

Inter-American Program for the Promotion of Trade,
Agribusiness and Food Safety

Marketing Plan for Value Added Products

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Inter-American Institute for Cooperation on Agriculture



The secret of your success

- Success in marketing comes from knowing who your customers are and being able to fulfill their needs.



Targeting the Market

1. Define the target market and
2. Develop a market strategy

1. Define the Target Market

Market segmentation – dividing the market into distinct groups requiring different products and/or a different strategies

Consumer markets	Individuals with different desires, purchasing power, geographical locations and buying practices
Industrial markets	Manufactures, service firms (hotels), transportation companies, resellers (wholesalers and retailers)
Government markets	Agriculture, Health

Segmenting Consumer Markets

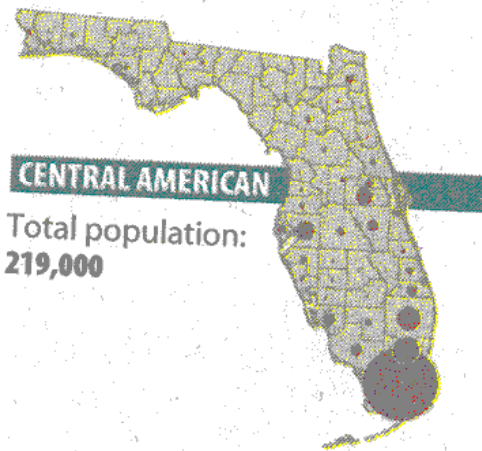
- Segments are identified by applying successive variables to subdivide a market.

Geographic Segmentation <ul style="list-style-type: none">• Country• State• County• City	Demographic Segmentation <ul style="list-style-type: none">• Age• Sex• Family size• Education• Ethnicity• Nationality
Psychographic Segmentation <ul style="list-style-type: none">• Social Class• Lifestyle• Personality	Behavioral Segmentation <ul style="list-style-type: none">• Occasions• Benefits• User status• Usage rate

Segmenting the Florida Market



- Food Products Segmentation:
- Geographic
 - Demographic



2. Market Strategy

2.1 Defining the Market Objectives

- These should be quantifiable and measurable in a time frame, such as.

US\$ “X” sales in “Y” by the year “Z”.

- It is recommended to state goals in terms of five-year forecasts and projection.
- For each year the forecast should include sales in value and volume.

