

- By Mary Kinoti

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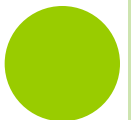
**MARKET SEGMENTATION, PROFILING
AND TARGETING CUSTOMERS**



KEY TERMS

- Market segmentation
- Profiling customers
- Targeting customers

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MARKET SEGMENTATION

The three premises of segmenting a market are:

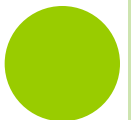
- ✓ People are similar in some ways.
- ✓ People are dissimilar in other ways.
- ✓ Homogenous groups (market segments) can be identified from a heterogeneous market.



MARKET AGGREGATION OR MASS MARKETING

- This is an approach whereby individual marketers or organizations assume that consumers have or show more or less identical demand, tastes and preferences for the products/commodities they offer to the market

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MARKET SEGMENTATION

- Process of dividing the mass heterogeneous market into homogeneous segments
- A market segment is a sub group of people who have more or less similar characteristics .



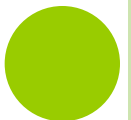
IDENTIFY SEVERAL MARKET SEGMENT FOR YOUR PRODUCTS

- Large scale farmers
- Medium scale farmers
- Small scale farmers



The main ways of defining segments are:

- ✓ Geographical area
- ✓ Industry or industry sub-sector
- ✓ Product
- ✓ Size of end-user
- ✓ Distribution channel
- ✓ Order size
- ✓ Order frequency

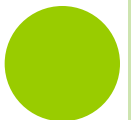


HOW IS MARKET SEGMENTATION DONE?

Using either or a combination of the following factors namely

Geographic factors

- country
- province
- Size of City, town,
- density



○ Behaviour factors of farmers

Purchase occasion Rainy seasons

Benefit sought quality seed, high yielding, drought tolerant, diseases resistant

User status regular users, non users(those using saved seeds from previous season)

Usage rates light, medium and, heavy users



BENEFITS OF SEGMENTATION

- Customer satisfaction
- Profitability of business.
- Customers needs focus

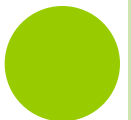
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REQUIREMENTS FOR EFFECTIVE SEGMENTATION

- Accessible
- Measurable
- Responsive to marketing effort
- Profitable
- substantial

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WHAT IS A TARGET MARKET

- A specific market segment chosen by the seed company to serve/to market products.



Large scale farmland in Rift Valley region in Kenya

TARGETING OPTIONS

- Concentrate on one market segment with one product or different products
- Serve or target several market segments with differentiated products

