



## FACT SHEET

# MARKETING STRATEGIES FOR FARMER ASSOCIATIONS

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Before an organization jumps into marketing any product or service, it is important that the organization understands the basic characteristics of marketing. The American Marketing Association (AMA) defines marketing as “The activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large.” In other words, an organization exists to offer something to the general public. The offering is essentially the product or service that the organization produces. The product can be anything from sweet potatoes that a farmer is selling at the local market to information about healthy eating that an organization wants to share with young adults. As an organization, it is important to know the value of the product or service, and who are the beneficiaries.

Once an organization is clear about what product or service is, it is time to think about the appropriate channels to communicate with potential clients. Accessibility is a potential barrier that the organization has to address. Once people know about the product or service, do they know how to access it? Delivering the product or service is about placement and how the organization makes it available to potential customers. Lastly, the exchange is what the organization receives when a customer acquires a product or utilizes a service.

A second definition of marketing comes from the Chartered Institute of Marketing (CIM) in the United Kingdom. CIM defines marketing as, “The management process which identifies, anticipates, and supplies customer requirements efficiently and profitably.” In the world of marketing, identifying customer needs is referred to as market research. Market research is about collecting information about an organization’s product, customers, consumers, the market, sales, etc. to inform their marketing practices. To anticipate the customers’ needs, organizations often have an idea of what customers need. In many ways, the organizations know what the consumer needs are before consumers are aware of their own needs. Think about innovations within the last decade or so that are embedded in your everyday life. They are a product of organizations anticipating needs of consumers. Lastly, the process needs to be efficient and profitable. Marketing is not a one size fits all process. The organization truly needs to think about what efficient and profitable look like for them.

It is clear from these definitions that marketing is complex. It is not simply about advertising and selling a product. It is about being able to, as a producer, accurately identify and understand the needs of customers/consumers in order to be profitable. Simply put, marketing is the act of nudging people to make decisions that are profitable to the organization and/or society at large.

## Why Marketing is Important

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While developing a marketing plan can be a huge undertaking for any organization, it can also be critical to the organization's success and sustainability. Here are some reasons why marketing can make a difference in an organization. Marketing can:

- Help the organization understand the area of competitive dealings and trade
- Ensure the organization know and understand key trends so that they can reach customers with the appropriate product at the right place and time, using strategic promotion
- Help the organization stay relevant as digital and mobile technology continue to change
- Ensure the organization's intentionality because unconscious marketing may not be enough to sustain it

As the organization thinks about its product and the market in which it operates, it is critical to consider who their competitors are. The competitors can run the gamut. If you are a farmer who participates at a local farmers' market, this can be the supermarket down the road or your friend in the next booth who offers the same product. What are you doing to better understand your customers, competitors, trends, so that you stay in business? What are some of the challenges you are facing to stay relevant?

Developing a marketing plan can help the organization address some of these issues and think more strategically about the 4Ps of marketing. Is the organization offering the right product or service, at the right price, and at the right place for their customers? Do they promote their product or service? The next section will explore the 4Ps, as they are the cornerstone of marketing (Chartered Institute of Marketing [CIM], 2015).

Technology is another factor that can help organization stay relevant in the market. Not only can technology change the way an organization conducts their business, for better or worse, it can create new opportunities for them to market their product. Embracing technology is critical to stay relevant in an everchanging and competitive market. Lastly, it is possible that an organization is practicing unconscious marketing, using marketing techniques without being aware of it. Perhaps the organization tries to get to know its customers and are aware of clients' likes and dislikes. If the organization has used that information to change or adapt the product/service it offers, the organization has done some type of marketing to help it stay in business and continue the work it is doing. However, unconscious marketing is not enough. If the organization is not aware that they are using marketing principles, it could become extremely challenging to maintain and be consistent overtime. The next section outlines practical marketing ideas that any organization that is new to marketing can start start implementing immediately to build on what they are already doing. Let's get into the marketing mix.

### **Marketing Mix (4Ps)**

The marketing mix (CIM, 2015), or the 4Ps of marketing, is one of the most foundational aspects of marketing. It centers around four comprehensive levels of decision making in the marketing process, namely: product, price, place, and promotion. Central to the marketing mix, is the organization's target market. The target market is the specific group of people that the organization's product or service was created for. An organization should aim its marketing efforts towards your target market.

