blended mix of promotion tools delivering consistent and positive message to target customers.

- Advertising
- Sales Promotion
- Public Relations
- Personal Selling
- Direct Marketing
- Events
- SMM- Social Media Marketing

SO... WHAT TO DO WITH ALL OF THIS??

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# CASE STUDY!



## Waialua Estate Cacao Farm, Waialua, O'ahu

Waialua Estate Cacao Farm cultivates about 8 ha (20 ac) of cacao on former sugarcane land on O'ahu's North Shore. The low elevation field just above sea level was chosen because it is protected from buffeting trade winds and lies near a body of water (Ki'i Ki'i stream), which helps maintain humidity in what is typically a very dry area (average annual rainfall 230 mm or 9 in). The farm was planted in 1996 as part of a diversified agriculture program following closure of Waialua Sugar Company. Michael Conway brought previous experiences of growing cacao on Hawai'i Island in the 1980s to the operation. The project was leased out and eventually abandoned in 2001 but the field was rehabilitated and brought into production again in 2004.

Trees are planted on 3.6 m × 1.8 m (12 ft × 6 ft) spacing, which gives approximately 1,620 cacao trees/ha (630 trees/ac). Mixed hybrid seedlings of Forastero, Trinitario, and Criollo were planted from trees originating from varieties collected in the 1980s. The annual yield of dry beans per tree is 800–900 g (1.75–2.0 lb). Total dry bean annual yield has been 8,200–10,000 kg (18,000–22,000 lb).

Currently, Waialua Estate Cacao Farm harvests, ferments and dries beans for processing into chocolate (bulk and packaged) by E. Guittard Chocolate Co. in Burlingame, California. These products include 70% cacao extra dark, 55% cacao dark, and 35% cacao milk chocolates. A distributor on Hawai'i Island handles all Hawai'i sales except on O'ahu. Waialua Estate's own sales and marketing manager takes care of sales in the O'ahu market and outside of Hawai'i. In addition to retail sales, their products are sold through their web site.



Waialua Estate considers their products to be unique due in part to the taste of the chocolate, which is described as having deep, dark berry tones with a lingering taste. They have received international recognition at the prestigious London Academy of Chocolate (2009, for Waialua 70% Chocolate) and at the Chocolate Salon Awards in San Francisco (2010, for Waialua 35% Milk Chocolate). The mystique of Hawai'i helps to sell the product, as it is considered a new entry among the world's fine chocolates so long as the quality is high. Also, Waialua Estate has found that chocolatiers are sensitive to the source of cacao these days and are intrigued by a U.S.-grown product and are willing to pay the high price. Additionally, their product is pesticide-free.

The biggest challenge Waialua Estate faces is to get “buy-in” from investors to expand the size of their farm to 60 ha (150 ac), which they consider to be the critical mass necessary to justify construction of a chocolate manufacturing facility. They believe such a facility could bring down the cost of production compared with shipping their cacao to the U.S. mainland, then back to Hawai'i. Their expansion scenario includes a growers' program modeled after the Kona coffee industry, as this would be the main driver in producing a reasonably affordable product together with a manufacturing facility in Hawai'i. Waialua Estate also believes it is important to maintain the high quality of chocolate by all producers throughout the state so that everyone benefits from an exceptional regional reputation.





**Internal Strengths**

**Internal Weaknesses**

External Opportunities

External Threats

# POSSIBLE MARKETING STRATEGIES

MARKET PENETRATION  
PRODUCT  
DEVELOPMENT  
MARKET DEVELOPMENT  
DIVERSIFICATION



# RESOURCES

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TACKLING  
**FOOD SECURITY**  
TOGETHER

