

## Horticultural marketing

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### Lesson 1

This is just a cover sheet, turn to the next page to continue.

## INTRODUCTION TO HORTICULTURAL MARKETING

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### AIM

To be able to explain general economic concepts relevant to the horticultural industry

### INTRODUCTION

Marketing is concerned with relating the supply of products to its potential demand in such a way as to satisfy the needs and wants of buyers and create a profit for the supplier. The process of marketing is that of transferring goods and/or services from producer to consumer at a profit. It should add maximum value to the product at minimum cost.

Marketing staff may be concerned with some or all of the following:

- Pricing
- Selling
- Merchandising
- Advertising
- Promotion
- Packaging
- Market research
- Transport
- Destination
- Placement
- Planning
- Accounting

In fact, all those processes which will enable he/she to maximise the added value.

Marketing in the fullest sense of the word is *'the name of the game'*, and the *'game'* is fundamentally concerned with *'competition'*.

Marketing today is a consumer-based approach to business activities where each aspect of business is co-ordinated in terms of **what** the consumer **wants**.

*So, marketing is not just selling!*

Marketing involves the following:

1. Attracting Customers
2. Persuading Them to Buy
3. Selling
4. Keeping Customers Satisfied (So they come back).

# SAMPLE

Marketing will always be about getting noticed, convincing someone to choose to deal with you rather than your competitors, and then following through to make sure they are delivered the service or product and are happy enough to give you return business.

This may relate to

- Paid for Goods
- Free Goods (for example through a charity or government agency)
- Paid for Services
- Free Services (for example through a charity or government agency)

There are some aspects to marketing that do not change –

## Visibility

You need to be seen, noticed and heard above everyone else.

## Differentiation

People need to identify advantages that differentiate you from others. Why are you different? What do you offer that is better than your competitors?

## Reputation

Your reputation needs to be sustained by ensuring you do not have dissatisfied customers.

But there are some aspects of marketing that DO change –

**Visibility** – How you are visible can be changed. In the past, the main way to get visible was through advertising in print media. Today, there are many many different ways to reach your potential customers, such as the internet, websites, and social media, print media and so on.

**Differentiation** – Once people may have chosen what was the cheapest product, or the shop nearest to their home. But today people have more choices. They may choose to buy something that is environmentally friendly rather than cheap or aesthetically pleasing rather than functional, sustainable, available online.

**Why people buy.** The reasons why people buy have changed. When a society is poorer with less disposable income, they will buy things that they really need. But when a society is more affluent with a greater disposable income, then they will purchase more things because of want rather than need.

**Reputation** – Once a reputation could be based on word of mouth or information in the print media. Today however, the opportunities to find out a person's reputation, enhance it or ruin it are far greater. If people want to know something, they can go online and find out about it. Look at all the reviews of products and services that exist. Websites that review hotels, clothes, brands, amusement parks. Potential clients can look at those and read reviews about a person and their business. Enough bad reviews online and this can damage reputations as easily as word of mouth.

## MARKETING

Marketing is the way we sell goods or services in any industry. It is something which DOES affect us all, and should be given due consideration by anyone who wants to be successful, no matter what type of business you are involved in.

It is obvious to us all that the retailer needs to be concerned about marketing. He needs to sell his products. If he sells them well he will make a good living. If he does not, he might go bankrupt.

The contractor also needs to sell. It is just that the product is different. The contractor is selling an idea when he first deals with his client. He must follow through and be sure of customer satisfaction after he completes his design or construction work.

# SAMPLE

Even the government employed manager can use some marketing ability. The parks superintendent needs to convince the council of his new proposal, the research worker needs to be able to win funds for a new programme, and the civil engineer needs to convince his minister of his new project.

## The Marketing Mix

There are 4 'Ps' in the marketing mix. These are *product, price, place, and promotion*. Although packaging is part of the product mix, it is an important 'P' in its own right and is often called the fifth 'P'. The power of packaging should not be overlooked.