#### **The 4Ps of the Marketing Mix**

<b>Product</b>	The product is the good or service that an organization offers to its customers. As an organization, one of your goals should be to develop a product that has some value to your target market or society at large.
<b>Price</b>	The price is what customers exchange for the good or service. Pricing is important because it influences access and customers' perception of the product or service. Too low of a price can be perceived as inferior to other products, while too high of a price can be perceived as futile or not worth it.
<b>Place</b>	Place refers to where an organization chooses to make the product available to the target market. It is critical that the product or service is accessible to the target market. Place can also refer to the physical placement of the product in a store display, on social media, mass media, etc.
<b>Promotion</b>	Promotion is mainly the way an organization advertises who they are and the good/service they offer to their target market. This can also include advertising (internet advertisements, radio/television promotions, print media, spokesperson, etc.); promotional strategy (sales, free trials, etc.); public relations (press releases, exhibits, events, sponsorships, etc.); and word of mouth.

As an organization thinks about ways to practically use the marketing mix, it might be helpful to answer the following questions.

Questions for exploring a target market:

- Who is your target market? (It important to be as specific as possible. You may want to think about gender, age, education, socioeconomic status, geography, occupation, etc.)
- What do you know about your target market? (Behavior, demographics, attitudes, interests, values, lifestyle, etc.)
- What would you like to know about your target market?

Now that your organization has begun to better understand and define the target market, it can continue to build on the 4Ps. Recall that the first "P" is product. The product is the good or service the organization is targeting to a specific market. Questions to think about:

- What is your product or service? Does your target market have a need for it?
- What can do you differently to offer a product/service to your target market that is better than your competition?
- What do your customers want and need from the product?

Next, is price. The price is what customers exchange for the good or service. Often, it comes in the form of a payment. However, it is not always monetary. For example, an organization might be asking a target market to change a behavior or for their time. Questions to think about:

- What is the price of your product or service? (How does it compare to your competitors?)
- How much does it cost to produce the product?

- What is the perceived value of your product? (Do customers believe that the quality of the product is worth the price?)

The third “P” is place. Place refers to where the producer chooses to make the product available to the customer. The better an organization understands their target market, the more intentional and efficient they will be at positioning their product and using distribution channels that is convenient to their customers.

Questions to think about:

- Is your product or service offered at the right place and time?
- Where does your target market typically look for your product?
- What are some barriers with placement and distribution that might deter a potential client?
- What can you do to make your product more accessible?

The last “P” is promotion. Promotion is the way an organization advertises who they are and the good or service they offer to their target market. Advertising a product in a way that speaks to the target market can take an organization to the next level. Questions to think about:

- How do you promote your product or service to your target market?
- How do your competitors promote?
- How do you or plan to reach your target market?
- Do current or potential customers have a way to communicate with you?
- Would social media or other mobile apps enhance promotion for your product?

#### Expanding the 4Ps

In recent years, other marketing experts have added to the marketing mix. The latest model, the 7Ps of Marketing, includes three additional Ps: People, process, and physical evidence (CIM, 2015). Here is a look at the last three Ps:

<b>The 7Ps of the Marketing Mix</b>	
<b>People</b>	People refers to the staff and others who interact with the organization’s clients. Who are the people delivering your product or service? Are your people trained and motivated to provide your customers with excellent service? If the clients are satisfied with their experience, they are more likely to come back and advocate for the organization. It is also important that organizations have people (staff) who believe in their product.
<b>Process</b>	Process refers to the systems and procedures designed to execute the service. From the minute a potential client is interested in a product through purchase and after, people are looking for a pleasant experience. The process is critical to customer satisfaction. Is the process convenient and efficient? Can the client reach you when they need to? Is your phone number active? Do they have to wait long? Is the website updated?
<b>Physical Evidence</b>	Physical evidence is what people see when interacting with the organization or product. Physical evidence is also concerned with the perception of the organization and product in the marketplace. How is the physical environment when you deliver

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the product? Is it clean, welcoming, and comfortable? What do people think about when they hear your name or see your product(s)?
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The marketing mix, the 4Ps, serves as a great foundation for organizations to intentionally market a product or service. However, considering the 7Ps can help it develop a more comprehensive marketing strategy.

### References

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