TRAINING

MANUAL

- MANAGEMENT OF ORGANISATIONS AND BUSINESS DEVELOPMENT -

MARKETING AND COMMUNICATION

COLEACP

MARKETING AND COMMUNICATION

Chapter 1

What is the role of marketing in the ACP F & V sector?

1.1. INTRODUCTION TO THE CONCEPT OF MARKETING

1.1.1. What is marketing?

1.1.1.1. Definition of Marketing

The basic root in the term 'marketing' is market. Several definitions have been given on the meaning of marketing and all of them emphasize the importance of the focusing on the clients or customers.

One definition states that "**Marketing** is the process of interesting potential customers and clients in the company's products and/or services." The key word in this marketing definition is 'process'; as marketing involves researching, promoting, selling, and distributing the company's products or services.

Source: www.thebalancesmb.com

In an effort to answer the question: "What is Marketing?", Michael Brenner in an article dated April 4, 2019, (see https://marketinginsidergroup.com/strategy/what-is-marketing) noted that many business people consider marketing to be selling at a larger scale or equals promotion.

He went on to say that although marketing is an advert, a press release, a brochure and in recent times, a Facebook page or a Twitter account, marketing is what the company says and how the company says it when it wants to explain how awesome the company's product is and why people should buy it.

He thus emphasized that marketing is about deep psychological understanding of customer need; and every major innovation (from Thomas Edison, Henry Ford, Steve Jobs) in the history of the world combined an understanding of human needs and ways and vision to deliver it to meet those needs.

Marketing is the job of every employee as has been shown in recent times by social media. Effective marketing according to Brenner starts with a conversation by asking consumers who they are, what they want, and what they care about. The products/services that win more customers are the ones who put their customers ahead of their desire to sell more products.

Box 1 - Definitions of marketing: The two types of marketing

Box 1 - Defining marketing

- At a fundamental level, marketing is the process of understanding the company's customers, and building and maintaining relationships with them.

- Marketing is the key to an organization's success, regardless of its size.

- It sits at the intersection of the business and the customer – the great arbiter of the self-interests of the business and the needs of the buyer.

- There are several types and sub-types of marketing, digital and offline. The company should determine and pursue the ones that work best for the company.

- Marketing and Sales teams need to have a unified approach. Automation helps them work towards the same goals.

Source: Micheal Brenner, 2019. https://marketinginsidergroup.com/strategy/what-is-marketing/

1.1.1.2. The two types of Marketing

In modern days, marketing can be split into online (digital) and offline methods. The former type will be presented in detail in Chapter two of this manual. Offline market methods are the traditional and common methods, which includes, advertising in print, radio, television, billboards, flyers and handbills, word of mouth, telemarketing and participation at events such as trade show, fairs and conferences.

Nowadays, most businesses are using a combination of both offline and online marketing techniques. There is a conscious shift to online marketing due to its advantages of speed in reaching thousands of customers in the shortest possible time, efficiency, absence of barriers in reaching clients and higher returns on investment (ROI).

Businesses are considered to be uncompetitive if they do not utilize some online marketing methods and they stand to lose customers and market share.

The basic concept of Marketing:

The marketing concept is the belief that companies must assess the needs of their consumers first and foremost. Based on those needs, companies can make decisions in order to satisfy their consumers' needs, better than their competition... Nowadays, most companies have incorporated the marketing concept.

Source: www.cleverism.com

The marketing concept emphasizes that marketing goals of reaching a large number of customers requires knowing the needs and wants of the target customers and then ensuring the company deliver to meet those needs and satisfy the customer better than what the competition is delivering. Customer focus and value are of paramount importance to achieve larger sales and profits in the marketing concept approach. The job is not to find the right customers for the company's product but to find the right products for the company's customers and many restaurants and startups do follow this concept as food is usually served in restaurants to meet customers' specifications

The marketing concept and the selling concepts are two extreme concepts and different from each other as depicted in Figure 1 below.

Figure 1 - Differences between selling and marketing concepts
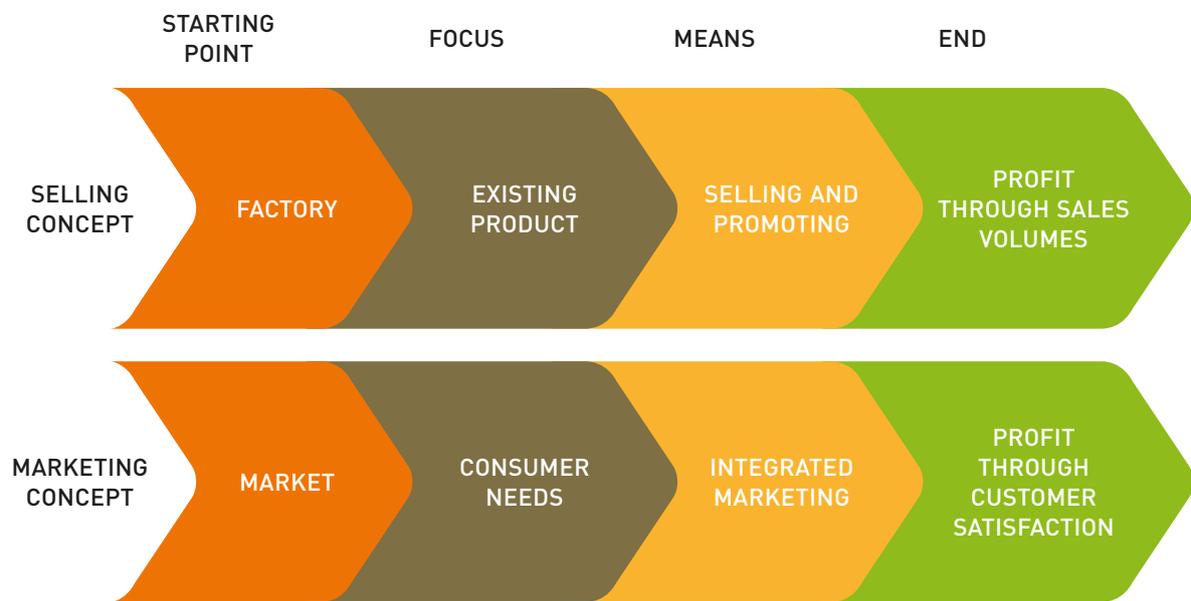
Source: www.iedunote.com

Table 1 - Differences between selling and marketing concepts

NO.	THE SELLING CONCEPT	THE MARKETING CONCEPT
1	Undertakes a large-scale selling and promotion effort	Undertakes activities such as market research.
2	The selling concept is suitable with unsought goods—those that buyers do not normally think of buying, such as insurance or blood donations.	The marketing concept is suitable for almost any type of product and market.
3	Focus on the selling concept starts at the production level.	Focus on the marketing concept starts at understanding the market.
4	Any company following selling concept undertakes a high-risk	Companies that are following the marketing concept require to bare less risk and uncertainty.
5	The selling concept assumes –"customers who are coaxed into buying the product will like it or, if they do not like it, they will possibly forget their disappointment and buy it again later."	Instead of making an assumption, the marketing concept finds out what really the consumer requires and acts accordingly to them.
6	The selling concept makes poor assumptions.	The marketing concept works on facts gathered by its "market and customer first" approach.

Source: www.iedunote.com

1.1.1.3. What is the role of marketing?

Marketing plays an important **role** in establishing relationships between customers and the businesses offering products and services to the market.

The role of marketing in organization is of immense importance and cannot be ignored. Marketing is just as important as financial management in any company. With the use of technology in this digital age, competition has escalated more than before as social media is being used to capture audiences with their products and services.

Other roles of marketing include:

- Marketing establishes customers and the business
- Marketing grows the customer base that increases revenue and by extension profits
- Marketing brands the business and illuminate the business as it participates in publicity activities, advertising and customer interaction
- Marketing is at the centre of building relationship with customers to develop customer loyalty and customer retention

Source: Timothy Mahea, September 15, 2014. "Role of Marketing in Organizations" Published in LinkedIn.com

1.1.2. How do we create demand and get customers for our products & services in the Fruit & Veg sector in ACP countries?

There are several methods a company can create demand for its products and services. These include:

- Exclusivity of ownership
- The members-only strategy
- Limited availability equates to desire
- Just for you
- Apply the scarcity principle
- Incentives can increase demand

Source: Lahle Wolfe, September 30, 2019
https://www.thebalancesmb.com/creating-demand-for-products-and-services-3515508

Although these methods have been proven to be successfuly in regular products and services, most of them are not applicable in the F & V sector due to the seasonality, perishability and in some case surplus supply in some markets.

Two methods that can be applicable include:

- Repackaging into smaller sizes
- Giving customers incentives through discounts and gifts

1.1.2.1. Repackaging into smaller sizes

This method is commonly used in supermarkets worldwide as they usually buy produce in bulk sizes. Traders use this method to sell large items like watermelons by cutting them up into afforable slices resulting in about 5 to 6 customers buying the pieces from a whole watermelon.

1.1.2.2. Giving customers incentives through discounts and gifts

This is a common method that is attractive to all customers globally. Discounts in prices and extra produce as gifts are all incentives to customers. Such regular or weekly promotions that are advertised can drive a lot of traffic to a supermarket, retail store or even F & V stands. Sometimes such incentives are restricted to a certain time of the day, such as lunch time to give more customers to come to the store.

1.1.3. Why do we have to develop a marketing plan/strategy and what are its components?

Many small businesses underplay the importance of marketing and use the selling concept/approach to run their business (see Figure 1 and Table 1). The selling concept starts at the production level unlike the marketing concept that starts with market research and knowing the company's customers.

Every business needs a marketing plan/strategy to sell its products and services as everybody needs to know about the company and products for them to purchase the products and services. Marketing is not just about promotion or advertising but about knowing the company's customers. It is customer-focused and requires know who the company are serving or want to serve. Aligning the business and marketing plans with the company's customer need will result in more satisfied customers, increase revenue in the short-and long term.

1.1.3.1. Components of a marketing plan - The marketing mix

Four (4) components make up the marketing mix of a marketing plan, including, products, price, place and promotion.

According to Mark Acutt, February 2020, the marketing mix definition is simple. It is about putting the right product or a combination thereof in the place, at the right time, and at the right price. The difficult part is doing this well, as the company need to know every aspect of the company's business plan. See Mark Acutt, updated February 14, 2020 in https://marketingmix.co.uk/.

He noted that a marketing expert named E. Jerome McCarthy created the Marketing 4Ps in the 1960s and is being used throughout all the world since then.

**Figure 3 - ** The Four Ps of Marketing

Source: Mark Acutt, updated February 14, 2020 in https://marketingmix.co.uk/

Product

A product is an item that is built or produced to satisfy the needs of a certain group of people. The product can be intangible or tangible as it can be in the form of services or goods.

The company must ensure to have the right type of product that is in demand for the company's market.

All-in-all, marketers must ask themselves the question "What can I do to offer a better product to this group of people than my competitors?".

In developing the right product, the company has to answer the following questions:

- What does the client want from the service or product?
- How will the customer use it?
- Where will the client use it?
- What features must the product have to meet the client's needs?
- Are there any necessary features that the company missed out?
- Are the company creating features that are not needed by the client?
- What is the name of the product?
- Does it have a catchy name?
- What are the sizes or colors available?
- How is the product different from the products of the company's competitors?
- What does the product look like?

Price

The price of the product is basically the amount that a customer pays to enjoy it. Price is a very important component of the marketing mix definition.

It is also a very important component of a marketing plan as it determines the company's profit and survival.

When setting the product price, marketers should consider the perceived value that the product offers. There are three major pricing strategies, and these are:

- Market penetration pricing
- Market skimming pricing
- Neutral pricing

Here are some of the important questions that the company should ask when setting the product price:

- How much did it cost the company to produce the product?
- What is the customers' perceived product value?
- Do the company think that the slight price decrease could significantly increase the company's market share?
- Can the current price of the product keep up with the price of the product's competitors?

Place

Figure 4 - Place in the 4Ps of marketing

Source: Mark Acutt -updated February 14, 2020 in https://marketingmix.co.uk/

Placement or distribution is a very important part of the product mix definition. The company has to position and distribute the product in a place that is accessible to potential buyers. This comes with a deep understanding of the company's target market.

Understand them inside out and the company will discover the most efficient positioning and distribution channels that directly speak with the company's market.

There are many distribution strategies, including:

- Intensive distribution
- Exclusive distribution
- Selective distribution
- Franchising

Promotion

Promotion is a very important component of marketing as it can boost brand recognition and sales. Promotion is comprised of various elements like:

- Sales organization
- Public Relations
- Advertising
- Sales promotion

In creating an effective product promotion strategy, the company needs to answer the following questions:

- How can the company send marketing messages to the company's potential buyers?
- When is the best time to promote the company's product?
- Will the company reach the company's potential audience and buyers through television ads?
- Is it best to use the social media in promoting the product?
- What is the promotion strategy of the company's competitors?

The company's combination of promotional strategies and how to go about promotion will depend on the company's budget.

Source: Mark Acutt-updated February 14, 2020 in https://marketingmix.co.uk/

1.1.3.2. Why is marketing important for successfully managing a business?

Managing a business requires identifying and meeting the needs of our current and potential customers. Without marketing our customers will not know about our products and services and will defeat our efforts to generate sales and increase our profits.

Marketing is thus key to the following requirements of a successful business:

- To understand and build relations with our targeted and potential customers
- To nurture and continue to build strong customer relations with our customers
- To showcase and highlights the benefits and qualities of our products and services
- To grow our customer base, increase sales and profitability

1.1.4. How do we identify our market?

Figure 5 - Fruits and vegetables sales in Kenya and Sierra Leone

The photos above in Figure 5, were taken in common marketplaces in Kenya and Sierra Leone and serve to explain the common thoughts of where markets are for fruits and vegetable sellers in Africa. A market for any given product or service is where one finds our targeted customers. If that is the case, then a market may or may not be physical locations as shown in the photos. This is obvious in the modern day e-commerce phenomenon.

We identify our market by deciding on the customers we want to sell to as all organizations are in the business of satisfying customers' needs.

Steps in identifying our market may include the following:

- Look at the company's current customer base. Who are the company's current customers, and why do they buy from the company?
- Check out the company's competition.
- Analyze the company's product/service.
- Choose specific demographics to target.
- Consider the psychographics of the company's target.
- Evaluate the company's decision.
- Additional resources.

Source: Mandy Porta, June 2016.

1.1.5. What are the components in a market for our products and services?

A market for any given product or service is where one finds the customers, however there are other important components in the market that a business should be aware of when carrying out a market research or planning a marketing campaign.

These include:

- **Similar products** to what the company are selling
- **Substitute products**, which compete with the company's products for customers money. Example: potatoes versus plantains; apples versus oranges
- **Prices** of similar and substitute products in the same markets the company is selling or plan to sell.
- **Competitors.** Who are the competitors selling the similar and substitute products in the market?
- **Potential competitors.** Consideration should be given to potential competitors who might enter the market (see Chapter 2 for Threats of potential entrants into a market)

Competition analysis is a key component of market research and to understand how competitors operate. Some steps to understand the company's competitors include:

- Define the company's business and identify the firms that compete against it.
- Assess their capabilities.
- Assess their market position based on their target customers and pricing policies.
- Form an opinion about how they will behave and react in the market place in the future based on all the foregoing.
- Write a couple of paragraphs about each major competitor.

Source: IFC Business Edge

1.1.6. What is the place of communication in marketing policy?

Communication has a very important role/place in any marketing policy as it serves both the internal ideas and improve processes of the organization and helps to motivate customers to make purchases that meet their needs.

Anam Ahmed in an article on the role of communication in marketing, November 15, 2019, explains this as follows:

- Inform employees about the benefits of the products and teach them the talking points to be using when dealing with customers

- Persuade prospects and customers to make a purchase through tailored messaging that resonates with their needs

- Motivate team members to hit campaign deadlines to capitalize on market trends; and

- Improve internal marketing processes to increase productivity and efficiency with the department

Source: https://smallbusiness.chron.com/role-business-communication-marketing-1013.html

When proper infrastructure and systems are in place, then employees can communicate effectively with each other and with their customers. He noted that internal communication between employees is critical to developing effective marketing strategies. Through strong research and questioning skills employees will be enabled to determine who their target audience is for a particular campaign and what their characteristics are.

Messages developed by marketers should be strong and engaging and should reflect the needs of the target customers that will generate sales of the products.

1.1.6.1. The communication mix

The communication mix consists of channels or components that are used communicate with its customers.

Hitesh Bhasin in an article on communication mix and its role in marketing, December 24, 2017 describes the communication mix as having six (6) channels shown in Figure 6.

Figure 6 - Channels of communication mix

ADVERTISING	PERSONAL SELLING	SALES PROMOTION
PUBLIC RELATIONS	DIRECT MARKETING / INTERNET MARKETING	PACKAGING

Source: https://www.marketing91.com/communications-mix

Although most writers on the topic usually state five channels, Hitesh has added 'Packaging' as the sixth channel, arguing that "due to competition and the increasing rivalry between businesses, even packaging is considered as an important medium of communicating with the company's consumers."

1.2. HOW TO CONDUCT A SWOT/PESTLE ANALYSIS IN AN ORGANISATION

1.2.1. What is SWOT analysis and what is it used for?

A SWOT analysis stands for Strengths, Weaknesses, Opportunities and Threats and is one of the great methods to help companies understand the strengths, weakness, opportunities and threats that face organizations. The analysis assesses the internal and external factors that affect the business and are applicable to products, services or strategies.

Internal factors (Strengths and Weaknesses) already exist and have contributed to the current position and may continue to exist.

External factors (Opportunities and Threats) are contingent events. Assess their importance based on the likelihood of them happening and their impact on the company. Also, consider whether management has the intention and ability to take advantage of the opportunity/avoid the threat.

Source: www.corporatefinanceinstitute.com/Resources/Knowledge/Strategy

SWOT analysis depends on asking questions and finding answers related to each of the factors of strengths, weakness, opportunity and threats.

Strengths

Factors that can be considered strengths of the business:

- Management expertise and experience
- Recognizing and trying to meet customer needs
- Strong customer loyalty
- Strong marketing and branding efforts
- Access to financial resources
- Access to market data through in-house market research
- Strong linkages in value chain
- Very good relationships with suppliers
- Products unique selling points

Weaknesses

Weaknesses may include some or all of the following:

- Lack of finances for capital expenditure (infrastructure, technology, equipment, cold room, vehicles), production or working capital
- Poor packaging and branding efforts
- Limited or non-existent marketing efforts
- High staff turn-over
- Poor or non-existent storage facilities

Opportunities

The following opportunities should be analyzed:

- Changes in government regulations that can be beneficial to the industry
- Possibilities of changing the strengths of the business into opportunities
- Analyze the trends in the market *e.g.* customers may desire more fresh juices and dried fruits
- Opportunities to expand to other markets in large town, cities, sub-regional and regional markets.

Threats

Sample threats to the business that should be considered when carrying out a SWOT analysis include:

- Strengths of existing and offering the same products or substitute products
- Likelihood of new or potential competitors entering the market
- Rating of low or high barriers of entry by new entrants to the market
- Risk factors affecting the business
- Issues that can threaten the product on the market
- Possible shift in consumer behavior, government or market that can affect sales

1.2.2. What is a PESTLE analysis and how does it help an organization?

A **PESTEL analysis** or **PESTLE analysis** (formerly known as **PEST analysis**) is a framework or tool used to analyse and monitor major external factors (external marketing environment) that may have a profound impact on any business' performance in terms of its operations in order to become more competitive in the market.

The tool consists of six factors, namely: **political, economic, sociological, technological, legal and environmental**. They impact of these factors can have short-term or long-term impact on a given business and it is imperative that business should endeavor to be aware of these factors.

This tool is especially useful when starting a new business or entering a foreign market. The result of a PESTLE analysis is used to identify threats and weaknesses, which are used in a **SWOT analysis**. The PESTLE analysis tool can be considered a more detailed version of the external (opportunities and threats) factors of SWOT analysis.

1.2.2.1. What are the PESTLE analysis elements?

Political factors

The political stability for a country is crucial to decide if the company can establish a business in a specific country. Basically all the influences that a government has on the company's business could be classified here. This can include government policy, political stability or instability, corruption, foreign trade policy, tax policy, labour laws including minimum wage-laws, environmental regulations, trade restrictions, zoning laws, and ease of doing **business**.

Governments can raise or lower corporation tax, which will impact on profits. They can also **affect businesses** by increasing value-added tax on products or **business rates**.

These are all factors that need to be taken into account when assessing the attractiveness of a potential market.

Economic factors

Economic factors include economic growth, exchange rates, inflation rates, interest rates, disposable income of consumers, cost of labor and raw materials, GDP growth rates, conditions in the capital markets (ability to access capital), and unemployment rates.

These factors may have a direct or indirect long-term impact on a company, since it affects the purchasing power of consumers and will affect how companies price their products and services.

Sociological factors

Sociological factors are related to the demographic characteristics that affect countries socio-economics such as the population growth rate, age range, education, attitude and work habits, income distribution, career attitudes, safety emphasis, health consciousness, lifestyle attitudes, cultural barriers and living standards.

Sociological factors affect someone's lifestyle include wealth, religion, buying habits, education level, family size and structure and population density.

These factors are especially important for marketers when targeting certain customers.

Technological factors

Technological ability in countries includes having a good stable infrastructure such as Internet connection, research, easy patent regulations, electronic laws and regulations. These factors pertaining to innovations in technology may affect the operations of the industry and the market favorably or unfavorably. This refers to technology incentives, the level of innovation, automation, research and development (R&D) activity, technological change and the amount of technological awareness that a market possesses.

Legal factors

Having clear laws and regulations ensures that the companies will get their rights and be protected. Regulatory bodies, employment laws, company protection laws ensure the future security required for business sustainability.

Although these factors may have some overlap with the political factors, they include more specific laws such as discrimination laws, antitrust laws, employment laws, consumer protection laws, copyright and patent laws, and health and safety laws.

It is clear that companies need to know what is and what is legal in order to trade successfully and ethically. Engaging a legal advisor is recommended to help with changes in legislation and the impact on the company's business in any given country.

Environmental factors

Issues of the environment and ecological aspects have become important in recent years and several international regulations and treaties continue to be developed to address natural and man-made activities on the environment. Environmental factors such as the weather, climate, climate change, natural disaster (floods, droughts), air and water pollution affect industries such as farming, agriculture, agri-business as they may lead to scarcity of inputs and raw materials and/or the quality of products manufactured. MSMEs should be aware of the impact of the environment on how or where they operate in any given country and region.

Various sources including:
https://www.designorate.com/
Elmansy www.quora.com/unanswered/What-is-the-meaning-of-a-political-factor.

Below is a visual list of the elements included in each of the PESTLE factors.

Figure 7 - List of elements of the PESTLE factors

P
- Government type and stability
- Freedom of the press, role of law and levels of bureaucracy and corruption
- Regulation and deregulation trends
- Social and employment legislation
- Tax policy, and trade and tariff controls
- Environmental and consumer protection legislation
- Likely charges in the policy environment

E
- Stage of a business cycle
- Current and projected economic growth, inflation and interest rates
- Unemployment and supply of labour
- Labour costs
- Levels of disposable income and income distribution
- Impact of globalisation
- Likely impact of technological or other changes on the economy
- Likely changes in the economic environment

S
- Cultural aspects, health consciousness, population growth rate, age distribution
- Organisational culture, attitudes to work, management style, staff attitudes
- Education, occupations, earning capacity, living standards.
- Ethical issues, diversity, immigration/emigration, ethnic/religious factors
- Media views, law changes affecting social factors, trends, advertising, publicity

T
- Maturity of technology, competing technological developments, research funding, technology legislation, new discoveries
- Information technology, internet, global and local communications
- Technology access, licensing, patents, potential innovation, replacement technology/solutions, inventions, research, intellectual property issues, advances in manufacturing
- Transportation, energy uses/sources/fuels, associated/dependent technologies, rates of obsolescence, waste removal/recycling

L
- Current home market legislation, future legislation
- European/international legislation
- Regulatory bodies and processes
- Environmental regulations, employment law, consumer protection
- industry-specific regulations, competitive regulations

E
- Ecological
- environmental issues, environmental regulations
- Customer values, market values, stakeholder/investor values
- management style, staff attitudes, organisational culture, staff engagement

Source: www.designorate.com

A full list of the PESTEL/PESTLE factors are given below in Figure 8. Please note that there are many more factors that can influence businesses.

Figure 8 - Full list of PESTLE/PESTEL factors

POLITICAL FACTORS

- Government stability/instability
- Corruption level
- Tax policies
- Freedom of press
- Government regulation and deregulation
- Special tariffs
- Political action committees
- Government involvement in trade unions and agreements
- Competition regulation
- Voter participation rates
- Amount of government protests
- Defense expenditures
- Level of government subsidies
- Bilateral relationships
- Import-export regulation/resctrictions
- Trade control
- Lobbying activities
- Size of government budgets

ECONOMIC FACTORS

- Growth rate
- Interest rate
- Inflation rate
- Exchange rate
- Availability of credit
- Level of disposible income
- Propensity of people to spend
- Federal government budget deficits
- Gross domestic product trend
- Unemployment trend
- Stock market trends
- Price fluctuations

SOCIAL FACTORS

- Population size and growth rate
- Birth rates
- Death rates
- Number of mariages
- Number of divorces
- Immigration and emigration rates
- Life expectancy rates
- Age distribution
- Wealth distribution
- Social classes
- Per capita income
- Family size and structure
- Lifestyles
- Health consciousness
- Average disposable income
- Attitude towards government
- Attitude towards work
- Buying habits
- Ethical concerns
- Cultural norms and values
- Sex roles and distribution
- Religion and beliefs
- Racial equality
- Use of birth control
- Education level
- Minorities
- Crime levels
- Attitudes towards saving
- Attitude towards investing
- Attitudes towards retirement
- Attitudes towards leisure time
- Attitudes towards product quality
- Attitudes towards customer service
- Attitudes towards foreign people

TECHNOLOGICAL FACTORS

- Technology incentives
- Automation
- R&D activity
- Technological change
- Access to new technology
- Level of innovation
- Technological awareness
- Internet infrastructure
- Communication infrastructure
- Life cycle of technology

LEGAL FACTORS

- Discrimination laws
- Antitrust laws
- Employment laws
- Consumer protection laws
- Copyright and patent laws
- Health and safety laws
- Education laws
- Consumer protection laws
- Data protection laws

ENVIRONMENTAL FACTOR

- Weather
- Climate
- Environmental policies
- Climate change
- Pressures from NGO's
- Natural disasters
- Air and water pollution
- Recycling standards
- Attitudes towards green products
- Support for renewable energy

Figure 8 is presented in Source:
www.business-to-the company.com/scanning-the-environment-pestel-analysis
and other websites such as tradingeconomics.com, theglobaleconomy.com, data.oecd.org
and data.worldbank.org give applicable factors
Source: www.business-to-you.com/scanning-the-environment-pestel-analysis/

1.2.3. What are the differences between a SWOT and PESTLE analyses?

SWOT analysis is one of the business tools that can help us to study the business position in the market based on internal factors (strengths and weakness) and external factors (thread and opportunities).

However, the SWOT indicated a weakness point to cover all the external factors that **may affect the business.**

Figure 9 - Comparison of SWOT with PESTLE analyses
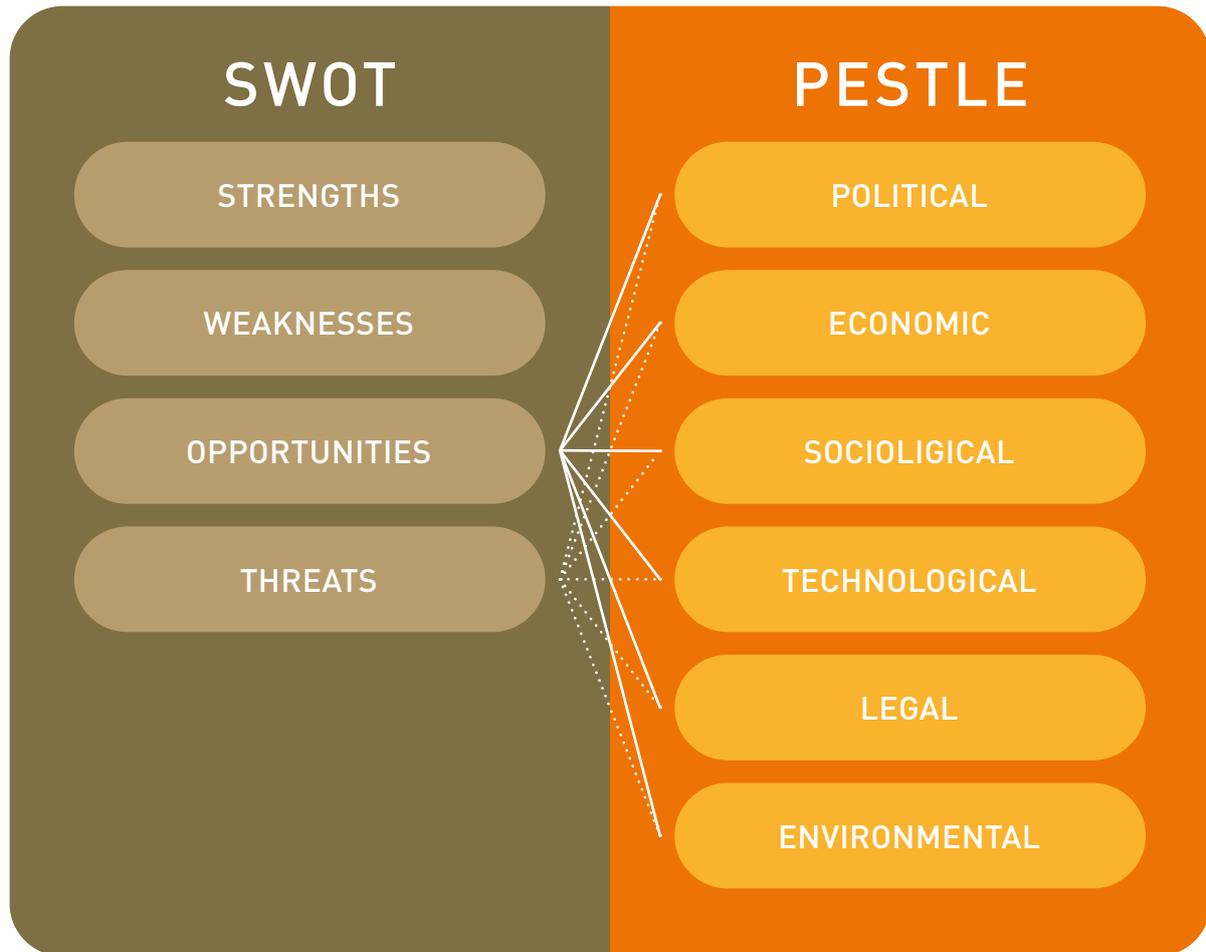
1.2.4. Why do we have to conduct SWOT and PESTLE analyses?