Market Strategy

Example of Market Objectives

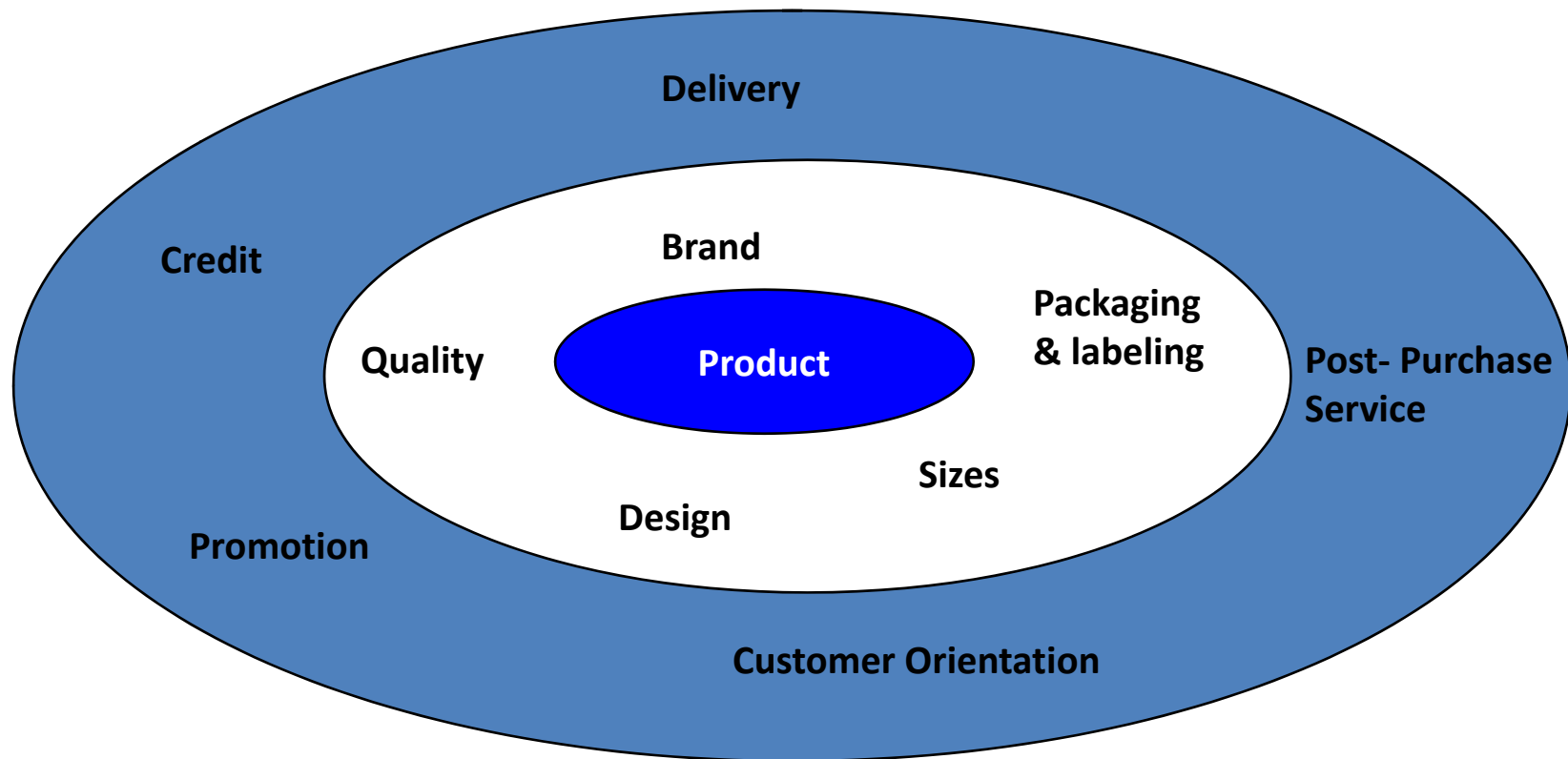
Sales Goals					
	Year 1	Year 2	Year 3	Year 4	Year5
Pounds of Fruit Pulp	20.000	30.000	40.000	60.000	80.000
Pounds of Frozen Fruit	30.000	45.000	55.000	70.000	85.000
Fruit pulp Sales (US\$)	23.000	34.500	48.000	75.000	104.000
Frozen Fruit Sales (US\$)	27.000	42.750	54.000	73.500	93.500
% Sales from Food Service	80	75	70	60	50
% Sales from Retail	20	25	30	40	50