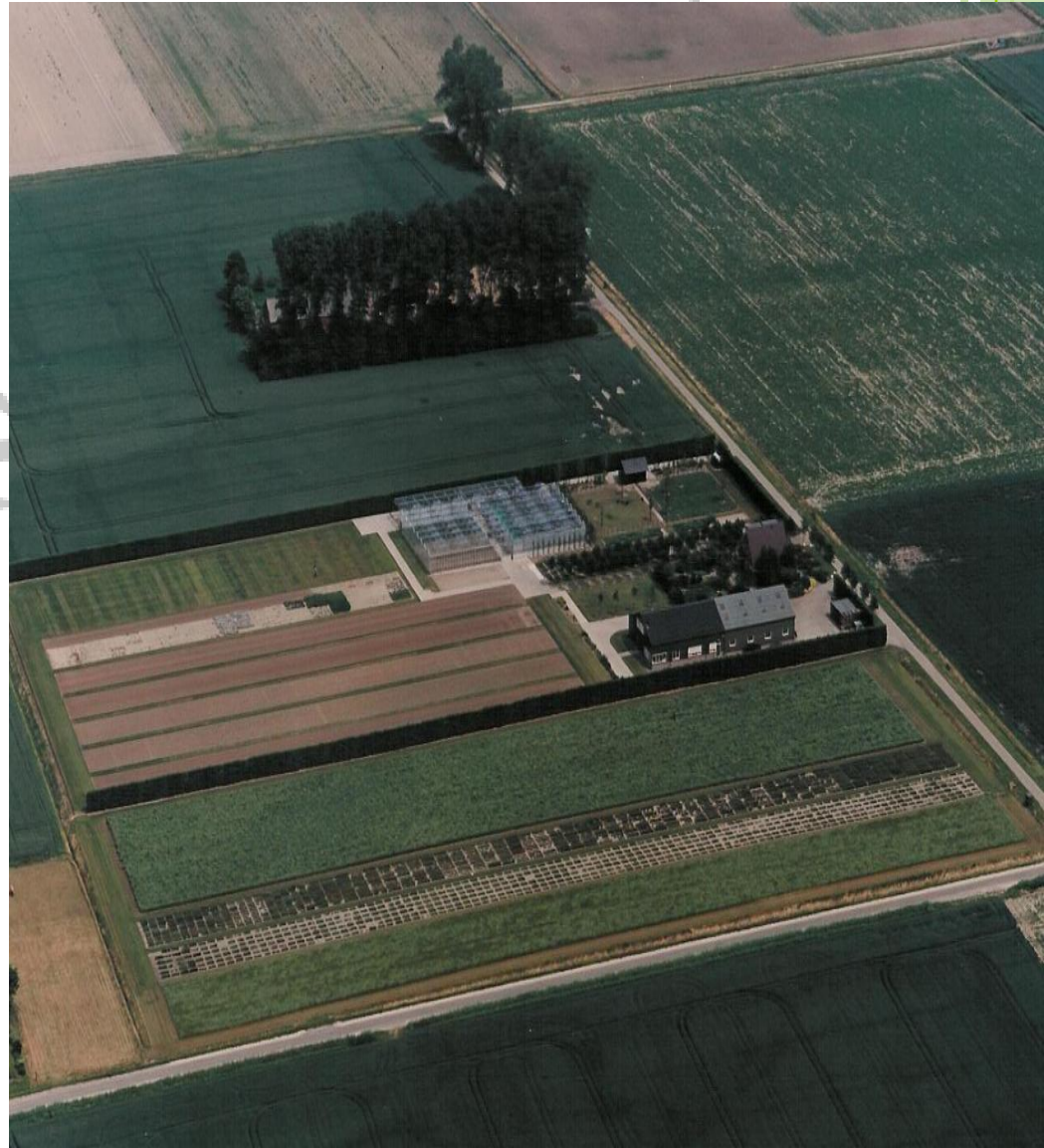


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CHOOSING A TARGET MARKET

Factors to consider

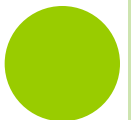
- Resources available
- Structural attractiveness
- Potential growth of the market segment



CUSTOMER PROFILING

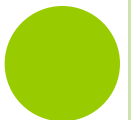
The main goal of Customer Profiling is to ;

- Categorize the traits and characteristics of current customers,
- Identify the primary characteristics of good and bad customers



BENEFITS

- Discover which customers are sales and profit contributors
- Identify customers who have profitable growth potential for the future
- Find out who are your unwanted (unprofitable) customers



ABC PROFILING APPROACH

A” Customers

- Customers that are currently contributing the highest sales and profits
- OR offer the most growth opportunity for profit and sales contribution.

INVEST ON RETENTION OF THESE CUSTOMERS

- Quality customer care
- Loyalty programs
- Relationship marketing programs(End of the year parties where best performing farmers/customers are recognized



“B” Customers

- Group of customers with modest (or stable) growth potential
- Also in this group are New Potential Customers (targets) who match the business objectives but are not yet a significant part of the business