1.2.4.1. Why conduct a SWOT analysis?

The SWOT analysis is a key factor of business success and help identify successful innovation opportunities and how to turn ideas into a successful product or service.

It can be applied to products, services and strategies. Those four factors evaluate both internal and external factors related to a specific project, service or strategy.

The internal analysis includes both strength and weakness factors, while the external analysis includes opportunities and threats factors. All of these factors access the strong and weak points that can an idea into a new product or service

1.2.4.2. Why Conduct a PESTLE analysis?

While PESTLE analysis cannot replace other tools such as SWOT analysis or the 5 Ps (the marketing mix), some advantages of using it in business such as the following:

- The focus on external factors gives us the opportunity to see the big picture of the industry and where it is operating

- Helps to minimise threats, for example, the environmental impact can be a threat in the company's future if not considered at an early stage of production

- Allows us to provide detail planning for the business and how it can address the external challenges

- No matter if the company analyse the factors related to a project or a company, PESTLE analysis can work for both

- In projects, PESTLE analysis can be used to understand all the external factors affecting a core problem (focal problem) and explore all the factors affecting its

The challenging part about the PESTLE analysis is that these factors are not controllable. In many cases, we cannot predict the changes that may happen in any of these factors and when. For example, the current global Covid-19 was not predicted in December 2019 and we are now experiencing a global melt down in economies and companies are being disrupted or completely wiped out.

Analysing the market provides us with information that can help us reduce the risk on companies or projects. While SWOT analysis does no offer sufficient analysis for external factors that may affect the company, PESTLE analysis can provide us with a detailed insight into different external factors. However, as noted above, since the changes in the market especially sudden modifications cannot be forecasted using this tool guide thus it serves as a guide rather than an accurate plan.

1.2.5. How does one carry out SWOT and PESTLE analyses?

1.2.5.1. How to carry out SWOT Analysis

Carrying out a SWOT analysis requires answering questions relating to internal and external factors that affect the operations and marketing of goods and services of the company. Sample relevant questions are presented in Figure 10 below.

Figure 10 - Relevant questions asked in a SWOT analysis

STRENGTHS	WEAKNESSES
• Management expertise and experience • Recognizing and trying to meet customer needs • Strong customer loyalty • Strong marketing and branding efforts • Access to financial resources • Access to market data through in-house market research • Strong linkages in value chain • Very good relationships with suppliers • Products unique selling points	• What weakness could be improved in the design? • What issues should be avoided? • What are the factors that reduce the company's sales? • Does the production process have limited resources?
OPPORTUNITIES	THREATS
• What are the opportunities for the new product? • What are the trends to take advantage of? • How can we turn strengths into opportunities? • Are there any changes in the market or government which can lead to opportunities?	• Who are the existing or potential competitors? • What are the factors that can put business into risk? • What issues can threaten the product on the market? • Will there be any shifts in consumer behavior, government or market that can affect the product success?

1.2.5.2. How does the company carry out a PESTLE analysis?

The following steps are taken in carrying out a PESTLE analysis:

Step 1 - List external PESTLE factors for the business.

Not all the listed factors are relevant to a given business and listing of the relevant factors will entail combing through the list and selecting the most relevant ones.

Step 2 - Identify the implications of each PESTLE factor on the business.

Having come up with a list of factors, the implications of each factor are then assessed

Step 3 - Rate the impact and likelihood.

Impact and likelihood of the implicated are then rated against what is considered to be acceptable or less likely to happen

Step 4 – Take further action.

Further action is taken in terms of decisions to start a business in and/or expand to that market based on the prevailing external environment

1.3. MASLOW'S HIERARCHY OF NEEDS AND ITS RELATION TO MARKETING

### 1.3.1. What is Maslow's hierarchy of needs?

What are the needs of human beings? What motivates human beings? What must they have in order to be happy, successful – or even just to survive? The American psychologist, Abraham Maslow, considered these questions and came to the conclusion that human needs can be thought of or organized as being on several distinct levels or hierarchy.

Maslow's hierarchy of needs is a theory by Abraham Maslow, which puts forward that people are motivated by five basic categories of needs: physiological, safety, love, esteem, and self-actualization.

This hierarchy ranges from more concrete needs such as food and water to abstract concepts such as self-fulfillment. According to Maslow, when a lower need is met, the next need on the hierarchy becomes our focus of attention.

We can represent Maslow's ideas in the form of a staircase diagram shown in Figure 11A below.

Figure 11A - Maslow's theory hierarchy of needs

SELF-ACTUALIZATION
Personal - Development - Total self-fulfillment

ESTEEM
Achievement - Confidence - Self-respect - Recognition

LOVE & BELONGING
Acceptance - Affection - Belonging - Friendship

SAFETY
Security - Stability - Peace

PHYSIOLOGICAL
Food - Air - Water - Sleep
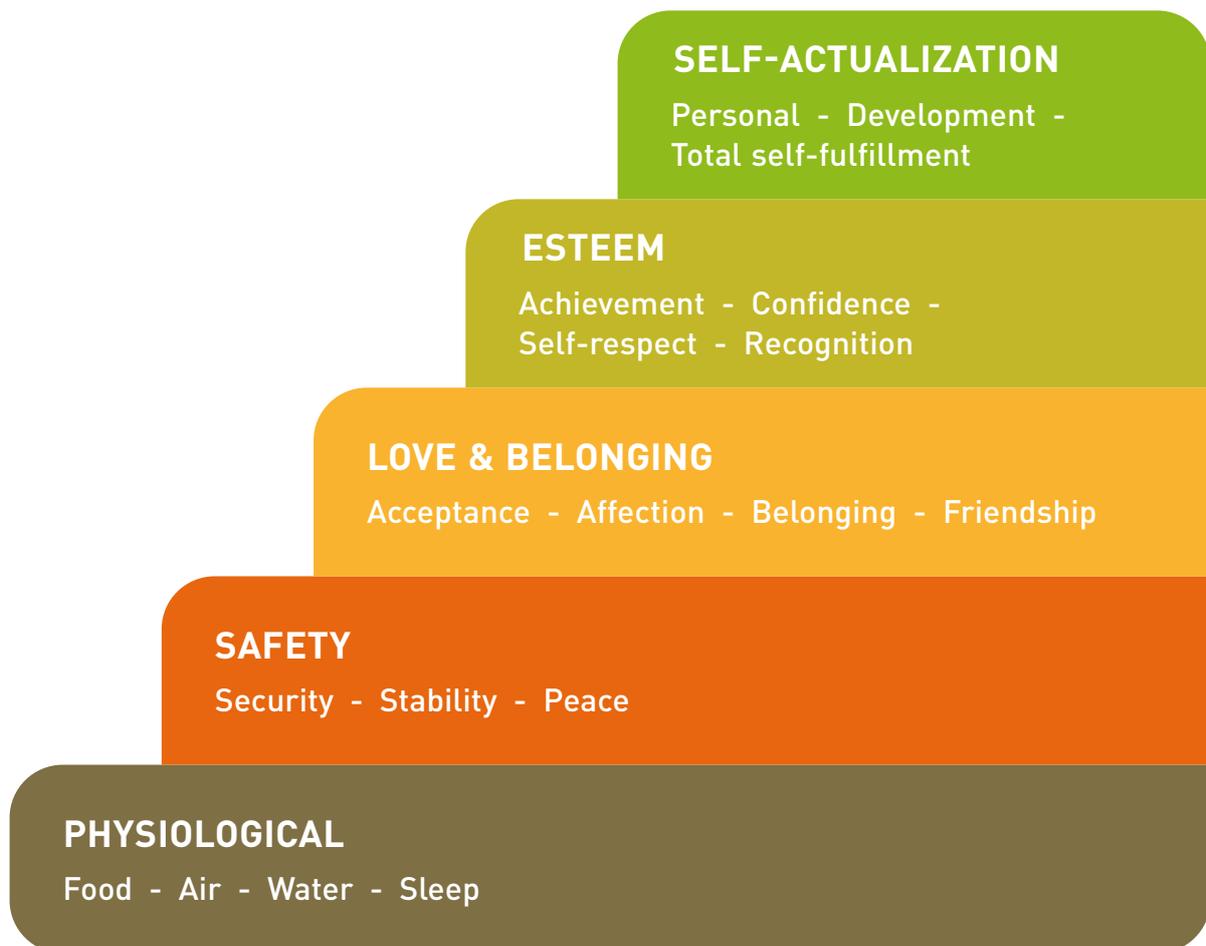
Source: IFC Business Edge Manual on Motivating People

These five categories of needs according to Maslow are explained further as follows:

Physiological needs

These refer to basic physical needs like drinking when thirsty or eating when hungry. According to Maslow, some of these needs involve our efforts to meet the body's need for homeostasis; that is, maintaining consistent levels in different bodily systems (for example, maintaining a body temperature of 36.6°C).

Maslow considered physiological needs to be the most essential of our needs. If someone is lacking in more than one need, they are likely to try to meet these physiological needs first. For example, if someone is extremely hungry, it is hard to focus on anything else besides food. Another example of a physiological need would be the need for adequate sleep.

If we are starving or have other fundamental needs like air, sleep and water, we become obsessed with satisfying these needs. Anything else is irrelevant at this time.

Safety needs

Once these bodily needs are satisfied, we look for security and stability in our environment. Our safety needs are apparent even early in childhood, as children have a need for safe and predictable environments and typically react with fear or anxiety when these are not met. Maslow pointed out that in adults living in developed nations, safety needs are more apparent in emergency situations (*e.g.* war and disasters), but this need can also explain why we tend to prefer the familiar or why we do things like purchase insurance and contribute to a savings account.

Love and belonging needs

According to Maslow, having fed ourselves and made ourselves safe, the next level of need comes into play. The 'love' or social needs are then important to us – affection, friendship and belonging. This need involves feeling loved and accepted. This need includes both romantic relationships as well as ties to friends and family members. It also includes our need to feel that we belong to a social group. Importantly, this need encompasses both feeling loved and feeling love towards others.

Since Maslow's time, researchers have continued to explore how love and belonging needs impact well-being. For example, having social connections is related to better physical health and, conversely, feeling isolated (i.e. having unmet belonging needs) has negative consequences for health and well-being.

Esteem needs

After satisfying all these 'lower' needs, we look for esteem, self-respect and achievement. Our esteem needs involve the desire to feel good about ourselves. According to Maslow, esteem needs include two components. The first involves feeling self-confidence and feeling good about oneself. The second component involves feeling valued by others; that is, feeling that our achievements and contributions have been recognized by other people. When people's esteem needs are met, they feel confident and see their contributions and achievements as valuable and important. However, when their esteem needs are not met, they may experience what psychologist Alfred Adler called "feelings of inferiority."

The need for self-actualization

The final human goal is self-fulfillment – the development of our full potential in whatever field our talents lie. Self-actualization refers to feeling fulfilled, or feeling that we are living up to our potential. One unique feature of self-actualization is that it looks different for everyone. For one person, self-actualization might involve helping others; for another person, it might involve achievements in an artistic or creative field. Essentially, self-actualization means feeling that we are doing what we believe we are meant to do. According to Maslow, achieving self-actualization is relatively rare, and his examples of famous self-actualized individuals include Abraham Lincoln, Albert Einstein, and Mother Teresa.

Source: www.thoughtco.com/psychology-4160512
Sciences/Psychology

Geza Szekely *et al.* (2006), however consider self actualization as 'want' and they argue that this means a completely different kind of motivation compared to the previous four, since it is based on extension and not on deficit or shortage. The highest level of happiness is when the four shortage basic needs are satisfied.

According to them, only a few of us manage to reach the level of 'wonderful possibilities' because usually we spend our lives struggling to satisfy our four basic needs. The much mentioned significance of money and time decreases in relation to self-actualization, but grows as we go backwards in the hierarchy. Maslow believed that the higher and most human possibilities, however buried, depressed and waiting for expression, but can be found within us.

They equate true luxury to self-actualization. A true luxury consumer does what he/she wants and desires, and spends time where and how the most inner self dictates. Luxury consumption nowadays does not necessarily mean material goods, but rather the decent feeling of life.

Source: www.academia.edu/ 2006

Figure 11B - Maslow: the system of human needs

Source: Tartsay, 1993 op. cit. SZÉKELY GÉZA *et al.* in *Basic Marketing* 2006

1.3.2. Why is Maslow's hierarchy of needs important in marketing?

Maslow's hierarchy of needs can play a major part in marketing as marketing and psychology usually overlap. That is why a good marketer knows that before developing a marketing strategy, understanding the target audience of a business is vital. Doing this through psychology is an effective way of getting to know potential customers properly as it helps us find out their likes or dislike, what kind of language affects them and much more.

The more the company understand the company's audience/clients, the greater influence the company's marketing strategies will have. Therefore, Maslow's hierarchy of needs – a popular psychological theory – can be a very useful key to understanding consumer buying behavior

Source: www.profiletree.com/maslows-hierarchy-of-needs

Successful marketing persuades a prospective client to purchase the product or service the company are selling. One of the most effective ways to accomplish this is to appeal directly to one or more of his/her basic needs. Maslow's hierarchy of needs as a guideline against which to target marketing efforts, arguing that success depends on meeting one of Maslow's identified needs. Although other needs theories also have relevance, Maslow's needs hierarchy remains the foundation for many successful psychological approaches to marketing.

If marketers focus on the needs of their target customers and clients, then Maslow's hierarchy will be most appropriate to be used as a selling point to influence the buying decision of the clients. Marketers should use various criteria such as age, gender, social class, demographics, to get details on the target customers and then then can tailor their marketing efforts and strategy to meet those customers

Source: https://smallbusiness.chron.com/business-plans/ & marketing/marketing

1.3.3. How to appeal directly to one or more of customers basic needs, while aiming to fulfill the high-level, high-profit needs

Maslow's basic principles linking marketing to human psychology remain valid. The company connect best with prospective customers if the company appeal to their needs in a relevant, meaningful way. Consider the level of need the company's customer is trying to meet, and market the company's product in such a way as to convince him that it will fulfill exactly that need.

Source: www.professionalacademy.com/blogs-and-advice/marketing-theory

If human behavior and decision-making is motivated by one of these 5 levels in Maslow's hierarchy, then this gives us as marketers an incredible insight into how to identify our customers' needs and appeal to them in a meaningful, relevant way.

Source: https://www.inneractionmedia.com/blog/maslows-hierarchy-of-needs-marketing

CASE STUDIES

Identifying key players in various markets: case of the Kenya market-led horticulture programme in Meru County, Kenya

SNV carried out a research in Kenya titled: "**Identification and Engagement of Domestic Buyers for Horticultural Produce, a Kenya Market-Led Horticulture Program**" October 2018.

The study is linked to marketing and communication as it shows the interaction between buyers and sellers and the challenges and opportunities in the various county markets. It also reveals the information needed to develop the 4Ps of marketing: **product, price, place and promotion**.

The objective of the study was to identify buyers that source fruits, vegetables and potatoes from SME farmers. Research was conducted in the following seven (7) counties:

- Uasin Gishu County
- Nakuru County
- Kisumu County
- Laikipia County
- Meru County
- Nyeri County
- Trans Nzoia County

The main players in each of these counties included supermarkets, large vendors at local markets, schools, distributors, restaurants, hotels, grocery shops and processors were identified in each county. The findings from Meru County are presented below:

Meru town (Meru County)

General remarks

Main source of information are HCD validation reports - 2012-2014 and 2015-2016 https://www.agricultureauthority.go.ke/index.php/en/

Also interviewed 10 buyers.

Buyers identified

Individual - 10

- Individual large vendors in Gakoromone Market receive horticultural produce from Meru and neighbouring counties and supply to hotels and restaurants, schools and supermarkets. They also supply outlets in Chuka, Nkubu and Chogoria.
- Bananas, mangoes, onions, potatoes, carrots, tomatoes, African leafy vegetables and cabbages are the main products traded.

Company - 4
- Twiga Foods
- Wakulima Supermarket and Stores
- Waciana stores
- Greenways Provisional Store

Commodities of interest (produced & consumed)

Consumed
- 31,500 tons of potatoes estimated to be consumed annually, mainly as food (chips, mashed potatoes).
- 30,000 MT of bananas, 3,600 MT mangoes and 3,000 MT watermelon are the main fruits, mostly consumed as fresh fruits.
- Mangoes and watermelon are processed to fresh juice and sold in hotels and restaurants and homes.

Produced

According to Horticultural Crops Directorate, 2018:
- 90,374 tons (2015) and 80,662 tons (2016) of potatoes;
- 4,252 tons of watermelon; 7,903 tons of tomatoes
- 251,132 tons of bananas; 84,102 ton of cabbages, 26,459 tons of mangoes; 25,717 tons of kale; 863 tons of garden peas; 9,436 tons of carrots; 2,476 tons bulb onions; 4,581 tons of avocadoes; 348 tons of oranges; 1,030 tons passion fruits; 4,036 tons pineapples
- Meru County exports the highest volume of bananas, cabbages, mangoes, avocadoes and kale to neighbouring counties and distant counties such as Nairobi,Nakuru, Kisumu, Mombasa and Eldoret.

Buyers of interest

The challenges and opportunities are presented below from the wholesale buyers' perspectives and they give very detailed information that can be used for market analysis.

Wakulima supermarket and stores

Contact person:
Anita Kaari | anitanjeru11@yahoo.com | **0726465055**

Located in Chogoria, Wakulima stores are owned by Anita Kaari Njeru and has been in operation for 15 years. Employs 35 staff in the bakery, supermarket and grocery shop. 4 are directly involved in the grocery business on the site. 6 others work on casual basis to facilitate product grading, loading and offloading.

Wakulima stores moves an average of 635 MT of fresh produce annually, translating to an annual turnover of Kshs. 38 million. Has a bakery, supermarket and trucks and pick-ups. The business handles potatoes, cabbages, onions, carrots, tomatoes and courgettes.

Challenges

- Low quality of produce supplied by farmers because they lack extension services.
- Unable to meet institutional orders in times of scarcity
- Produce sourced from Meru and Isiolo counties making logistics expensive

Opportunities

- Has a network of market outlets for potatoes, vegetables and fruits
- Has invested in trucks and pickups that support the bakery and supermarket business.
- Has established links with farmers and aggregators in Meru and Isiolo Counties who ensure a regular supply of the commodities.
- Ready to invest in organized farmers who will consistently supply produce on a contractual basis.

Twiga Foods https://twiga.ke/

Contact person:
Keneth Mutuma | keneth.mutuma@twigafoods.com **| 0712181600**

Established in 2014, Twiga Foods works with 8,370 farmers located across the country.

Twiga Foods sources dessert bananas from Kutus and Kirinyaga, Tharaka-Nithi and Maua, Timau, Mikinduri, Meru County.

Supplies fresh ready to sell products to 5,226 vendors in Nairobi and its environs, mainly "Mama Mboga kiosks".

Twiga Foods moves an average of 7,500 tons annually, translating to an annual turnover of Kshs. 200 million.

Employing 400 staff, the company provides extension services to farmers at the collection centre or at a designated farm.

Farmers take farm inputs credit to improve their production systems.

Challenges

- Twiga Foods are not able to access the quantity of produce that they have markets for. Their daily requirement for bananas is 70 tons but only manage to supply 25-35 tons on average.

- Banana quality affected by fungal diseases because they are 15-17 years old and therefore farmers need to plant new orchards.

- They are unable to get sufficient volumes of the other commodities (pawpaw, passion fruits, sweet pepper, avocado, tree tomato, watermelon, potatoes, cabbages and onions

Opportunities

- Twiga Foods has sufficient resources to market bananas, pawpaw, passion fruits, sweet pepper, cabbages and onions. There is an opportunity to mobilise farmers to produce for their market.

- Twiga Foods would like to expand their supply base to other counties and are therefore willing to work with organized farmers to supply them with the required commodities.

- Have an elaborate extension service and collection centres with trucks and pickups to transport produce from the various centres to Nairobi.

Waciana Stores

Contact person:
Makena Mureithi | 0726162767

Trading in a wide variety of horticultural products, Waciana Stores sell their produce to retailers, schools and hospitals.

The shop employs 5 permanent and 11 temporary workers. They also sell directly to consumers.

Products and sources: carrots, bell peppers, cabbage, peas, onions, watermelon and tomatoes. The main source of the products is Meru, Isiolo, and Kirinyaga.

Challenges

- In times of scarcity, they are unable to meet the market demand for most of the commodities. Interventions that would facilitate consistent supply of produce to the store are welcome.
- Access to finance is critical to ensure the store pays promptly for produce delivered to them.

Opportunities

- Engagement with farmers: Waciana Stores provide a market outlet for smallholder farmers in Chogoria and its environs.
- They pay for produce upon collection through M-pesa.
- They offer limited extension services to farmers to improve on production systems and either receives the produce at their stores or from designated centres.

Source: SNV: Identification and Engagement of Domestic Buyers for Horticultural Produce. October 2018

CASE STUDY 2
Wangu Holdings, Sierra Leone How to carry out SWOT analysis

Wangu Holdings is a company engaged in fruit cultivation and juice processing located in in northern Sierra Leone. The company has a 50-acre farm where citrus and passion fruits are grown and processed into juices and sold in the domestic markets over the past five years. With its success in the domestic market, the company decided to evaluate the idea of using specialized packaging of its juices for distribution in the three neighboring Mano River Union (MRU) countries of **Guinea, Liberia and Ivory Coast**.

In order to evaluate the project idea, the company decided to use a SWOT analysis, results of which are shown in Figure 12 below.

Figure 12 - SWOT analysis of Wangu Holdings, Sierra Leone

STRENGTHS	WEAKNESSES
• Knowledge and experience: The team has the skills and experience to develop fresh juices from its own farm products	• Lack of formal marketing and promotion of products thus the brand is unknown throughout Sierra Leone
• Reputation: Along with our experience in the market, we have built a good reputation in producing fresh juices with no additives in Sierra Leone	• Robust marketing will be required to promote products in the MRU countries
• Good credibility with the general public	• Production levels on farm and processing facility are too low to meet the demands of the sub-regional markets
• Good reputation and tradition of excellence and service	• Farm will have to be expanded to about 200 acres or more and/or work with outgrowers to supply addition produce for processing
• Products quality and taste, which are appreciated in the market	• Embarking on export sales will require logistical support within Sierra Leone and across the borders to the other three countries
	• None of Wangu Holdings staff are knowledgeable of French language that will be required in Guinea, and Cote d'Ivoire thus will require focusing on cross border trade with Liberia, an English speaking country
	• The company will have to embark on a extensive market research to determine the challenges and opportunities in accessing the MRU countries and feasibility in terms of logistical requirements for cross border trade between Sierra Leone and these countries

OPPORTUNITIES	THREATS
• The idea of exporting the locally made juices to the MRU countries is unique and innovative which can lead a market population size of 44 million • The Sierra Leone government is encouraging people to do more in the agri-business sector, which can be an opportunity to increase sales both domestically and sub-regionally • There are huge opportunities in the MRU countries in terms of the number of players in the F & V sector and processed goods such as juices	• Keeping up with technology, growth and opportunities in Sierra Leone and the MRU countries • Retaining high quality staff with French language skills could be problematic • Many more competitors (with similar and substitute products) entering the markets and gaining market share • Farm production can be threatened by pests and diseases

Based on the above SWOT analysis, the team at Wangu Holdings has a clearer view of the strengths, weakness, opportunities and threats that can face the new product development and expansion to new proposed markets. The company may try to overcome the weakness and threats in order to turn the idea into a viable one and thus expand its sales in the sub-region.
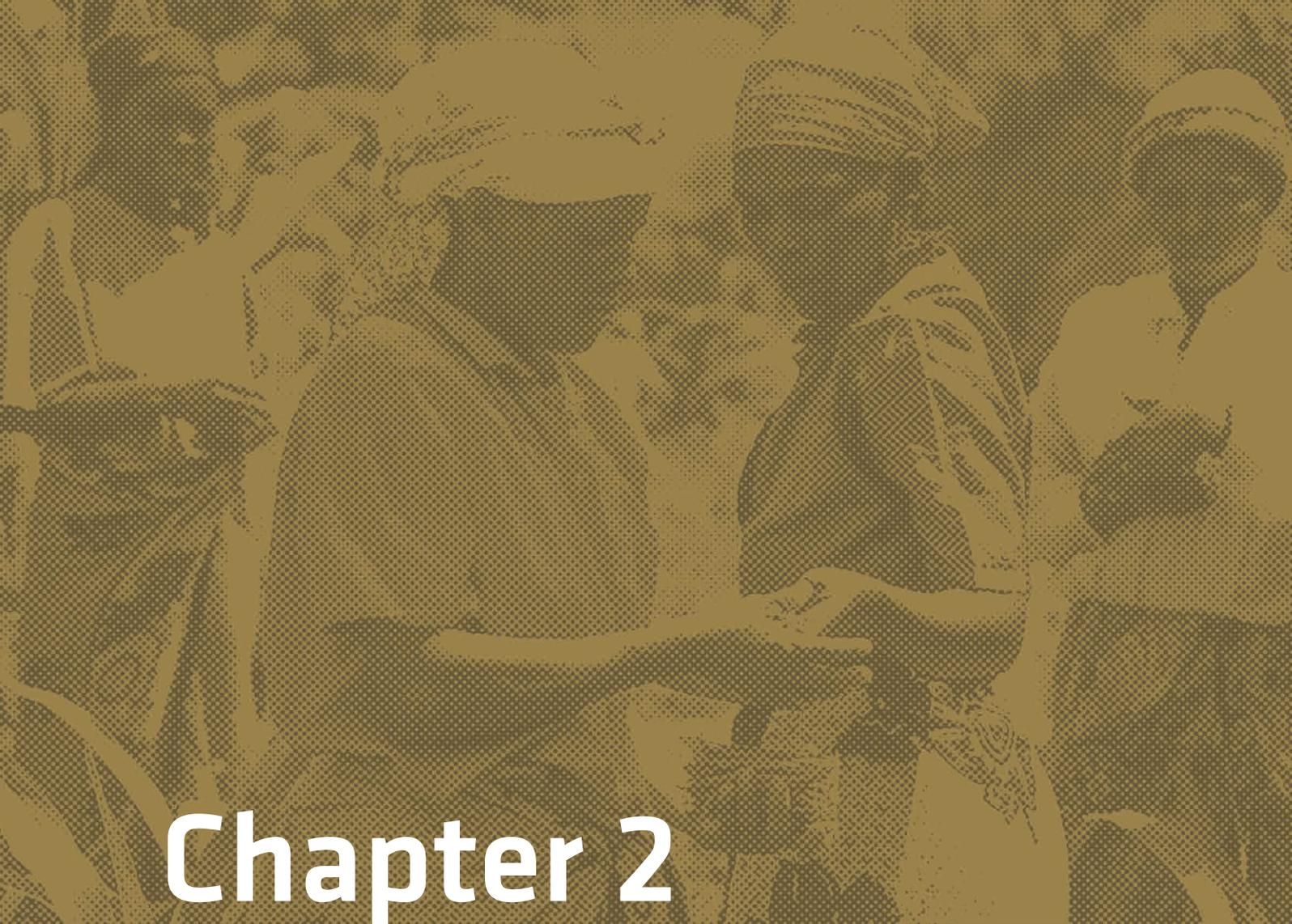
Chapter 2

Developing a marketing plan/strategy

2.1. INDUSTRY AND VALUE CHAIN ANALYSES

2.1.1. Introduction to industry analysis

Industry analysis, for an entrepreneur or a company, is a method that helps it to understand its position relative to other participants in the industry. It helps them to identify both the opportunities and threats coming their way and gives them a strong idea of the present and future scenario of the industry. The key to surviving in this ever-changing business environment is to understand the differences between the company and its competitors in the industry and using it to the company's full advantage.

