Market research and marketing strategies: Experiences from a poverty reduction project

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Overview

1. Introducing the project:
   ‘Poverty Reduction in Coconut Growing Communities’

2. How market research was used

3. Example of marketing strategies

4. Institutional support

5. Conclusions
Poverty reduction in coconut growing communities

Four pronged strategy:

1. Promoting the production and marketing of coconut-based high value products
2. Introducing intercropping and livestock
3. Establishment of community managed coconut seedling nurseries
4. Food nutrition component

Implemented in 11 countries and 30 communities
Goal

To improve coconut production on a sustainable basis and increase incomes in developing countries, through improved cultivation of the coconut and efficient utilization of its products and by-products.
How the project supports farmers...

- CBO establishment or strengthening
- Micro credit
- Capacity building
- Sourcing for village level technology
  - Market research
  - Marketing strategy development
Market research

1. Supply, demand and prices
2. Market requirements
3. Market segments
4. Competition
5. Technical feasibility
6. SWOT analysis
Specific research questions

1. What are the current coconut high value (HV) products in the market in terms of volume, throughput, demand vs. supply, prices?

2. Is there scope for the community to enter the market with current HV products?

3. Is there scope for new or improved product development targeting the local village, regional, national or international markets?
Data gathering

• Identify actors in the market chain
  – Producers – processors – traders – retailers – consumers
  – Focussing on various market segments
    • Local markets
    • Provincial markets
    • National markets
    • Export markets

• Use semi-structured interview techniques
Development of marketing strategies

• Based upon the “four P’s”
• Provide you with information on how to organise the selling of the product
  – Product
  – Price
  – Promotion
  – Place/distribution
Example of market strategies

- **Premium product, Dairy unit, Sri Lanka**
  - The project assisted to obtain health and quality certificates from the relevant Ministries -> assisted them in convincing retailers to include their products in the shops.

- **Competitive pricing, Coir broom unit, Sri Lanka**
  - To enter and establish a place in the market the CBO members sold their products in the beginning for a very low price. In this way they forced their competition out of the market. After a place in the market was established they gradually improved the product and increased prices.

- **Fair trade market, Coconut shell unit, Vietnam**
  - After learning the tricks of the trade on the domestic market, the producers gained enough confidence to enter the export market. This has resulted in supplying the Dutch market with various products.
Example of market strategies cont.

• **Branding, Dairy unit, Sri Lanka**
  - In order to compete with existing dairy companies the CBO had to establish a brand name. The name ‘Kapruka’ was selected, which is the local name of the coconut tree, and the logo pictures a cow under a coconut tree.

• **Market segmentation, Coco sugar and other food items, Philippines**
  - A CBO member producing coco sugar has identified a nearby spa resort as a customer. The coco sugar is used as a natural scrub in the treatments given at the spa resort.
  - A group of women producing coco food products is supplying a wide range of different customers ranging from school canteens, local stores and offices. They also cater for special occasions like graduation parties and birthday celebrations.

• **Economies of scale, Horticultural products, India**
  - A women’s group is marketing their agricultural products as a group. Because of the bigger volume of the joint produce they are able to fetch a higher price.
Institutional support provided

- Assists in obtaining export permits;
- Intermediate between importers and producers;
- Learn from other successful producer groups e.g. CBO/researcher exchange visits;
- Link with NGO’s for business development support;
- New product development in collaboration with importers;
- Price negotiations with buyers;
- Transport products to buyers;
Institutional support cont...

- Promotional campaigns for products (e.g. VCNO and dairy products, approach of hotels for putting products on display);
- Assist with labeling (personalised labels with origin of product);
- Assist in certifying products (e.g. health certificate);
- Assist in setting up a product portfolio;
- Introduce products to potential buyers;
- Represent communities in trade fairs.
Conclusion/lessons learned

• Questions about the role of R&D organisations/NGO’s in marketing? (e.g. market extension/ facilitating linkages with fair trade companies…? Issue of sustainability)

• Importance of allocating funds for market research, marketing and business support
Thank You!