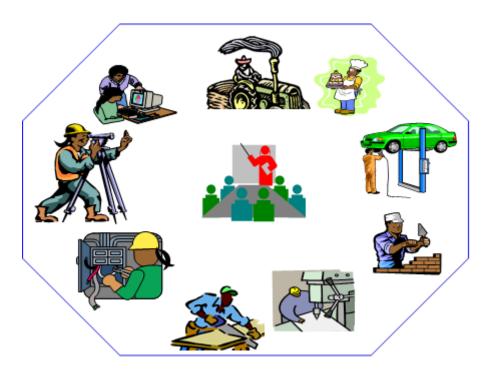


# Horticultural Crops Production Level-IV

Based on March 2019, Version 2 Occupational standards



# Module Title: - Marketing Crops products LG Code: AGR HCP4 M21 LO (1-3) LG (74-77) TTLM Code: AGR HCP4TTLM 1220v1

December 2020





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LG #74	Lo #1- Evaluate commercial information

#### Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Researching and analyzing relevant information
- Identifying and evaluating competing products
- Presenting collected information
- Conducting market and situation analysis

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Research and analyze relevant information to identify market trends
- Identify and evaluate competing products
- Present collected information
- Conduct market and situation analysis

#### Learning Instructions:

- **1.** Read the specific objectives of this Learning Guide.
- 2. Follow the instructions described below.
- **3.** Read the information written in the "Information Sheets". Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
- **4.** Accomplish the "Self-checks" which are placed following all information sheets.
- **5.** Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).

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#### Information Sheet 1- Researching and analyzing relevant information

# **1.1 Introduction**

Markets are where buyers and sellers come together to trade. They are social arrangements that allow buyers and sellers to obtain information and exchange commodities. A commodity is something tangible, that has value and can be exchanged. Commodities can include food and cash crops, livestock, non-food consumer items and even labor. A market can be organized as a physical market place where products are exchanged (e.g. vegetables and household items sold in supermarkets, kiosks, market stalls, etc.). They can also be organized as stock markets, auctions or as informal arrangements, such as barter, between two people. Markets make an important contribution to three (availability, access and stability) of the four pillars of food security:

# Horticulture marketing

Horticulture marketing can be defined as It is series of activities involved in making fruits, vegetables, and flowers available on level of market requirements to the point of consumption.

Horticultural production is concentrated in the lowland areas, with most households producing vegetables, with a quarter of those surveyed growing fruits. The Upper Awash Agro-Industry, the Ethiopian Horticulture Share Company, the Horticulture Development, Ethio Flora, and Ethio Veg- Fru are among the major exporters.

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# Horticulture Business

Though the name horticulture is often presented with no specific detail of activities it carries, horticulture or floriculture marketing is a broad concept with succinct activities. Many horticulture marketing companies are engaged in different activities (1) growing and packing of their own fresh produce or (2) growing and packing of other companies, (3) processing, (4) wholesaling, (5) exporting and (6) retailing, and (7) marketing products. Out of these activities, sampled horticulture companies earmark large amount of investment on one or two of them. Thus, the major activities that they are engaged influences their marketing efforts that they exert on and relationship with dealers and customers.

# Availability:

- Producers are able to purchase inputs for producing food.
- Countries can trade with each other to make sure enough food is available.

# Access

- Households sell their products (e.g. horticultural crops, livestock, non-agricultural commodities) and their labor in the market and earn income.
- The price of food in the market determines whether a household's income or resources are sufficient to obtain an adequate quantity and quality of food.

# Stability

The movement of food through markets from one location to another, from surplus to deficit areas and across borders, usually helps to ensure stable food supplies overtime and space.

# 1.2 Market demand and supply

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Markets are driven by supply and demand.

# Market supply

Market supply is the amount of a commodity being offered in the market. It can come from: Local production; Private or public stocks; Regional or international trade; and Food aid.

Suppliers include traders, agricultural producers, shops, government, humanitarian organizations, etc. – whoever is selling on the market.

Traders can sell commodities that are produced locally (within the country) or they can bring in commodities from across the border through official (legal and formal) trade, or unofficial (illegal and informal) trade. Please note that market supply and total national supply are not equal. Production that is consumed on the farm is part of the national supply, but is not part of the market supply.

# Market demand

Market demand is the amount of a particular good or service that a consumer or group of consumers will want to purchase at a given price. Only people who can pay for their food have effective demand. There are households and people who have wants or needs, but cannot afford to pay for them.

# **1.3 Evaluating commercial information**

# 1.3.1. Data and/or information collection

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Relevant data and information should be collected, researched and analyzed to identify market trends.

Data collection means gathering information to address those critical evaluation questions that you have to identify in the evaluation process. There are many methods available to gather information, and a wide variety of information sources. The most important issue related to data collection is selecting the most appropriate information or evidence to answer your questions. To plan data collection, you must think about the questions to be answered and the information sources available. Also, you must begin to think ahead about how the information could be organized, analyzed, interpreted and then reported to various audiences.

There are multiple ways to collect information to answer most questions. The ideal situation would be to collect from more than one source and/ or to collect more than one type of information. The selection of a method for collecting information must balance several concerns including: resources available, credibility, analysis and reporting resources, and the skill of the evaluator.

# 1. tools / methods used in data collection

In dealing with any real problem it is often found that data at hand are inadequate, hence, it becomes necessary to collect data that are appropriate. There are several ways of the appropriate data which differ considerably in context of many costs, time and other resources at the disposal of the researcher. But in case of a survey, any one or more of the following ways can collect data.

#### a. Observation

This method implies the collection of information by way of investigator's own observation, without interviewing the respondents. The information obtained relates to what is currently happening and is not complicated by either the past behavior or future

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intentions or attitudes of respondents. The method is no doubt an expensive method and the information provided by this method is also very limited. As such, this method is not suitable in enquiries where large samples are concerned.

# b. Questionnaires and schedules

The terms 'Questionnaires and Schedules' are used synonymously by most of the researchers. There is a very thin of distinction between these items. It is based on technical distinction. The schedules are those used in personal interviews where as questionnaires are forms distributed through mail.

# i). Mailed questionnaire

A questionnaire is a tool to collect data from diverse, large and widely scattered social groups. The mailed questionnaire is used only when the respondents and researcher do not come in contact with each other. Questionnaires are prepared in advance by the researcher and are generally mailed to the respondents with a request to return after completing the same. It is the most extensively used method in various economic, Social, cooperative and business surveys Before applying this method, usually a pilot study for testing the questionnaire is conducted which reveals the weaknesses if any, of the questioner. Questioner to the used must be prepared very carefully so that it may prove to be effective in collecting the relevant information.

# ii). Schedules

Under this method of data collection, the enumerators are appointed and given timing. They are provided with schedules containing relevant questions. Then, the enumerators will go to the respondents with these schedules. Data are collected by filling up the schedules by the enumerators on the basis of replies given by respondents. Much depends up on the capabilities of the enumerators so far as this method is concerned. Some occasional field checks on the work of the enumerators may ensure sincere work.

# C. Interviews

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Interview is one of the important tools of social research. Interview must be combined with schedule. In other words interview is a technique used to administer the schedule.

The person who is interviewing is called as "Interviewer" and the person who is giving interview is called as "Interviewee". An interviewee is called as respondent whereas an interviewer is called as researcher or enumerators (appointer by the researcher). Besides, interview is a means for assessing the personality of the respondent.

Young defines interview as, "an effective informal, verbal and non-verbal conversation, initiated for specific purposes and focused on certain planned content areas.

# Objectives of interview

- ✓ To exchange ideas and experiences
- ✓ To elicit information
- ✓ Type of interview

# Interview can be categorized in to two types:

# i). Through Telephone Interviews

This method of collecting information involves contacting the respondents on telephone or mobile itself. This is not a very widely used method, but it plays an important role in surveys conducting in developed regions.