## KEY ELEMENTS OF MARKETING

- **Packaging & Presenting:** the goods or services
- **Making Contact:** with the person you are selling to
- **Communication:** ensuring they understand about the goods or services
- **Convincing:** presenting the product in a way which enables you to achieve the result you are aiming for
- **Follow Up:** ensuring the buyer is satisfied with what they get in the long term.

*Note: Sales can be made by people who are good at 2 and 4 but poor at 1, 3 & 5. Sales of this kind might be good selling, but they are poor marketing. In the long term, this type of operator will not be so successful.*

## Making Contact

For the person working in a large company or government department, there are times when an idea or proposal needs to be presented to a higher authority before it can be acted upon. It is essential to understand the way the organization is structured in order to understand who to present something to and what procedure to follow in making that presentation. Disregard for correct channels and procedures can often mean contact is either not made, or ignored when it is made.

For the new businessperson, this is often one of the most difficult things. Every type of business is different however the following are some of the main ways of making contact with clients or customers:

- Local Newspaper advertising
- Daily Newspaper advertising
- Magazine advertising
- Letterbox drops
- Direct mail promotions
- Telephone book
- Shopping centre displays
- Exhibitions/trade Shows
- Radio/TV advertising
- Press releases
- Writing for newspapers, magazines, etc.
- Tender pages of magazines, newspapers, etc.
- Word of mouth: through friends, clubs, professional bodies, etc.
- Visiting direct approach: sales representatives calling on customers, door knocking potential customers

# SAMPLE

- Telephone sales
- Establishing agents through local nurseries, etc.
- Owning a website with a 'Contact Us' page and offering on-line sales
- Advertising on the Internet

## Communication

Good marketing involves getting information across to the customer/client clearly and in as short a period of time as possible. This might be done many different ways:

- By talking
- Literature: writing, pictures, diagrams
- Video, demonstration, etc.

Remember time is money for you and the customer.

Remember people have a limited attention span.

If you want someone to know something, get straight to the point!

## Convincing

Anything you try to sell has its good points and its bad points. You have the job of convincing the client/customer that the good points outweigh the bad points. To do this, you must believe in what you are selling.

Bad products and services can be sold, by salesmen who exaggerate the good points and hide the bad points. This is not good marketing though, because it can cause problems in later stages of marketing (i.e. maintaining customer satisfaction).