2.1.2. Value chain analysis and competitive approach

A value chain is a set of activities that a firm operating in a specific industry performs in order to deliver a valuable product or service for the market. The concept comes from business management and was first described and popularized by Michael Porter in his 1985 best-seller, *Competitive Advantage: Creating and Sustaining Superior Performance.*

Value chain analysis helps a company understands how it adds value to something and subsequently how it can sell its product or service for more than the cost of adding the value, thereby generating a profit margin. Products pass through all activities of the chain in order, and at each activity the product gains some value. The chain of activities gives the products more added value than the sum of the independent activity's value. Value chain analysis is a way to visually analyze a company's business activities to see how the company can create a competitive advantage for itself.

Figure 1 - Firm level value chain segments

INBOUND LOGISTICS · OPERATIONS · PROCESSING · OUTBOUND LOGISTICS · MARKETING & SALES · AFTER SALES SERVICE

Source: Adapted from various sources

2.1.2.1. Activities of the value chain

Activities of the value chain can be classed into primary activities (line functions) and support activities (staff functions, overhead). Brief descriptions of both categories are shown in Table 1 below.

Table 1 - Activities of the value chain

PRIMARY FUNCTIONS	SUPPORT SERVICES
• **Inbound logistics.** Includes receiving, storing, inventory control, transportation planning.	• **Procurement.** Procurement of raw materials, servicing, spare parts, buildings, machines, etc.
• **Operations.** Includes machining, packaging, assembly, equipment maintenance, testing and all other value-creating activities that transform the inputs into the final product.	• **Technology development.** Includes technology development to support the value chain activities. Such as Research and Development, Process automation, design, redesign.
• **Outbound logistics.** The activities required to get the finished product at the customers: warehousing, order fulfillment, transportation, distribution management.	• **Human resource management.** The activities associated with recruiting, development (education), retention and compensation of employees and managers.
• **Marketing and sales.** The activities associated with getting buyers to purchase the product, including: channel selection, advertising, promotion, selling, pricing, retail management, etc.	• **Firm infrastructure.** Includes general management, planning management, legal, finance, accounting, public affairs, quality management, etc.

2.1.3. Cost of marketing and expected return on investment (ROI)

2.1.3.1. Cost of marketing and sales

Marketing budget

A marketing budget typically covers costs for advertising, promotion and public relations. Factors to consider when preparing a marketing budget include:

- The size of the business
- Percentage of annual sales or projected sales
- Competition
- Marketing plan objectives

Note that new companies may spend as much as 50% of sales for introductory marketing programs in the first year. Smaller business may just try to match the spending of their direct competitors.

Table 2 - Cost of marketing and sales

ITEM	ESTIMATED COST (US$ OR LOCAL CURRENCY)
Products launch	
Brand building	
Printing brochures and flyers	
Distribution of samples	
Publishing adverts in local newspapers	
Radio and TV adverts	
Promotions	
Banners	
Bill boards	
Delivery to sales channels	
Sales (Commission/direct)	
TOTAL	

2.1.3.2. What should the company measure to determine ROI?

Return on investment, or ROI, refers to the amount of money the company generates after making an investment in something. The simplest way to determine ROI is to compare the company's revenue to the company's marketing expenses. But the company will get more accurate results if the company goes a little deeper. One of the best equations for calculating ROI looks like this:

$$\text{(REVENUE — INVESTMENT) / INVESTMENT}$$

If the company invested $5,000 in marketing expenses and the company generated $10,000 in revenue from those channels. The company's formula would look like this:

$$(\$10,000 — \$5,000) / \$5,000$$

The answer is then multiploed by 100 to get a percentage. In this case, the company's marketing ROI is 100 percent.

To calculate this formula, the company needs to know that the marketing channels have actually generated the ROI.

Source: ROI: What Is It, Formula & 5 Ways To Measure The Your Marketing ROI by Jonathan Constedt
www.medium.com

2.1.3.3. Increasing the ROI of existing plans

Marketing effectiveness could be increased by 30-40% by taking a closer look at the specifics of each marketing method and adapting the strategy to focus on strengths and minimize weaknesses. Their guiding principles for maximizing ROI are:

1. **Consider both the short and long term impact of a marketing campaign**

Different marketing methods excel in different campaign lengths. Some methods will take a few months to reach peak effectiveness while other will hit a peak immediately. Ensure the company run and measure the campaigns for the right length time, errors on the side of measuring for too long a time period.

2. **Choose the right portals and campaigns for online success**

Understand the company's target market on the web and focus on creating content and advertising to attract that specific demographic to the company's site.

3. **Influence target groups with magazine advertising**

Magazines have a clearly segmented target group (unlike newspapers, which are read by a wide range of readers). If a magazine's target group overlaps with the company's businesses target group consider advertising with that magazine.

4. **Focus on campaigns that generate the greatest halo effect**

Marketing methods that increase sales are what really matter at the end of the day. Focus on methods that increase sales the most across the highest number of product lines.

5. **Drive brand loyalty with TV advertising**

TV/video ads are the best way to communicate brand information and build brand loyalty. For small or very targeted budgets try The companytube video ads.

6. **Create synergies across media to produce additional uplift**

The messages that the company's marketing is deploying must be consistent across all mediums. Implementing multiple media at the same time can cause a higher ROI.

7. Create brand awareness through in-store advertisements

An excess of discounts and promotions erodes a brand's quality over time. Focus on advertising the company's brand within the company's own store or website in order to continue to grow brand awareness instead of using discounts to drive sales.

8. Invest in the company's customers with premium gift packs

Investing in the company's most valued customers has a short term cost but can have a long-term gain. Increasing the perceived value of the company's products or services to the company's long term customers is essential to keeping those customers. This can be done easily by offering additional services for free with a purchase or just giving them a small gift like a pack of fruits just to say thanks for being a customer.

www.profitworks.ca/blog/455-marketing-return-on-investment-what-is-

2.2. CARRYING OUT A MARKET RESEARCH

Market research aims to understand the reasons consumers will buy the company's product. It studies such things as consumer behavior, including how cultural, societal and personal factors influence that behavior.

Market research further splits into two varieties: primary and secondary. Primary research studies customers directly, whereas secondary research studies information that others have gathered about customers. Primary research might be telephone interviews or online polls with randomly selected members of the target group. The company can also study the company's own sales records to gather primary research. Secondary research might come from reports found on the websites of various other organizations or blogs written about the industry. For the company's plan, the company can use either type of research or a combination of both.

The basic questions the company will try to answer with the company's market research include:

- **Who are the company's customers?** Describe them in terms of age, occupation, income, lifestyle, educational attainment, etc.

- **What do they buy now?** Describe their buying habits relating to the company's product or service, including how much they buy, their favored suppliers, the most popular features and the predominant price points.

- **Why do they buy?** This is the tricky one, attempting as it does to delve into consumers' heads. Answers will depend on the product and its uses. Cookware buyers may buy the products that offer the most effective nonstick surfaces, or those that give the most pans in a package for a given amount of money, or those that come in the most decorative colors.

- **What will make them buy from the company?** Although some of these questions may seem difficult, the company would be surprised at the detailed information that is available about markets, sales figures and consumer buying motivations. Tapping information sources to provide the answers to as many questions as the company can will make the company's plan more convincing and the company's odds of success higher. Also the business plan software programs have detailed research included and online research available.

The company can also find companies that will sell the company everything from industry studies to credit reports on individual companies. Market research is not cheap. It requires significant amounts of expertise, manpower and technology to develop solid research.

Source: www.entrepreneur.com/article

2.2.1. Role of market research

Market research is an essential tool for all businesses. It helps the company understand the company's customers' needs, what the company's competitors are doing to reach these customers and generally to understand market trends. A market research is also valuable in that it helps the company make marketing decisions that involve planning, product development, packaging, pricing and distribution.

Market research is a **critical component** when the company are launching a product, try to improve the company's existing service, or when the company are just looking to be a step ahead of the company's competitors. It will provide the company with all the information the company need to make a better business decision.

The following are five things that market research can do in the process of product development & business growth:

1. **It is crucial for a better understanding of the company's customer**

    Market research will help the company map out the full profile of the company's ideal customer. Knowledge of the company's customers will help determine the market size and what triggers them to buy. The company will gain valuable insights like their age, location, gender & income, which will help the company in creating effectively tailored marketing and pricing campaigns.

2. **Knowledge about the company's competitors, and how they approach the market**

    Market research will help assess the market to identify both key players and those on the rise. Furthermore, it will help the company find the weaknesses in the company's competitor's approach. These are gaps that the company can utilize to gain more customers. The company can also learn what performed the best for the competition. In turn, the company will be able to think more creatively while modeling the company's new strategy.

3. **Testing the company's product before launch**

    Testing is a very important part of learning what works before jumping into the business world. Every business decision should be tested before fully exposing to the company's target audience. By market testing the company's idea or product, the company will save itself from additional expenses and most importantly, from delivering a bad product to the marketplace.

4. **The company will not go out of business**

    In order to remain in business and stay relevant, the company should not only anticipate change, but the company need to be able to predict change too. That is how good the company's market research needs to be.

5. **Business growth**

   Market research helps the company comprehend the demands of its customers, detect more business opportunities, plan the perfect marketing campaign, minimize losses, and keep track of the competition. It allows organizations to classify their objectives while following the current trends and take advantage by reaching out to their target audience.

Source: https://medium.com/

2.2.2. Different methods of research

Primary research - Direct collection of information through personal interviews, surveys and focus group sessions with potential customers. Primary research help the company to unearth the needs of the company's potential and existing customers, what the company can do to enhance production and what the company's competitors are doing.

Secondary research - Gathering important information about the market, the company's customers and competitors **through existing research documents such as statistics, online publications and newsletters**.

2.2.2.1. Components of market research

There are many ways to perform market research, most businesses use one or more of five basic methods: surveys, focus groups, personal interviews, observation, and field trials. The type of data the company needs and how much money it is willing to spend will determine which techniques the company chooses.

1. **Surveys for market research**

   With concise and straightforward questionnaires, the company can analyze a sample group that represents its target market. The larger the sample, the more reliable the results will be.

   - **In-person surveys** are one-on-one interviews typically conducted in high-traffic locations such as shopping malls. They allow the company to present people with samples of products, packaging, or advertising and gather immediate feedback. In-person surveys can generate response rates of more than 90%, but they are costly.

   - **Telephone surveys** are less expensive than in-person surveys, but costlier than company's email. However, due to consumer resistance to relentless telemarketing, convincing people to participate in phone surveys has grown increasingly difficult. Telephone surveys generally yield response rates of 50% to 60%.

   - **Online surveys** usually generate unpredictable response rates and unreliable data, because the company has no control over the pool of respondents, but an online survey is a simple, inexpensive way to collect anecdotal evidence and gather customer opinions and preferences.

2. **Focus groups**

   In focus groups, a moderator uses a scripted series of questions or topics to lead a discussion among a group of people. These sessions take place at neutral locations, usually at facilities with videotaping equipment and an observation room with one-way mirrors. A focus group usually lasts one to two hours, and it takes at least three groups to get balanced results.

3. **Personal interviews**

   Like focus groups, personal interviews include unstructured, open-ended questions. They usually last for about an hour and are typically recorded.

   Focus groups and personal interviews provide more subjective data than surveys. The results are not statistically reliable, which means that they usually do not represent a large enough segment of the population. Nevertheless, focus groups and interviews yield valuable insights into customer attitudes and are excellent ways to uncover issues related to new products or service development.

4. **Observation**

   Individual responses to surveys and focus groups are sometimes at odds with people's actual behavior. When the company observes consumers in action by videotaping them in stores, at work, or at home, the company can observe how they buy or use a product. This gives the company a more accurate picture of customers' usage habits and shopping patterns.

Source: www.allbusiness.com/marketing

2.2.3. Analysing the company's market

The market analysis section should reflect the company's knowledge of its industry, and present highlights and analysis of its market research. A market analysis consists of four steps:

Step 1: Industry overview

Step 2: Target market

Step 3: Competition

Step 4: Pricing and forecast

Step 1: Industry overview

In this step, the company will describe the company's industry and discuss the direction that it iss headed. The company will want to discuss key industry metrics such as size, trends, and projected growth.

Industry research and analysis is different from market research. When the company is researching its industry, similar businesses like the company's are looked at. This is different from market research, where the company is learning about its customers.

Step 2: Target market

The target market is the most important section of the company's industry analysis. This is where the company explain who its ideal customer is.

- **Market size:** Unlike industry size, which is usually measured in dollars, the company's market size is how many potential customers there are for the company's product or service.

- **Demographics:** Describe the customer's typical age, gender, education, income, and more. If the company could paint a picture of the company's perfect customer, this is where the company will describe what they look like.

- **Location:** If the company finds its customers in a specific location or region, describe that here.

- **Psychographics:** Describe the customers' likes and dislikes. A better way to think about psychographics is to think about its customer's lifestyle and personality.

- **Behaviors:** This is essentially an extension of some of the company's psychographic information. Explains how the customers shop for and purchase similar products.

- **Trends:** Customer behavior is always changing. If there are trends that the company has noticed with the target market, detail them here.

Total and target markets

Total market is the total market demand for a product or service. If for example the company wants to open a juice bar, the company's total market would likely be the entire city in which the company are opening the juice bar. If there were no competitors, the company would generate lots of revenue.

The target market is the subset of the total market. Due to factors such distance the target market might only be the two nearest cities to the company's juice bar. Since those buyers are likely to want or need a company's offerings, it makes the most sense for the company to focus its marketing efforts on reaching the customers closest to the juice bar. The alternative - marketing to everyone - is inefficient and expensive.

Source: www.shoppify.com/encyclopedia/targetmarket

Importance of defining target market

Defining the company's target market will help the company design a marketing approach that will minimize unnecessary use of limited resources and more importantly reach likely customers. It is also important because it will enable the company estimate target sales.

Estimation of market size

Forecasting market size in the current and in the future will help to identify the potentiality of the market. This helps to decide whether to get into the market or not, and to project the sales' volume.

> TARGET SALES' VOLUME =
>
> MARKET SIZE × TARGET MARKET SHARE

- **Target market** is the segment (customer's group), in which we compete directly. Besides that, we also compete indirectly with the companies serving in other segments. Therefore, we should know the size of total market as well.

- **Market size** is forecasted based on statistical data from market research, annual statistic books, retail-sales reports…or sometimes estimated by the 'expert'.

Other practices in estimating market size include the following examples.

The consumption of oranges in Sierra Leone market is estimated in the following way: [Orange planting area (statistic source) x orange output/ ha) – number of orange exported + number of orange imported (customs source)].

Source: IFC on behalf of Business Edge (2008)

CASE STUDY 1
Market size forecast for Conakry Fruit Juice Company

Market size forecast

Key feature is to define product carefully and then select the **target customers**.

a. Potential customers living in the Conakry area	1,000,000
b. % of sample who would buy the product	10%
c. Likely customers	100,000
d. Average purchase per week	5 litre
e. Weekly market	500,000
f. Annual market (500,000 x 52 weeks)	26 m litres
g. Average price willing to pay (per litre)	FG 10,000.00/litre
h. Market size	FG 26 Billion
i. Anticipated market share	10%
j. The company's own market share	FG 2.6 Billion
k. Final market share	FG 2.08 Billion

Note: Adjust downwards for interview misinformation   20%

FG = Franc Guinee

Step 3: Competition

The company's market analysis is not complete without thinking about its competition. Beyond knowing what other businesses the company are competing against, a good competitive analysis will point out competitors' weaknesses that the company can take advantage of. With this knowledge, the company can differentiate itself by offering products and services that fill gaps that competitors have not addressed.

Analyzing the competition, involves taking a look at the following areas:

Direct competition: These are companies that are offering very similar products and services. The company's potential customers are probably currently buying from these companies.

Indirect competitors: Think of indirect competition as alternative solutions to the problem the company are solving. This is particularly useful and important for companies that are inventing brand new products or services. For example, the first online task management software was not competing with other online task managers—it was competing with paper planners, sticky notes, and other analog to-do lists.

How the company is different: The company does not want to be the same as the competition. Make sure to discuss how the company's product or service is different than what the competition is offering. For a common business type, such as hair salons, the company's differentiation might be location, hours, types of services, ambiance, or price

Barriers to entry: Describe what protections the company has in place to prevent new companies from competing with the company. Maybe the company has a great location, or perhaps has patents that help protect its business.

Competition analysis

Eight steps to understand the company's competitors

1. Define the company's business and identify the firms that compete against the company.
2. Segment the company's competitors into strategic groups.
3. Assess their capabilities.
4. Assess their market position based on their target customers and pricing policies.
5. Assess their strategies by looking at their mission statements, products, pricing, advertising, and public statements.
6. Form an opinion about how they will behave and react in the market place in the future based on all the foregoing.
7. Write a couple of paragraphs about each major competitor.
8. Keep this information up-to-date.

Ten questions to help the company to classify its competitors

1. On what size sale do they focus?
2. On what market segments do they concentrate?
3. Are they market-led or product-driven?
4. Are they developing their own products or licensing from others?
5. Are they manufacturing or just re-selling?
6. Are they focused on price or product features?
7. Are they diversified or in single industries?
8. Are their products from specific generations of technology?
9. Do they have specific branding or generic products?
10. Do they full product lines or single products?

Source: IFC Business Edge 2008

Developing a competitive approach

All businesses should develop a competitive approach. A competitive approach helps the entrepreneur know the competition, which in turn helps the company make decisions on how to stand out. Studying the competition also helps the company map out its competitive advantage which is critical. In a developing a competitive approach, it is paramount to analyze the competitors' strengths and weaknesses.

The company's competitive advantage is the reason the company should stay in business because it is unique to the company and it is what the company do best to get and retain customers. Identifying the company's competitive advantage requires the company asking questions including:

- What are my advantages?
- What does my business excel at?
- What are my strengths and weaknesses?
- How can I use my strengths to make a better product with less cost?
- How do we beat the competition?
- How do we solve customers' perceived or real problems?
- What type of image do we portray for our products/services?

In order to compete in the market, the company needs to promote its current strength. The company should also develop strategies/devices that other competitors have not yet met such as:

- Unique selling point - differentiating our products by say lowest costs; highest quality; first-ever in the market
- Value proposition - making our products attractive, provide high quality products
- Provide customers with easy access to the products
- Offer attractive large quantity discounts to customers
- Excellent customer service
- Build image as the best in the market

Step 4: Pricing and forecast

The final step in a market analysis is to figure out the company's pricing and create a sales forecast to better understand what portion of the market the company thinks it can get.

The company should ensure its price is more than what it costs the company to make and deliver the company's product or service. Customers usually link high prices to quality but, if the company is pricing on the higher end of the spectrum, the company needs to make sure the rest of its marketing is also signaling that it are delivering a high-quality product or service.

From what the company's business looks like to its logo and customer service experience, high-prices should come with a high-quality experience during the entire sales process (www.liveplan.com/blog/market-analysis-in-4-step).

2.2.4. Customer segmentation and profiling

The main idea behind customer segmentation is to break the company's customer base into unique groups that share specific characteristics. Those characteristics can be based on demographics, for example age or gender.

Customer profiling aims to describe types (persona) of customers. These types then can be used as a tool to identify the best prospects based on certain attributes or to improve services. Normally, different information is combined in customer profiling, such as demographics, but also behavioral data or information on lifestyle. Customer profiling helps to understand customers and can be used to improve customer satisfaction.

Source: www.softwebsolutions.com/customer-segmentation-and-profiling

2.2.5. Positioning and differentiation of product or service

Service firms are not identifying their key market segments and then determining how they wish consumers to perceive both their company and its products and services. Positioning is of particular significant in the services sector as it places an intangible service within a more tangible frame of reference. Thus the concept of positioning stems from a consideration of how an organization wishes its target customer to view its products and services in relationship to those of its competitors and their actual, or perceived, needs.

"Positioning is concerned with the identification, development and communication of a differentiated advantage which makes the organization's products and services perceived as superior and distinctive to those of its competitors in the mind of its target customers."

There is therefore no such thing as a commodity or 'standard' service. Every service offered has the potential to be perceived as different by a customer. Buyers have different needs and are therefore attracted to different offers. It is therefore important to select distinguishing characteristics which satisfy the following criteria:

- Importance — the difference is highly valued to a sufficiently large market.

- Distinctiveness — the difference is distinctly superior to other offering which are available.

- Communicability — it is possible to communicate the difference in a simple and strong way.

- Superiority — the difference is not easily copied by competitors.

- Affordability — the target customers will be able and willing to pay for the difference. Any additional cost of the distinguishing characteristic(s) will be perceived as sufficiently valuable to compensate for any additional cost.

- Profitability — the company will achieve additional profits as a result of introducing the difference.

Each product or service has a set of attributes which can be compared to competitive offerings. Some of these attributes will be real, others will be perceived as real. A company wishing to position itself should determine how many attributes and differences to promote to target customers. Some marketers advocate promoting one benefit and establishing recognition as being the leader for that particular attribute. Others suggest that promoting more than one benefit will help in carving out a special niche which is less easily contested by competitors.

Denying or fighting customers' perceptions of different offerings in the market is unlikely to be successful. A successful positioning strategy takes into account customers' existing perceptions of market offerings. It determines needs which customers value and which are not being met by competitors' services. It identifies which unsatisfied needs could be satisfied. The positioning strategy seeks to integrate all elements of the service, to ensure that the perceived position of the service is strongly reinforced.

Source: www.mbaknol.com/marketing management

2.2.6. Developing a market research questionnaire

Some market research questions will require research to find the answers. For example, the company may want to know, "How do our competitors get their products?" Other questions the company can directly ask the company's customers. For those questions, the company can survey or interview customers to find answers and insights. Here some examples of questions the company can ask for each type of marketing research.

2.2.6.1. Market research questions

Generally market research aims to help the company learn about its market size and potential to connect with customers. Great qualitative market research questions include:

- How big is our potential market?
- Will this market grow or shrink in the future?
- What other products and services are similar to ours?
- Who are our top competitors?
- What market share do our competitors own?
- What share is available for us to own/take?

Source: blog.alexa.com/market-research-questions

Demographics

- Age
- Sex
- Income level
- Size of household
- Type of Job (manual / semi-manual / office / managerial)
- Residential area

Identifying the market

- Do the customers know about this product/service?
- Do they buy this product/service?
- If 'Yes' Why, from where, and how do the customers know about the product / service?
- If Yes' what size, frequency of purchase and price
- If 'No' Why not and what would make the customer buy it?
- Would the customer be buying this product/service in the future?
  More or less?

Customer analysis

- Which brands are the customers aware of?
- Which are the customer preferred brands and why?
- How many other brands are the customers aware of?
- What would cause the customers to change brands?
- From where do the customers get information about the product/service?
- Where do the customers usually buy items from? How frequently?
- Do the customer listen to the radio? Favorite programs?
- Do the customers watch television? Favorite programs?
- Do the customer read newspapers? Which ones?
- Do the customers use email and the internet? How frequently?
- Do the customers own a mobile telephone?
- Are the customers on WhatsApp?
- How else do the customers get information?

Competitor analysis

- Current and potential competitors
- Direct & indirect competition

Types of competition in terms of:

- Production
- Finance
- Technology
- HR
- Equipment
- R & D
- Marketing

Desk research

There now needs to be a further desk research from Internet; annual reports; newspapers and magazines.

Figure 2 - Sample market research questionnaire

MARKET SURVEY ON SPICES AND CONDIMENT CONSUMPTION

Interviewee data

Name .... Address ....

Telephone .... Position/title ....

Type of business ....

Questions

1. **Supermarket**
   a. Number of customers per week ....

2. **Hotels**
   a. Number of rooms ....
   b. Capacity of restaurant? ....

3. **Restaurants**
   a. Number of customers per week

4. **Do the company purchase spices and condiments?** .... Yes .... No

5. **How many times do the company buy (week/month)?** .... Week .... Month

6. **What quantity do the company buy?**
   A. .... Kilograms B. .... Pounds C. .... Cartons

7. **What quantity do the company sell per week?**
   A. .... Kilograms B. .... Pounds C. .... Cartons
   a. Traders ....
   b. Supermarkets ....

8. **Would the company buy more or less in the next six (6) months?**
   More .... Less ....
   a. What are the reasons? ....
      ....

9. **What prices do the company normally pay?**
   a. Spices ....
   b. Condiments ....

10. **Who are the company's suppliers?** ....

....

11. **Among the company's suppliers, who has the best quality?**

....

12. **Does the company source locally or do the company import?**

Import .... percentage

Locally .... percentage

13. **Would the company be willing to try other local suppliers?**

.... Yes .... No

a. What are the reasons? ....

....

14. **What type of spice/condiment product do the company desire that is not available?**

....

....

15. **How would the company prefer to source the company's products?**

a. Call and collect ....

b. Call for delivery ....:

daily .... weekly ....

16. **Would the company like to operate on a weekly/monthly credit account?**

.... Weekly .... Monthly

a. What are the reasons? ....

....

Interviewer's data

Name ....

Address ....

Telephone ....

Date ....

Signature

Interviewee's signature
Business Card

CASE STUDY 2
Sample market research results of Kabala Spice and Condiment Corporation
(KSCC)

Figure 3 - Samples of imported condiments in the Sierra Leone market

Forecasting the market

Market size

The size of the spices and condiment market in Sierra Leone is quite large as shown from the sales data (2014 to 2019) received from the Trade office in Freetown and forecasts for 2020.

x 1,000Leones	2015	2016	2017	2018	2019	2020 (est.)
Spices	2,000	2,403	2,908	3,461	4,084	4,820
Condiments	8,500	9,134	9,845	10,004	10,758	11,128
Total	10,500	11,537	12,753	13,465	14,842	15,948

Market trends

The market for these products is increasing in Sierra Leone due to expansion in the hotel, catering and business services. More people are eating out as many professionals are too busy to prepare regular meals at home.

This table shows the market growth from 2015 to 2018.

x 1,000 Leones	2015	2016	2017	2018
Spices	2,000	2,403	2,908	3,461
Growth	………………	20.2%	21.1%	19.1%
Condiments	8,500	9,134	9,845	10,633
Growth	………………	7.5%	7.8%	7.8%
Total	10,500	11,637	12,853	14,094

The market's historical growth is 20.13% for Spices and 7.7% for Condiments. Growth is also enhanced by several factors including:

- More investments in malls and supermarkets with modern facilities that attract more customers
- Government's investments in agriculture and agribusiness sectors
- Political stability leading to increase in the national economy

We therefore have a basis to forecast that markets for spices and condiments will increase in 2020 and 2021. This is encouraging and gives us an opportunity for capital investment in spice and condiment production in Sierra Leone.

Customers analysis

The customers for these products include supermarkets; mini-markets; businesses; hotels; schools; colleges; caterers; local market women and individual families.

They have the following characteristics:

- Apart from the individual families; all other customers buy large quantities
- They get information from TV, radio, Internet, word of mouth and newspapers
- They buy the products throughout the year
- They are quite faithful with suppliers
- They give great importance to packaging and labeling of products made locally
- They look for products with long shelf life
- They are always looking for new varieties of products

Competition analysis

Competitors

Direct competitors are:

- Wholesale importers of spices and condiments into Sierra Leone;
- General Spice Company;
- Hot & Spicy Corporation; and
- Tasty Spices and Condiments

Indirect competitors are the small home producers of spices found in the local markets. Their packaging is limited and cannot compete with us to supply the big establishments that are our target markets. The products shelf lives are limited as they do not used improved preservation techniques.

We therefore have to pay close attention to our main competitors as shown below.

Comparison between Kabala Spice and Condiment Corporation and its Competitors

	Kabala Spice & Condiment Corp (KSCC)	General Spice Company	Hot & Spicy Corp	Tasty Spices and Condiments
Products	Attractive labels; long shelf life Wide variety of products	Produces only limited variety of spices	Limited variety of spices	Attractive labels Produces spices and condiments
Price	10% less than competitors		Medium to high	High prices and cannot compete with imported products
Promotion	TBD		TV adverts	
Place/Distribution	Wholesale to supermarkets, hotels, min-markets etc.			Wide distribution

Competitive approach

- The company should build its image as a first class spice and condiment production company in Sierra Leone
- Provide high quality products with long shelf lives
- Establish wide distribution networks in Sierra Leone and the sub-region
- Build strategies which other competitors have not met yet.

Target sales volume

Achieve between 5% and 15% of the spice and condiment market share through aggressive market penetration in 2020 through 2024 as shown below

x 1,000 Leones	2020	2021	2022	2023	2024
Total market	15,500	15,850	15,920	16,003	16,110
Market share	5%	5%	7%	8%	15%
Sales volume	775	793	1,114	1,280	2,416

Source: Case study structure was adapted from IFC Business Edge materials 2008

2.3. INTRODUCTION TO DIGITAL PLATFORMS - SOCIAL MEDIA, WEB AND E-MAIL

2.3.1. What are the different digital platforms for business—social media, web, email

Digital platform is any electronic tool for communication includes desktop, mobile, social and email software this covers websites and Social Media - Twitter, Amazon, Facebook Wattpad, etc. We can use them to exchange goods, or information, knowledge, or services.