# ii). through personal interviews

Personal interviewing (i.e. face to face) is a two way conversation initiated by an interviewer to obtain information from a respondent. The investigator follows a rigid procedure and seeks answers to a set of preconceived questions through personal interviews. This method of collecting data is usually carried out in a structured way where out put depends up on the ability of the interviewer to large extent.

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# 1.3.2 Analyzing data

Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of highlighting useful information, suggesting conclusions, and supporting decision making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science, and social science domains.

#### **Objectives of Data Analysis**

1. Evaluate and enhance data quality

2. Describe the study population and its relationship to some presumed source (accounts for all in-scope potential subjects; compare the available study population with the target population)

- 3. Assess potential for bias (e.g., nonresponse, refusal, and attrition, comparison groups)
- 4. Estimate measures of frequency and extent (prevalence, incidence, means, medians)
- 5. Estimate measures of strength of association or effect
- 6. Assess the degree of uncertainty from random noise ("chance")
- 7. Control and examine effects of other relevant factors
- 8. Seek further insight into the relationships observed or not observed
- 9. Evaluate impact or importance

#### Data editing

In a well-executed study, the data collection plan, including procedures, instruments, and forms, is designed and pretested to maximize accuracy. All data collection activities are monitored to ensure adherence to the data collection protocol and to prompt actions to minimize and resolve missing and questionable data. Monitoring procedures are

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instituted at the outset and maintained throughout the study, since the faster irregularities can be detected; the greater the likelihood that they can be resolved in a satisfactory manner and the sooner preventive measures can be instituted. Nevertheless, there is often the need to "edit" data, both before and after they are inbred to the computer.

# Data Coding

Data coding means translating information into values suitable for computer entry and statistical analysis. All types of data (e.g., medical records, questionnaires, laboratory tests) must be coded, though in some cases the coding has been worked out in advance. The objective is to create variables from information, with an eye towards their analysis.

The following questions underlie coding decisions:

- 1. What information exists?
- 2. What information is relevant?
- 3. How is it likely to be analyzed?

# Methods of Data Analysis

The manner in which you analyze data depends on the type of data/variables that you are evaluating. There are several different classifications that are used in classifying data.

# Variable

- A variable is an item of data
- Examples of variables include quantities such as: gender, test scores, and weight. The values of these quantities vary from one observation to another.

# Types/Classifications of Variables

Qualitative: Non-numerical quality

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- Quantitative: Numerical
  - ✓ Discrete: counts
  - ✓ Continuous: measures

# **Qualitative Data**

- > This data describes the quality of something in a non-numerical format.
- Counts can be applied to qualitative data, but you cannot order or measure this type of variable. Examples are gender, marital status, geographical region of an organization, job title....
- > Qualitative data is usually treated as Categorical Data.

With categorical data, the observations can be sorted according into nonoverlapping categories or by characteristics. For example, shirts can be sorted according to color; the characteristic 'color' can have non-overlapping categories: white, black, red, etc. People can be sorted by gender with categories male and female. Categories should be chosen carefully since a bad choice can prejudice the outcome. Every value of a data set should belong to one and only one category.

- > Analyze qualitative data using:
  - ✓ Frequency tables
  - ✓ Modes most frequently occurring
  - ✓ Graphs: Bar Charts and Pie Charts

# **Quantitative Data**

- Quantitative or numerical data arise when the observations are frequencies or measurements.
- The data are said to be discrete if the measurements are integers (e.g. number of employees of a company, number of incorrect answers on a test, number of participants in a program...)
- The data are said to be continuous if the measurements can take on any value, usually within some range (e.g. weight). Age and income are continuous

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quantitative variables. For continuous variables, arithmetic operations such as differences and averages make sense.

Analysis can take almost any form:

- ✓ Create groups or categories and generate frequency tables.
- ✓ All descriptive statistics can be applied.
- ✓ Effective graphs include: Histograms, Stem-and-Leaf plots, Dot Plots, Box plots, and XY Scatter Plots (2 variables).
- Some quantitative variables can be treated only as ranks; they have a natural order, but these values are not strictly measured. Examples are: 1) age group (taking the values child, teen, adult, senior), and 2) Likert Scale data (responses such as strongly agree, agree, neutral, disagree, strongly disagree). For these variables, the distinction between adjacent points on the scale is not necessarily the same, and the ratio of values is not meaningful.

# Analyze using:

- ✓ Frequency tables
- ✓ Mode, Median, Quartiles
- > Graphs: Bar Charts, Dot Plots, Pie Charts, and Line Charts (2 variables)

# Tables and Graphs

Note Excel will create any graph that you specify, even if the graph that you select is not appropriate for the data. Remember - consider the type of data that you have before selecting your graph.

**Frequency Table/Frequency Distribution**: A frequency table is used to summarize categorical, nominal, and ordinal data. It may also be used to summarize continuous data when the data set has been divided into meaningful groups.

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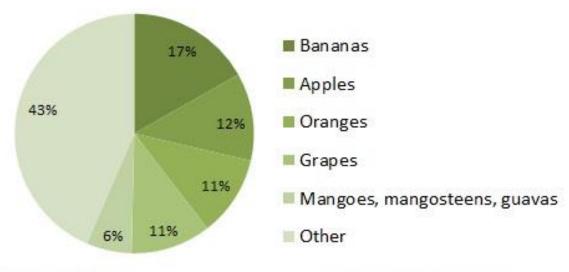


Count the number of observations that fall into each category. The number associated with each category is called the frequency and the collection of frequencies over all categories gives the frequency distribution of that variable. The relative frequency is a number which describes the proportion of observations falling in a given category. Instead of counts, we report relative frequencies or percentages.

# Graphs Used for Categorical/qualitative Data

# **Pie Charts**

- A circle is divided proportionately and shows what percentage of the whole falls into each category
- > These charts are simple to understand.
- They convey information regarding the relative size of groups more readily than does a table.



# World fruit production, 2011 (tonnes)

Source: FAOSTAT

total: 637,575,622 tonnes

# Fig. 1. Example of Pie Charts

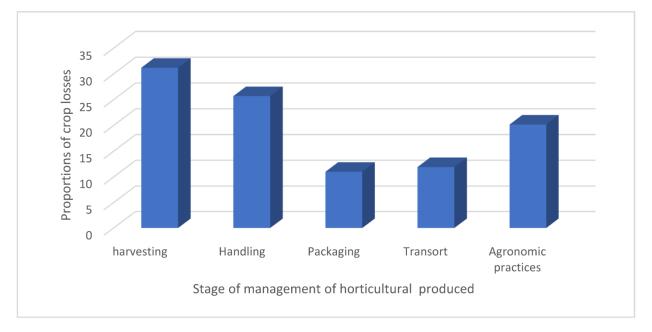
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# **Bar Charts**

- Bar charts also show percentages in various categories and allow comparison between categories.
- > The vertical scale is frequencies, relative frequencies, or percentages.
- > The horizontal scale shows categories.
- > Consider the following in constructing bar charts.
  - ✓ all boxes should have the same width
  - ✓ leave gaps between the boxes (because there is no connection between them)
  - ✓ Boxes can be in any order.





# Fig 2. Example of bar charts

# Graphs for Measured/Continues Quantitative Data

Histograms, Stem and Leaf, Box plots, Line Graphs, XY Scatter Charts (2 variables)
Histograms

Histograms show the frequency distributions of continuous variables. They are similar to Bar Charts, but in 'pure form,' they are drawn without gaps between the bars because

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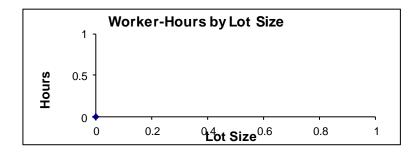


the x-axis is used to represent the class intervals. However, many of the current software packages do easily not make this distinction (e.g. Excel).