Market Strategy

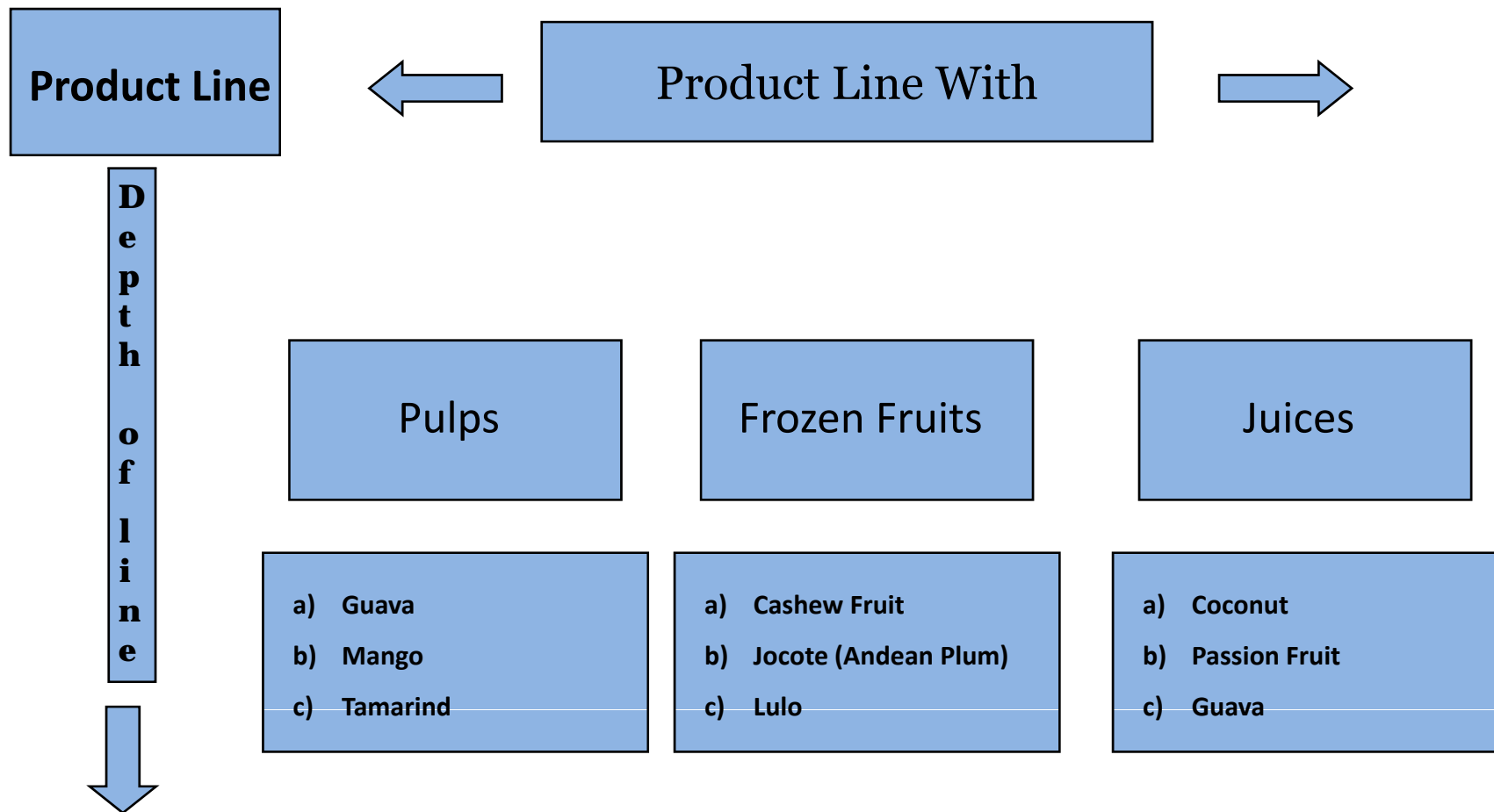
2.2 Defining the Marketing Mix

- Marketing Mix is the set of tools that a company uses to pursue its objectives in the target market.
- The four basic elements are:
 - Product
 - Price
 - Place (Distribution)
 - Promotion