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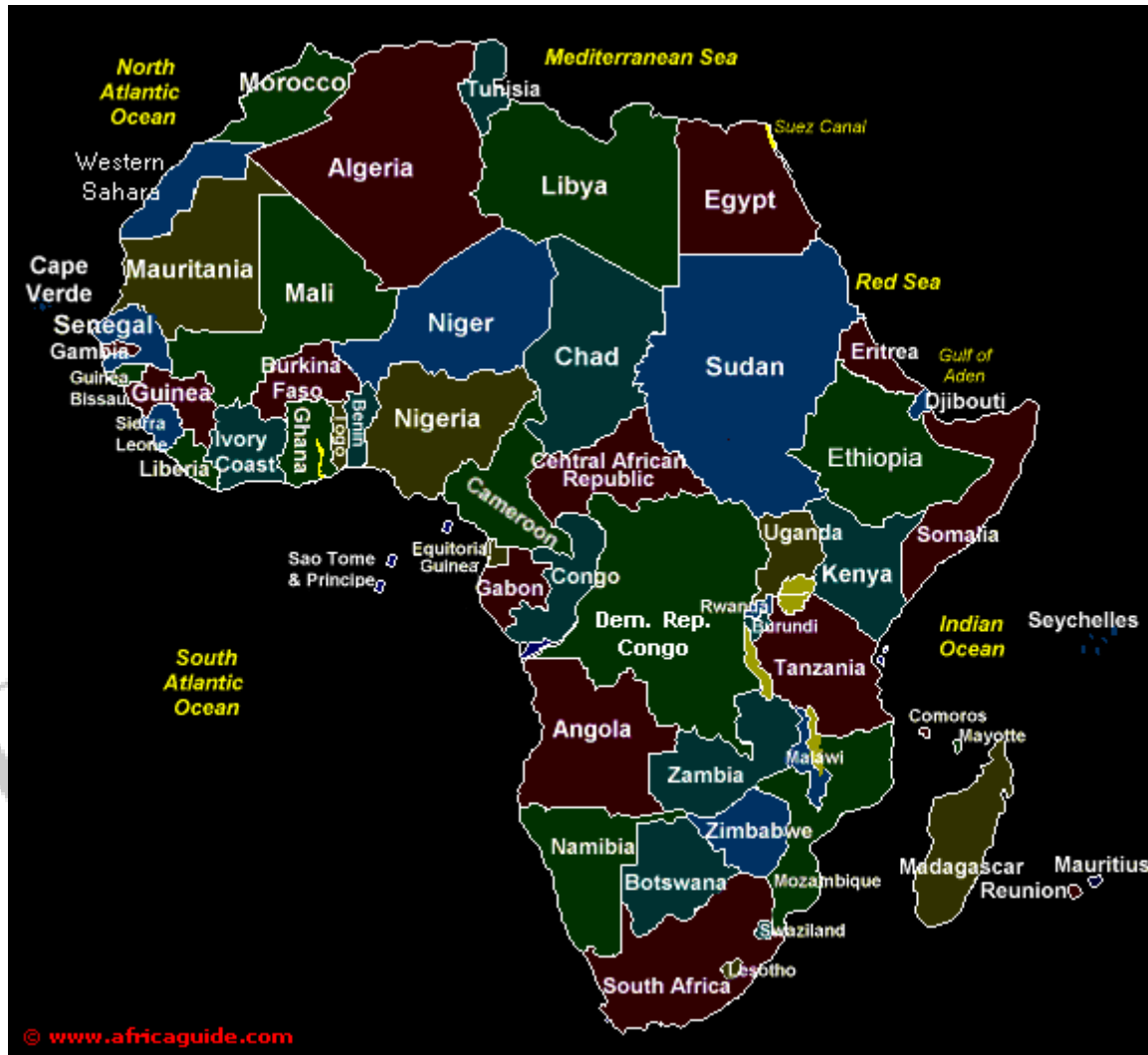


- **“C” Customers**

Are group of customers
with no growth (or
shrinking) potential

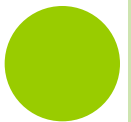
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Thank
you

• QUESTION &
ANSWERS

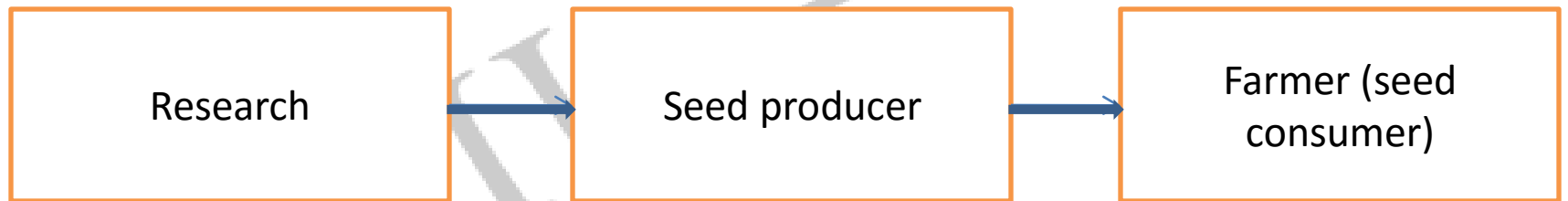


SEED MARKETING IN DEVELOPING COUNTRIES

Dr Mary Kinoti
School of business
University of Nairobi



SEMI-LOW



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Introduction

Seed marketing in developing countries is characterized by the following challenges among others;

- Low market potential due to farmers over-reliance on rain-fed agriculture
- Low availability and access of quality declared seed

Introduction

- High marketing costs brought about by poor infra-structure
- Insect /pests and diseases

Introduction

- Fake seeds in the market
- Lack of cash or credit among farmers
- Long distance to seed retailers
- Unpredictable and unattractive grain prices (particularly immediately after harvest),

Introduction

- Lack of information on variety performance
- Seed availability are the main disincentives to use improved seed.