- > The data is divided into non-overlapping intervals (usually use from 5 to 15).
- Intervals generally have the same length
- > The number of values in each interval is counted (the class frequency).
- Sometimes relative frequencies or percentages are used. (Divide the cell total by the grand total.)
- Rectangles are drawn over each interval. (The area of rectangle = relative frequency of the interval. If intervals are not all of the same length then heights have to be scaled so that each area is proportional to the frequency for that interval.)

# **XY Scatter Chart**

This type of chart should be used with two variables when both of the variables are quantitative and continuous.



Plot pairs of values using the rectangular coordinate system to examine the relationship between two values.

A **Line Chart** is similar to the scatter chart; however, it can be used when the values of the independent variable (shown on the horizontal axis) are ranked values (i.e. they do not have to be continuous variables).

#### In interpreting graphs, consider:

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- Horizontal and vertical scales; what is the relationship are the distances between, for example, 10 and 20, the same on each axis? A no answer may distort the interpretation.
- The center point of particular importance in comparing two histograms. Look at the starting point of the vertical scale - does it start at 0? How could this affect the interpretation of the data?

#### Self-check 1

Written test

Name...... ID...... Date......

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

# Test I: Short Answer Questions

- 1. What is the word marketing? (2points)
- 2. Write down the relationships between demand and supply. (2 points)
- 3. Write the Role and responsibilities of managers to evaluate commercial information. (3points)
- 4. Write the tools or methods used in data collection. (4 points)

You can ask you teacher for the copy of the correct answers.

*Note:* Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

	Answer Sheet				
Answer Oneet		Score =			
			Rating:		
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Name:	Date:
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# Information Sheet 2- Identifying and evaluating competing products

# 2.1 Identifying and evaluating competing products

Identifying your competitors and evaluating their strategies to determine their strengths and weaknesses relative to those of your own product or service

A competitive analysis is a critical part of your company marketing plan. With this evaluation, you can establish what makes your product or service unique--and therefore what attributes you play up in order to attract your target market.

Evaluate your competitors by placing them in strategic groups according to how directly they compete for a share of the customer's dollar. For each competitor or strategic group, list their product or service, its profitability, growth pattern, marketing objectives and assumptions, current and past strategies, organizational and cost structure, strengths and weaknesses, and size (in sales) of the competitor's business.

A quick and easy way to compare your product or service with similar ones on the market is to make a competition grid. Down the left side of a piece of paper, write the names of four or five products or services that compete with yours.

To help you generate this list, think of what your customers would buy if they didn't buy your product or service.

List the main features and characteristics of each product or service. Include such things as target market, price, size, method of distribution, and extent of customer service for a product. For a service, list prospective buyers, where the service is available, price, website, toll-free phone number, and other features that are relevant. A glance at the competition grid will help you see where your product fits in the overall market.

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#### Self-check 2 Written test

Name...... Date......

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

# Test I: Short Answer Questions

- 1) Who are your competitors?
- 2) What products or services do they sell?
- 3) What is each competitor's market share?
- 4) What are their past strategies?
- 5) What are their current strategies?
- 6) What types of media are used to market their products or services?
- 7) How many hours per week do they purchase to advertise through the media used in this market?
- 8) What are each competitor's strengths and weaknesses?
- 9) What potential threats do your competitors pose?
- 10) What potential opportunities do they make available for you?

You can ask you teacher for the copy of the correct answers.

Note: Satisfactory rating - 10 points

#### Unsatisfactory - below 10 points

**Answer Sheet** 

Score = \_\_\_\_\_

Rating: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

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# Information Sheet 3- Presenting collected information

# 3.1 Presenting collected information

> Information  $\rightarrow$  Analysis  $\rightarrow$  Strategic Design

Stated another way

- Information on strengths and weaknesses of the firm, the external opportunities and threats, and information on markets is analyzed and..
- Conceptualized into target markets, positioning strategies, and objectives with respect to those markets and...
- > From there the marketing mix is designed.
- Then, the plan is implemented and monitored to make sure all is going as planned.
  - ✓ Presentation Delivery Style
- Coordination of members
- > Voice and body language is appropriate
- Logical structure of presentation
  - ✓ Appropriate introduction and conclusion
    - Tell them what you are going to tell them, tell them, and then tell them what you told them
  - ✓ Clear statement of the problem investigated and overview of presentation
  - ✓ Key "takeaways" are clear
  - ✓ Appropriate transitions

#### Visual Aids

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- > Use of PowerPoint is expected
- Should enhance the presentation
- Should facilitate understanding of the key points, without being too wordy 40 words maximum on overheads
- > Should be professional looking careful on spelling, grammar, etc.
- > Use third person, as with written report

Self-Check – 3	Written test
Name	ID Date

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**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

# **Test I: Short Answer Questions**

- 1. Write ways of presenting collected information? (5-points)
- 2. What is the purpose of presenting collected information (5-points)

Note: Satisfactory rating - 10 pointsUnsatisfactory - below 10 pointsYou can ask you teacher for the copy of the correct answers.

Answer Sheet

Score =
Rating:

Name: \_\_\_\_\_

Date: \_\_\_\_\_

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# Information Sheet 4- Conducting market and situation analysis

# 4.1 Market and situation analysis

# A. Market Analysis

- A market analysis studies the attractiveness and the dynamics of a special market within a special industry.
- It is part of the industry analysis and this in turn of the global environmental analysis. Through all these analyses the opportunities, strengths, weaknesses and threats of a company can be identified.
- Finally, with the help of a SWOT analysis, adequate business strategies of a company will be defined.
- The market analysis is also known as a documented investigation of a market that is used to inform a firm's planning activities, particularly around decisions of
  - ✓ inventory,
  - ✓ purchase,
  - ✓ work force expansion/contraction,
  - ✓ facility expansion,
  - ✓ purchases of capital equipment,
  - ✓ promotional activities, and
  - ✓ Many other aspects of a company.

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A **market** is one of many varieties of systems, institutions, procedures, social relations and infrastructures whereby parties engage in exchange. While parties may exchange goods and services by barter, most markets rely on sellers offering their goods or services (including labor) in exchange for money from buyers. It can be said that a market is the process by which the prices of goods and services are established.

**Barter** is a method of exchange by which goods are directly exchanged for other goods without using a medium of exchange, such as money.

#### Market share analysis

Few organizations track market share though it is often an important metric. Though absolute sales might grow in an expanding market, a firm's share of the market can decrease which bodes ill for future sales when the market starts to drop. Where such market share is tracked, there may be a number of aspects which will be followed:

- ✓ overall market share
- ✓ segment share that in the specific, targeted segment
- ✓ relative share -in relation to the market leaders
- ✓ annual fluctuation rate of market share
- ✓ Also, the specific market sharing of customers.

Market Analysis Components

- Industry Trends
- Location and Facility

Area Characteristics

- Competition
  - Knowing Your Customer
- Projected Sales

By conducting a market analysis, you will be able to answer questions such as:

- > What trends are emerging in the crop market industry?
- > What are the strengths and weaknesses of my competition?
- Is my location suitable?
- > Does my concept fill a niche in the market?





> What is the potential number of customers I can serve per year?

# I. Industry Trends

- > Studying industry trends is one of the first steps in conducting a market analysis.
- It will help you identify opportunities and threats in the industry that may affect your profitability

# II. Local Market Area

- Demographic and economic statistics will help you determine the restaurant sales potential of the market area you plan to serve.
  - ✓ By comparing these statistics with those of other areas and the state, you will be able to evaluate the strength of your market area.
- > The first step in this analysis is to define the geographic size of your market area.
- > Be reasonable in estimating how far people will travel to reach your site.
- Once your geographic market area is defined, you should obtain demographic data that describes the people who live and work in the area.
  - ✓ Are there many affluent singles?
  - ✓ Elderly with discretionary income?
  - ✓ Families?
  - Descriptions of the population's age, income, education and gender will help you understand the market area you plan to serve.
- Obtain economic statistics such as business growth trends, eating and drinking place sales, and tourism visitation data.
  - $\checkmark$  They indicate the overall economic health of the market area.