Source: www.igi-global.com

2.3.1.1. What types of digital platforms are there globally?

The possibilities for digital platform types are endless. These include:

- **Advertising platforms** are some of the most popular ones. When talking about search engines we think about Google right away.
- **The YouTube** is also a search engine platform specialized for videos, but also as a video platform like Dailymotion, Vimeo, etc.
- **Social platforms** like Instagram, Facebook, Twitter and LinkedIn also have advertising business models. However, LinkedIn has a subscription-based business model as well, for users who use the premium version.
- **Tinder** can also be considered as both a social and subscription-based platform.
- **Other platforms** that have a subscription-based model include Spotify, Netflix, etc.
- **In Australia Phoenicia, HiveXchange**, digital marketplaces, provides access to live sales and market data and real time visibility of supply and demand to deliver growers, buyers and merchants of fruits and vegetables. They were built with an understanding of the current and future challenges faced by the horticulture industry.
- **Afrimash**, in Nigeria a digital marketplace, is one of these innovations. It provides a market for farmers to easily sell or buy their livestock, tools and other quality inputs ranging from pesticides to fertilizers.
- www.247bigmarket.com is a recently launched digital supermarket in Sierra Leone. Buyers in the diaspora can buy grocery items on the site and provide a code for their family in Sierra Leone to pick up the items.

2.3.2. How will digital platforms help productivity for the business in fruits and vegetables sector?

Digital platforms create new opportunities for companies of all sizes to engage in trade. They can lead to efficiency gains through lower transaction costs and reduced information asymmetries supported by rating systems. However, as the cost of physical movement of goods has declined, the share of trade costs represented by transaction costs has increased in relative terms: sellers and buyers must deal with increasingly distant trading partners, about whom they have little information. This has resulted in an increase in the relative share of transaction costs in total economic activity.

There are different ways for microenterprises and small and medium-sized enterprises to gain an online presence to market their goods and services to potential buyers in their own country or in foreign markets.

Participation in online platforms may be more useful for smaller firms that compete in specific market segments, such as in value added food products.

Different options vary in terms of resource requirements, flexibility and the need for in-house skills and capabilities.

One option is to use third-party online marketplaces. Some provide a full range of services – payment processing, customer service, shipping, return processing and and delivery – while others act mainly as an online forum for buyers and sellers to meet; transactions are carried out of line. See case study on Jumia Group whose presence is in 11 countries in Sub Sahara Africa.

The primary focus of these marketplaces may be business-to-business, business-to-consumer or consumer-to-consumer. They often specialize in certain types of products, such as physical goods, digital products or information and communications technology-enabled services. The geographical focus of such marketplaces is also important. International online marketplaces may be open solely to international sellers, to international buyers, or both.

2.3.3. How can digital technologies transform businesses and its communities?

In relation to food, digitization and analytics will play a critical role in farming in the future in the ACP countries. Potential disruptions that could unlock value through the food chain are:

- **Precision farming** including integrating field data, weather patterns to drive agronomic advice to farmers, and yield forecasting, ability to manage seeds, fertilisers, water, crops and reduce and target spraying of diseased plants
- **Efficient farm** lending with electronic applications, disbursal of loans, insurance path companies linked to weather, field data, direct benefits transfer in agriculture
- **Universal platform** integrating farmers and wholesale markets, to provide timely information for price realization
- **Supply chain** management

- **IoT-based advanced** analytics (identify inefficiencies, improve productivity and boost revenue) in manufacturing plants to improve availability, throughput, and save costs
- **Commercial excellence** in micro-markets, pricing and channel management

2.3.4. How can digital technologies transform businesses and communities?

Connectivity is breaking down barriers between business sectors and opening up new markets for industrial and consumer goods. Further commercial potential comes from developing the physical, financial and telecoms infrastructure along which this commerce flows.

Developing countries have a growing array of tech hubs and 'technopreneurs'. Partnerships provide access to innovation. They in turn can use the market presence for trial products and gain the scale and bring innovations into the mainstream. For example, in Ghana, digital technologies have had an impact on the agriculture sector. Agri-tech firms like Farmable, Farmerline and Esoko have successfully pursued the creation of new business ventures and renewal of existing, matured corporate business models. These agri-tech firms support farmers with pricing data, crowdfunding and communication activities. They are also connecting farmers with buyers as well as helping them work out what differentiates them from competitors.

By making products and services cheaper, more accessible and easier to use, technology is greatly enlarging the developing economies consumer class.

Innovations that would have needed years to take hold can now become expectations in a matter of months. As a result, long drawn-out business planning is now too slow – by the time the company gets to market, it is already moved on.

Success requires a disruptive mindset – quick to market, quick to gain feedback, learn and adapt and, if the company fail, fail fast and move on.

Technology transformation demands people who are creative, collaborative and ready to embrace change. The innovators will not just be tech specialists and data scientists, but also people with the engagement skills to get closer to customers and understand their needs.

Facebook and Google are leading the way through the launch of stripped down services or agreements with mobile providers to waive download charges for accessing their services.

Facebook is also looking into drone-delivered wi-fi. For example, Africa represents an important growth market for these global giants but as China and India have shown, there will also be openings for home-grown companies, such as Baidu in China.

2.3.5. Reasons why businesses are making the change

Businesses are making the change to digitalization because they have realised that there are several benefits of digitalisation and the use of digital platforms including:

- The biggest benefit a digital platform can bring the business is that it puts people in the focus of the business. Having simply a website would not do it.

- Furthermore, businesses can use the tools for many purposes, but incorporating them into a digital platform means taking exactly what the company needs. Each tool is a separate part of the process that has its own role.

- This also allows the team who works on the digital platform to change each tool separately, which is also necessary since they all function like separate entities. Another good thing comes with the autonomy of the tools – when a problem occurs, it usually affects only one of them without disrupting the whole process.

- Therefore, it is what all business owners need – a digital platform which significantly reduces costs. It shortens the business processes and it does not take a lot of time to be implemented. Moreover, maintenance and upgrades are not complicated.

Key benefits

- **Wider customer reach.** Digital platforms considerably improve the visibility of partner companies due to their access to vast customer pool.

- **Cost reduction.** Partnering with digital platforms helps to reduce operational costs due to economies of scale and separation of functions digital platforms help to achieve. For example if the company operates a restaurant, the company can deliver food through a platform designed for that instead of hiring the company's own delivery staff. E-commerce platform relieve partners of the problems of logistics and payments by providing these services at reasonable costs.

- **Opportunities for optimisation.** Digital platforms provide built in analytics that helps the company understand the company's sales patterns. For example. Alibaba has in cloud computing for businesses to ensure they can work with the latest systems and optimise their operations.

Other benefits include lower consumer prices, increased market access, more flexibility for the providers of services.

2.3.6. Logistics and supply chain referencing F & V sector

While food production is increasingly geared towards efficiency and cost effectiveness, and becoming a highly technical area, consumers long for authenticity and transparency in their food consumption. The table and diagram below depicts the historical trend of the produce sector and what businesses should expect in the future regarding production, distribution and consumer behavior and how digital transformation is going to be in future of this sector.

Table 3 - A historical view of the value chain

	PAST	PRESENT	FUTURE
Production	• High level of self-sufficiency in own gardens • Local agriculture • First mechanisation	• Low level of self-sufficiency • Trend towards urban gardening • Globalised agriculture • Large-scale, partially automated production	• Production increasingly regional/urban • New concepts in urban/vertical farming • Non-industry producers (Google.) • Fully-automated mixed cultivation production
Distribution	• First exotic fruit imports • Weekly markets in towns • Colonial goods • Strong seasonality of production • Key locations: Consumers come to the producers	• Online trading • Partial return to street markets • Continuous availability of fresh produce, seasonality less important • Primarily via retailers: Consumers come to the store	• Autonomous • Smaller urban delivery services • On demand/instant delivery • Crowd-sourced delivery • Rise of the platforms: Producer comes to the consumers
Consumer behaviour	• Housewives: Responsibility for the family's nutrition • Primary requirement: Satisfying hunger • Limited knowledge about nutrition • Food is primarily consumed at home	• Marketing of food origins • Health awareness • Organic boom • Fast Food: Fast, convenient and healthy • Flexibility, eating anytime and anywhere • Diets	• Marketing of product characteristics • Processed fresh produce/Ready-made healthy recipes • Transparency/Requirement to know ingredients and origin of products • Controlled lifestyle • Fast to-go supply that is healthy and aligned with individual nutritional values

Source: Adapted from Gottlieb, Duttweiler Institute (GDI), 2016

Figure 4 - Value chain becoming increasingly digital in developing countries

| PAST | PRESENT | FUTURE |

GROWER

FARM | FARM | OTHER PRODUCTION | FARM (RURAL & URBAN)

WHOLESALER | PROCESSING | PROCESSING

MARKET | RETAILER | DIGITAL PLATFORM

CONSUMER
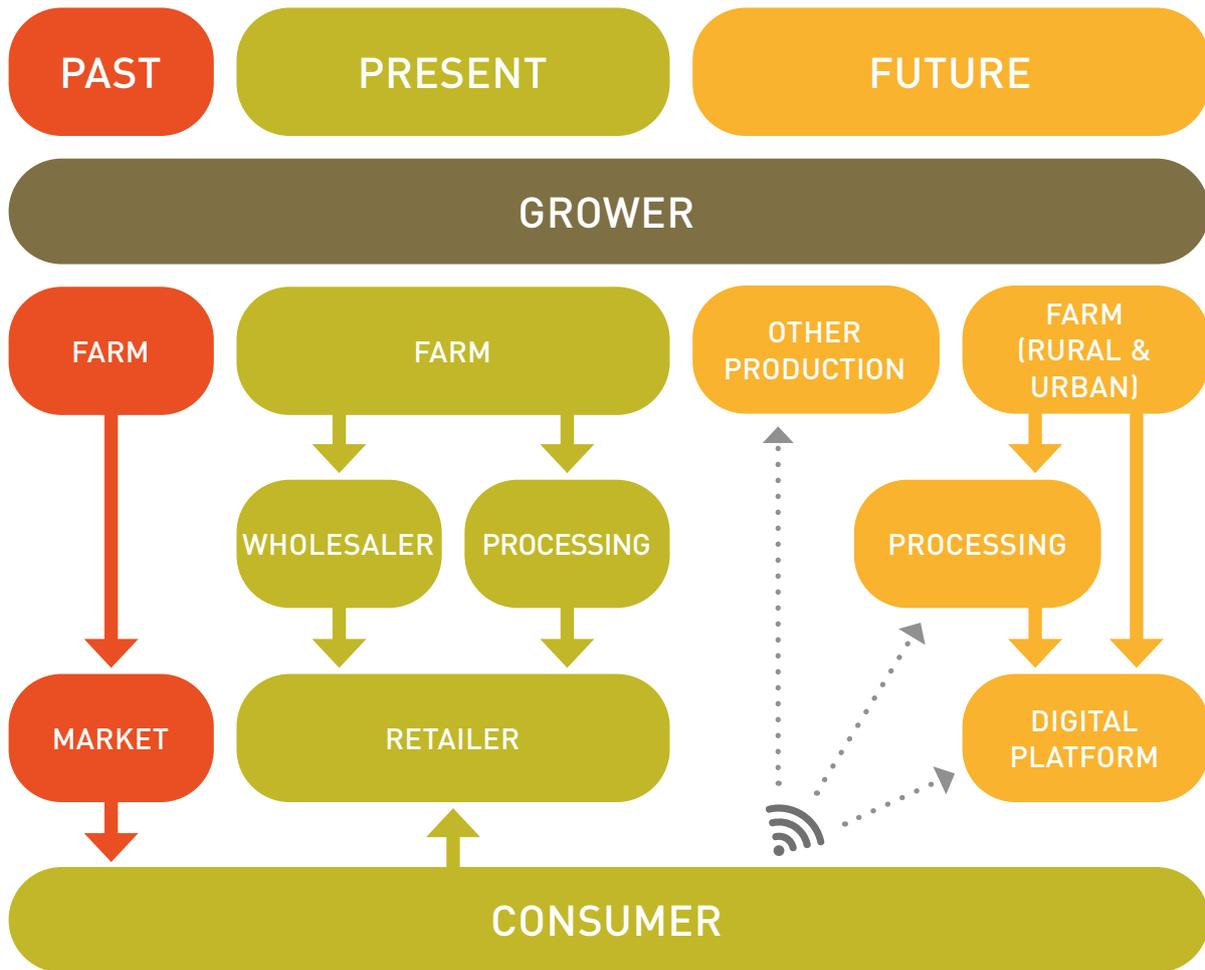
Source: Adapted from Gottlieb, Duttweiler Institute (GDI), 2016

Digitalization has already revolutionized entire industries, not only the music and tourism sector. It is now also becoming a significant factor in the food industry.

While online shopping currently only accounts for a small share of food purchases, it is quickly gaining momentum and this growth is sometimes driven by new players with purely digital business models – the digital platforms.

From delivery services to organic farms, restaurant services or smart meal box providers – what all these concepts have in common is that they do not necessarily require their own distribution centre or ownership of the products.

Their sole purpose is to bring a wide range of providers and suppliers together on a single shopping platform, and either carry out delivery to the consumer themselves or via a logistics partner. The product is increasingly going to the customer, instead of the customer going to the retailer.

Digital supply chain solutions will provide enormous potential for accurate demand forecasting and better inventory management. However, the improvements do not come free in this high-paced category. Product yields, volatile prices, fragmented suppliers, specific supply chain configuration, as well as perishability and quality issues, all mean that the value drivers are diverse and category-specific. Before implementing new digital solutions, it is vital to interview individuals along the entire supply chain and analyze existing data to work out what business impact those solutions might have on the company's business.

2.3.7. Challenges faced by MSMEs from going digital

Inadequate access to the latest technology, sophisticated telecommunications infrastructure, low computer literacy as well as numerous cultural and socio-economic factors are just some of the challenges that developing countries face.

Specific challenges include:

- **Limited knowledge of digitalization.** This makes it difficult for businesses to access information on digital technology and its potential to contribute to their businesses.

- **Reluctance to change business processes.** Business owners prevents acquisition of digital technologies even though its becoming affordable for them.

- **Shortage of the right human resources and high costs** of acquiring them creates challenges of implementing and operating these platforms.

- **Collaboration between governments and digital platforms.** Governments need to make robust policies. Regulations such as data localization requirements could create hurdles for global platforms to effectively support businesses.

2.3.8. Way forward with digital platforms

Incorporating a digital platform into the business model is not a simple thing. This innovation requires creating new rules and processes. Next, the company needs a new sector or an outsourcing partner that will create it and take care of it.

Finally, it requires changes in the company's goals, resources, values, and mindset.

Organisations that are implementing a digital platform need to change their way of thinking and functioning. The digital platform needs to become a crucial part of the company's strategy. Every process or activity needs to be planned in coordination with the platform and its functioning. Embracing digital platforms is crucial for a company's competitive advantage. Not having a digital strategy means getting left behind, the company can be beaten by the competition.

2.3.8.1. Where do we operate?

Jumia is building a unique ecosystem in Africa with operations in 6 regions covering 11 countries: Algeria, Ghana, Senegal, Uganda, Nigeria, Egypt, Morocco, Kenya, Ivory Coast, South Africa and Tunisia. **Greater than 81,000 merchants in these 11 countries offer products to customers.**

700 million population

77% of the 453 million Internet users

Jumia Marketplace *Figures are as of December 2018*

On our marketplace, a large and diverse group of sellers offer goods in a wide range of categories, such as fashion and apparel, smartphones, home and living, consumer packaged goods, beauty and perfumes andother electronics.

We also provide consumers with easy access to a number of services, such as restaurant food delivery, classified advertising, airtime recharge and "instant delivery".

Payments include:

- Cash on delivery
- Card payments
- Mobile money
- Bank transfers
- Money transfers/cash

Impact

- Direct and indirect job creation
- Opportunties for over 81,000 SMEs all over Africa to reach consumers

Expertise

- Changing the perception of Africa
- Connecting people in remote areas
- Development of e-payment
- Increased consumer purchasing power
- From the black market to the legitimate market
- Recognized as a major tech and retail player in Africa, Jumia is leading the digital shift in Africa

Source: https://group.jumia.com/press

Digital platforms in developing countries: Jumia Group

Jumia is a private company established in 2012, Jumia, formerly called Africa Internet Group (AIG), recently developed to become the continent's first 'unicorn' startup. Furthermore, AIG was valued around $1.1 billion with fresh funding from Goldman Sachs, Rocket Internet (AIG's parent company) and MTN Group, a South Africa-based telecommunications firm.

It describes its business as a market place business or virtual mall, where vendors sell their products on Jumia's platform. The company offers a variety of products including mobiles & tablets, computers, electronics; it includes categories such as: Home & Living, Fashion, Sports, Health & Beauty and **Grocery**.

Excerpt from Jumia press kit

Who are we?

Jumia is the leading pan-Africa e-commerce platform with a mission to leverage technology to improve everyday life.

Our mission is to improve the quality of everyday life in Africa by leveraging technology to deliver innovative, convenient and affordable online services to consumers while helping businesses grow as they use our platform to reach and serve consumers.

Our platform consists of our marketplace, which connects sellers with consumers, our logistics service, which enables the shipment and delivery of packages from sellers to consumers, and our payment service, which facilitates transactions among participants active on our platform in selected markets. In 2018, more than

81,000 local African companies and entrepreneurs have partnered with Jumia which attracts millions of customers. We are opening new opportunities for talented people by creating jobs and developing new skills in the continent.

We directly provide more than 5,000 jobs and many more through oursellers and logistics partners. We are committed to creating sustainable impact in Africa.

Its reach

Jumia Market is described as a community based online marketplace connecting sellers and buyers to transact better

Services

- Jumia Marketplace
- Jumia Logisitics
- Jumia Pay
- And lots more

CASE STUDY 4
Opportunities for the youths in farming in the digital age

Overview

More the companyng people are now being attracted to the new entrepreneurial possibilities and employment opportunities that digitalisation brings, not just in food production but across the entire agricultural value chain.

These opportunities range from designing new platforms or software to making use of technology and creating access to new markets using blockchain.

Figure 5 - EzyAgric App Uganda
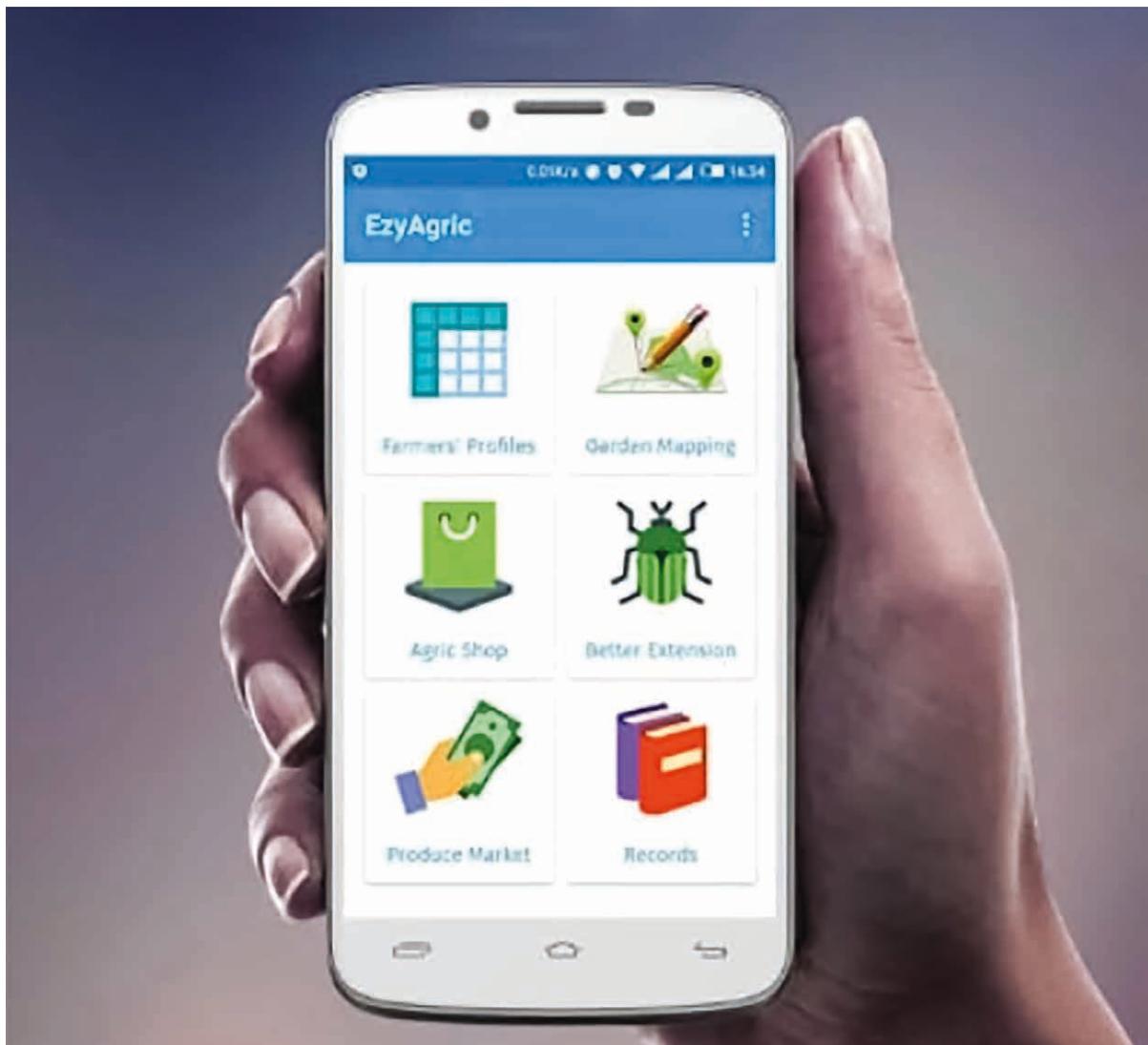
EzyAgric App is a product of Akorion, an agritech company that digitizes the agricultural value chain to deliver better production and marketing services to farmers and other agribusinesses. The platform provides access to finance and markets for farmers and agribusiness through a network of youth agents equipped with smartphones and other digital technology. The App serves as a one-stop centre for all what the farmers need, right from garden mapping and planning, to market access.

The Agrishop feature allows farmers to order and pay for genuine agro-inputs from credible suppliers. Akorion is in partnership with the agro-inputs suppliers to curb the effects of selling sub-standard inputs. The company takes the logistics to get orders from farmers, package the suppliers and make sure it is delivered safely to any client across the entire country. It creates an employment opportunity for Ugandan's youth, at one end, and helps farmers improve yields and market access at the other.

Digitalisation for agriculture, however, is not a silver bullet, and as we have seen, enabling policies, infrastructural investments and trained manpower will be essential to reach its potential.

The youth may be the future, but they too need feeding. By combining next-generation technologies with the next generation, we can work towards a more food secure and environmentally sustainable future for everyone

Source: African Business Online 2019 and Techjaja.com, April 20, 2020
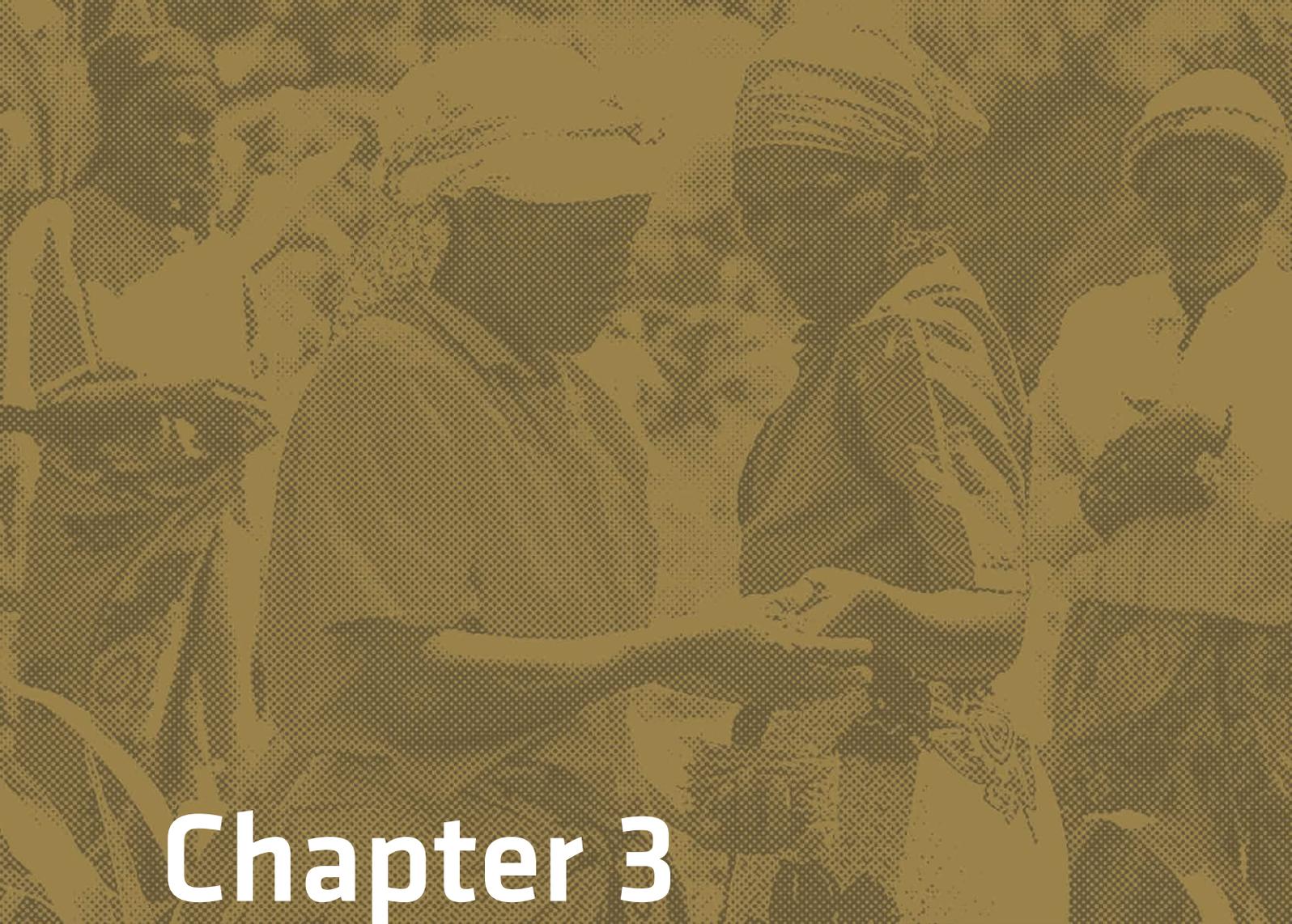
Chapter 3

Marketing and communication

3.1. INTRODUCTION TO MARKETING COMMUNICATION

3.1.1. What is marketing communication?

Communication is used to develop marketing processes for creating design briefs, content strategies and marketing plans. It is also a vital skill when providing feedback on images, copy and campaigns.

3.1.1.1. Uses of marketing communication

Marketing communication is used to:

- Inform employees about the benefits of the product and teach them the talking points to use when dealing with customers;
- Persuade prospects and customers to make a purchase through tailored messaging that resonates with their needs;
- Motivate marketing staff to capitalize on market trends; and
- Improve internal marketing processes to increase productivity and efficiency within the department.

Internal communication between employees is critical to developing effective marketing strategies. It is vital for team members to be able to express their ideas to each other while brainstorming campaign strategies to reach the target market. If an employee has an innovative idea but is unable to express its benefits to colleagues, it is unlikely the idea will come to fruition. The role of communication in business is to share ideas and improve efficiency within the organization. Similarly, in marketing, communication is used to improve internal company processes. https://smallbusiness.chron.com/role-business-communication-marketing-1013.html

3.1.1.2. What is communications mix and its role in marketing?

There are multiple components of a communications mix. The communications mix in marketing comprises of the various ways that a company can communicate with its customers. Because marketing communications is of utmost importance in today's day and age, the communications mix and the marketing vehicles used within it are also important to marketing.

Figure 1 - Elements of marketing communication

FIVE FINGERS STORY

Source: Goggle search

Some of the elements of marketing communication mix are:

- Advertising
- Public Relations
- Personal selling
- Sales promotion
- Direct marketing
- Internet marketing
- Database marketing
- Sponsorship marketing
- Packaging

Advertising

Advertising has four characteristics:

- it is persuasive in nature;
- it is non-personal;
- it is paid for by an identified sponsor;
- and it is disseminated through mass channels of communication.

Advertising messages may promote the adoption of goods, services, persons, or ideas. Because the sales message is disseminated through the mass media—as opposed to personal selling—it is viewed as a much cheaper way of reaching consumers.

However, its non-personal nature means it lacks the ability to tailor the sales message to the message recipient and, more importantly, actually get the sale.

Public Relations

Public Relations is defined as a management function which identifies, establishes, and maintains mutually beneficial relationships between an organization and the publics upon which its success or failure depends. Whereas advertising is a one-way communication from sender (the marketer) to the receiver (the consumer or the retail trade), public relations considers multiple audiences (consumers, employees, suppliers, vendors, etc.) and uses two-way communication to monitor feedback and adjust both its message and the organization's actions for maximum benefit. A primary tool used by public relations practitioners is publicity. Publicity capitalizes on the news value of a product, service, idea, person or event so that the information can be disseminated through the news media, internet, social media or events.

Personal selling

Personal selling includes all person-to-person contact with customers with the purpose of introducing the product to the customer, convincing him or her of the product's value, and closing the sale. Personal selling is the most effective way to make a sale because of the interpersonal communication between the salesperson and the prospect.