Introduction

- Customers are diverse, decentralized, and have a wide range of product requirements related to the highly variable socio-economic and biophysical environment of Africa.

Introduction

- seed marketing systems are often characterized by intermediaries and minimal distribution beyond commercial centres.

Introduction

- Yields of crops in Africa are generally low due to various biotic, abiotic and managerial constraints.
- Generally, grain markets are poorly developed in Africa, such that on a local scale, price fluctuations are highly influenced by available grain stocks.

Introduction

- Our main problem is the erratic rainfall. To handle this, we are shifting to irrigation since we have been depending only on rain-fed production.

Seed marketing challenges in Kenya

Seed shortage

Monday, 25 April 2011

[Willy Bett MD Kenya seed at Radio Jambo studios during interview yest-David Ndolo](#)

Why exactly is there a seed shortage?

“-----Lack of rains two years ago in most parts of the country is the major problem. We also recorded a high demand of seeds from farmers. Most farmers who were not using certified seeds before changed following education by Kenya Seed [Company] thereby pushing up demand by about 30 per cent-----”



Measures by Kenya seed to avert seed shortage in future

- Shifting to irrigation since we have been depending only on rain-fed production.
- Construction of a six-acre dam to collect water to be used in seed breeding in Kitale.
- Talking with the National Irrigation Board (NIB) to help us in producing maize seeds in places where they have projects like in Hola, Perkera and Yala.



Measures by Kenya seed to avert seed shortage in future

- Contracted more farmers both large and small scale farmers and we have increased the price of maize seeds so that we get more farmers.



Strategies for coping with seed marketing in developing countries

- positioning “wholesale” outlets in strategic rural centres, where small retailers from neighbouring districts may purchase seed stocks with cash.
- Encouraging farmers to form buying groups.

Strategies for coping with seed marketing in developing countries

- The appointment of farmers as rural consignment stockists
- Mobile seed shops

Strategies for coping with seed marketing in developing countries

- promotional activities to entice farmers to travel to rural centres to purchase seed

Strategies for coping with seed marketing in developing countries

- Seed companies may adopt a number of strategies to stimulate seed sales through increasing farmer productivity such as
 - The provision of improved varieties
 - providing crop management information on seed packaging
 - improved agronomic management (use of manure and fertilizer, timely planting, weed control and pest management)

Strategies for coping with seed marketing in developing countries

- A number of novel approaches have been advanced to improve the grain market stability in Africa these include;
 - Agricultural commodity exchanges,
 - Community grain banks,
 - Inventory credit programs
 - and the development of on-farm storage facilities, Where these have been implemented (e.g. in Kenya and Ghana) there has been a measure of success in market stabilization and consequent stimulation of improved seed demand.

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Mini-pack seeds
Affordable And Popular
In West Africa

SEM 5



India commodity market

SEEDS



Seeds like these can save the world.

 Rice Rice feeds billions of people and is a staple food for many cultures.	 Almond The almond is a source of healthy fats and is a key ingredient in many foods.
 Wheat Wheat is a staple food for many cultures and is a source of many important nutrients.	 Cocoa Cocoa is a source of antioxidants and is a key ingredient in many foods.

Will you help us save the seeds?



millennium
seed bank
appeal
kew



Ethics in Marketing

By

Mary Kinoti
School of Business
University of Nairobi

Ethical Issues in Marketing

- Ethics in marketing is taking center stage in today's business.
- Ethics are a collection of principles of right conduct that shape the decisions people or organizations make.

Discussion on Marketing Ethics in seed industry

1. Ethical issues on seed as a product
2. Ethical issues on distribution of seeds to the farmer
3. Ethical issues in packaging of seeds
4. ethical issues in pricing of seeds
5. Ethical issues in promotion of seeds

Ethical Criticisms of Marketing

- High prices
- Deceptive practices
- High-pressure selling
- Shoddy, harmful, or unsafe products
- Planned obsolescence
- Poor service to disadvantaged consumers

High Prices

- Caused by:
 - High costs of distribution
 - High advertising and promotion costs
 - Excessive markups
(greed & profit pressures)



Why do branded products cost more than generics (i.e. store brand)?

The cost of advertising?