# **III.** Competition

- Existing market area restaurants can provide valuable information to help you analyze demand and market opportunities.
- You can assess their competitive strengths and weaknesses and learn from their successes and failure.



# **IV. Location**

- > Location is a critical consideration because it affects your ability to draw customers.
- It is important that your site be visible, accessible, convenient and attractive to your market.
- How you evaluate your location will depend on the type of product you are planning and the type of customers you hope to serve

# V. Projecting Your Sales Potential

- ✓ At this point in your market analysis, you have completed your data collection.
- ✓ You have analyzed
  - industry trends,
  - market area demographics,
  - economic statistics,
  - competition and
  - Suitability of your location
  - You are now read to estimate your sales potential based on these factors.

# B. Situation analysis

- In order to profitably satisfy customer needs, the firm first must understand its external and internal situation, including the customer, the market environment, and the firm's own capabilities.
- Furthermore, it needs to forecast trends in the dynamic environment in which it operates.
- Situation analysis is a method managers use to analyze both the internal and external environments of an organization in order to understand the firm's own capabilities, customers and business environment.
- Situation analysis is "the systematic collection and study of past and present data to identify trends, forces, and conditions with the potential to influence the performance of the business and the choice of appropriate strategies.
- > The situation analysis consists of several methods of analysis:

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- ✓ The 5Cs Analysis,
- ✓ SWOT analysis and
- ✓ Porter five forces analysis.

# The 5Cs Analysis

# Company

- ✓ Product line
- ✓ Image in the market
- ✓ Technology and experience
- ✓ Culture
- ✓ Goals

# Collaborators

- ✓ Distributors
- ✓ Suppliers
- ✓ Alliances

# Customers

- ✓ Market size and growth
- ✓ Market segments
- ✓ Benefits that consumer is seeking, tangible and intangible.
- ✓ Motivation behind purchase; value drivers, benefits vs. costs
- ✓ Decision maker or decision-making unit
- ✓ Retail channel where does the consumer actually purchase the product?
- Consumer information sources where does the customer obtain information about the product?
- ✓ Buying process; e.g. impulse or careful comparison
- ✓ Frequency of purchase, seasonal factors
- Quantity purchased at a time
- ✓ Trends how consumer needs and preferences change over time

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# Competitors

- ✓ Actual or potential
- ✓ Direct or indirect
- ✓ Products
- ✓ Positioning

# Climate (or context)

The climate or macro-environmental factors are:

- Political & regulatory environment governmental policies and regulations that affect the market
- Economic environment business cycle, inflation rate, interest rates, and other macroeconomic issues
- ✓ Social/Cultural environment society's trends and fashions
- Technological environment new knowledge that makes possible new ways of satisfying needs; the impact of technology on the demand for existing products.

The analysis of these four external "climate" factors often is referred to as a PEST analysis.

- A Marketing Plan is created to guide businesses on how to communicate the benefits of their products to the needs of potential customer.
- The situation analysis is the second step in the marketing plan and is a critical step in establishing a long term relationship with customers.

**Porter's five forces analysis** is a framework for industry analysis and business strategy development formed by Michael E. Porter of Harvard Business School in 1979.

- ✓ Threat of new competition
- ✓ Threat of substitute products or services
- ✓ Bargaining power of customers (buyers)
- ✓ Bargaining power of suppliers and
- ✓ Intensity of competitive rivalry
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- ✓ Market shares
- Strengths and weaknesses of competitors



A marketing plan may be part of an overall business plan. Solid marketing strategy is the foundation of a well-written marketing plan. While a marketing plan contains a list of actions, a marketing plan without a sound strategic foundation is of little use.

A **business plan** is a formal statement of a set of business goals, the reasons they are believed attainable, and the plan for reaching those goals. It may also contain background information about the organization or team attempting to reach those goals.

A **business** (also known as **enterprise** or **firm**) is an organization engaged in the trade of goods, services, or both to consumers. Businesses are predominant in capitalist economies, where most of them are privately owned and administered to earn profit to increase the wealth of their owners. Businesses may also be not-for-profit or stateowned. A business owned by multiple individuals may be referred to as a company, although that term also has a more precise meaning.

**Capitalism** is an economic system that is based on private ownership of the means of production and the creation of goods or services for profit.

**Consumer** is a person or group of people that are the final users of products and or services generated within a social system. A consumer may be a person or group, such as a household. The concept of a consumer may vary significantly by context.

**Marketing strategy** is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage.

**Competitive advantage** is defined as the strategic advantage one business entity has over its rival entities within its competitive industry.

Achieving competitive advantage strengthens and positions a business better within the business environment.

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#### Self-check 4 Written test

Name...... ID...... Date......

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

#### Test I: Short Answer Questions

- 1) What is market analysis mean?
- 2) Write the factors affecting market analysis?
- 3) What is the role of location during market analysis?
- 4) What is 5Cs Analysis?
- 5) What is Porter's five forces analysis?
- 6) Define Competitive advantage?

You can ask you teacher for the copy of the correct answers.

*Note:* Satisfactory rating - 12 points

**Unsatisfactory - below 12 points** 

Answer Sheet

Score =	
Rating:	

Name: \_\_\_\_\_

Date: \_\_\_\_\_

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LG #75	LO #2- Identify marketing requirements

#### **Instruction sheet**

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Creating Promotional materials
- Recording and communicating Priorities, responsibilities, timelines and budgets
- Evaluating Proximity of the market area

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Create Promotional materials
- Record and communicate Priorities, responsibilities, timelines and budgets
- Evaluate Proximity of the market area

#### Learning Instructions:

- 1. Read the specific objectives of this Learning Guide.
- **2.** Follow the instructions described below.
- **3.** Read the information written in the "Information Sheets". Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
- **4.** Accomplish the "Self-checks" which are placed following all information sheets.
- Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).

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# Information Sheet 1- Creating Promotional materials

# 1.1 Creating promotional materials

- > Promotion is an intricate part of market mix. Marketing mix includes (4 Ps):-
  - ✓ product,
  - ✓ price,
  - ✓ place/distribution and
  - ✓ promotion
- The activities of the first three Ps
  - ✓ product planning,
  - ✓ pricing, and
  - ✓ distribution
- They are performed mainly within the firm or between the firm and its marketing "partners."
- > With promotional activities, a firm communicates directly with potential customers.
  - ✓ Promotion is an attempt to influence.
  - Promotional activities are designed to inform, persuade, or remind the market of the firm and its products and ultimately to influence consumers' feelings, beliefs, and behavior.
  - ✓ A successful promotion program should include all the communication tools that can deliver a message to a target audience.
- > A promotion program can include five components:
  - ✓ advertising,
  - ✓ sales promotion,
  - ✓ public relations,
  - $\checkmark$  sales force, and
  - ✓ Direct marketing.

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Advertising: - is a paid form of non personal communication by an identified sponsor.

- > The mass media used include:-
  - ✓ TV,
  - ✓ radio,
  - ✓ magazine,

- ✓ billboards,
- ✓ newspapers, and
- ✓ Direct mailing.
- Advertising is the most effective tool for building awareness of a company, product or service.
- > It is also relatively inexpensive based on the cost per thousand people reached..
- The most effective advertising is narrowly targeted and uses media targeting specific audience interests.
- The drawbacks:-
  - ✓ Most advertising does not deliver sales quickly.
  - ✓ It works mostly by changing minds, not changing behavior.

**Sales Promotion**: - it changes behavior. Customers will act upon a sale, an offer, or a chance to win something.

- > Sales promotion activities include:
  - ✓ coupons,

 $\checkmark$  in-store demonstrations, and

- ✓ discounts,
  - uiscourits,

✓ Contests.

- ✓ In-store displays,
- ✓ trade shows, samples,
- > Sales promotion targeting consumers weakens consumer brand loyalty.
  - ✓ Consumers increasingly expect to buy products below listed prices.
  - Consumers simply buy whichever brand is on sale during a particular week and switch to a competing brand when it goes on sale.