Sales promotions/Sponsorships/Exhibitions

Sales promotions

Sales promotions are direct inducements that offer extra incentives to enhance or accelerate the product's movement from producer to consumer. Sales promotions may be directed at the consumer or the trade. Consumer promotions such as coupons, sampling, premiums, price packs (packs that offer greater quantity or lower cost than normal), low-cost financing deals, and rebates are purchase incentives in that they induce product trial and encourage repurchase.

Exhibits

Exhibits, or trade shows, are hybrid forms of promotion between business-to-business advertising and personal selling. Trade shows provide opportunities for face-to-face contact with prospects, enable new companies to create a viable customer base in a short period of time.

Direct marketing

Direct marketing, the oldest form of marketing, is the process of communicating directly with target customers to encourage response by telephone, mail, electronic means, or personal visit. Users of direct marketing include retailers, wholesalers, manufacturers, and service providers.

Internet marketing

Just as direct marketing has become a prominent player in the promotional mix, so too has the Internet. Virtually unheard of in the 1980s, the 1990s saw this new medium explode onto the scene, being adopted by families, businesses and other organizations more quickly than any other medium in history.

Web sites provide a new way of transmitting information, entertainment, advertising, and have generated a new dimension in marketing: electronic commerce.

E-commerce is the term used to describe the act of selling goods and services over the Internet. In other words, the Internet has become more that a communication channel; it is a marketing channel itself with companies such as Amazon.com, eBay, and others selling goods via the Internet to individuals around the globe.

Social media such as Facebook, Instagram, LinkedIn are also used today in Internet marketing

Database marketing

Database marketing is a form of direct marketing that attempts to gain and reinforce sales transactions while at the same time being customer driven. Successful database marketing continually updates lists of prospects and customers by identifying who they are, what they are like, and what they are purchasing now or may be purchasing in the future. By using database marketing, marketers can develop products and/or product packages to meet their customers' needs or develop creative and media strategies that match their tastes, values, and lifestyles.

At the core of database marketing is the idea that market segments are constantly shifting and changing. People who may be considered current customers, potential customers, and former customers and people who are likely never to be customers are constantly changing.

(See section on Integrated Marketing Communication (IMC) Chapter 3.2.6)

Sponsorships

Sponsorships, or event marketing, combine advertising and sales promotions with public relations. Sponsorships increase awareness of a company or product, build loyalty with a specific target audience, help differentiate a product from its competitors, provide merchandising opportunities, demonstrate commitment to a community or ethnic group, or impact the bottom line.

Packaging

Although packaging is supposed to be a part of the marketing mix and not the communications mix, lately, due to competition and the increasing rivalry between businesses, even packaging is considered as an important medium of communicating with the company's consumers and is used in deciding which brand of product to purchase.

Source: www.marketing91.com
https://www.referenceforbusiness.com/management/Log-Mar/Marketing-Communication.html

3.1.2. How is it related to the 4Ps and 7Ps of marketing of goods and services respectively?

The primary goal of marketing communication is to reach a defined audience to affect its purchasing behavior through information, persuasion and continous reminders. As the term suggests, marketing communication functions within a marketing framework.

In reality, marketing communication is the promotional element of the 4Ps of product marketing (product, place, price, and promotion) and 7Ps (product, place, price, promotion, people, processes & physical space) of marketing of services and cannot be separated from the other elements of the mix. See Chapter 1 of this manual.

Source: https://www.professionalacademy.com/blogs/marketing-theories-the-marketing-mix-from-4-ps-to-7-ps/

3.2. MARKETING COMMUNICATION MIX

3.2.1. The 4Cs framework

The 4Cs of marketing consists of Consumer wants and needs, Cost, Convenience, and Communication, are arguably much more valuable to the marketing mix than the 4 Ps. They focus not only on marketing and selling a product but also on communication with the target audience/customers from the beginning of the process to the very end.

While the 4 Ps focus on a seller-oriented marketing strategy, the 4Cs focus on the customer on the marketing strategy.

The 4Cs and their links to the 4Ps are explained in article by Mark Acutt on March 22, 2020 that appeared in https://marketingmix.co.uk/marketing-mix-4cs/, which is presented in the Box below.

BOX 1 - The marketing mix 4Cs

4PS À 4CS

PRODUCT ⋯⋯⋯▶	▶ CUSTOMER VALUE
PRICE ⋯⋯⋯⋯	▶ COST
PLACE ⋯⋯⋯⋯	▶ CONVENIENCE
PROMOTION ⋯⋯⋯▶	▶ COMMUNICATION
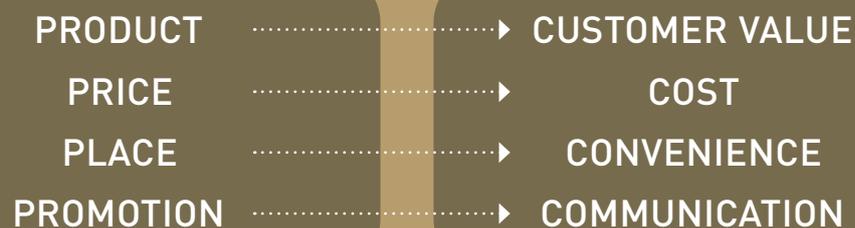
The 4Cs marketing model was developed by Robert F. Lauterborn in 1990. It is a modification of the 4Ps model. It is not a basic part of the **marketing mix definition**, but rather an extension. Here are the components of this marketing model:

- **Cost** – According to Lauterborn, price is not the only cost incurred when purchasing a product. Cost of conscience or opportunity cost is also part of the cost of product ownership.

- **Consumer Wants and Needs** – A company should only sell a product that addresses consumer demand. So, marketers and business researchers should carefully study the consumer wants and needs.

- **Communication** – According to Lauterborn, 'promotion' is manipulative while communication is 'cooperative'. Marketers should aim to create an open dialogue with potential clients based on their needs and wants.
- **Convenience** – The product should be readily available to the consumers. Marketers should strategically place the products in several visible distribution points.

Whether the company are using the 4Ps, the 7Ps, or the 4Cs, the company's marketing mix plan plays a vital role. It is important to devise a plan that balances profit, client satisfaction, brand recognition, and product availability. It is also extremely important to consider the overall 'how' aspect that will ultimately determine the company's success or failure.

By understanding the basic concept of the marketing mix and it is extensions, the company will be sure to achieve financial success whether it is the company's own business or whether the company are assisting in the company's workplace's business success.

The ultimate goal of business is to make profits and this is a surefire, proven way to achieve this goal.

3.2.2. Above-and below-the-line communications

3.2.2.1. Above-the-line communication

This is used for general/widespread awareness such as television, radio, billboards, print and film format. It has a lower ROI due to the high costs involved in implementation.

3.2.2.2. Below-the-line communication

It promotes products other than the mainstream media. It makes use of direct mail or email campaigns, search engines, trade shows and catalogs. It is less expensive and therefor has a higher ROI. It is more focused and fosters high quality engagements with customers. Examples include in-store demonstration and tasting of products.

3.2.3. Differences between consumer (B2C) and business-to-business (B2B) marketing communications

Table 1 - B2C vs. B2B

Business To Consumer (B2C)	Business To Business (B2B)
• Purchases are based on emotion • Favors simple and easy messaging • Focuses on benefits and solving problems • Priority is brand awareness	Purchases are based on logic • Focuses on time, money and resources saved • Favors in-depth promotion • Priority is lead generation and build personal relationship for buying

Source: Adapted from Laura Lake, October 08, 2019,
"Understanding the Differences Between B2B and B2C Marketing"
www.thebalancesmb.com/laura-lake-2294817

3.2.4. What are the key steps in developing a marketing communication?

In an article shared by Smriti Chand he lists the following important steps in developing an effective marketing communication:

- Identifying the target audience
- Determining the communications objectives
- Determining the message
- Communication tools/mix decisions

Source: Smriti Chand, Steps for Developing an Effective Communication in International Market
https://www.yourarticlelibrary.com/international-marketing/steps-for-developing-an-effective-communication-in-international-market/5957

1. **Identifying the target audience**

   This is a crucial step as the use of certain products by target audience may be different from one country to the other. For example, certain consumer durables, which are used even by the low-income groups in the advanced countries, may be used only by high-income groups in the developing countries.

2. **Determining communication objectives**

   The communication objectives may also differ based on the stage of the life cycle in the market, whether it is a new product in the market or is a late stage product and the business is trying to create demand for it.

3. **Determining the message**

   The decisions regarding the message content, structure, format and source are influenced by certain environmental factors like cultural factors and legal factors. The differences in the environmental factors among the countries may, therefore, call for different messages so as to be appropriate for each market.

4. **Budget decisions**

   The size of the total promotional expenditure and the apportioning of this amount to the different elements of the promotion mix are very important but difficult decisions.

5. **Communication tools/mix decisions**

   The promotion decisions faced by export marketing management can be reduced to the following:

   - What messages?
   - What communications media?
   - How much effort or money to spend?
   - These decision areas are interrelated. International marketing promotion takes various forms such as personal selling, advertising, sales promotion, and publicity.

### 3.2.5. What are the key tools of marketing communication?

3.2.5.1. The marketing mix

Simply put the marketing mix is a tool used by businesses and marketers to help determine a product or brands offering. The 4Ps (product, price, place, promotion) have been associated with the marketing mix since their creation by E. Jerome McCarthy in 1960. This was covered in Chapter 1 of this manual.

3.2.5.2. 7 Ps marketing mix

In an attempt to update the 4Ps of the 1970s, the extended marketing mix was created by Booms & Bitner in 1981 by adding 3 new elements to the 4Ps. This addition included services and not only physical products.

Figure 2 - The 7Ps of marketing

7 P'S OF THE MARKETING MIX
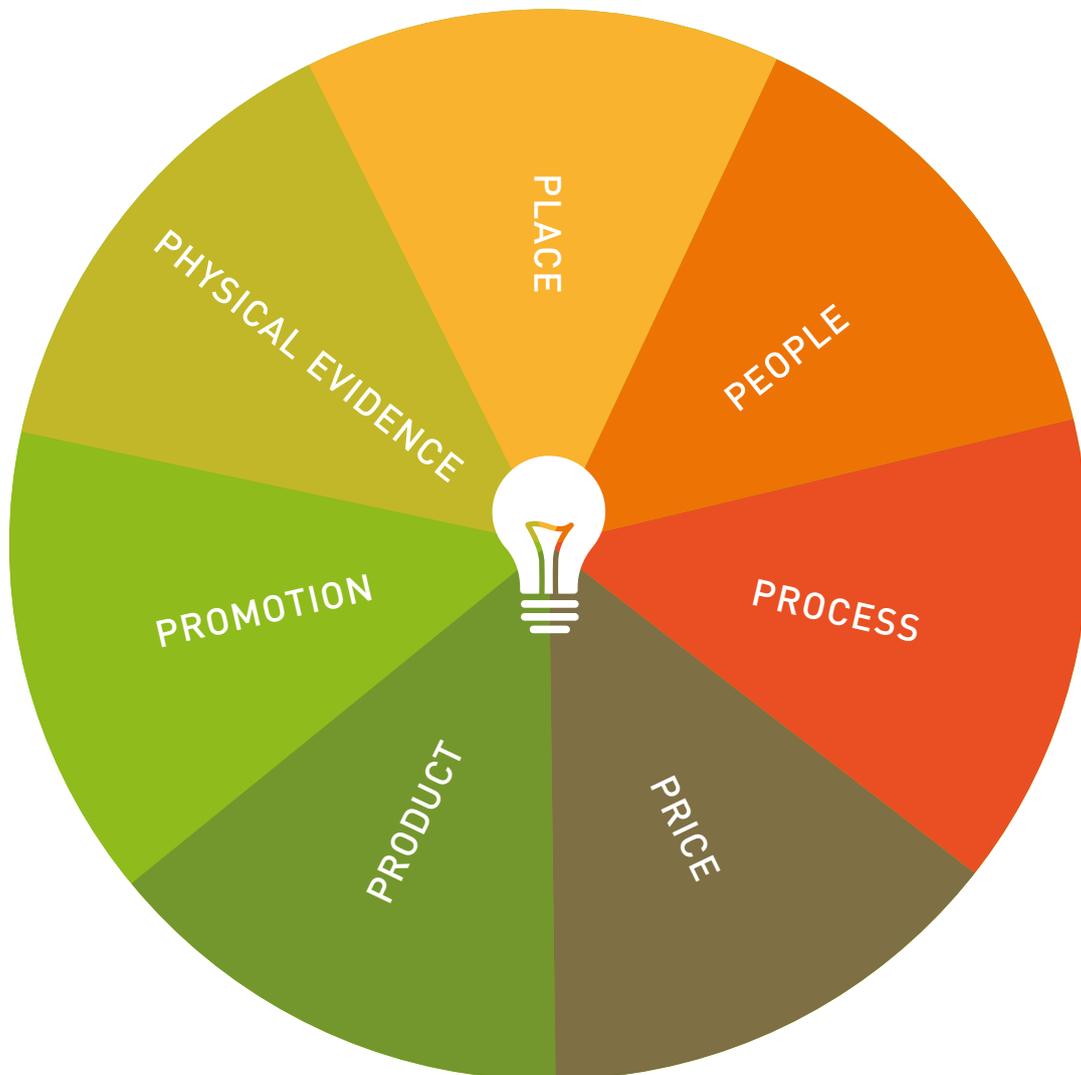
Source: www.professionalacademy.com/marketing theories expained

The extended 7 Ps include the following:

- **People –** These are all the people from the CEO to the line staff who work in the company and having the right qualifications, expertise, experience will affect the end products and services offered by the company.

- **Processes –** Service delivery is important and is part of what the customer in paying for.

- **Physical Evidence/Space –** Almost all services include some physical elements even if the bulk of what the consumer is paying for is intangible.

3.2.5.3. Is there an 8th P of the marketing mix?

There are some schools of thought making a case for an 8th P of the marketing mix, referred to Productivity & Quality that refers to the final product or service offered to/passed on to the customer.

Figure 3 - Promotional Flyer of Lion Foods, Sierra Leone

3.2.6. Why is Integrated Marketing Communication important?

Integrated Marketing Communication (IMC) emerged in the 1990s to establish better coordination of the various elements of the promotional mix in an effort to reach more customers at different levels. The confusion created by inconsistent promotional efforts was removed with an IMC approach.

One of the main objectives of IMC is building attention and awareness for a company's brand. A consistent brand voice helps build stronger relationships with consumers, which translates into customer loyalty.

This brought about the concept of a market-driven approach as relationship building and synergy with customers became important. Knowing the lifestyles and media habits of various customer segments allows marketers to tailor messages through specific media and times that could reach the customers.

Databases are then created on customer segments and all elements of the promotional mix are developed to produce more coherent messages that are appealing to the customers.

3.2.7. Ethics in marketing communication

3.2.7.1. What is ethical marketing communication?

Ethical marketing is an area of applied ethics which deals with the moral principles behind the operation and regulation of marketing. Some areas of marketing ethics (ethics of advertising and promotion) overlap with media and public relations ethics.

Companies realize the importance of acting in more ethical way, and broadcasting this transformation to their customers. One of the easiest ways to achieve this is through their marketing practices. If a company makes an effort to advertise more ethically, it reflects positively on every area of that business.

Ethical marketing is less of a marketing strategy and more of a philosophy that informs all marketing efforts. It seeks to promote honesty, fairness, transparency and responsibility in all advertising.

Ethical advertising

As with most industries, advertising is regulated. There are certain practices and rules that agencies cannot break, but there are some that often bend those rules. The U.S. Federal Trade Commission (FTC) requires that advertisers remain truthful, not deceptive, backed by evidence, and fair.

Ethical advertising is about being truthful concerning the product or service in question and never exaggerating the capabilities of a product/service, or hiding its flaws. There should not be any hidden agendas in the advertising.

**Figure 5 - ** Business Ethics

3.2.7.2. What are some types of unethical advertising?

Unethical advertising uses misrepresentation and deceptive ways to manipulate or convince the consumer to buy the product or service. Examples of Unethical Advertising are shown below.

Box 2 - Examples of unethical advertising

- **Surrogate advertising –** In certain places there are laws against advertising products like cigarettes or alcohol. Surrogate advertising finds ways to remind consumers of these products without referencing them directly.

- **Exaggeration –** Some advertisers use false claims about a product's quality or popularity. A Slogan like "get coverage everywhere on earth" advertises features that cannot be delivered.

- **Puffery –** When an advertiser relies on subjective rather than objective claims, they are puffing up their products. Statements like "the best tasting coffee" cannot be confirmed objectively.

- **Unverified claims –** Many products promise to deliver results without providing any scientific evidence. Shampoo commercials that promise stronger, shinier hair do so without telling consumers why or how.

- **Stereotyping women –** Women in advertising have often been portrayed as sex objects or domestic servants. This type of advertising traffics in negative stereotypes and contributes to a sexist culture.

- **False brand comparisons –** Any time a company makes false or misleading claims about their competitors they are spreading misinformation.

- **Children in advertising –** Children consume huge amounts of advertising without being able to evaluate it objectively. Exploiting this innocence is one of the most common unethical marketing practices.

Highlighting the difference

Ethical advertising will display the difference between the products/services being advertised and those of competing companies. While unethical advertising seeks to cause confusion through the use of a logo and messaging that resembles the competition.

3.2.8. How is an ethical marketing plan developed and implemented?

Ethical marketing does not refer to a plan but offers tools/guidelines for companies to develop and implement their marketing strategies. What is 'right' and what is 'wrong' are considered subjective to everyone and as such makes ethical marketing not a list of hard rules but a set of guidelines to help companies evaluate and implement their marketing strategies.

Figure 6 - Ethical marketing right/wrong

Source: www. https://www.marketing-schools.org/types-of-marketing/ethical-marketing.html

Any ethical marketing effort begins with a careful analysis of the company, its customers, and the markets. These guidelines may include:

- All marketing communications share the common standard of truth
- Ethics should be discussed openly and honestly during all marketing decisions
- Marketing professionals abide by the highest standard of personal ethics
- Advertising is clearly distinguished from news ans entertainment content
- Marketers should be transparent about who they pay to endorse their products
- Consumers should be treated fairly based on the nature of the product and the nature of the consumer (*e.g.* marketing to children)
- The privacy of the consumer should be compromised
- Marketers must comply with regulations and standards established by governmental and professional organizations

3.3. PUBLIC RELATIONS (PR) AND COMMUNICATIONS

3.3.1. Public Relations and the functions and components

Figure 7 - PR functions

Source: www.depositPhoto.com

3.3.1.1. Definition

Public Relations is about building the company's brand relationship with its target audience. PR is about the company's stories, its relationships and the earned media that allows the company to influence the company's audiences and drive positive sentiment about the company's brand.

Need for Public Relations

- Investing on Public Relations will help the organisation to achieve its objective effectively and smoothly.

- An effective Public Relations can create and build up the image of an individual or an organisation or a nation. At the time of adverse publicity or when the organisation is under crisis an effective Public Relations can remove the 'misunderstanding' and can create mutual understanding between the organisation and the public.

3.3.1.2. Functions and components for Public Relations

'Publics'

A group of similar individuals; an assortment of persons having the same interests, problems, circumstances, goals; it is from such persons that opinion emanates.

'Relations'

Human wants to create the need to establish relations with one another. The representative wants of the individuals will profoundly affect their relationship.

The organisation appoints PR experts, and some of the prominent organisations even have a PR department.

Following are the different ways in which a company performs public relations practice with the help of PR experts:

- **Product publicity**: The company organizes brand and product promotion through sponsorships to gather customer's attention.

- **Press Relations:** The Company uses the press or the media to provide information about the product to the customers.

- **Lobbying:** The PR experts communicate with the government officials and the legal department to support the favourable regulations and defeat the unfavourable ones.

- **In-house journals**: The brands launch their magazines and booklets to promote the products among the customers. It also publicizes the annual reports, newsletters, websites, brochures and annual reports to capture the target market.

- **Corporate communication**: The PR department is continuously engaged in providing information about the product and the brand through internal and external communication.

- **Special events**: The PR experts organize events such as charity event, promotional events or contests to capture the attention of the media.

- **Public service activities:** The companies often stand for social causes. They invest their time and money and ask their employees to support such causes. This indirectly enhances public relations in the organization.

- **Counselling:** At the time of product failure or poor performance, the PR department provides suggestions and advice to the management.

3.3.2. HHow to develop Public Relations strategies in the F & V sector?

These days, many people are trying to eat more healthy foods, including fresh fruit and vegetables Campaigns both by government and non government globally has been about healthy foods such as 'five a day' strategies to promote the goodness and quality of eating fruits and vegetables.

CASE STUDY 1
Creating a PR plan for Mary's Produce Store in Guyana

Mary from Guyana, West Indies owns her own store where she sells fruits and vegetables grown locally. The town in which Mary's business is located is extremely large with a few big name supermarkets within close range. It has been a challenge for Mary to attract customers since so many people automatically turn to the big supermarket stores for their fruits and vegetables and In order to stay in business, Mary has come to realize that she needs to reach out to the public about what her company has to offer. She needs to be heard and create awareness that her store exists and is a great place to shop for quality fruits and vegetables.

After doing some research, Mary decides to create a public relations plan through which she will reach out to media outlets and provide information about the products and services available through her business and the great deals she will be offering in the coming months.

PR plan steps

So how does one design a public relations plan? Where does a company begin? Below are steps a company often takes in order to create a public relations plan.

1. **Objective and goals**

The first step is defining the overall objective and goals of the public relations plan. What will the PR plan do for the company? For example, the goal of Mary's public relations plan is to create a brand and some media buzz about the quality and freshness of her produce store and thereby attract customers and generate more sales.

2. **Identify the company's audience**

If the company does not know whom the company want to reach, a public relations plan will not work. For example, when developing the company's plan, the company might want to use the media to gain coverage and reach the ears of potential customers and suppliers. Small fruit and vegetable stores tend to stock their shelves with produce from their farms and from other local farmers. They tend to offer other products such as, canned fruits and vegetables, jams, and honey. While supermarkets are designed to target a large number of market segments, small farm fruit and vegetable stores are designed to serve a niche group of consumers with specific interests and needs. Therefore Mary's target customers will be niche and therefore she will need to customize her strategies.

They will be consumers and businesses, mainly women and housewives, local restaurants etc. Examples will be to showcase her merchandise in relevant fruit and vegetables platforms not necessarily Facebook. Partnerships and sponsorships with communities is also another way to be known and build the company's brand. Offline marketing tactics such as using business cards, pamphlets, flyers or coupons give customers a physical connection with the brand.

3. **Establish the strategy**

Choosing the right PR strategies will depend on a clear understanding of the company's objectives and target audiences. People often confuse public relations strategies and PR tactics, but there iss a big difference. Strategies are general approaches to achieving objectives. Tactics are the day-to-day activities an organization implements to carry out each strategy.

For example, if Mary's plan is to improve its profit by 50% more by the end of the year, one of its objectives may be to raise the awareness of its store brand among potential customers. Strategies to help the business achieve that objective might include attending farmers and trade events, speaking at industry events promoting eating fresh produce, health benefits attended by target audiences. Printing flyers, cards, and other media outlets including widely read fresh produce blogs to establish the store as producers and suppliers of fresh and quality fruits and vegetables. The tactics that support each of those strategies will be the individual tasks required to secure the events, produce and publish the printed media and promote both.

4. **Create key messages**

Design the company's key messages not only to educate and inform, but also to change people's perceptions or compel them to take action. These messages should be direct and to the point. Develop key messages for each of the company's objectives and target audiences. Data can help the company shape, support, and differentiate the company's key messages; however, it may be just as important to find the stories at the heart of the company's public relations strategy.

"The art of storytelling is very important when it comes to public relations," Keyes says. "Today, we are all inundated with information, so we have to find a way to break through all that noise and tell a story that connects and resonates with the people we're trying to reach."

For example promoting the health benefits of eating fresh produce. Mary's key message will be that all her produce is organic, free from chemicals to her target audience of health conscious customers.

5. **Develop tactics**

Use the company's knowledge of its goals, target audiences, and key messages to identify the best tactics for the PR plan. The company's PR plan may include various tactics across multiple platforms and channels from traditional media relations (pitching stories to the press), social media, PR events, digital storytelling, and more.

It is also a good idea to develop multiple tactics for each objective and target audience, because no matter how carefully the company research and plan the company cannot be certain a particular tactic will work.

In addition, make sure the company's tactics accurately reflect the image it wants people to have of the company's organization.

Technology offers many new ways for organizations to target audiences and deliver messages. It also creates opportunities to turn audiences into advocates.

For example, share photographs and videos that show the preparation of recipes that incorporate fresh fruits and vegetables.

"Part of a good PR plan is figuring out how to influence other influencers and enlist their support," Meagher says. "In the skeptical world of today, it is important to combine direct communication and third-party endorsers who can amplify the company's message, give it greater validity and, in certain channels, carry more weight than the company can when the company're trying to deliver that message directly."

6. Measure results

How will the company know if the company's PR plan succeeds? Before implementing the company's plan, establish success metrics or key performance indicators (KPIs) to measure progress and achievements. A template can help the company identify and track metrics that can provide insight into how well the company's PR strategy is working.

In Mary's case, she can measure success by:

- Repeat buyers,
- Testimonials from satisfied customers,
- Increase in customers,
- Demographics of customers,
- Market sales data (types of purchases made and when: weekly, monthly).

In using these Public Relations Plan steps, a business can build a strong relationship with its publics for many years. Mary's PR campaign was able to attract positive media attention, which led to customers awareness and in turn boosted her sales drastically.

Public Relations marketing tools

By using proven public relations (PR) tools and activities, the company can promote positive attitudes and behaviours towards the company's business that will help convert interested consumers into customers.

PR tools are very cost-effective, and often give the company a greater degree of control than more broadly targeted advertising campaigns. The key tools are outlined below in Table 2 and in more details below.

Table 2 - Public Relations Tools

Public Relations Technique	Role and Description	Examples
Media Relations	Generate positive news coverage about the organization, its products, services, people, and activities	Press release, press kit, and interview leading to a news article about a new product launch; press conference
Influencer/Analyst Relations	Maintain strong, beneficial relationships with individuals who are thought leaders for a market or segment	Product review published by a renowned blogger; company profile by an industry analyst; celebrity endorsement
Publications and Thought Leadership	Provide information about the organization, showcase its expertise and competitive advantages	Organization's annual report; newsletters; white papers focused on research and development; video case study about a successful customer
Events	Engage with a community to present information and an interactive 'live' experience with a product, service, organization or brand	User conference; presentation of a keynote address; day-of-community-service event
Sponsorships	Raise the profile of an organisation by affiliating it with specific causes or activities	Co-sponsoring an industry conference; sponsoring a sports team; sponsoring a race to benefit a local charity
Award Programs	Generate recognition for excellence within the organisation and/or among customers	Winning an industry 'product of the year' award; nominating customer for an outstanding achievement award
Crisis Management	Manage perceptions and contain concerns in the face of an emergency situation	Oversee customer communication during a service outage or a product recall; execute action plan associated with an environmental disaster

Media relations

Media strategies focus on circulating messages through media channels to manage how the company's business is portrayed by the media. The company's media tools might include releasing media statements and fact sheets, offering on-site media tours to encourage journalists to report positive messages about the company's business, and using social media to get the attention of journalists and track journalists who report in the company's market.

By developing good media contact lists and building relationships with key journalists to pitch media releases and story ideas to, the company can use local, regional or state media to:

- promote the company's business,
- manage risk, issues or crises affecting the company's business.

Advertorials

Advertorials are advertisements in the form of news stories or reviews in newspapers. Advertorials allow the company to associate the company's advertising with the credibility of the newspaper.

Large businesses employ advertising or marketing professionals to help them develop TV advertorials — which are commonly used as a form of advertising and product placement.

Newspaper advertising is always a good way to reach the public, but may only be necessary when sales levels are low and more customers are needed to move produce or when new produce comes in season. Ads can be run in the classified section for fruits and vegetables or in a display format.

The classified ads generally are less expensive and reach specific customers such as food processors. Display advertisements often are used to catch the customer's attention and announce special events at the business.

Social media

Social media lets the company bypass the media and go straight to the company's customers. Using social networking sites such as Facebook, Twitter and WhatsApp allows the company to follow and be followed by journalists, drive web traffic, manage issues by responding quickly to criticisms or negative perceptions, and increase exposure for the business brand.

The Internet is a valuable information and sales tool. It provides information such as items in season, sales, and direction to business and opening hours. Regarding sales, the business will sell value added products over the Internet and deliver produce via mail.

As already mentioned, print or emailed newsletters or whatsapp are a good way to promote the business, communicate with customers and keep them informed of new products and services.

Regular newsletters or whatsapp messages can strengthen personal connections with customers and reflect the business brand and personality. Create a page for the company's business on Facebook or build up an audience on Twitter. List the company's business on Google Maps. Invite the company's customers to submit reviews via the company's website or page. As the company's digital footprint grows, the company's business becomes easier and easier to find online.

Brochures and catalogues, flyers etc.

'Take home' or mail-out brochures or catalogues can help keep customers thinking about the business and its products and services. Direct mailings, such as catalogues or coupons, are also beneficial.

An inexpensive book for visitors to sign, which gives their name, address and particular interest, can supply the business with a mailing list and knowledge of the customers' interests.

Properly designed brochures and catalogues give customers confidence in the company's brand, and help drive customers to the company's website or store. Information contained in business brochures and catalogues can be effectively reworked for the company's website, helping the business do business online.