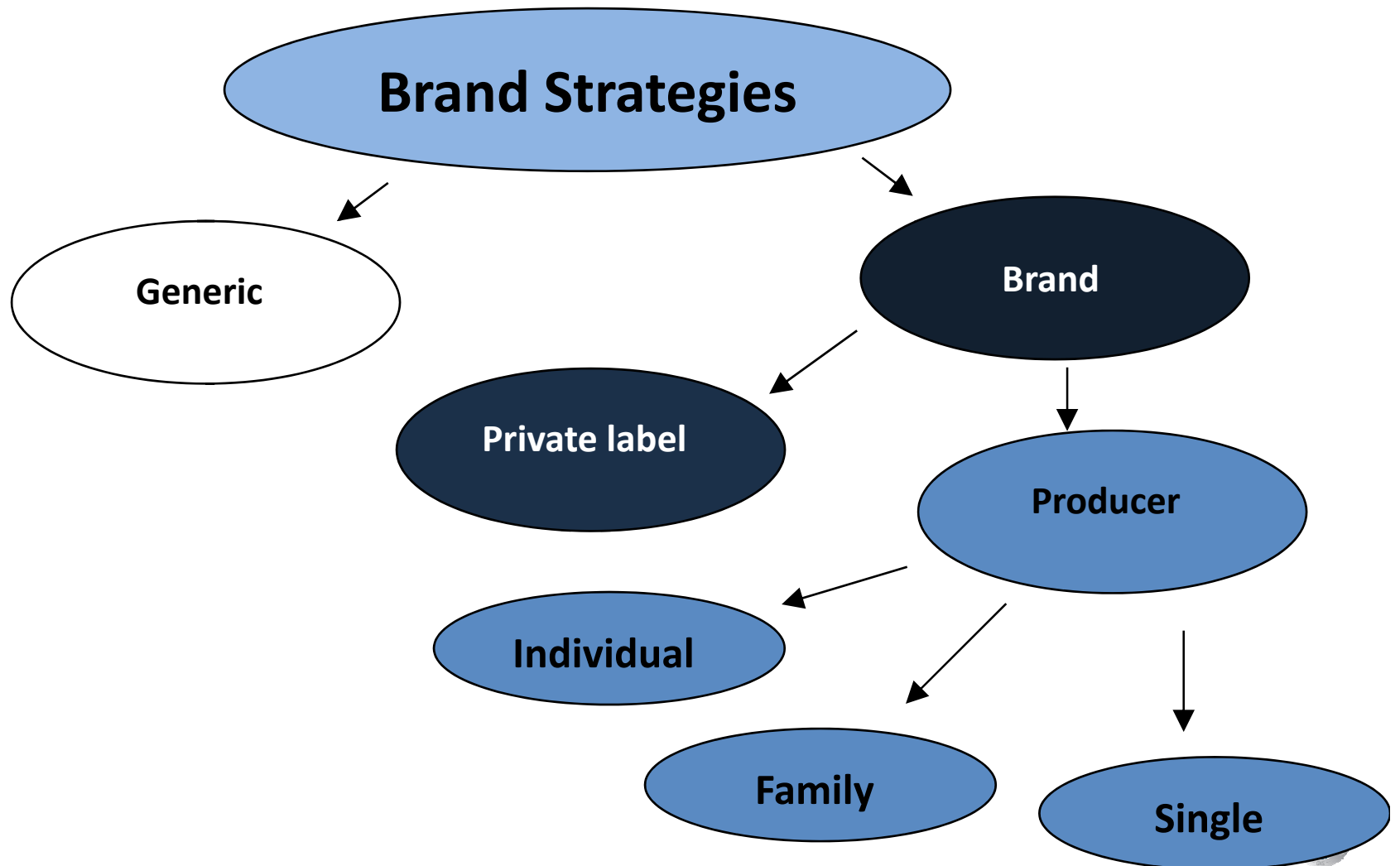
Marketing Mix - Product



Marketing Mix - Product



Marketing Mix - Product



Marketing Mix - Product




14oz BAG



3.17oz SINGLE PORTION



75oz JAR

Dist By:

Intermark Foods

Doral, FL 33178.
PH: 305.718.8754

-Description:
Fruit Pulp

-Flavors:
Mango, Passion Fruit, Guava, Papaya, Pineapple, Tropical Berry, Sour'sop, Tamarind, Tangerine, Lulo, Sweet Passion Fruit, Orchata

-Shelf Live:
2 Years (Frozen)

-Pack:	Case size	Case Gross Wt.	Cases x Pallet	Pallet Gross Wt.
- 14oz/12 Bag :	7'L x 7'W x 10.5'H	11 Lbs	136 (L4 x 34)	1,541 Lbs
- 14oz/24 Bag:	15.75'L x 6'W x 8'H	21.5 Lbs	88 (L4 x 17)	1,507 Lbs
- Single Portion:	12'L x 11'W x 10'H	16.3 Lbs	84 (L4 x 21)	1,414.2 Lbs
- 75oz Jar:	15.75'L x 5'W x 10.5'H	28 Lbs	48 (L4 x 12)	1,389 Lbs