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The only situation where sales promotion is profitable is when the company truly has a superior product paired with low product awareness. In this case, sales promotion will get people to try the product, and they will be less likely to switch to a competing brand when sales are over.

**Public Relations**: Because sales promotion often loses money, and advertising is becoming less effective and expensive, companies should investigate the impact of marketing public relations.

- Marketing public relations is designed to create a positive image of the company to a target market.
- It uses non-paid communication by presenting commercially significant news in a published medium or obtaining favorable presentation of the business or product on radio or television.
- Tools to create publicity include:-
  - ✓ publications (reports and brochures);
  - ✓ events (sponsoring activities and trade shows);
  - ✓ News (favorable stories about the company, its people, and products);.
  - ✓ community involvement (time or money invested in local interests);
  - ✓ identity media (business cards, stationary, and signs);
  - ✓ lobbying activity; and
  - ✓ Social responsibility to the environment and society.

**Sales Force**: The more complex the product or service, the more necessary to use sales people who can answer questions and help customers.

- > Sales force is one of the most expensive marketing communication tools.
  - ✓ Across all businesses, more money is spent on personal selling than on any other form of promotion.
  - ✓ What is important is not the sales person's costs but his/her costs in relation to the sales he/she generated.

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- A top sales person can often sell five to ten times more than an average sales person.
- ✓ Companies trying to save money by paying less to the sales people often have the highest costs-to-sales ratio with high turnover rate and high training costs.
- > Sales people offer the advantage of one-on-one selling.
  - They should be trained to consciously find out what customers want and alert the company.

**Direct Marketing**. Direct marketing by mail, phone, or personal contact can be used to effectively communicate with a very narrowly targeted group.

> Lists for direct marketing purposes can be purchased from different sources.

However, for direct marketing to be effective, it is important to maintain a comprehensive customer database in the company and manage the database in a way that it can be divided into subcategories for different promotional programs.

- All the promotional activities must be integrated to deliver a consistent and positive message.
- A multi-media promotion campaign is usually more effective than any promotional activity alone.

For example, if a company is launching a new product or program, it can contact the media to get free press and then run an advertisement offering information, combined with offering sales promotion, direct marketing by mail or phone, and product demonstration or a visit by sales people

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Self-Check – 1	Written test

Name...... Date......

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

## **Test I: Short Answer Questions**

- 1. List the components of promotion program (3points).
- 2. Write down all Sales promotion activities (3points).
- 3. Write the advantage of direct marketing (3points)

## *Note:* Satisfactory rating - 9 points Unsatisfactory – below 9 points

You can ask you teacher for the copy of the correct answers.

# Answer Sheet

Score =	
Rating:	

Name: \_\_\_\_\_

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Information Sheet 2- Recording and communicating Priorities, responsibilities, timelines and budgets

## 2.1 Communicating priorities, responsibilities and budget

## Effective communication

- > It occurs when a message being sent is understood by the person receiving it.
- The receiver will also know how and when to respond to the message. Figure 10.7 illustrates the key elements of communication.

**Sender** – the individual, group or organization wanting to communicate ideas about the product.

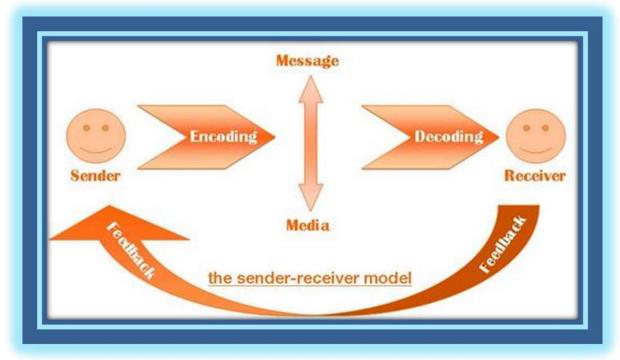
**Message** – the use of text, images, sounds, etc. to convey ideas and information about the product.

**Medium** – the platform used to deliver the message, such as television, radio magazines, the internet and face-to-face communication.

**Receiver** – the individual, group or organization the message is intended for. The receiver interprets the message and attempts to understand its meaning

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# Figure 2.1 communication root

## **KEY TERMS**

**Feedback** is the response to a message. It can use a variety of different media or may be absent if the message is not understood or does not interest the person receiving it. It may take the form of an action, such as purchasing a product.

**Noise** is anything that gets in the way of the receiver understanding the message, such as conflicting information or an inability to believe the message.

**Buyer behavior** describes the way individuals make purchasing decisions. It is affected by a complex range of influences. These can be grouped under three headings: social, psychological and personal influences.

> In developing a promotion program, a company must first determine

 $\checkmark$  The target audience,

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- $\checkmark$  The most important objectives, and a promotion budget and
- ✓ Then design the promotion activities accordingly.
- > Promotional objectives can include:
  - ✓ Providing product information,
  - ✓ Stimulating demand,
  - ✓ Increasing store traffic,
  - ✓ Differentiating products,
  - $\checkmark$  Building a brand image,
  - Reminding current customers about product benefits,

- ✓ Countering competitors' offers,
- ✓ Responding to the news,
- ✓ smoothing out seasonal demand fluctuation,
- ✓ Improving customer relationships.
- Promotion must be integrated into a firm's strategic planning because all elements of the market mix -- product, price, place, and promotion -- must be coordinated in order for a promotion program to be successfully.

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Self-Check – 2	Written test

Name...... ID...... Date......

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

# **Test I: Short Answer Questions**

- 1. What is communication (3 points)
- 2. Write the objectives Promotion (3 points)
- 3. Write the types of market mix (4 points)

# *Note:* Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

## **Answer Sheet**

Score =
Rating:

Name: \_\_\_\_\_

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## Information Sheet 3- Evaluating Proximity of the market area

Here, the market area in which there are potential for supplying the product, select to deliver the products.

## 3.1 Trade links and market catchment areas

In much of the developing world, mobility in rural areas is hampered by the lack of all forms of transport facilities and by poor roads which discourage the use of personal transport. Thus, in looking at market channels it is also necessary to understand how they are influenced by transport systems. The best way to gain an understanding of access issues is to start with the agricultural production area – to understand farmers' concerns – including how their relationship with their suppliers, transporters and buyers is influenced by transport. The trade links in the agricultural marketing system are those routes used by farmers and by transporters carrying farmer's produce. The mode of transport used, the length and time of journey, and the costs of transport will all affect the efficiency of the marketing system.

## **3.2 Types of transport facilities**

In reviewing rural transport it is usual to concentrate on roads and, by implication, on the motorized forms of transport that use them. However, looking at the dominant modes of movement in rural areas, trips by motorized means generally make up a very small proportion of the total. It is also likely that the transport mode will vary substantially depending on the trip purpose.

Roads are only one of the means by which transport systems may need to be improved. Equally important in many cases is other infrastructure, such as bridges and jetties, and improved transport facilities. These might include water transport and animal power. Sea transport and ports are particularly important for inter-island trade. Slowness of sea transport is always a problem if they are used to transport perishable produce, particularly if this necessitates double handling of produce.

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Self-Check – 3	Written test

Name...... Date......

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

# **Test I: Short Answer Questions**

- 1. Write the factors that hinders to deliver products to markets .(5 points)
- 2. Write an advantage Proximity of the market area (5 points)

Note: Satisfactory rating - 10 pointsUnsatisfactory - below 10 pointsYou can ask you teacher for the copy of the correct answers.

Answer Sheet

.