Providing details about each type of fruit or vegetable the company sold helps people understand the quality and value of the produce so they feel confident buying. For instance, small cards that describes the taste of the different varieties of apples or mangoes the business carry, such as sweet, juicy, crunchy or sour, help people learn and appreciate more than just the color. Note where the produce comes from, such as the name of a local farm or area, to help the consumer realise the value and quality of the produce the company carry.

Business events

Events are opportunities for business people to gain exposure for their businesses, promote new products or services and make sure accurate information reaches targeted customers.

From a sales point of view, events are a chance to counter customer doubts and build customer confidence. They can also help businesses research the company's market and competitors, and build the company's mailing list. Make sure the company go to the event prepared with marketing materials to disseminate and a way to collect information and customer details.

Trade shows, farmers market are an opportunity for businesses to compete in their industry and share information with people in similar lines of work. Providing nutritional information about the fruits and vegetables the company sells helps make the buyer more aware of their value. Have fliers or brochures that explain how to handle and store various types of produce to show potential customers.

Speaking engagements

Speaking at events where customers are likely to attend helps position the company as a leader or innovator in the company's field. As a business owner or leader, building the company's reputation as an expert also builds the reputation of the company's business - and draws new customers.

Events are valuable promotional opportunities even if the company does not have top billing as a speaker. The company will build reputation simply by having the company's business name or logo on the event listing, or delivering a presentation about a new product or innovation. Additionally, they provide valuable networking opportunities.

Sponsorships or partnerships

Partnerships and sponsorships are good for business. Supporting a not-for-profit cause can help build feelings of goodwill and loyalty towards the company's business. Community partnerships may involve an exchange of funds or in-kind benefits to grow a local community organisation in return for benefits that promote the company's business reputation. Partnerships can help consumers identify the company's brand with good business practice and good ethics.

Employee relations

The company's staff are ambassadors for the company's business and brand. Many larger businesses conduct employee relations - building their business culture and team relationships by sharing information, promoting involvement and instilling a sense of pride in business achievement. This can improve teamwork, staff retention and productivity, and ensure that staff are representing the company's business consistently and with the right messages.

Community relations

Building good relationships with members of the community where the company do business helps build customer loyalty. Find out where the customers in the company's community live by collecting postcodes at point of sale.

Engaging local stakeholders and decision-makers helps build the company's profile and level of influence, helping the company to attract more customers through word-of-mouth and ensuring the company's business interests are factored into community decision-making.

Work with schools, community centers and clinics to raise awareness of the importance of eating daily servings of fresh produce. Offer tours of the company's produce area to school kids, complete with samples of in-season goodies, as a way to foster appreciation of the produce the company carry.

Merchandising locally or online

Displaying the company's produce so it is at eye level and easily visible is important to moving these perishable items as fast as possible. Add a basket near the cash register filled with seasonal fruit for sale by the piece so people can pick one up on their lunch break or as a snack. Cross-merchandise items by putting together small baskets or displays of items that go together to create a dish, such as grouping an onion, a few tomatoes, a lime and a hot pepper to suggest the ingredients to make salsa for example. Recipes can be done and send with messages to customers.

3.3.3. Concept of image and the required tools

Image is the mental perceptions of the person related to an object, a product, service, an individual or an organisation. The image need not necessarily true and image is only an indication that how a person perceived by the other(s). There are many favorable images regarding produce such as fresh, well-packaged, friendly, quality, healthy and large variety.

Though we cannot say which is a right image or wrong image, we can say some image are favourable to an organisation for achieving its objective with relative easiness.

3.3.3.1. Image building exercises

The image building exercises start with understanding the present image and to plan the desired image and to channel all the Public Relations activities towards it.

The Public Relations department or owner of the business can gather information from various sources through appropriate data collection method.

1. **Primary data through interview**

The primary data collection method is best-suited method and the business should contact the target groups (public) and obtained information. This is possible by developing the structured schedule or non-structured interview and encourage the responded to come out with the information in a friendly atmosphere and as spontaneous as possible. Such information collected from various groups will form a basis for analysis.

2. **Data from secondary sources**

Organisation can collect information/data information especially in terms of image, from published sources, information like article or coverage by newspapers classified ads or blogs, the organisation is referred to in some reports.

This may provide a clue to, what the other person viewed about this organisation.

This will also help the organisation in understanding and analysing the situation.

3. **Analysis**

The data collected from primary and secondary method can form the basis for analysis and the required information is to be culled out with reference to image/ public perception. This refers the image prevailing at that time among the target group or group from which the information is obtained.

Steps to image building:

- Adopt appropriate strategy
- Choose appropriate message
- Select appropriate media
- Disseminate information actively
- Keep analysing the response

3.3.3.2. Effectiveness survey

All public relations' image building exercise an effectiveness survey must be conducted so as to measure the impact. Sole purpose of the survey is to ascertain the change in attitude of the people after campaign. The survey also gives data points to help sketch better campaigns in future. It is a continuous process that leads to better image building and maintaining.

Public Relations' role is not to project the negative with a positive image but to open the communication channels, remove the myths, doubts and suspicions. Thus changing the shade of light that is to be shed and bringing the best face of the organisation forward.

CASE STUDY 2
Public Relations – Communication and image Coconut Indulgence Ltd (frozen yoghurt)

Coconut Indulgence Ltd. are manufacturers of frozen dessert food products made with coconut milk, agave syrup and other certified ingredients. The founders of the company Tia and Jay where born in the UK but of African descent and decided to move back to their parents country of birth, Ghana.

They originally developed this treat to meet their own needs but found that their friends and families around were also keen to use the products. It was not only the vegetarians, but also those who could not get enough environment friendly sustainable food, that appreciated the product. It did not take long for Tia and Jay to recognise the potential of their little venture. In the beginning they started from their home with the product being sold through local family parties that enable guests to personally meet the owners.

This helped to establish strong connections with the prospective buyers and the company could put the product on shelves of natural food store.

The company used all marketing activities to grow and expand. The company began sponsoring booths at festivals, drawing attention to its newly created vegetarian products. It also disseminated relevant information to media about its products and the people who helped in building the company's reputation. Tia and Jay were invited for an interview with one of the leading TV channels Joy in which they talked about their environment friendly vegetarian products.

To show its gratitude to customers, local business and government officials who supported the company from the beginning, Coconut Indulgence Ltd. hosted a gala event and involved all of them to raise funds for a few local NGOs. The company also asked its fans and customers to send songs and poetry conveying their impression about Coconut Indulgence Ltd. products.

This helped in promoting the company's presence in the market, which led to an increase in sales by 30%. Tia and Jay have now decided to take a business risk by adding smoothies to their product lines (new equipment, staffing)

Results

Public Relations is the communication tool used by Coconut Indulgence Ltd. Public Relations is the practice of managing communication between an organisation and its publics in order to create and maintain a positive image about itself and its products. The company had a good relationship with the press by providing true and correct information about the company. This helped to create a positive image about the company in the eyes of various interest holders like consumers, government, suppliers etc.

Tia and Jay undertook product publicity for new products through sponsorships. This helped them in launching their new products and this was readily accepted because of the good reputation of business.

Corporate communication helped to promote image of the company through different ways such as like publication of newsletters, brochures, articles or arranging for talk shows or speeches of high officials of the company. This was highlighted in the Gala event that was hosted by the company.

Lobbying was also done by the company. They had good relationship with government bodies such as the trade standards unit, local content agency and other regulatory bodies. It is proactive in promoting or defending regulations that affect business by maintaining healthy relationships with associations of commerce and industry, government officials and different ministers in charge of corporate affairs etc.

3.3.4. What are press releases and when and why do we need them?

3.3.4.1. Definition

A press release is a free public relations tool, which is especially beneficial for a start-up or growing small business. Each press release publicises important or useful information about an upcoming event or one that has occurred. While a grand opening, special event or new product launch are all good reasons for issuing a release, press releases also alert the public to product recalls while providing important consumer information and working to mitigate an internal crisis. For example, a press release might tell the public about an information security breach, explain what happened and outline the steps being taken to make sure it does not happen again.

A properly crafted and appropriately distributed press release can support the company's news and views in a credible and targeted way that reaches key audiences with messages that matter to them. For example, a business owner of a fruit and vegetables produce store can do press release for trade show appearances, farmers market, event sponsorships and holiday-related events. Communicating the success of events enhances brand image and creates public awareness regarding a company's activities in the community.

If done correctly, a press release can achieve the following:

- Help populate search engines with credible and focused messaging on the company's company and its announcement.

- Provide strategic context for the company's events or news that can facilitate conversations between the company's company and its customers.

- Provide proprietary content to bring visitors to the company's website to find out more about the company's company and products.

- Serve as a tool to update the company's customers including potential ones and industry peers on the company's company and its momentum in the space.

Hints for writing press release:

- Choose positive rather than passive headline.
- First paragraph should be sharp and crisp.
- Prepare small paragraphs.
- Avoid superfluous expressions.
- Avoid uncommon words.
- Avoid jargon and the use of initials.
- Check the spelling of people and place names.
- Type on one side in double spacing and leave a good margin.
- Better give, one page 25 lines write up.
- Check the appearance of the information and make it attractive.
- Put the date & time and mention contact person and telephone number for clarifications if needed.

While handling press questions the company should be:

- Confident
- Able to think and react to questions instantly
- Tactful
- Authoritative
- Crisis management skill

3.3.4.2. Press releases today

Increasingly, heavy emphasis on social media as a public relations and marketing tool is giving press releases alternative publishing options. Where businesses once had to depend solely on - and get past - journalists acting as editors and information gatekeepers, online self-publishing is now a viable option. Posting a press release on the company's business website and promoting it through social media or an online press release distribution service allows the company to directly communicate information to a mass audience and to target specific groups. For example, incorporating keywords and using search engine optimisation tools can significantly increase the likelihood the company's press release will appear in search-engine results.

3.3.5. What is a crisis management?

3.3.5.1. Definition

A crisis is defined as a significant threat to operations that can have negative consequences if not handled properly. In crisis management, the threat is the potential damage a crisis can inflict on an organisation, its stakeholders, and its industry. A crisis can create three related threats:

1. Public safety
2. Financial loss
3. Reputation loss

Source: www. Institute of Public Relations.org/crisis-management -communications

Crisis management is an essential organisational function. Most businesses, at some point, will face a crisis and failure to respond can cause serious harm to the company's bottom line, stakeholders and public image.

In this age of social media and the Internet, news goes viral almost instantly. Organisations need to respond to PR crises quickly and effectively in order to minimise damage.

Crisis management can be divided into three phases:

- **Pre-crisis:** prevention, preparation and training
- **Crisis response:** management responds to a crisis
- **Post-crisis:** looks for ways to better prepare for the next crisis and fulfills commitments made during the crisis phase

3.3.5.2. How to write a Crisis Management Plan

A Crisis Management Plan (CMP) is a reference tool, not a blueprint. A CMP provides lists of key contact information, reminders of what typically should be done in a crisis, and forms to be used to document the crisis response. A CMP is not a step-by-step guide to how to manage a crisis. Lerbinger (2012), Coombs (2015), and Low, Chung and Pang (2012) have noted how a CMP saves time during a crisis by pre-assigning some tasks, pre-collecting some information, and serving as a reference source. Pre-assigning tasks presumes there is a designated crisis team. The team members should know what tasks and responsibilities they have during a crisis.

It should contain:

- **A checklist of what needs to be done –** it is easy to miss steps when everyone's running around when crisis hits the business.
- **Contact details of key people –** example, the manager is on holiday and I does not have the deputy's mobile number.
- **Who are the company going to call?** Experts, friendly journalists, influencers, lawyers.
- **Draft messages -** templates for press releases, social media posts, interview Q&As, etc.

Crisis management team

The common members of the crisis team are:

- Public Relations
- Legal
- Security
- Operations
- Finance
- Human resources
- For a small business this list will not be relevant as the owner will be largely responsible to deal with the crisis at hand.

3.3.5.3. How to effectively handle issues before they devolve into crisis?

The best way to handle any PR crisis is to prevent it from ever happening. Be proactive, not reactive. A common misconception about the public relations industry is that it is solely reactionary. However, the company cannot really avoid a crisis but the company can minimize the risk and deal with a PR crisis. There are things the company can look out for that if caught early enough, can be dealt with.

1. **Identify potential issues -** When the company identify a potential issue, the company become aware of a current or likely problem based on feedback from customers, employees or vendors. As the company learn of a problem, the company can move forward to the next steps to manage the problem.

2. **Set priorities -** Take time to understand what needs to be done, which steps need to be handled first, and how the issue will be managed.

3. **Establish a position on the issues -** Create a plan for responding to the problem, what the company will share about the problem, and how the issue will be presented to the public.

4. **Develop the response -** Once the company have clarified the company's position in the problem, the company can now create a response that will be shared with the affected party and media, if necessary.

5. **Monitor the issue -** Watch the response to the issue, how the resolution is working, and if changes need to be made to the plans.

CASE STUDY 3
Preventing a crisis with XYZ Produce Ltd contaminated lettuce

1. **XYZ Produce Ltd** has identified *E.coli* is the issue and that it may cause many people to get ill and require medical care. It also may cause a public concern about eating lettuce and create a lack of trust from its customers regarding lettuce in the future.

2. **XYZ Produce Ltd** identifies a few priorities: alert its suppliers/growers that the company purchased the tainted lettuce; create a message to share with their customers, and evaluate how much of the tainted lettuce was sold. The company also immediately stops selling lettuce and destroy the existing stock to ensure the *E.coli* does not spread to other produce.

3. When establishing its position, the company must own the problem, be proactive in alerting consumers, and provide information to the local news, call its repeat customers and the community to help get the word out quickly. The company may also contact local medical centers to let them know of the potential problem, which will allow them to watch for symptoms and ask sick patients if they have bought from or eaten at any of the possible company's that may have served the affected lettuce.

4. The company creates a message that is straightforward, honest and helpful to consumers. The company shares the message with its suppliers/growers that have the lettuce and ask them to review the message for any additional information that needs to be added or removed. The company wants to be honest while also being careful about the damage that could happen to its image.

How to cope with bad publicity

An image as already stated in sub-section 3.3. is defined as the representation of certain attitudes, opinions or prejudices concerning a person, a group of persons or the public opinion concerning an institution.

In other words, an image is the opinion of a person, of a group of persons or of the public opinion regarding that institution. All specialists agree that a negative image affects, sometimes to an incredible extent, the success of an institution.

In the contemporary age, we cannot speak about public opinion without taking into consideration the mass media as a main agent in transmitting the information to the public, with unlimited possibilities of influencing or forming it. The plan for the PR department or business manager starts with its own declaration of principles, which describes its roles and contribution to the organisation.

At a small company, the PR person who could be the owner/manager may have to handle all the roles – cheerleader, media contact person, the deflector of criticism – themselves. At larger companies or big PR firms, staffers can have more specialized roles to handle different organizational needs.

When 'adverse image' is projected about the organization, be prepared with factual information.

1. What are the company clarifying about?
2. Why are the company writing/clarifying about a particular event?
3. What is this event?
4. When did it happen?
5. Where?
6. What form (how)?
7. Whether supporting documents are available: statistics/data, visuals (photos/video etc.)?

Figure 8 - Coping with bad publicity

While handling press five F's are needed including

- FAST
- FACTUAL
- FRANK
- FAIR
- FRIENDLY

Example of how to cope with bad publicity

CASE STUDY 4
The Pepsi advertising failure

What happened?

Pepsi presented a brand new advertising campaign featuring the mega-celebrity Kendall Jenner. Within 48 hours the video got nearly 1.6 million views on YouTube. In the video, Kendall throws off her blond wig and runs away from a photo shoot to join a protest in the street. The most epic moment of the video is when Kendall hands a can of Pepsi to a police officer, who takes a sip and smiles at his partners.

The advertisement was immediately called "the best example of white and economic privilege" and was judged for trivializing demonstrations and serious social issues. Memes and jokes were spread all over social media. The social media crisis had begun. As in the previous case, this fiasco affected the market value of the company. How did they manage the crisis?

Pepsi removed the video from its official social media channels and made a statement: "Pepsi was trying to project a global message of unity, peace, and understanding. Clearly, we missed the mark and we apologize."

What can we learn from Pepsi case?

When struggling for their audience's attention, companies love to appeal to social issues. The popular idea of creating a "buyer persona" and "speaking to the audience in their language" is a good one, but as the company can see, it is possible to fail at it. "We did not intend to make light of any serious issue," Pepsi said. Although, that was exactly what they did. The social media audience felt that the brand made light of a serious issue, and that provoked the crisis.

So, before launching a product advertising campaign - test it! Show a commercial to a small group of the company's target audience, and show it those outside of the company's targeted audience. Prevent the crisis before it starts. We also see that Pepsi apologized in the right way. They summarized what happened and took responsibility. They showed that they cared and were really sorry for the misunderstanding, and their social media audience appreciated that.

www.semrush.com Three biggest social media management nightmares, Nadia Nazarova, June 9, 2017

Crucial points to consider

- Who the company hires to create and represent makes all the difference.

- This social media fire could have been, if not prevented, at the least mitigated, by listening to the company's community's voice and putting "just in case crisis plans" in place.

- When a brand crisis hits, the company's most important asset is media intelligence. Do not wait for everything to crumble to get up to speed on the latest media intelligence tools and best practices for handling a crisis in this age of social media.

Chapter 4

Importance of branding and intellectual property rights in marketing products and services

4.1. BRAND MANAGEMENT

4.1.1. Branding and the impact on the productivity of the business

**Figure 1 - Elements of branding
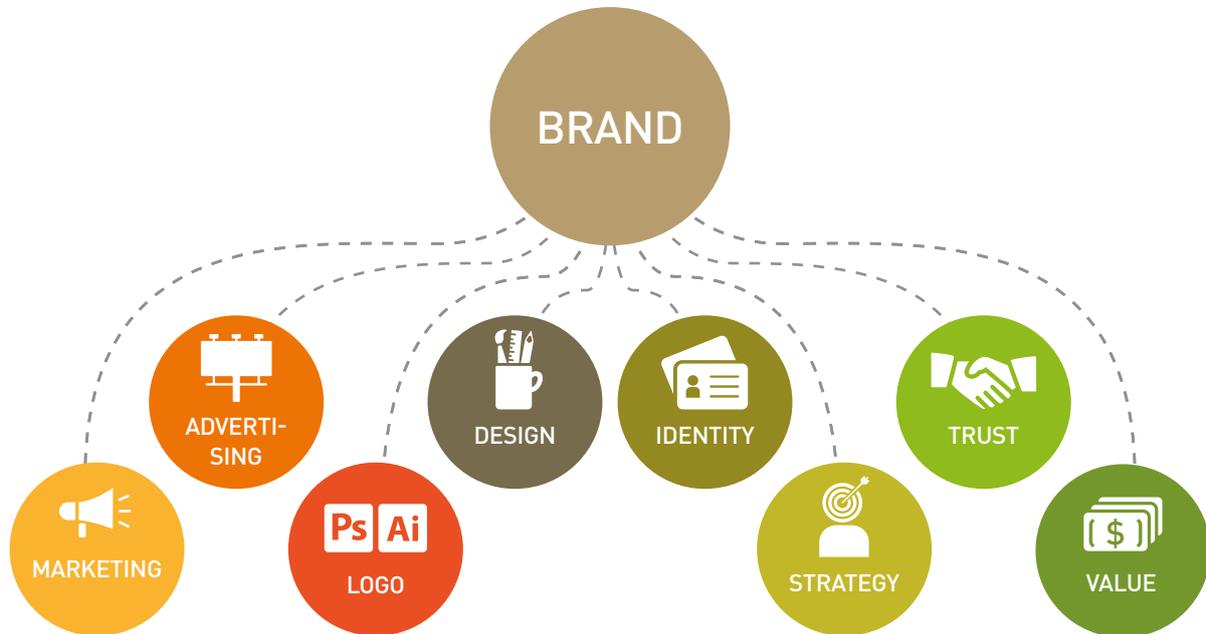
Source: kindpng.com

4.1.1.1. Definition of brand management

Brand management is a function of marketing that uses techniques to increase the perceived value of a product line (group of related products all marketed under a single brand name that is sold by the same company) or brand over time. Examples: Coca-Cola, Coke Zero, Cherry Coke etc.

Effective brand management enables the price of products to go up and builds loyal customers through positive brand associations and images or a strong awareness of the brand (Investopedia.com).

Brand is a relationship and not a 'thing'

A brand is a relationship. This relationship is built upon all of the individual experiences one has with a brand. In this way, 'Brand' is a completely intangible connection that exists between a person and a company — just as a relationship exists between two people.

This is what makes branding so powerful: it taps into, and is defined by human emotion and connection.

An example of a brand which dominates the market is Google. Millions of people worldwide say the phrase "I'll Google that term."

People use Google's brand name instead of the word 'search'. 'Search' is one of the main services that Google provides.

4.1.1.2. Ten ways branding can impact the business

Branding is something that combines elements from consumer psychology as well as marketing, so its impacts on the company's business are various.

1. **Recognition –** This is perhaps the most important impact of branding on a business. Branding is how a company gets recognition from its consumers and competition in the market. The logo becomes the most critical factor here since it serves as the face of the company's company. Potential clients and customers form an idea about what they can expect from the company's brand. It is also why the logo of the company should be catchy and easily memorable out of several others in the market. Printed promotional products are a great way to gain recognition for the company's brand.

2. **Increase in business value –** Branding is important when the company are trying to generate future business. A strongly established and well-known brand such as Jimmy Choo or Armani feels justified in increasing the value of their products and business because it gives them leverage over their competitors in the industry. This also makes well-established brands a more appealing investment opportunity because of their firm roots in the market.

3. **New customers –** The word of mouth is the best form of advertising that any business can get. If the company's brand performs well among its clients and consumers, there is a chance that the business can gain an influx of new customers as well. Effective branding usually means that company has a strong impression among its consumers and they are likely to come back to do business with the company because of the familiarity and assumed dependability the company's brand provides.

4. **Establishing trust –** A professional appearance and effective branding can help the company establish trust among its consumers, potential clients and customers. Its consumers and clients are more likely to do business with the company when it has a polished and professional look. Branding can help the company achieve that by making the target audience feel like they can trust its brand enough to do business with the company.

5. **Employee pride & satisfaction –** When the company's brand is strongly established, its employees feel prouder and more empowered to be working at the company. Working with a reputed brand makes them highly regarded by their contacts, which makes working at the company an enjoyable and memorable journey for them. This sense of belonging can be further improved by providing the company's employees with branded merchandise at their desk.

6. **Supports advertising –** Advertising is almost second nature when it comes to branding. The company's advertising strategies directly reflect its brand as well as how the company want its audience to perceive it. Advertising techniques such as the use of samples and promotional products make it easier to create a cohesive and appealing strategy that fits its branding goals.

7. **Creating buyers' aspirations -** Brands have an aspirational element to them. More prestigious and established brands reflect this in their prices. Customers purchase products from such brands because they somehow become statement products. The desire for an iPhone stays put, no matter how many other cost-effective smartphones are available. Consumers attach social standards with brands that are better established.

8. **Altering buyers' intentions -** A strongly established brand can sway a buyer much more effectively than brands that are not. Brands often come with stories and have followership that trusts in the brand. For example, Apple's logo comes with Steve Jobs's story, which in turn adds an aura to the brand that non-branded products do not have. This makes buyers go for established brands instead of unknown brands.

9. **Buyers' self-concept -** Every individual has a certain image of themselves in their minds. When they buy something, they would like the products to go with their self-concepts. For example, a teenager who is trying to find his own style inspired by internal and external factors would look for a brand such as Levi's who claim to 'Shape My World' through their products. For this, brands need to understand their target audience and create a buyer persona for the possible kind of audience they might attract.

10. **Loyalty -** Brands that offer their customers extra benefits for regularly doing business with them gain their trust and loyalty. Any aspiring business should aim to develop this sense of loyalty among their consumers. People regularly visit for example, Starbucks because they offer their consumers points and discounts for regularly purchasing from them. This sense of loyalty is achieved much more effectively by a well-established brand.

4.1.1.3. Branded fruits and vegetables

Branded fruits and vegetables are playing an increasingly critical role in fresh food, boosting the bottom line in produce departments. This is a benefit for both retailers and consumers as retailers strive to deliver high quality and consistency as consumers demand more information about the source of the foods they buy.

Where produce is from local farms, signs and labels are used to indicate location of farms or give a story behind the produce.

Figure 2 - Digital branding
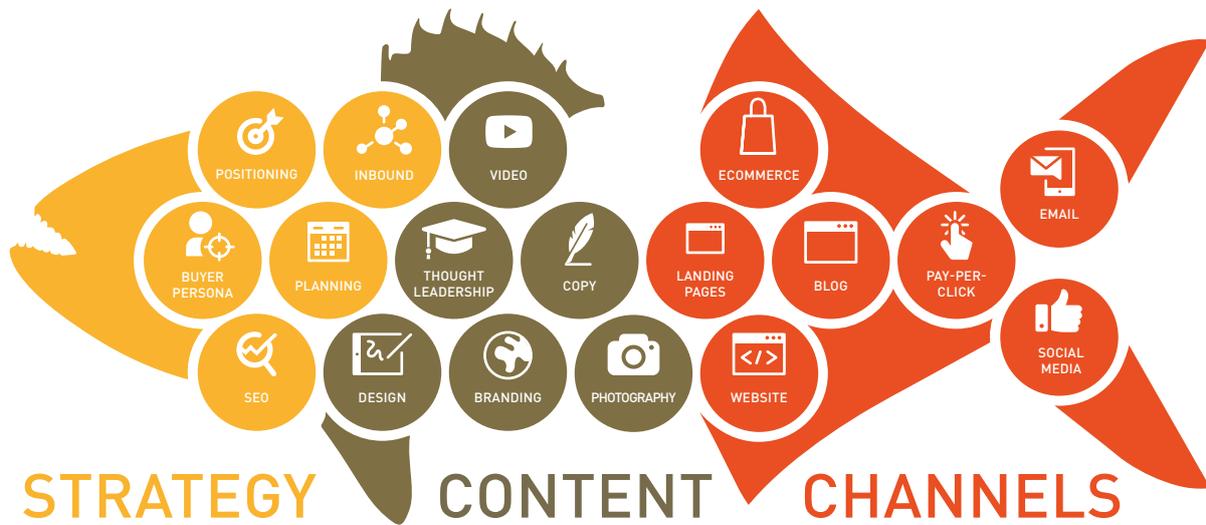
Source:www.pngfuel.com

4.1.2. Digital branding and identity and its challenges

Digitalisation affects branding practices in many ways. Changes in technologies, market demands, and communication channels provide both opportunities and problems for brand managers, however, brands and branding are still relevant in this digital age.

- **Consumer behavior.** Digitalisation has changed consumer behaviors. Consumers use many different communication channels and touch upon brands on many occasions—both online and offline. In many cases, they have the choice of buying brands online. According to eMarketer.com, global e-commerce increased by 5.8% from 2016 to 2017, reaching $22.7337 trillion. One could easily conclude that these changes in information availability reduce the importance of brands. However, this information richness is exactly why branding continues to be relevant. Consumers need a sorting mechanism, a way of finding meaning and patterns in the information clutter.

  Important mechanisms in this process are brand awareness and clear brand positioning (Keller, 1993). Consumers will choose strong brands that are recalled and remembered quickly, and which can provide accessible and relevant benefits in the purchase situation.

- **Big data.** New communication channels, technologies, and analytic tools have provided businesses with enormous amounts of data (big data). The possibilities of digitalization are fascinating and at times breathtaking. With these tools it is possible to follow consumers in their digital consumer journeys, measure what they click, see how different tactics (*e.g.* display ads, search words) convert into sales, what types of digital communication efforts and content are effective, and from which sites consumers enter the brand's webpages and where they go when they leave.

The amounts of data are boundless, and clever brand managers can create brand value by optimizing messages and offers. In many ways, the potential to analyze and observe consumer behavior in real time is a revolution for brand management. When businesses previously experimented with brand messages in analog media channels, it often took weeks before we could measure the results in sales or by other performance indicators and those indicators were often soft indicators, such as attitudes and beliefs. Today, businesses can adapt their tactics continuously and instantly measure the effects on facts like sales and customer acquisition.

A challenge for businesses in the digital age is therefore to balance the possibilities from big data against the time-consuming insight processes of more traditional consumer research.

- **Online brands.** Consumers are online—for information search, entertainment, status-seeking behavior, and more. Brands must adapt their practices and participate online on consumers' premises. These changes in branding practice can have both advantages and disadvantages for brand management, and can change the way brands are built.

In a distant era, not so long ago, brand communication was primarily a one-way process. Businesses and their communication agencies developed creative content, and flooded mass-media channels with advertising messages to influence consumers. Consumers' reactions were both time consuming and technically difficult to express. If consumers vented their reactions to friends and neighbors (*e.g.*, via word of mouth), the number of people they reached was usually quite limited.

The rise of social media and digital technology has changed the influence of word-of-mouth in consumer–brand relationships. Word of mouth has expanded from time-consuming person-to-person processes to an abundance of different online communication formats (Eelen, Özturan, and Verlegh, 2017).

These communications include electronic word of mouth—*e.g.*, liking a brand on Facebook or writing reviews on electronic forums—posting videos on YouTube and Facebook, retweeting brand messages, and sharing them through social media. Currently, good and bad publicity, mistakes, and brand experiences could potentially be shared and spread to thousands of consumers with only a few clicks.