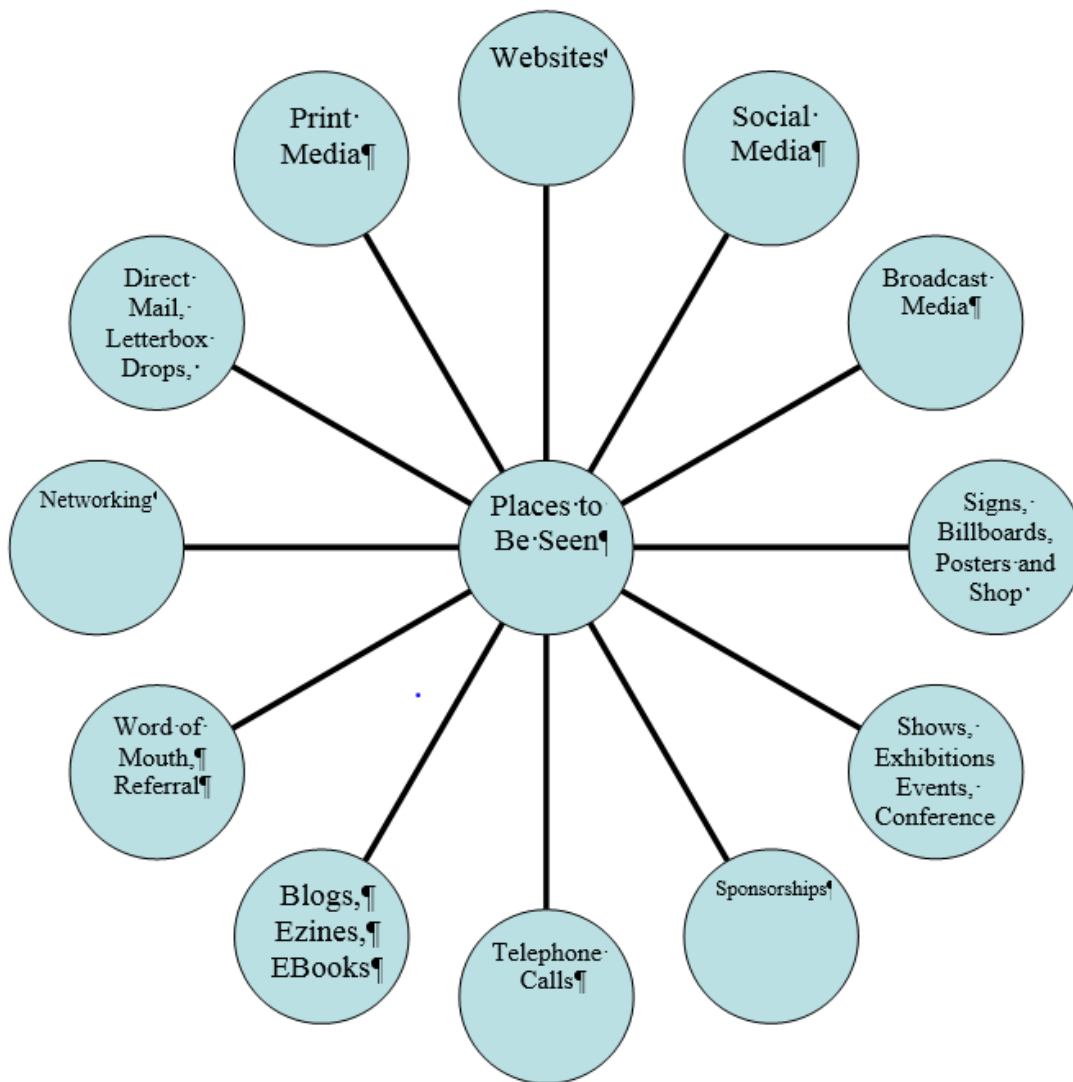
If the product or service is not good, the salesman is advised to seek product improvement.

Products/Services can be assessed in terms of the following criteria:

- Quality
- Cost
- Durability/lifespan
- Supply
- Back up service: ongoing advice/training/maintenance etc.
- Flexibility/diversity of use/application.

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## RESOURCES AND NETWORKING



### Networking

Networking within the sector of horticulture you operate in will be **vital** if you are to be successful; at marketing.

A person who builds a strong network of contacts will have a definite “edge” over their competition.

To become successful at marketing you need to know:

- What the customer wants/needs. You may sell a customer what he thinks he needs, but does not really need. However, when he decides he does not really want what he bought, you may lose the chance of the customer returning to buy again.
- How to communicate successfully with the customer. This involves knowing where and how to advertise, how to speak properly, how to read a person's mannerisms (voice and body language) etc.
- The potential that exists for new products or services.
- The demand for goods and services.
- Changes that are occurring in all of these things. Be very conscious of the fact that the market place is changing rapidly, and that an awareness of all the above things today, may be starting to become out of date in a month or two

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## ASSIGNMENT

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### Question 1

Explain the concept of supply and demand, in a specified horticultural context.

### Question 2

Explain two economic theories in relation to two different horticultural commodities.

### Question 3

Define twenty five terms relevant to horticultural marketing, including:

- Competition
- Accounting
- Margin
- Capital
- Equity
- Supply
- Demand
- Supplier
- Wholesale
- Transaction
- Barter
- Market
- Retail
- Legislation
- Packaging.

Choose a further 10 marketing related terms for yourself.

**Congratulations on finishing this**

[Now start the next section on the next page](#)