Score =
Rating:

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LG #76

# LO #3- Determine promotional strategies

## Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Preparing and recording detailed plans
- Outlining the promotional plan
- Taking strategies
- Establishing Marketing objectives

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Prepare and record detailed plans
- Outline the promotional plan
- Take strategies of feedback from operational staff, time management and scheduling issues, and resource constraints.
- Establish Marketing objectives

## Learning Instructions:

- **1.** Read the specific objectives of this Learning Guide.
- **2.** Follow the instructions described below.
- **3.** Read the information written in the "Information Sheets". Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
- **4.** Accomplish the "Self-checks" which are placed following all information sheets.
- **5.** Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).

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# Information Sheet 1- Preparing and recording detailed plans for promotion activities

## **1.1 Promotional Activities**

There is a huge range of promotional activities that organizations can choose from. Factors such as the size of the marketing budget, the type of product or service to be promoted or the target audience determine which strategy is chosen.

## 1. Media Announcements

Newspapers, television or radio are often used to announce new products or crops. To use the media, information about the products and/or service must be worthwhile and timely. When preparing a press release, the information should be kept brief, clear and straight forward and highlight.

## **Client Functions**

Show customers the organization values them and would like to offer them something. It could be a breakfast session, an evening of drinks and nibbles.

## **Product and Service Launches**

Provide a perfect opportunity to market not only the new product/ service but all the organization's products and services. It can vary from an elaborate launch with invited celebrities and media coverage to a less formal gathering of existing and potential clients.

Advertisements Can be effective, but expensive. Costs vary according to the medium and level of exposure. Can include:

- ✓ Radio programs
- ✓ Local, state or national newspapers
- ✓ Newspaper supplements e.g. education news, epicure
- ✓ Trade journals or magazines

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## ✓ Industry newsletters

**Mail-outs** Posting information to customers is a cost and time efficient way of informing people about your organizations and products and services. A large audience can be contacted by a promotional letter, a brochure, an order form or an information flyer.

**Website** Many organizations use websites to promote their existing products and services, activities and future developments. P rice lists, product descriptions, provide opportunities for customer comment, suggestions and ideas. A web page is a great way to promote your organization internationally. The organization's website address should always be promoted- on business cards, brochures, vehicles etc.

**Trade Fairs** These events attract a large audience of interested people and provide an opportunity to display products and services to an audience who may not have heard of the organization previously.

**Promotional material** commonly produced materials include: Flyers, Brochures, Order forms, Promotional letters, Catalogues, Newsletters, Presentation packs. Product and services should be matched with the relevant promotional material.

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Self-Check – 1	Written test		
Name		ID	. Date

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

## **Test I: Short Answer Questions**

- 1. What is Client Functions?(2points)
- 2. Write the uses of Media Announcements? (3 points)
- 3. Write the commonly used promotional material (3 points)

*Note:* Satisfactory rating – 15 points Unsatisfactory - below 15 points

You can ask you teacher for the copy of the correct answers.

<b>Answer S</b>	heet
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Score =	
Rating:	

Name: \_\_\_\_\_

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## Information Sheet 2- Outlining the promotional plan

# 2.1 Introduction

## **Objective Setting**

- Stimulating demand and enhancing company image
- The sequential short-term, intermediate, and long-term promotion goals for a firm to pursue.
- Primary demand is an objective when seeking consumer interest for a product category.
- Selective demand is a later objective that seeks consumer interest for a particular brand of a product.

# Use Objective & Task

- Under the objective-and-task method, a firm sets promotion goals, determines the activities needed to satisfy them, and then establishes the proper budget. Most large companies use some form of objective-and-task technique.
- During promotional budgeting, a firm should keep the concept of the marginal return in mind. This is the amount of sale each increment of promotion spending will generate. It is usually highest for new products.

Planning, managing and blending the communication selecting media Media are selected on the basis of these criteria:

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- ✓ Advertising media costs.
- ✓ Reach
- ✓ Frequency.
- ✓ Gross Rating Points
- ✓ Waste
- ✓ Message permanence.
- ✓ Persuasive impact
- ✓ Clutter
- ✓ Lead time
- ✓ Advertising media costs
- ✓ Outlays for media time and space.
- ✓ Total costs are computed first.

Per-reader or viewer costs are computed second.

- ✓ Reach—the number of viewers, readers, or listeners in an audience.
  - For TV and radio, reach is the total number of people who are exposed to an ad.
  - For print media, reach has two components: circulation (the number of copies sold or distributed) and pass along rate (the number of times each copy is read by another reader).
- ✓ Waste—the part of an audience not in a firm's target market.
- ✓ Narrowcasting, which presents messages to limited and well-defined audiences, can reduce audience waste.
- ✓ Frequency—how often a medium can be used.







- ✓ Repetition, repetition, repetition
- Message permanence—the number of exposures one ad generates and how long it remains available to the audience.
- ✓ Persuasive impact—the ability of a medium to stimulate consumers
- ✓ Clutter—the number of ads found in a single program, issue, etc. of a medium.
- ✓ Lead time—the period required by a medium for placing an ad.
- ✓ In recent years, there have been many media innovations, such as online computer services, regional editions, special one-sponsor issues, specialized Yellow Pages, TV ads in supermarkets, infomercials, etc.
- ✓ A budget delineates expenditures by explicit tool and medium
  - Considerations in budgeting may include alternative media costs, the number of placements needed, cost increases of media, the status of the economy, channel member tasks, production costs, and budget allocation for domestic versus international ads





Self-Check – 2	Written test

Name...... Date......

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

# **Test I: Short Answer Questions**

- 1. What is promotional planning? (3 points)
- 2. Why objective setting is necessary during promotional planning. (3 points)
- 3. Write the criteria used for Media selection (4 points)

Note: Satisfactory rating - 10 pointsUnsatisfactory - below 10 pointsYou can ask you teacher for the copy of the correct answers.

**Answer Sheet** 

Score = \_\_\_\_\_ Rating: \_\_\_\_\_

Name: \_\_\_\_\_

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## **Information Sheet 3- Taking strategies**

## 3.1 strategy feedback

Organizations with effective succession planning efforts have many common characteristics. One of those characteristics is the use of a variety of strategies that help build the continuity of talent needed for future success. These strategies fit into four categories, including: feedback.

- Development and Learning strategies that promote the development of competencies, the exposure to more complex and challenging experiences, and the broadening of horizons outside the immediate organization.
- Feedback strategies that facilitate self-examination and assessment and promote continuous growth through ongoing feedback and exposure to role models.
- Retention strategies that enhance workforce motivation, commitment, and performance around mission accomplishment.
- Recruitment strategies that strengthen the ability of the organization to acquire the best-qualified leadership talent

## . Feedback strategies that promote effective succession planning include:

- > 360° (multi-rater) assessments
- Senior coaches
- Mentors outside the person's organization unit
- A performance management system that provides ongoing feedback and appraisal for growth.

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Self-Check – 3 Written test			
Name		ID	Date

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

## **Test I: Short Answer Questions**

- 1. Define the following terms(6 points)
  - a) Feedback strategies
  - b) Retention strategies
  - c) Recruitment strategies
- 2. Write the Feedback strategies that promote effective succession planning (4 points)

<i>Note:</i> Satisfactory rating – 10 points	Unsatisfactory - below 10 points
Note. Outistactory rating – to points	

You can ask you teacher for the copy of the correct answers.

Answei Sheel	Answer	Sheet
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Score =
Rating:

Name: \_\_\_\_\_

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## Information Sheet 4- Establishing Marketing objectives

**Marketing objectives:** After formulating marketing strategic planning and before setting marketing objectives, what are the standards for a proper objective?

There is a hierarchy of objectives in an organization, with corporate objectives defining the directions and goals for the organization as a whole. Corporate objectives may take many forms, but irrespective of their nature, it is the case that, from them, appropriate corporate strategies are identified and selected as the means of their achievement. These corporate strategies are then passed down the hierarchy of command and communicated to the functional levels. Accepting the fact that the corporate level has decreed what must be done, it is then up to the functional levels to translate the corporate strategies into workable functional objectives. For obvious reasons, we are only dealing with the marketing function from this point on in the course, but please remember that the marketing function is part of the organizational network and, as such, are irreversibly linked with all other functions.