4.1.3. Creating and implementing strategies

4.1.3.1. Why does the company need a brand strategy?

When we think about the most successful brands like Uber, Samsung, Disney, and many others, we realize that these brands have come so far that they have become a part of their customers' lives. This would have never happened if they did nott have a working branding strategy.

Having a clear brand strategy will help the company to:

- **Have clear company objectives**

  The company cannot become a successful brand if the company does not have well defined goals and objectives and does not know where it is heading to. Where was the company last year? Where is it now? Where will it be next year or after 2 years?

  Having clear objectives also helps to keep the company's loyal customers who will see the benefits of moving forward with the company and continue using its products/services.

- **Stand out from the company's competition**

  While developing the company's strategy, pay close attention to the competitors and their activities. Observe and analyse. Of course, there will be things that the company have in common and also things that the company do in completely different ways.

  The company's brand strategy will give the company an opportunity to stand out from its competition by defining who the company is, what makes the company unique and its consistency throughout the different channels.

- **Optimize the company's marketing strategy accordingly**

  Once the company has developed its brand identity and values, the company needs to find ways for spreading a word about them and share them with its audience. What else can be of help but an optimized marketing strategy?

  With targeted marketing campaigns, the company can attract high-quality leads and convert them into customers.

- **Communicate with the company's customers more effectively**

  Having a branding strategy is not enough for success if the company's activities do not match with it. This is particularly true for communicating with its customers. It is crucial for the company's employees to follow all the requirements of its strategy while communicating with its customers.

  The company must treat all the customers, be it traditional or online the way it is written in the company's strategy and keep the same tone of voice.

4.1.3.2. Eight steps of creating a branding strategy

Step 1: Define the company's target audience/personas

- Carefully identify and define the company target audience for the products or, find and analyse the company's direct competitors analyse their products/ services, their customers or users, and how people interact with their brand both online and offline.

- While conducting the company's analysis, divide the company's customers into segments according to their common patterns and motivations.

- What does an ideal target audience look like? If the company's company sells Fruits and vegetables one of the company's ideal segments will be women, housewives (residential shoppers), restaurants or produce retailers such as supermarkets.

Step 2: Write the company's brand positioning statement

- The brand positioning statement reflects what the company's brand offers, the company's target audience, and the benefits of the company's brand. This is important as it helps to understand the company's brand.

Step 3: Develop the company's brand identity

- Most of us recognize the brands by their logos, or even their brand colours and messaging. It means that those brands have successfully developed their brand identities. The company's brand identity is how people are going to recognize its brand. This is why it is crucial to create an authentic one that reflects the company's values. The brand identity is used to raise the brand awareness for more people to know about it.

Figure 3 – Photos of branded F & V products in the Caribbean

Step 4: Brand equals association

- Every brand is associated with some emotions and meanings. Let's take the example of Apple and Microsoft. Here are some words associated with these brands: Windows, Mac, Ipod, Ipad, Word etc.

- While developing the company's brand identity, think for a moment about what associated meanings and words the company want to connect with its brand. Then, research and develop the strategies the company need to create those associations within the company's target audience. Those strategies include the company's messaging and content, the way the company communicate with the company's audience and what emotions they have after each interaction with the company's brand.

Step 5: Keep the company's brand consistency

- Consistency builds trust. Keeping the company's brand consistency directly depends on effective teamwork. All team members must have access to the company's brand style guide and learn how to use the company's branding materials while creating any kind of content.

Step 6: Maintain positive relationships with the company's customers

- It is a known fact that retaining the company's existing customers is more affordable than converting new ones. This is why it is important to establish and keep positive relationships with the company's customers. One of the best ways to keep the company's customers satisfied is by exceeding their expectations.

Step 7: Make the company's employees its brand ambassadors

- Happy and satisfied employees are as valuable to the company as the customers. Most of the companies spend all their time and resources on their customers and forget how important their employees are. The employees can become the company's brand ambassadors if they are happy. They can help to increase the brand awareness of the products, especially with the help of social media.

- In the same way, the employees who are not happy and content with the company's company, can give negative feedback and affect the company's brand.

Step 8: Use co-branding

- Co-branding is the partnership between two brands, which is an effective way to reach new markets and increase brand awareness. Think about what or how companies can collaborate to create an unusual product or feature which is beneficial for the customers and is a win-win for everyone.

Like Jeff Bezos (Amazon) said:

"A brand for a company is like a reputation for a person. The company earns reputation by trying to do hard things well."

There are two ways to reach the company's audience: offline and online and when the company combines both strategies, the company gets a consistent customer experience.

How to reach the company's customers offline? Here are some options:

- Create business cards, branded merchandise, and print materials
- Get coverage from journalists
- Take part in offline events, seminars, networking activities, trade shows
- Sponsor an event

For online branding, there are far more tools and opportunities compared with the offline. Besides, it is easier to reach the company's target audience with the help of smart strategies. These strategies are not limited to having a website and a Facebook page like most businesses think.

It is important to have a website where the company's potential customers will get acquainted with its products or services. The company can also set up an online shop for their convenience. In case of social media channels, the company needs to make sure that its messages reach the company's target audience.

What can the company do to promote the company's brand online? Here are some effective ways:

- Educate the company's audience: create a blog to share useful and informative content. This will identify the company's company as a professional and competent brand.

- Create an online community that will later bring loyal customers. To do this, the company can use social platforms. Use every opportunity to communicate with the company's audience and build strong relationships with them.

- Build trust: happy and content customers are key to the company's brand success. Ask the customers to provide reviews and testimonials and share them to build trust among the company's potential customers.

Positioning the brand can be done with Search Engine Optimization (SOE). It is the process of getting traffic from the 'free', 'organic', 'editorial' or 'natural' search results on search engines. All major search engines such as Google and Bing have primary search results, where web pages and other content such as videos, images or local listings are shown and ranked based on what the search engine considers most relevant to users. Payment is not involved, as it is with paid search ads.

Source: https://searchengineland.com/guide/what-is-seo

4.2. UNDERSTAND THE TERM RETURN ON MARKETING INVESTMENT (ROMI) WHEN USING DIGITAL BRANDING AS AGAINST TRADITIONAL METHODS

4.2.1. What is the term return on marketing investment (ROMI)?

Return on marketing investment (ROMI) is a metric used to measure the overall effectiveness of a marketing campaign to help marketers make better decisions about allocating future investments.

Source: economictimes.indiantimes.com.

In other words, ROMI is measured by comparing revenue gains against marketing investment. This calculation, however, reflects only the direct impact of marketing investment on a business's revenue. As a result, many digital marketers include dwell time or brand awareness in their ROMI metrics in an effort to quantify less tangible benefits and target future campaigns more effectively.

ROMI FORMULA

$$\text{ROMI} = \frac{\text{ROMI} = \text{SALES GROWTH} - \text{MARKETING COST}}{\text{MARKETING COST}}$$

4.2.1.1. Why is ROMI important?

- A fundamental goal is to learn how much of incremental sales, profit or traffic the company's marketing investments (they should be considered as investments, not expenditures) generate. Like every investment, marketing investments, too, should have return on investment figures determined.

- Marketing is the benchmark of sustainable action that melds uniqueness and intent in a direction of success. Marketing should be thought of as an extension of oneself, and what better way to ensure success but, to have access to check-ups on a regular basis?

- Without certain key performance indicators (KPIs) to set companies in check, money may be invested in the wrong campaigns, departments might wither, investments may not be prioritized properly for maximum efficiency, and competitors may use the company's weakness to their advantage.

4.2.1.2. Small businesses and purpose of ROMI

Social media campaigns should be of particular value to SMEs, where informal and open communication with customers is often at the heart of their business. In the case of Social Media marketing, even large organisations struggle to calculate ROMI. This has been primarily due to two reasons:

a. misunderstanding of the actual costs involved in running a Social Media campaign; and

b. confusion over what metrics should be used to measure success.

While businesses are becoming increasingly aware that Social Media campaigns are not 'free' but require resources to maintain and manage even a simple Facebook Page, there is still considerable confusion over how to assess and measure the contribution of that Facebook Page to the business. Simply counting 'Likes' is not sufficient, as the value of a 'Like' to the business is undefined, and this uncertainty over ROMI has been cited by many organisations as a significant barrier to Social Media adoption.

Digital branding vs. digital marketing

Digital branding focuses on providing value and inspiring loyalty and brand recognition, wheras digital marketing is all about finding new customers and generating sales.

Unlike traditional advertising, digital branding engages with the company. It is more about establishing an online identity and positive feelings, rather than inspiring people to make a one-time purchase.

Benefits of digital branding

A robust digital presence makes customers feel personally involved with a company or product. Well-crafted branding fosters relationships with users and allows the company to speak directly with consumers through day-to-day interactions on the platforms they are already using.

Target the company's audience

A company's online presence is the premiere mode by which most potential customers will learn about and interact with its brand. Digital branding allows the company zero-in on its audience by targeting specific customer groups through the online platforms they use most frequently: Twitter, Facebook, Instagram and more.

Connect with customers

Successful digital branding makes customers feel like the company are speaking directly to them, especially because the company is engaging on the same platforms they use to interact with friends and family members. Be personal and meaningful: that is how the company converts one-time customers into lifelong brand followers.

At its core, digital branding facilitates communication between a company and its customers.

Spread the word—fast!

There are tertiary benefits to digital branding too, like the potential to "go viral" or reach a mass audience in a short period of time at little or no cost. Ultimately, a brand that is not searchable online practically does not exist in the contemporary consumer's mind.

Traditional vs. digital branding

The rise of digital media has certainly had a huge impact on branding, and marketing in general. Not so long ago, businesses had a choice of a handful of different media, including television, newspapers and branded physical items. Today, however, they must also contend with web-based advertising, online video content, social networks and much more. In addition, the branding landscape is changing rapidly – it is impossible to know for sure how the industry will change in the future. Although digital media has disrupted the branding strategies of many companies, there remains a place for traditional approaches.

A different audience

There are a number of differences between traditional and digital branding, but one of the most significant is the audiences that they can target. For example, statistics indicate that social media branding may be a better way of targeting the younger consumers compared with traditional methods like print advertising. 59 percent of 18 to 29 year olds use social media compared to just 8 percent of people aged 65 and over. Deciding which demographic is the best fit for the company's brand therefore, will go a long way to determining whether the company use traditional or digital branding.

Social media has expanded the ability of produce brands to get their stories across to consumers. Branding is critical in differentiating the company's image from other companies in the fruit and vegetable sector. The aim is to deliver consistent quality and innovative products to the company's consumers.

4.2.2. What role does word-of-mouth play in promoting the company's brand?

According to Jacob McMillen, June 1st, 2016, word of mouth is defined as influencing and encouraging discussions about a brand, organization, resource, or event. To put it most simply, word of mouth marketers and advertisers seek to create something worth talking about and then actively encourage people to talk about it.

Statistics shared by Jacob McMillen states that 92% of consumers will believe a recommendation from friends and families over any other form of advertising. This makes the power of word of mouth huge, which unfortunately is neglected in modern day marketing.

Existing customers of a company are its biggest asset and more focus should be given to them for low cost to free word of mouth advertising. The company has to create something to talk about and encourage people to talk about it. This requires people trusting the opinion or recommendations given by others.

Word of mouth can be very effective in the physical/traditional world of talking and online by using reviews and testimonials. The online reviews can go viral in a couple of clicks and thousands can get information on a company's brand. Word of mouth can therefore be very effective in promoting a brand in the cheapest and fast way.

CASE STUDY 1
SACFRUITS, NIGERIA

SACFruits is a healthy food company that processes, packages and distributes 100% dried fruit snacks (https://sacfruits.com). In 2016, Afie Braimoh launched SACFruits dried fruits, a Nigerian company that produces healthy fruits snacks in form of dried fruit slices. Her company was born out of a need to tackle waste in food produce and to create a sustainable value chain to empower farmers (http://venturesafrica.com/this-entrepreneur-is-exploring-the-untapped-market-of-dried-fruits-in-nigeria/).

She began experimenting by drying fruits in her kitchen dehydrator and after some weeks of doing that, gave out samples at her office, church and to friends and family. The feedback she got encouraged her to seek and get the approval of the National Agency for Food and Drugs Administration and Control (NAFDAC) in Nigeria. In less than a year after her launch, SACFruits was in over 70 stores across the country. That number has increased to over 200 stores currently.

Afie Braimoh-Giwa

Braimoh's SACFruits are produced and packaged in three variants – mango, pineapple, and a medley of fruits consisting cashew nut, coconut, strawberry, mango and pineapple, all gluten-free, allergen-free and non-genetically modified. Her company, Sweet As Candy Confectioneries, also operates a manufacturing arm through which it supplies dried fruits to companies for rebranding. It also supplies various species of fresh mangoes to retailers across Nigeria.

However, being an entrepreneur in Nigeria can be quite challenging; from the erratic power supply to poor road networks, Braimoh dealt with them all. To solve the problem and risk of transporting her fresh fruits from Benue to Lagos to be dried, and consequently reduce operating cost, she set up a factory in Benue state where her fruits are grown. She also had to educate store owners on what dried fruits are while encouraging them to stock her products.

With regards to funding, Braimoh established and has built her business this far solely from her savings and whatever income she makes from her other businesses. Currently, Braimoh is seeking investments to expand her company. Her goal is for SACFruits to be present in other African markets and in the United States. She also hopes for the company to own a farm.

Figure 4 - SACFruits products

Her advice to aspiring entrepreneurs in Nigeria is for them to conduct research and understand the industry and territory. "Just because it has worked for the company globally, doesn't mean it will work for the company in Nigeria," she said. According to her, the risks of doing business in Nigeria are very high, but the rewards are higher. "The company have to be prepared to be in it for the long haul. Be financially savvy. Be passionate and focused."

Last year, SACFruits was nominated by the African Creative Exhibition and Awards as the Best Food Produce Innovation in Nigeria.

4.3. TYPES OF INTELLECTUAL PROPERTY RIGHTS THAT MAY BE INVOLVED IN MARKETING STRATEGIES

Intellectual property (IP) most often refers to creations of the mind, and can be inventions, music, art, literary works, and more. The creators have certain rights, including the right to earn financial benefits and recognition for their works. There are protections available, such as copyrights to protect literary and artistic works, patents to protect inventions, and trademarks to distinguish one entity's products or services from another entity's goods and services.

If the company looks at IP from a business standpoint, it can include things like trade secrets, customer data, and proprietary products.

Source: https://study.com/academy/lesson/how-intellectual-property-is-lost-or-stolen.html

As to exactly what should be protected by IP, laws differ from country to country depending on the understandings of IP regimes. Neither the Convention Establishing the World Intellectual Property Organization (WIPO) nor the Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement) directly give a definition of IP.

Instead, they provide for various categories of rights covered by IP, enumerating them, and adding definitions and provisions as to their scope of protection.

4.3.1. Role of intellectual property rights in marketing strategy

Intellectual property rights play a crucial role in the marketing strategy as it involves a set of processes, creations and communications offerings, which have value for the clients, customers or society in general.

Marketing necessarily generates intangible assets that may be protected by intellectual property rights. In fact, this is the first significant aspect of the influence of intellectual property rights on marketing strategies: the protection of intangible assets in a marketing campaign.

The compliance of marketing strategies to what is allowed by law is also a crucial aspect where marketing and intellectual property must go hand in hand. An unlawful campaign can conceivably effect the communication strategy itself and has strong legal consequences.

It is also important to stress that the marketing strategy itself and the campaign methods used cannot be protected. These are ideas and, as such, are excluded from any kind of protection by intellectual property rights. Only the expression of those ideas, through the means mentioned below can be protected.

4.3.2. Types of intellectual property rights in relation to marketing strategy

- Copyrights and related rights
- Trademarks (including geographical indications)
- Patents
- Industrial designs, integrated circuit designs and plant varieties
- Trade secrets

For the purpose of this chapter we will be looking at trademarks, copyrights labeling, packaging and compliance issues with relevance to the fruit and vegetable sector (F&V).

→ **COPYRIGHTS AND RELATED RIGHTS**   ⓘ

Copyright is a form of legal protection granted to the authors of original creative works. Under this intellectual property right, white papers or newsletters, sound recordings, videos can be included. Landing pages (stand-alone Web page) and website designs can be protected by copyright as well, however, in such cases there may be an overlap between a copyright and an industrial design which is not necessarily a bad thing since they complement each other. In fact, the copyright protection is, in most countries, longer than the legal protection offered by industrial designs.

A copyright is protected automatically. The copyright will be protected upon its creation, without any formalities.

➔ COMMON BUSINESS MATERIALS PROTECTED BY COPYRIGHT

Virtually every business, large or small, creates materials that are protected by copyright. Common examples include:

- Brochures
- Catalogues and newsletters
- Advertising (slogans, flyers)
- Instruction manuals
- Logos
- Web sites
- New commercial names, domain and product names
- Social media accounts and postings
- Online advertisements and campaigns

With reference to marketing campaigns, the list above can be regarded as intellectual property rights. Whether they are protected or not, in the particular case, by intellectual property rights will depend on whether or not they fulfill the respective requirements for protection. However, at least in theory, they all can be protected. The extension and the way of protection will differ according to the kind of asset in question.

➔ RIGHTS AFFORDED BY COPYRIGHT

Simply stated, the copyright owner has the exclusive right to do and to authorise others to do any of the following:

- Copy the work
- Change the work
- Distribute the work publicly
- Perform or display the work publicly

→ TRADEMARK   ⓘ

A trademark, or a brand, is a sign used for a good or service to identify the source of the good or service. 'Trademark' and 'brand' are descriptions of the same thing from different angles.

We use 'trademark' when we focus on its legal attributes, but 'brand' when we talk about marketing. A registered trademark is a legally protected sign. Only after the mark acquires new and rich implications, and is well marketed and accepted by consumers can it become a brand and have brand effects.

To create a strong brand, legal protection is indispensable for the brand owner. Most countries in the world have adopted the registered trademark system; unregistered trademarks enjoy a more limited protection. If a trademark is not registered, it may be coveted by others when it becomes well known. By then it can be difficult to cope with trademark infringers.

→ PATENTS   ⓘ

If the company makes something that is both novel and non-obvious, in other words, sufficiently inventive, compared to what is already in the marketplace, the company can register the company's idea as an invention through a patent application filing.

A patent lawyer or expert will help the business by drafting the proper documents to prove the idea is patent-worthy. Being awarded a patent grants the owner the sole right to exclude someone else from making, using or selling the company's invention. This right last for 20 years from the day the company file and is not renewable.

Since patent law provides a term of protection of twenty years, the patented invention will enter into the public domain, and once the patent expires, anyone can freely practice the invention. For example, food and beverage recipes or the production process, which are protected by patent registration, will be open to public inspection and will be available for public use upon expiration of the registration. Processing methods within the food industry can also be protected, whether these relate to more cost-effective manufacturing methods; methods of providing improved mixing of ingredients; or new process steps which provide an unexpected result in the product.

Given the increased desire to produce environmentally friendly products, new environmentally friendly or biodegradable packaging may also be patentable.

ⓘ → INDUSTRIAL, DESIGNS AND PLANT VARIETIES

Industrial designs. Industrial designs protect the ornamental or aesthetic aspect of a product, including its color, shape or lines. Computer-generated graphic symbols, screen displays, graphic user interfaces (GUIs) and even webpages may be protected by industrial design law.

A design refers to the features of a shape, configuration, colours, pattern or ornament applied to any article or non-physical product that give that article or non-physical product its appearance. It protects the external appearance of the article or non-physical product.

When a design is registered, the company protects the external appearance of the article or non-physical product and has the right to control its use.

Design protection, which is sometimes the subject of patent law, may be available for an ornamental design for a useful article, such as an innovative container or package or shape. A unique shape of a food product itself, such as a biscuit or a confectionary item or even the layout of foods in a chef's plating, may possibly qualify for design protection.

Whether or not a design is protectable under patent law, other forms of protection may be available, including copyright, trade dress, and design-specific law.

As an owner of the registered design, one can prevent others from using the design without permission. A company can also use its registration to protect its market share by barring copying by others, license it to third parties for commercial returns or sell the design for monetary returns.

If an individual or company breeds plants, and discovered and developed a new plant variety, they can seek protection for your new plant varieties by applying for a grant of protection for a plant variety with intellectual property (IP).

The advantage of the grant of protection means that the company has the exclusive right to prevent others from doing any of the following acts in respect of the propagating material and/or harvested material of the protected plant variety without their authorisation:

- Production or reproduction
- Conditioning for the purpose of propagation
- Offering for sale
- Selling or other forms of marketing
- Exporting
- Importing
- Stocking for any of the purposes mentioned above

This right however does not extend to use of the protected plant variety for private and for non-commercial purposes, experimental or research purposes, or for the purpose of breeding other varieties.

Obtaining the grant of protection also means that one is able to license the right to another party, collect royalties and commercially produce the variety.

→ TRADE SECRETS AND UNDISCLOSED INFORMATION

One of the most famous trade secrets in the world, the formula for Coca-Cola, is kept in a heavily guarded vault and is known to only a few people within the company. Like The Coca-Cola Company, companies around the world guard their proprietary information very carefully, often spending millions to preserve the confidentiality of information that they believe gives them an advantage over their competitors. Global protection of trade secrets has been slow to develop but has been hastened significantly by the implementation of international agreements.

Trade secrets encompass an almost infinite spectrum of information, such as:

- Customer lists
- Supplier lists
- Financial data
- Product formulas
- Manufacturing processes
- Marketing strategies
- Computer source code
- Pricing information

4.4. IDENTIFY ISSUES REGARDING NUTRITION LABELLING AND PACKAGING

Consumers are increasingly concerned about their health, the country of origin and the quality of the products they consume.

The information required for labeling includes country of origin, product name and commercial quality requirements are about variety, color, expiry date.

→ LABELLING   ⓘ

Nutrition labelling. One of the most significant selling points for fresh fruits and vegetables is that these foodstuffs are considered by dietitians, physicians and consumers themselves to be 'healthy'. This is because fruits and vegetables are often high in fiber, low in calories, often contain essential nutrients such as vitamin C, potassium and folic acid, and they may be high in compounds that offer significant health benefits.

However, the public may not be aware of the nutritional profile of a specific fruit or vegetable. Labels for prepackaged fresh produce can contain information that is valuable to consumers who are concerned about what it is they are reading.

Most countries have mandatory nutrition labeling that businesses should comply with such as the following.

4.4.1. Mandatory nutrition labels: back of the pack

On the back of the company's prepacked food, the company must provide information on:

- Energy value (in kJ and kcal)
- Fat levels
- Saturated fat levels
- Carbohydrate levels
- Salt content
- Protein
- Sugars content

Nutritional information has to be presented in a specific order: energy, fat, saturates, carbohydrate, sugars, protein and salt.

4.4.2. Organic food labelling

To label a food product as organic or use phrasing such as 'organically grown' the product and farming methods have to meet a series of strict guidelines.

The company cannot label a product as organic if it has more than 5% non-organic ingredients.

Organic food labels must include:

- Certification code
- Certification symbol (this will depend on which association accredits the company's organic produce)
- EU /US organic logo
- The origin of raw materials
- Traceability code

Standard nutrition labels include a breakdown of micro and macronutrients, and also provide information on serving size and the number of calories per serving that a particular fruit or vegetable contains. Suppliers may want to include additional information about the potential health benefits that a specific type of produce offers, providing that the information is correct and is in-line with food and drug labelling regulations.

4.4.3. Package labelling

Content must include but not limited to the following:

- Product name

- Net content declaration

- Ingredient list

- Name and address of packer

- Country of origin

- Commercial identification (class, size)

- Expiry/best before

- Brand name /trademark

Packaging of bananas with special features of design and labelling
Source: Fao.org

Packaging plays an important role in consumers' choices of purchasing food and beverage products. Especially when a new product is presented on the market, smart and attractive packaging usually triggers the interest of customers and it can be an important deciding factor which leads to the purchase.

Packaging might be protected as designs, three-dimensional trade marks and also copyright. When possible, adding layered protection of packaging is recommended, thereby combining different IP registrations, and allowing maximum protection.

Copyright protection might represent an additional way of protecting the packaging in relation to the marketing materials and brochures and pictures of the products on display on websites.

While copyright recordals are not substitutes for the strongest protection of rights such as registered designs or registered trade marks, they can however be important to obtain registration certificates of ownership to be used in case of enforcement, and especially in case of online infringements.

Packaging represents and enhances a brand; however, branded packaging is under threat from illegal copying which can detract from the value of the brand. It has been found that many consumers have by mistake brought the wrong product because of its similar packaging.

Intellectual property is a great tool for businesses that helps in the war against fake.

Retail packaging of fresh vegetables in Philippines
Source: www.Fao.org

Food and Drug Administration store posters: many fruits and vegetables are sold unwrapped, and unpackaged. Unless the consumer is shopping with a smartphone or has a list, it can be difficult to determine nutritional information for fresh produce at the point-of-sale. To remedy this for example, the United States Food and Drug Administration sponsors a nutrition information program for raw fruits, vegetables and fish.

One solution for businesses is that they can download, free of charge, posters that display nutrition facts for fresh produce online. The business can then display the poster near fruits and vegetables so that customers have accurate information while selecting products for purchase.

4.4.4. Specific packaging and labelling requirements

Additional laws required include:

- Codex General Standard for the Labelling of Prepackaged Foods (CODEX STAN 1-1985,Rev 2018). 'Claim' means any representation which states, suggests or implies that a food has particular qualities relating to its origin, nutritional properties, nature, processing, composition or any other quality. The Codex Committee on Food Labelling such as nutrition labelling sets standards and guidelines for nutrition information on food packages enabling consumer to make informed food decisions. (CXG 2-1985,Rev 2017).

- *Codex Alimentarius* Commission. The objectives of the CAC include the protection of the health of consumers and the assurance of fair practices in the food trade and protect the health of the consumers. Examples are contaminants in the product such as pesticide residues.

- General principles of food hygiene and Code of hygienic practice for fresh fruits and vegetables. This code is for the primary production and packing of fresh fruits and vegetables cultivated for human consumption in order to produce a safe and wholesome product: particularly for those intended to be consumed raw.

4.5. COMPLIANCE ISSUES

As has already been mentioned, a variety of communication material is usually launched in the marketing process. Apart from the protection which can be obtained through the above-mentioned intellectual property rights, there is also a risk of infringement of someone's intellectual property rights.

Bearing this in mind, it is of the utmost importance to undertake a previous effective intellectual property conformity compliance, thus protecting the company's business against litigation, lost profits and a damaged reputation.

Here are some examples of behaviors or situations that should be taken into account.

4.5.1. Trademark clearance searches

Before using any name, logo or slogan in the company's marketing strategy it is highly advisable to do a trademark search in order to check if the company's trademark is available. Even though the company may not wish the company's new brand name to be registered as a trademark, it has to be ascertained if there is any possibility of infringing third party rights.

Carefully draw the line between competition and anti-competitive behavior.

Everybody knows that fierce competition may lead to marketing exaggerations and distortions. Marketing departments use several means/methods to appeal to the clients and/or customers, and these means may sometimes exceed what is legally accepted.

In terms of intellectual property rights, there is a tendency today to use well-known trademarks without obtaining prior consent. Even where the business activity is not related to the company concerned, since there is no authorisation this is considered an illegal use of a trademark. It does not matter if the company did not intend to damage the trademark. Any use without consent of a well-known trademark is considered unlawful.

Another issue is the use of comparative advertisement. Despite not being illegal, no company may use this strategy to take undue advantage of the reputation of a trademark, trade name or other distinctive sign of a competitor or the designation of origin of competing products.

Finally, attention must be given to keyword advertising. As was established in the well-known case *Google France* (C-236/08) the European trademark law allows proprietors of trademarks, considering under certain conditions, to forbid third parties from using signs which are identical with, or similar to, their trademarks for goods or services equivalent to those for which those trademarks are registered.