Deceptive Practices

- Deceptive Pricing
 - Falsely advertising “factory”, “wholesale”, “clearance” or other seemingly large reductions from a phony high original retail (list) price.
- Deceptive Promotion
 - Overstating a product’s features or performance, running rigged or fraudulent contests.
 - “Bait-and-Switch” advertising
- Deceptive Packaging
 - Exaggerating package contents through slick design, misleading quantity or quality imagery and misleading labeling

High-Pressure Selling

- Salespeople are trained to deliver smooth, canned talks to entice purchase.
 - High-pressure selling persuades people to buy goods they neither need nor want.
 - Driven by compensation structures (i.e. high bonus potentials).
 - High-pressure selling ultimately destroys customer relationships and goodwill.

Shoddy or Unsafe Products

- Includes
 - Poorly made products
 - Products that do not perform well
 - Products that deliver little benefit
 - Harmful products (cause bodily harm, illness, even death)
- How it happens
 - Undue focus on profit, increased production complexity, poorly trained labor, and poor quality control
 - New products without safety track records
 - Outsourcing of production often leads to quality issues



**Russia suspends import and
use of American **GMO Corn** after
study revealed **cancer risk.****

-WALL STREET JOURNAL
SEPT 25, 2012

Planned Obsolescence

- Refers to:
 - Products needing replacement before they should because they are obsolete. (computers and software)
 - Producers who change consumer concepts of acceptable styles. (clothing and fashion)
 - Intentionally holding back attractive or advanced functional features, and introducing them later to make the old model obsolete. (electronics)

How do consumers attempt to combat Planned Obsolescence?

Poor Treatment of Disadvantaged Consumers

- Examples
 - The poor are forced to shop in smaller stores where they pay more for inferior goods.
 - The poor receive worse service (or no service) at stores.

Marketing's Impact on Society as a Whole

- Marketing creates false wants and needs
- Marketing makes people materialistic
- Marketing promotes poor quality products



Cultural Pollution



Does constant exposure to advertisements assault our senses?

Buyers' Rights

- Buyers have the right to:
 1. not buy a product offered for sale.
 2. expect the product to be safe.
 3. expect the product to perform as claimed.
 4. be well informed about important aspects of the product.
 5. be protected against questionable products and marketing practices.
 6. influence products and marketing practices in ways that will improve their “quality of life.”

Consumerism

Consumerism is an organized movement of citizens and government agencies to improve the rights and power of buyers in relation to sellers.

Ethical Issues in Marketing

- Ethical issues
 - i. Ethics and pricing

Ethical Issues related to pricing may affect competing firms they are discussed below

Ethical Issues in Marketing

i. Ethics and pricing

Predatory Pricing

(also **undercutting**) : is a pricing strategy where a product or service is set at a very low price, intending to drive competitors out of the market, or create barriers to entry for potential new competitors.

Ethical Issues in Marketing

- Ethical issues

- i. Ethics and pricing

Price War- Price war is "commercial competition characterized by the repeated cutting of prices below those of competitors".

Ethical Issues in Marketing

- Ethical issues

- i. Ethics and pricing

Bid rigging is a form of fraud in which a commercial contract is promised to one party even though for the sake of appearance several other parties also present a bid.

Ethical Issues in Marketing

- Ethical issues

- i. Ethics and pricing

Price fixing: is an agreement between participants on the same side in a market to buy or sell a product, service, or commodity only at a fixed price, exploit consumers

Ethical Issues in Marketing

- Ethical issues

- i. Ethics and pricing

Price Gouging-is selling of products at very high prices which are unreasonable or unfair altogether.

It occurs mostly where there is a sharp rise in demand or a sharp drop in supply.

Ethical Issues in Marketing

- Ethical issues

- i. Ethics and pricing

Price skimming is when the price for a product is first sold at a very high price and then gradually lowered.

Ethical Issues in Marketing

- Ethical issues

- i. Ethics and pricing

Placing a product at a special offer price without making the consumer aware that there is a limited stock/availability

Falsely stating that the product will only be available for a limited time with a view to persuade consumers to make an immediate purchase of the product

Ethical Issues

- Ethical issues and distribution

- **Gray markets**
- Involves the selling of products through channels of distribution that are not authorized
- Slotting allowances demanded by distributors to carry new products

Ethical Issues

- Shoddy or unsafe products in terms of
 - i. quality
 - ii. Benefits

product recall: Recall involve return, repair by manufacture and or removal from sale of products in the distribution channels and with consumers because of some actual or perceived safety or quality problem or some legal infringement



Thank you

Q & A