# Nature and Purpose of Marketing Objectives

- The main purpose of marketing objectives is to achieve the corporate objective(s)
- Over and above that prime function, marketing objectives should give direction to the personnel immediately involved, and send signals to the rest of the organization as to what is being aimed for.
- If people have no sense of direction or do not understand the targets which have been set, they will never co-operate to the best of their ability.
  - ✓ Following on from that, if a marketing objective is not clearly defined it will be impossible to formulate effective strategies and the whole planning process will be invalidated almost immediately.
- Note that marketing objectives, in exactly the same way as corporate objectives, can be expressed in either qualitative or quantitative terms – for example:

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- ✓ "To increase market share by 5% each year for the next five years." "
- ✓ To be recognized as the leading supplier of pre-packed meals to the airline industry the end of 2001."
- ✓ To achieve recognition as the leading company for customer service and technical support by the end of 2003.

Gilligan (1992) presents two published viewpoints of researchers who have identified possible marketing objectives:

McKay (1972) – who suggested that there were only three possible marketing objectives:

- $\checkmark$  To enlarge the market)
- ✓ To increase market share
- $\checkmark$  To improve profitability.

□ Gultinan and Paul (1988) – who argued that six objectives should be given consideration,

- ✓ Market share growth
- ✓ Market share maintenance
- ✓ Cash flow maximization
- ✓ Sustaining profitability
- ✓ Harvesting
- ✓ Establishing an initial market position

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Self-Check – 4	Written test

Name...... Date......

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

## Test I: Short Answer Questions

- 1. What are the standards for a proper objective of marketing? (3 points)
- 2. What is main purpose of marketing objectives (3 points)
- 3. Write Nature and Purpose of Marketing Objectives (4 points)

*Note:* Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

**Answer Sheet** 

Score =	
Rating:	

Name: \_\_\_\_\_

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# LG #77

# LO #4- Organize implementation

## Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Establishing criteria to measure impact and success of promotional activities.
- Making Adjustments to the promotional strategy product distribution
- Defining and establishing required distribution channels
- Distributing product documentation

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Establishing criteria to measure impact and success of promotional activities.
- Making Adjustments to the promotional strategy product distribution
- Defining and establishing required distribution channels
- Distributing product documentation

## Learning Instructions:

- 1. Read the specific objectives of this Learning Guide.
- 2. Follow the instructions described below.
- **3.** Read the information written in the "Information Sheets". Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
- **4.** Accomplish the "Self-checks" which are placed following all information sheets.
- **5.** Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).

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# Information Sheet 1- Establishing criteria to measure impact and success of promotional activities.

**Promotional activities** include sales promotion, merchandising, personal selling, exhibitions, advertising and public relations. Target audiences (or target groups) are the subgroups of the population that are the focus of a promotional activity

# 1.1 Establishing criteria for promotional activities

# Evaluating... Success or Failure

Communication (Promotional) success or failure depends on how well the company achieves promotion objectives, which may range from creating awareness to expanding sales.

- Devoting Birr to consumer or trade promotions can be an effective way to boost business activity. But in planning your promotions,
  - ✓ It's important to understand the insights that make the difference between profitable promotions and those that fall flat of expectations.
  - ✓ Analytic Partners will assess your promotion activities and help you adjust your promotion strategies to ensure that you deliver sales and profits.
- closely examining your promotion activities, such as
  - ✓ coupons,
  - ✓ special packs,
  - ✓ discounted prices,
  - ✓ sampling, buy-one-get-one,
  - ✓ special displays, feature ads, ,
  - ✓ special packaging, and
  - ✓ Event or sponsor-driven promotions to determine the impact of these activities on sales and profits.
  - ✓ With these facts clearly understood, you'll have the insights to improve your promotion plans for increases in revenues and profit, market impact and enhanced marketing crops.

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Self-Check – 1	Written test		
Name		ID	. Date

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

# **Test I: Short Answer Questions**

- 1) Define Promotional activities (5 points)
- 2) Write some of the criteria used for promotional activities?(2points)
- 3) Write the examples of promotion activities? (3 points)

*Note:* Satisfactory rating – 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer \$	Sheet
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Score =	
Rating:	

Name: \_\_\_\_\_

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# Information Sheet 2- Making Adjustments to the promotional strategy product distribution

# 2.1 Major marketing problems of horticultural crops

**a. Lack of organization:** Absence of collective organization is one of the major factors influencing farmers to loss their bargaining power in the market.

**b.** Forced village sale: Farmers generally sell their produce in villages or in the nearby small town, at unfavorable place and time, and get the lowest price.

**c.** Excessive middlemen: Ethiopian agricultural marketing is characterized by the existence of excessive middlemen or intermediaries between the producers and consumers.

**d. Inadequate storage facilities**: The storage facilities available to the farmers are deplorably low. This problem is more important to horticultural crops due to the crops' perishability. Unless farmers have adequate storage facility then they will be forced to sell their product immediately after harvest at the price available.

## e. Lack of well-developed means of transportation

Under the current condition, the existing poor road infrastructure and transportation means (trucks) are the main factors hampering the marketing of crops especially for small-scale farmers. Only some commercial farms and marketing agents (e.g. ETFRUIT) do have their own means of transportation with required cooling system.

**f.** Absence of grading and standardization: Another important defect in our agricultural marketing system is that the agricultural products are not standardized and graded. Lack of grading and standardization causes difficulty in price setting letting farmers to be cheated easily.

## g. Lack of market information

If at all, the farmers are to get better price in the market, they have to know the prevailing prices. Unfortunately, farmers have no contact with the outside world. They

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depend on the hearsay reports, of village's petty merchants who are least interested in supplying correct information. Even if the information is available by hard efforts, it is unreliable.

# 2.2 Strategies to improve the marketing system of horticultural crops

## Establishment of Market information system

The experience from some countries about the role MIS for vegetables shows that provision of reliable market information helps farmers to plan production activities and also to make decision on when, where and at what price to sell their produce, which has dramatically increased the welfare of vegetable producers and also traders. Thus, it is important that system be established to generate process and disseminate reliable market information to all market participants.

## i. Establishment of regulated markets

Regulated market is a wholesale market where the buying and selling of agricultural products are regulated and controlled by the state through a "market committee". It is a market where the

- Activities are to take place under set rules and regulations and the malpractice like incorrect weightment, unnecessary deductions are curbed.
- The main objectives of establishing regulated markets have to be, first to safeguard the interests of both farmers and traders, second to create conditions of fair competition.
- The major benefits from regulated markets are reduction in village sale, fair price, correct weightment, and better marketing facilities and services

## ii. Establishment and development of co-operative marketing

Co-operative marketing is co-operative venture or an association designed to perform one or more marketing functions, relating to the agricultural produce of its members. It confines itself with the selling functions related with the marketing of produce. Such as, acting as selling agent, supply market information, standardization, storage, assembling, processing

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Self-Check – 2	Written test		
Name		ID	Date

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

# Test I: Short Answer Questions

- 1. Discuss major marketing problems and their solution in agricultural crops (5 points)
- 2. Write the Strategies to improve the marketing system of horticultural crops (5 points)

*Note:* Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score =	
Rating:	

Name: \_\_\_\_\_

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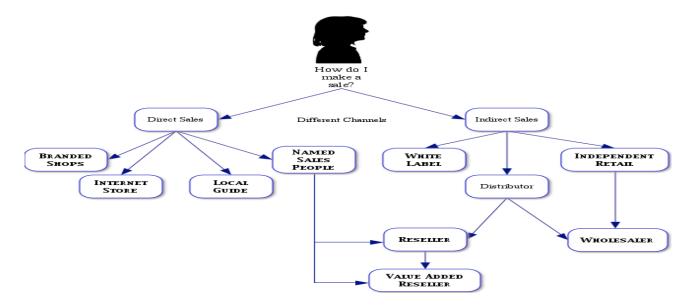
## Information Sheet 3- Defining and establishing required distribution channels

Distribution channels move products and services from businesses to consumers and to other businesses. Also known as marketing channels, channels of distribution consist of a set of interdependent organization such as wholesalers, retailers, and sales agents involved in making a product or service available for use or consumption. Distribution channels are just one component of the overall concept of distribution networks, which are the real, tangible systems of interconnected sources and destinations through which products pass on their way to final consumers.