As stated above, in terms of intellectual property rights, marketing campaigns have to be carefully delineated. In order to avoid troubles in the future it should adopt a preventive legal strategy. In this strategy three main questions should be asked before launching a marketing campaign:

- What should I protect to have exclusivity in my business and avoid copying?
- What should I do in order to avoid any infringements of intellectual property rights?
- How far can I go legally in my marketing campaign?
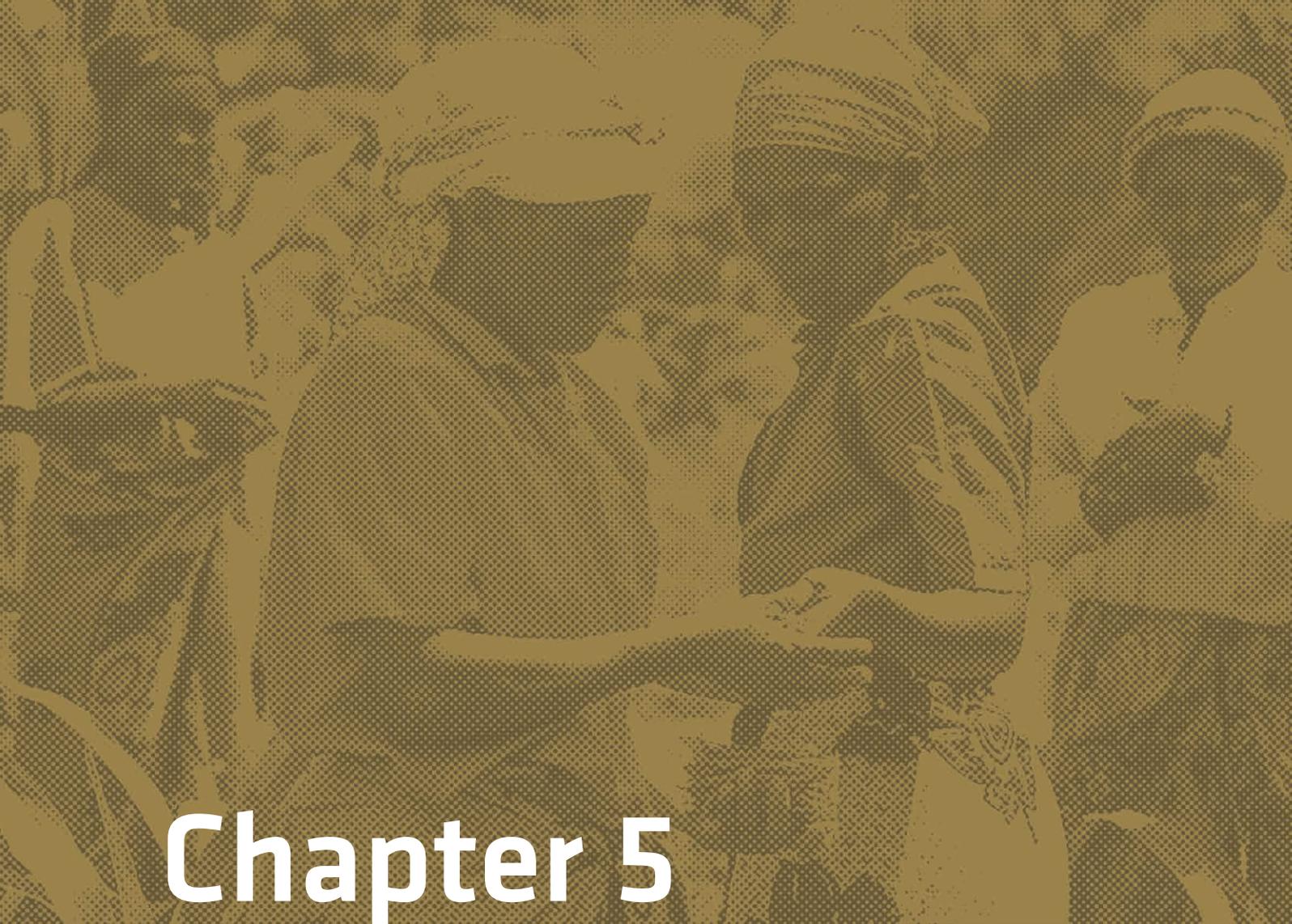
Chapter 5

Case study

DEVELOPING A MARKETING AND COMMUNICATIONS PLAN FOR MAKENCASHEW COMPANY, SIERRA LEONE
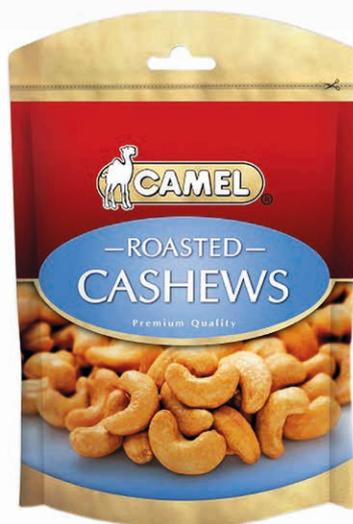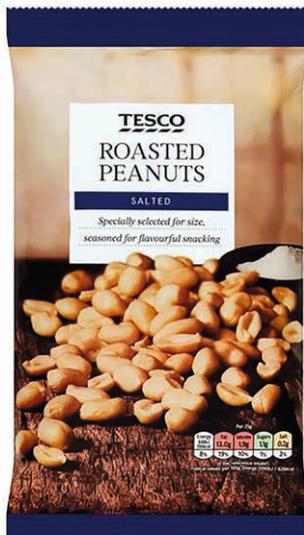
5.1. MAKENCASHEW COMPANY SUMMARY

Table 1 - MakenCashew Company Summary

No.	Company Summary	Details/Decriptions
1	Name	MakenCashew Company (SL) Ltd.
2	Address and Location of Head Office	3 Kabala Road, Makeni, Northern Sierra Leone
3	Legal Domicile	Sierra Leone
4	Legal Form/Structure	The Company is registered as a Limited Liability Company
5	Country Focus	Republic of Sierra Leone
6	Sector	Farming and Agri-business
7	Ownership Structure	Family owned company
8	Promoter/Key Contact	Mr. Mohamed Kanu, CEO
9	Stage of Growth	Expansion through marketing and promotional activities
10	Expected date of commencement of marketing and promotional activities	January 10, 2021
11	Shareholders	The company is owned by four (4) brothers (shareholding in parentheses): Mohamed (30%), Abdulai (30%), Sheku (20%) and John (20%)
12	Financials	MakenCashew is seeking financing of Two hundred and fifty thousand US dollars ($250,000) to set up a marketing department and enhance its marketing & promotional activities.

5.2. EXECUTIVE SUMMARY

Large-scale cashew production is a relatively new phenomenon in Sierra Leone. Most of the companies cultivate cashew farms and sell to exporters who then export large scale quantities of raw nuts to India, Vietnam and other countries for processing.

MakenCashew (SL) Ltd was established in 2010 by 4 brothers who were engaged exclusively cashew farming. The name MakenCashew, is derived from Makeni town in northern Sierra Leone where the cashew farm is located. The brothers embarked on processing of the nuts only four years ago in and have been selling to local traders who sell by hawking along the streets of Freetown.

Women in general are engaged in the processing of the kernels and roast of the nuts but a few companies are entering the roasting business due to the unrestricted barriers to entry into the industry.

Vision Statement

MakenCashew strives to maintain an image as one of the top three cashew processing companies in Sierra Leone.

Mission Statement

To employ and train the necessary staff that maintain the company's goals and ideals and produce cashew products of the highest quality.

Proposed Expansion Project

MakenCashew (SL) Ltd. plans to strengthen and expand its operations through packaging and branding of its roasted nuts for the domestic and regional markets and to attract wholesale buyers from UK of its raw cashew kernels through extensive targeted marketing and promotional activities.

Products

The company plans to package bulk quantities of fresh cashew kernels to be sold to processors in UK; and process and package roasted cashew nuts in different sizes for local and sub-regional sales.

The Market

The processing facility is established in Freetown. Having established the company in Freetown, the company's initial focus is to expand its customer base in Freetown followed by exports to other ECOWAS countries, with a total population of over 349 million (2019 figures). Exporting the raw cashew kernels to UK with an estimated total population of 68 million will be the company's ultimate goal.

Economic and Social Benefits of the Project

This expansion to enhance the company's marketing activities and increase sales will make significant economic contributions in terms of:

- Employment opportunities and career development
- Revenue generation for MakenCashew (SL) Ltd. and the employees
- Improved standard of living for all employees and their families

Financing required: The company is seeking USD250,000 in financing to set up a marketing department that will be engaged in enhancing the company's marketing and promotional activities that will result in increased sales and market share.

5.3. DESCRIPTION OF THE BUSINESS

MakenCashew Company is a family owned business in Northern Sierra Leone that started 10 years ago as a farm to cultivate cashew in 150 acres. The business is owned and managed by four (4) brothers, with their shareholding in parenthesis:

- Mohamed (30%)   Managing Director (30%)
- Abdulai (30%)   Operations Manager
- Sheku (20%)   General Manager
- John (20%)   Farm Manager

Prior to 2016, the owners were engaged only in farming of 150 acres of cashew trees and selling the raw unprocessed cashew nuts to local buyers who then exported the fresh nuts to processing facilities in India, Vietnam and other countries. Four years ago with support from the Sierra Leone government and international agencies, they decided to embark on processing to add value to the nuts and sell roasted cashew nuts in the local market in Sierra Leone. They package the nuts in simple, unlabeled plastic sachets that are sold by hawkers along the roadside.

They now decide that they want to export raw cashew kernels directly to UK and bypass middlemen; and to improve on the packaging of roasted nuts and access regional markets such as ECOWAS countries.

Although the company has a business plan, they have realized that a robust marketing plan is needed to reach larger domestic, regional and international markets.

A marketing and communications consultant. Ms. A. Johnson, was hired to develop the marketing plan for the company. She and her team worked on various aspects of its development to produce a robust marketing plan for MakenCashew Company as presented in this Case Study.

Current Operations

Products

MakenCashew has two main products in the form of raw cashew nuts and roasted cashew kernels. A third category of broken cashew pieces are derived from the processing of the kernels.

Table 2 - MakenCashew Production 2017 to 2019

Products	2017 MT	2018 MT	2019 MT
Raw Cashew Nuts (RCN)	60	68	72
Roasted and packaged cashew kernels	32	35	41

5.3.1. SWOT Analysis of the company

An assessment of the company's strengths, weaknesses, opportunities and threats was done to understand the internal and external factors that are/will affect its performance in the cashew processing sector. Results of the analysis are show in Figure 3 shown below.

Figure 3 - Situation/SWOT Analysis of MakenCashew

STRENGTHS	WEAKNESSES
• The MD and 5 staff have been trained in India and Vietnam in the whole cashew value chain in general and in cashew processing in particular • The company has access to large quantities of high quality cashew from its farms in Makeni • There is adequate storage and processing facility in Freetown • Products quality and taste, which are appreciated in the market • The company boasts of top quality equipment from Vietnam and India	• Poor packaging and branding efforts make the products to be unknown in the country • No marketing strategy is in place • Robust marketing will be required to promote products in the MRU countries • Production levels on farm and processing facility are too low to meet the demands of the sub-regional and international markets • Farm will have to be expanded to about 400 acres or more and/or work with outgrowers to supply addition produce for processing • No contact with international wholesale buyers of processed cashew nuts • Lack of financing for marketing and sales promotion
OPPORTUNITIES	THREATS
• Cashew is considered a high-end nut compared to peanuts and that creates a demand for it in the USA and European markets. The global market for cashew is growing particularly in Europe and USA due to high demand for the product • Huge opportunities exist for locally processed cashew nuts in local and sub-regional markets • Sierra Leone government and international agencies have recognized the potential of cashew in creating jobs and strengthening the local economies, thus are creating several programs to develop the cashew value chain • Huge potential to create jobs for women and the youth in the processing plants thus improving the livelihoods and families	• New entrants to the cashew processing business will be a threat as they will be seeking the same markets in in Sierra Leone, Europe and USA • Risks factors directly pertaining to the business such as low yields from cashew farms

5.3.2. Assessment of the competitive environment using Porter's Five Forces

An assessment of the competitive environment in the three markets that MakenCashew is planning to sell its products, was done using Porter's Five Forces. Results are shown in the following Table.

Table 4 - MakenCashew Competitive Environment Assessment

Porter's Five Forces		Sierra Leone	ECOWAS	UK
		Products: roasted/packaged cashew kernels	Products: roasted/packaged cashew kernels	Products: bulk raw cashew nuts (RCN)
1	Bargaining power of buyers	Low Wholesale and retail buyers will require	Medium as buyers of whole sale quantities will require high quality products, better customer service, and lower prices	High as buyers in UK require very high quality and lower wholesale prices
2	Bargaining power of sellers	Medium	Medium	Low
3	Bargaining power of suppliers	Low as company produces 80% of its raw materials	N/A	N/A
4	Intensity of industry rivalry	Low	Medium	High
5	Threat of new entrants and substitutes in the market	Medium as new entrants into the cashew processing sector will increase as government programs become more available	Medium as cashew products are being developed in other countries like Cote d'Ivoire, Benin and Nigeria	High as new entrants from other companies in West Africa in particular are vying for the markets in UK and Europe

5.3.3. Market research results

A market research questionnaire (see Chapter 5 – Figure 2) was developed after selecting Freetown as the target market for roasted cashew products in Sierra Leone. After administering and analyzing the questionnaire results are presented below.

4.3.3.1. Summary of market research on cashew nuts

→ SIZE OF CASHEW MARKET   ⓘ

According to statistics on sales of local and imported cashew nuts in Sierra Leone, the market size has been steadily growing over the past three years, 2017 to 2019.

The following table shows actual sales from 2017 to 2019, and forecasts for 2020.

Table 5 - Cashew Sales and Exports in Sierra Leone

(US$)	2017	2018	2019	2020 (forecast)
Raw cashew nuts RCN (exported)	68,000	85,000	92,000	150,000
Roasted kernels (local and imported)	24,000	38,000	42,000	60,000
Total	$92,000	$123,000	$134,000	$210,000

→ MARKET TRENDS   ⓘ

The cashew nut market will increase by 10% in the next 10 years for the following reasons:

- Solid growth in the national economy
- Government investments in agriculture reform will boost the demand of fruits and vegetables and strengthen the various agri-business
- Increased private investments in agri-business sector to build processing facilities with modern facilities

Customers for the two types of products include:

- Wholesale buyers of bulk quantities of raw cashew nuts (RCN)
- Wholesale buyers of roasted nuts in Sierra Leone and ECOWAS region
- Retail buyers of roasted nuts in Sierra Leone and ECOWAS region

4.3.3.2. Raw Cashew Nuts (RCN)

Customers of these wholesale quantities of raw cashew nuts are processors in UK and Europe, USA, India, Vietnam and China. MakenCashew will focus on UK and Europe for their bulk sales of fresh cashew kernels. These buyers import the fresh kernels and process, package and distribute in their own shops e.g. Tesco and Camel brands shown below.

Figure 1 - Sample Cashew Products in UK Supermarkets

4.3.3.3. Roasted Cashew Kernels

Wholesale buyers of roasted nuts in Sierra Leone and ECOWAS region

These are various supermarkets and grocery stores in Sierra Leone and ECOWAS countries. Due to the local content policy in Sierra Leone, local brands as encouraged to display and sell their products in retail outlets throughout the country. Supermarkets that carry Lion Foods and Lambano products will be willing to carry MakenCashew products if they are of high quality and properly labelled with expiry dates and other pertinent information.

Retail buyers of roasted nuts in Sierra Leone and ECOWAS region

Retail customers are mostly individuals and families of various economic levels. These customers have the following characteristics.

- Usually buy products sold along the streets by hawkers but would prefer better packaging
- Usually shop in supermarkets and prefer imported cashew nuts in boxes and cans
- Support the local content concept set up by the SL government to promote SL products to be sold in supermarkets
- Give great importance to well packaged products with expiration dates
- They are quite faithful to suppliers if these meet their requirements
- Get information through newspapers, TV, Internet and 'word of mouth' recommendations

5.3.4. Competition

Direct competitors for fresh cashew nuts are all the middlemen who buy wholesale quantities from Sierra Leone and other West African countries and export to Asia, USA, UK and Europe.

Direct competitors for roasted cashew kernels are the imported brands sold in the supermarkets and the locally produced nuts sold in the streets and some supermarkets.

Indirect competitors for cashew nuts are all the substitute nuts in the markets such as peanuts, almonds, pecans and macadamia nuts. By far the biggest indirect products are peanuts which are cultivated on a larger scale than cashew in Sierra Leone and are sold at lower prices. The other nuts are imported to meet the needs of the catering industry during the festive season.

To date, imports of roasted cashew nuts have been quite small. Most of the products in the market are from domestic producers and suppliers. Market shares of the three largest local companies in the market are as follows.

Table 6 - Market Share of MakenCashew and its Competitors

Company	Imported Brands	Lion Foods	Lambano	MakenCashew	Others
Market share	12%	35%	15%	14%	24%

All of the three largest companies are private companies, with MakenCashew being the only company with its own farms and sometimes supplies Lion Foods and Lambano with fresh cashew nuts. There are other smaller local companies, but none of these has a market share exceeding 6 percent.

Lion Foods distribute their products in several supermarkets; Lambano has its own outlet store and MakenCashew as with smaller processors sells through a network of hawkers in the streets.

Regarding their products, imported brands and those of Lion Foods and Lambano are well packaged with labels of international standards and are quite appealing to customers. MakenCashew's products are of poor appearance as they are sold by hawkers in the streets. The sachets are not labeled and it is difficult to differentiate it from other products sold in the streets.

MakenCashew's main competitors were also assessed in the areas of marketing, production, human resources, finances and presented below

Table 7 - Competition Analysis

Competition	MakenCashew	Lion Foods	Labano
Marketing	Non existent	Very strong	Strong
Production	Strong	Very strong	Strong
Human Resources	Strong	Strong	Strong
Finance	Weak	Very strong	Weak

5.4. MARKETING COMMUNICATION

Table 8 - Marketing mix

PRODUCT	PRICE
• Roasted cashew kernels for local and regional markets. They are roasted with or without salt. Broken cashew pieces form about 10% as by-product of the processing and the company will look into selling to caterers and restaurants for cookies, cakes, and biscuit production • New flavors will be will be tried in local markets • Raw cashew nuts (RCN) for bulk exports to UK	• A penetration strategy will be used to enter both local and international markets • Retail price for roasted cashew nuts in the local market will be pegged at $12/kg; while export price of a 20-ft container will be USD1,500. Fluctuation in the export process is expected due to international pricing schedules
Place	**Promotion**
• Main outlets will be supermarkets and mini-mart stores at petrol stations • Restaurants and hotels will be approached for retail sales	• With proper packaging and branding, seasonal promotions during the holiday season will be done • Nutritional and health value of the products will be promoted

Table 9 - Marketing Communication Mix

Consumer Wants and Needs	Cost
• Customers want either salted or unsalted cashew nut and MakenCashew will be producing both varieties • Our upscale and corporate clients want well packaged products with labels indicating the nutritional content and expiration dates. MakenCashen will endeavor to present well packaged roasted nuts	• Direct and indirect costs of production will be analyzed with the customer in mind. Areas in which the company can lower its costs will be explored as best as possible. Since the costs affect the final price offered to customer and the profit margin of the company a balance will be done through proper financial management tools
Convenience	**Communication**
• The products will be sold in supermarkets and mini-markets located at petrol stations in Freetown as they easily accessible and convenient for our upscale customers that buy such products	• Corporate clients will be contacted • Flyers will be provided that describe the different product lines of the cashew nut, that is salted or unsalted and the various packages

MakenCashew will make limited use of Above-the-Line Communication for general and widespread awareness such as television, radio, billboards, print products due to the high costs in implementation and resulting lower ROI.

Below-the-Line Communication will be widely adopted using direct mail or email campaigns, a robust website and search engine optimization (SEO), trade shows in UK for the raw cashew nuts. It is less expensive and therefore has a higher ROI. It is more focused and and will foster high quality engagements with customers such as include in-store demonstration or tasting of products.

Exports of bulk orders raw cashew kernels will be communicated to UK buyers and processors using business-to-business (B2B) tools while the roasted cashew nuts will be communicated through business-to-consumer strategies in Freetown. B2B strategies will also be utilized when exports of the roasted nuts are shipped to wholesale buyers in the ECOWAS region.

Brand awareness requires brand identity, which in turn requires high quality logo and labels on its products. New logos and labels will have to be designed to create the identity of the products as opposed to the logo of the main company. The logo will include "Made in Sierra Leone" to indicate the country of origin; nutritional and salt content of the nuts; manufacturing and expiriy dates, gross and net weights of each package and other relevant information.

Applying ethics to MakenCashew marketing communications

In an effort to maintain a high standard and reputation, the company will apply ethics in its marketing communication, where honesty, trust, responsibility, fairness, relationship and truth will be paramount.

Appropriate digital platforms for MakenCashew

In an effort to optimize the marketing efforts of the company, the use of digital platforms is a prequisite in modern day business management. It is recommended that the following be developed for an enhanced marketing presence:

- A robust website with payment options and email links to key senior staff marketing team
- Facebook and Instagram pages
- Contact Bajaa Technologies in Freetown for use of their www.247bigmarket.com platform that is linked to local supermarkets
- Contacts should be made with Jumia Group for e-commerce opportunities in the 11 countries their site covers

5.5. MARKETING AND SALES STRATEGY

- Ensure that the company introduces its cashew processing nuts business formally to high level and corporate clients as well as other stakeholders in the industry
- Contact all the supermarkets in Freetown and negotiate supplies of wholesale quantities with them
- Contact Jumia Group and start discussions on selling on their E-commerce platforms
- Contact Bajaa Technologies in Freetown for use of their www.247Bigmarket.com platform
- Place advertisements in local newspapers as well as on local radio and television stations
- Use our social media platforms such as Facebook, Twitter and Instagram to market and sell our processed cashew nuts
- Ensure that the company is listed in the local yellow pages as well as on online directories
- Engage in direct marketing to all our clients

5.5.1. Publicity and advertising strategy

Publicity ensures that the image of the brand is positively communicated as well as its corporate values. Competing favorably against current and future competitors will be crucial for MakenCashew to maintain and grow its market share.

It is suggested that MakenCashew should use the following platforms in promoting and advertising of its products, locally, subregionally and internationally:

- Create an interactive website and publicize the cashew products (roasted nuts and fresh kernels)
- Place advertisements in local newspapers as well as on radio and television stations
- Place banners in strategic locations in and around the environs of Freetown
- Distribute the brochures and fliers in target areas such as supermarkets and retail outlets
- Use social media platforms such as Facebook, Twitter and Instagram to vigorously promote our brand
- Participate in local community programs by sponsoring programs that would promote our cashew nuts processing business

5.5.2. Pricing strategy

MakenCashew will use a penetration strategy by lowering prices to enter the Freetown market and attract customers. In addition, we will organize promotions by offering discounts on large orders on the roasted cashew nut in the first 3 to 4 month period of sales. Although this will result in low gross margins, the company will not be incurring loss as the wholesale orders and shipment of raw cashew nuts to UK will boost the overall margins of the company.

5.5.3. Payment options

An all-inclusive payment plan will be adopted at MakenCashew to meet the needs of all its customers both offline and online. Some of the payment options that MakenCashew therefore will make available in the various outlets include:

- Payment via cash
- Payment via Point of Sale (POS) machine in supermarkets and grocery store
- Payment via Credit Card in retail outlets
- Payment via online payment portal, Jumia Group and www.247bigmarket.com
- Payment via local mobile payments provided by OrangeMoney and Africellmoney

5.5.4. Cost of marketing and sales

Estimated cost of marketing and sales is presented in Table below.

Table 10 - Cost of marketing and sales (over 12 months)

ITEM	ESTIMATED COST (US$)
Products launch	1,000
Brand building	2,000
Website development & hosting	3,500
Cost of trading on www.247bigmarket.com Freetown based	1,000
Cost of trading on Jumia Marketplace: https://group.jumia.com	3,000
Participation in Trade Shows in UK	10,000
Printing brochures and flyers	4,000
Distribution of samples	1,000
Publishing adverts in local newspapers	2,000
Radio and TV adverts over 6 months	6,000
Promotions	2,000
Flex banners	1,000
Bill boards x 3	6,000
Delivery to sales channels	1,000
Sales (Commission/direct)	2,000
TOTAL	**$45,500**

5.5.5. Expected Return on Markeing Investment (ROMI)

MakenCashew will use the Return on Marketing Investment (ROMI) formula to calculate revenue gains against specific marketing investments as best as possible. Accurate tracking of sales before and after the investment will be required as indicated in the formula. It is expected that ROMI will be low if the marketing cost is too high, esulting in low revenues such as Above-the-Line communication strategies. Such strategies will be relevant for exports of wholesale orders of raw cashew kernels that will generate appreciable revenues and ROMI.

MakenCashew will use online sales and marketing with its advantages of speed in reaching large number of customers a time, efficiency to generate and higher returns on marketing investment (ROMI).

ROMI FORMULA

$$\text{ROMI} =$$

$$\text{ROMI} = \frac{\text{SALES GROWTH} - \text{MARKETING COST}}{\text{MARKETING COST}}$$

5.6. RECOMMENDATIONS AND CONCLUSION

Based on our assessment, we recommend the follow mix of communication strategies for the company to embark on to improve on its marketing

- Development of attractive labels and packaging of international quality with all the nutrional information, weight, manufactured and expiry dates

- Printing of brochures and flyers for distribution with samples

- Launch products with a suite of promotional activities such as discounts on bulk orders

- Advertise on Radio, TV and print adverts in local newspapers and the local Yellow Pages

- Make contacts with supermarkets and other sales outlets such as mini-markets at petrol stations, Restaurants and Hotels

- Set up bill boards and banners at strategic locations

- Develop a robust website with payment capabilities

- Make contact with Jumia Marketplace (https://group.jumia.com) for E-commerce possibilities and the platform connects sellers with consumers in eleven (11) African countries. Payments options offered on the platform include:
  - Cash on delivery
  - Card payments
  - Mobile money
  - Bank transfers
  - Money transfers/cash

- Set up other digital platforms such as twitter, Facebook and Instagram pages

- To boost sales, add broken cashew pieces to product line and sell to caterers and restaurants for cake, biscuits and cookies production

- Plan to participate in Trade Shows in UK for bulk orders of raw cashew nuts (RCN)

Figure 2 - MakenCashew market research questionnaire

Market survey on cashew sales and consumption

Interviewee data

Name .... Address ....

Telephone .... Position/title ....

Type of business ....

Questions

1. **Supermarket**
   a. Number of customers per week ....

2. **Hotels**
   a. Number of rooms ....
   b. Capacity of restaurant? ....

3. **Restaurants**
   a. Number of customers per week

4. **Do the company purchase spices and condiments?** .... Yes .... No

5. **How many times do the company buy (week/month)?** .... Week ...... month

6. **What quantity do the company buy?**
   A. .... Kilograms B. .... Pounds C. .... Cartons

7. **What quantity do the company sell per week?**
   A. .... Kilograms B. .... Pounds C. .... Cartons
   a. Traders ....
   b. Supermarkets ....

8. **Would the company buy more or less in the next six (6) months?**
   More .... less ....
   a. What are the reasons? ....
   ....

9. **What prices do the company normally pay?**
   a. Cashew ....

10. **Who are the company's suppliers?** ....

....

11. **Among the company's suppliers, who has the best quality?**

....

12. **Does the company source locally or does the company import?**

Import .... percentage

Locally .... percentage

13. **Would the company be willing to try other local suppliers?**

.... Yes .... No

a. What are the reasons? ....

....

14. **What type of cashew product do the company desire that is not available?**

....

....

15. **How would the company prefer to source the company's products?**

a. Call and collect ....

b. Call for delivery ....:

daily .... weekly ....

16. **Would the company like to operate on a weekly/monthly credit account?**

.... Weekly .... Monthly

a. What are the reasons? ....

....

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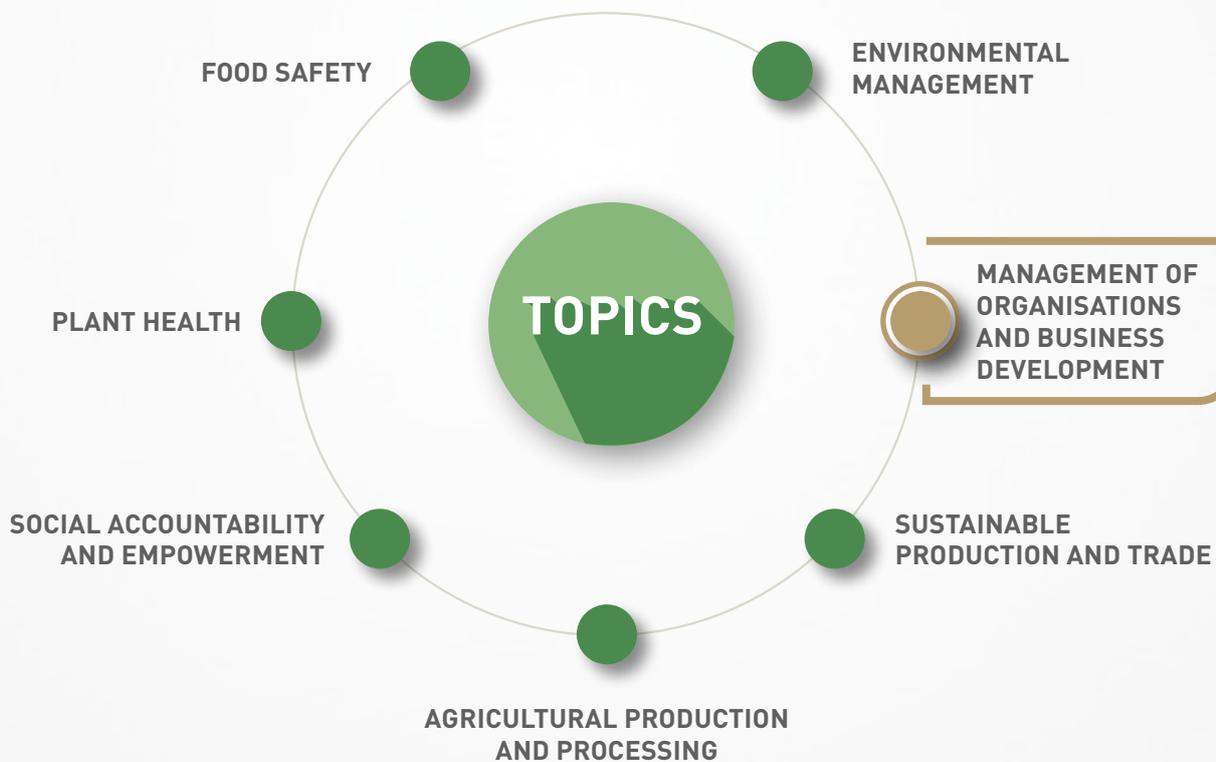
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