

## Market Positioning/Marketing Strategies

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### Definitions

- **Marketing Concept**
  - “The philosophy of the company to satisfy consumer needs at a profit”
- **Marketing programs**
  - For the branded products, the seller is able to identify the market, design the products, and position in the targeted market
- **Quality**
  - In commodity grading, QUALITY refers to “attributes of commodity that influence its acceptability to a group of buyers and the price they are willing to pay for it”

### Marketing for different type of Consumer and Product

- **Consumer marketing**
  - Supplying consumers generally with branded products
- **Industrial marketing**
  - Supplying differentiated ingredients to processors and manufacturers
- **Commodity marketing**
  - Supplying undifferentiated raw materials

### Industrial Product

- Raw materials from farm or sea when produced to specifications
- Specialized commodities: Produced to specification but not designed for a specific process
- Bulk industrial products: produced to specification and used in large quantities
- Partially processed: need further processing
- Processed products in a ready to use form for final consumers
- Processed specialty ingredients

### Commodity Product

- **Commodity Grading and Standardization**
  - Why grading? To have identifiable standards of quality so that prices can be established for each grade
  - Who should set up the grading system?
  - Government

- Producers' organization
- Trade organization
- Others
- **Commodity Pricing Mechanisms**
  - Individual Negotiation
  - Auction Market
  - Electronic Market
  - Formula Pricing
  - Collective Bargaining
  - Administrated Prices

### **Branded Products**

- For final consumers
- Target market
  - A group of customers at which the seller directed the marketing programs
  - Market selection: market research and segmentation
- Marketing for the targeted market
  - Marketing strategy (positioning)
  - Marketing mix (Product, Promotion, Price, Distribution)

### **Marketing Plan**

- Marketing plan is part of the functional plans such as finance, manufacturing plans of the organization, which include two levels of plan:
  - The Strategic Marketing Plan
  - The Action Plan

### **Strategic Marketing Plan**

Define and quantify the market

- **Situation analysis**
  - External:
    - Macro environment: economic, demographic, lifestyle, environmental issues, food health concern
    - Micro environment: customers, product. Competitors, distributors, suppliers
  - Internal:
    - Overall strategy, Effectiveness, Organization, systems, marketing functions
- **Objectives**
  - Quantifiable, measurable, actionable, and motivational
- **Marketing strategies**
  - Segmentation and positioning

### **The Importance of Organizing Small Farmers**

- Economy of Scale
  - Reduction of input costs (seeds, fertilizer, transportation)
  - Specialization in different tasks and functions becomes feasible
  - Bargaining power
  
- Application of the Marketing Concept
  - Implications for different customers