Distribution of products takes place by means of channels. Channels are sets of independent organizations (called intermediaries) involved in making the product available for consumption.

Merchants are intermediaries that buy and resell products. Agents and brokers are intermediaries that act on behalf of the producer but do not take title to the products.

An **intermediary** (or **go-between**) is a third party that offers *intermediation* services between two trading parties.



## Fig 3.1 different distribution channels

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Marketing channels often vary according to the type of produce. Marketing, both for fresh produce and for semi-perishable produce, such as grains, lentils and onions, is normally through markets. These can either be formal markets, set up by central or local government, or informal markets, where trade has spontaneously developed. The main types of markets are described below.

# Rural primary markets

In rural markets, trade is characterized by direct sales of small quantities of produce by producers to village traders and by retail sales to rural consumers. The rural markets normally form part of a local trade network and are usually arranged on a periodic basis, on specific weekdays. They are commonly organized at a central place in a village or district centre or beside a village's access road. In some instances, provincial and Rural–urban marketing, district-level markets also serve this function, as well as providing an assembly function (by combining produce in larger quantities for onward sale to outside buyers).

## Assembly markets

Larger rural markets occur where greater quantities of produce are traded, either by the producers themselves or by traders. These "assembly" markets, which are often combined with local rural or town markets, are normally situated on main highways, near to local transport interchange points. Traders, collectors and commission agents, acting on behalf of urban wholesalers are the main buyers of produce at these markets.

## Wholesale markets

Terminal wholesale and semi-wholesale markets are located within or near to major cities. These centers may be supplied by purchasing/assembly canters in the rural areas or directly from farms, particularly those in peri-urban areas. The supply is either from agents, traders or by the farmers themselves. Within wholesale markets, traders often handle the transactions and only larger producers deliver their own produce. Thus, the produce after its arrival in an urban area often passes through a number of intermediaries, including retailers (see below) before it reaches consumers.

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## **Retail markets**

These are markets directly serving consumers. Although primarily retail, they may have a semi-wholesale function, particularly if they allow farmers to trade in them. In that case, they are often called farmers' markets.

# Other types of retail outlets

In many countries small retail shops, often termed "corner" shops and roadside stands provide produce close to consumers' homes. Alternatively, with very low-density urban areas mobile shops or stalls may supply consumers. These retailers usually purchase their produce from wholesale markets, although in some cities there are many small hawkers, operating from bicycles or small carts, which provide retailers with small quantities of produce or sell directly to consumers.

# Supermarkets

The rapid growth of supermarkets in developing countries is having a significant impact on shopping habits. However, the degree to which supermarkets have had any major effect on the marketing of fruits and vegetables, or on fresh meat, varies significantly.

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Self-Check – 3	Written test

Name...... ID...... Date......

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

## Test I: Short Answer Questions

- 1. Define and discuss distribution channels (5 points)
- 2. Write types of distribution channels (5 points)

*Note:* Satisfactory rating – 7 points Unsatisfactory - below 7 points

You can ask you teacher for the copy of the correct answers.

Score = _	
Rating: _	

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## Information Sheet 4- Distributing product documentation

- Today, the smartest apps and campaigns dominate headlines and boardrooms. Meanwhile, documentation has become marketing's secret weapon.
- Documentation is the language that accompanies a product, often outlining its development, design, technical language and marketing strategy in clear, definitive terms.
- > Ultimately, good documentation won't comprise a cost, but rather, a profit.
- Documentation can indicate how to evolve products and spark cross-functional communication. It can reveal holes in the sales funnel that otherwise would have eluded you.
- In marketing terms, documentation can put you into contact with prospective investors and customers alike.
- And while much of marketing can be asynchronous and speculative, documentation remains reliable and predictable.
- For many applications it is necessary to have some promotional materials to encourage casual observers to spend more time learning about the product.
  - ✓ This form of documentation has three purposes:-
  - 1. To excite the potential user about the product and instill in them a desire for becoming more involved with it.
  - 2. To inform them about what exactly the product does, so that their expectations are in line with what they will be receiving.
  - 3. To explain the position of this product with respect to other alternatives.
- One good marketing technique is to provide clear and memorable *catch phrases* that exemplify the point we wish to convey, and also emphasize the interoperability of the program with anything else provided by the manufacturer.

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Self-Check – 4	Written test

Name...... ID...... Date......

**Directions:** Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

## Test I: Short Answer Questions

- 1. write the importance Distributing product documentation (3 points)
- 2. write who is responsible for Distributing product documentation (2 points)

*Note:* Satisfactory rating - 5 points Unsatisfactory - below 5 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score =	
Rating:	

Name: \_\_\_\_\_

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## WEB ADDRESSES

- 1. https://link.springer.com/article/10.1007/BF02299069
- **2.** https://www.meda.org/attsve-publications/863-business-entrepreneurshipand-value-chain-development-in-ethiopian-culture/file
- 3. Horticultural Marketing in Ethiopia. http://etd.aau.edu.et/bitstream/handle/123456789/13206/Alazar%20Ahmed.p df?sequence=1&isAllowed=y
- Constraints and Opportunities of Horticulture Production and Marketing in Eastern Ethiopia. https://www.utviklingsfondet.no/dcg/assets/documents/Report-46-Horticulture.pdf
- 5. Horticultural marketing http://www.fao.org/3/a-a0185e.pdf

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#### AKNOWLEDGEMENT

We wish to extend thanks and appreciation to the many representatives of TVET instructors and respective industry experts who donated their time and expertise to the development of this Teaching, Training and Learning Materials (TTLM).

We would like also to express our appreciation to the TVET instructors and respective industry experts of Regional TVET bureau, TVET College/ Institutes, **Green flower foundation** Federal Technical and Vocational Education and Training Agency (FTVET) who made the development of this Teaching, Training and Learning Materials (TTLM) with required standards and quality possible. This Teaching, Training and Learning Materials (TTLM) Materials (TTLM) was developed on December 2020.

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# The trainers who developed the learning guide

No.	Full name	TVET	Level of education	A/ background	Email	Mobile
1.	Misgana Belay	Nedjo	MSc	Agronomy	Misbel2020@gmai I.com	0911983854
2.	Leta Abebe	Waliso PC	BSc	Plant science	Letaabeba361@g mail.com	0922768274
3.	Deribew Gonfa	Fitche PTC	MSc	Plant Science	gonfad24@gmail.c om	0912774688
4.	Chimdessa Wakuma	Bako	MSc	Horticulture	wakumachimdess a@gmail.com	0911359086
5.	Alemayehu Tesfaye	Nedjo	MSc	Plant science	alemayehutesfaye m@gmail.com	0913214980
6.	Getenesh Belay	Holeta	MSc	Horticulture	Nebzek2@gmail.c om	0911449053
7.	Tamirat Tirfesa	Bako	BSc	Plant science	tirfessatamiru@gm ail.com	0926811647
8.	Tesfaye Tekola	Assosa	MSc	Agronomy	tttekola@gmail.co m	0910550651
9.	Moti Taye	Bako ATVEVT	MSc	Plant science	Tayemoti12@gmai I.com	0912801540
10.	Adisu Shamble	Bako ATVET	BSc	Plant science	Adisushambel201 1@gmail.com	0920617572
11.	Hailu Dereje	Bishoftu PC	BSc	Plant scicne		
12.	Mamo Abdi	OTVETB	MSc	Environmental and sustainable development	Mamoab57@gmail .com	0917812505

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