Part Number	UPC Code	Pack Size	El Latino Pulpas en tableta de 14 oz
PULP-B-LULO-12	83391100334 7	12/14oz	El Latino Lulo Pulp
PULP-B-MORA-12	83391100335 4	12/14oz	El Latino Mora/Tropical Berry Pulp
PULP-B-CURU-12	83391100339 2	12/14oz	El Latino Curuba/Sweet Passion Fruit Pulp
PULP-B-TOMA-12	83391100340 8	12/14oz	El Latino Tomate de Arbol/Tamarillo(Wintree) Pulp
PULP-B-MARA-12	83391100333 0	12/14oz	El Latino Maracuya/ Passion Fruit Pulp
PULP-B-GUAY-12	83391100331 6	12/14oz	El Latino Guayaba/ Guava Pulp
PULP-B-PAPA-12	83391100341 5	12/14oz	El Latino Papaya Pulp
PULP-B-MANG-12	83391100330 9	12/14oz	El Latino Mango Pulp
PULP-B-PINA-12	83391100338 5	12/14oz	El Latino Piña/Pineapple Pulp
PULP-B-GUAN-12	83391100332 3	12/14oz	El Latino Guanabana/Soursop Pulp
PULP-B-TAMA-12	83391100337 8	12/14oz	El Latino Tamarindo/Tamarind Pulp
PULP-B-MAND-12	83391100336 1	12/14oz	El Latino Mandarina/Tangerine Pulp
PULP-B-LULO	83391100334 7	24/14oz	El Latino Lulo Pulp
PULP-B-MORA	83391100335 4	24/14oz	El Latino Mora/Tropical Berry Pulp
PULP-B-CURU	83391100339 2	24/14oz	El Latino Curuba/Sweet Passion Fruit Pulp
PULP-B-TOMA	83391100340 8	24/14oz	El Latino Tomate de Arbol/Tamarillo(Wintree) Pulp
PULP-B-MARA	83391100333 0	24/14oz	El Latino Maracuya/ Passion Fruit Pulp
PULP-B-GUAY	83391100331 6	24/14oz	El Latino Guayaba/ Guava Pulp
PULP-B-PAPA	83391100341 5	24/14oz	El Latino Papaya Pulp
PULP-B-MANG	83391100330 9	24/14oz	El Latino Mango Pulp
PULP-B-PINA	83391100338 5	24/14oz	El Latino Piña/Pineapple Pulp
PULP-B-GUAN	83391100332 3	24/14oz	El Latino Guanabana/Soursop Pulp
PULP-B-TAMA	83391100337 8	24/14oz	El Latino Tamarindo/Tamarind Pulp
PULP-B-MAND	83391100336 1	24/14oz	El Latino Mandarina/Tangerine Pulp

Part Number	UPC Code	Pack Size	El latino Pulpas en Cojin es de 90 gramos
PULP-C-LULO	83391100359	8/10/3.17oz	El Latino Lulo Cojines
PULP-C-MORA	83391100360	8/10/3.17oz	El Latino Mora/ Tropical Berry Cojines
PULP-C-MARA	83391100358	8/10/3.17oz	El Latino Maracuya (Passion Fruit) Cojines
PULP-C-GUAY	83391100356	8/10/3.17oz	El Latino Guayaba Cojines
PULP-C-PAPA	83391100364	8/10/3.17oz	El Latino Papaya cojines
PULP-C-PINA	83391100363	8/10/3.17oz	El Latino Piña/ Pineapple Cojines
PULP-C-TOMA	83391100367	8/10/3.17oz	El Latino Tomate de Arbol (Wintree)
PULP-C-GUAN	83391100357	8/10/3.17oz	El Latino Guanabana/ Soursop Cojines
PULP-C-MIX	83391100366	8/10/3.17oz	El Latino Mixto
PULP-C-MANG	83391100355	8/10/3.17oz	El Latino Mango Cojines
PULP-C-MAND	83391100361	8/10/3.17oz	El Latino Mandarina Cojines

Part Number	UPC Code	Pack Size	El latino Pulpas en Garrafas de 75 oz
PULP-G-MARA	83391100373	6/75oz	El Latino Maracuya (Passion Fruit) Jar/Garrafa
PULP-G-LULO	83391100374	6/75oz	El Latino Lulo pulp Jar/Garrafa
PULP-G-PINA	83391100378	6/75oz	El Latino Pineapple/Piña Jar/Garrafa
PULP-G-MORA	83391100375	6/75oz	El Latino Tropical Berry/Mora Jar/Garrafa
PULP-G-GUAN	83391100372	6/75oz	El Latino Soursop/Guanabana Jar/Garrafa
PULP-G-MANG	83391100370	6/75oz	El Latino Mango Pulp Jar/Garrafa
PULP-G-PAPA	83391100379	6/75oz	El Latino Papaya Pulp Jar/Garrafa
PULP-G-MAND	83391100376	6/75oz	El Latino Tangerine/Mandarina Jar/Garrafa
PULP-G-GUAY	83391100371	6/75oz	El Latino Guava/Guayaba Jar/Garrafa
PULP-G-TAMA	83391100377	6/75oz	El Latino Tamarind/Tamarindo Jar/Garrafa
PULP-G-CURU	83391100380	6/75oz	El Latino Curuba (Sweet Passion) Jar/Garrafa
ORCHATA		6/75oz	El Latino Orchata Jar/Garrafa

Brand: El Latino

Description: 100% fruit pulps

Flavors: Mango, Passion Fruit, Guava, Papaya, Pineapple, Tropical Berry, Tamarind, Tangerine,

Shelf Live: 2 years Frozen

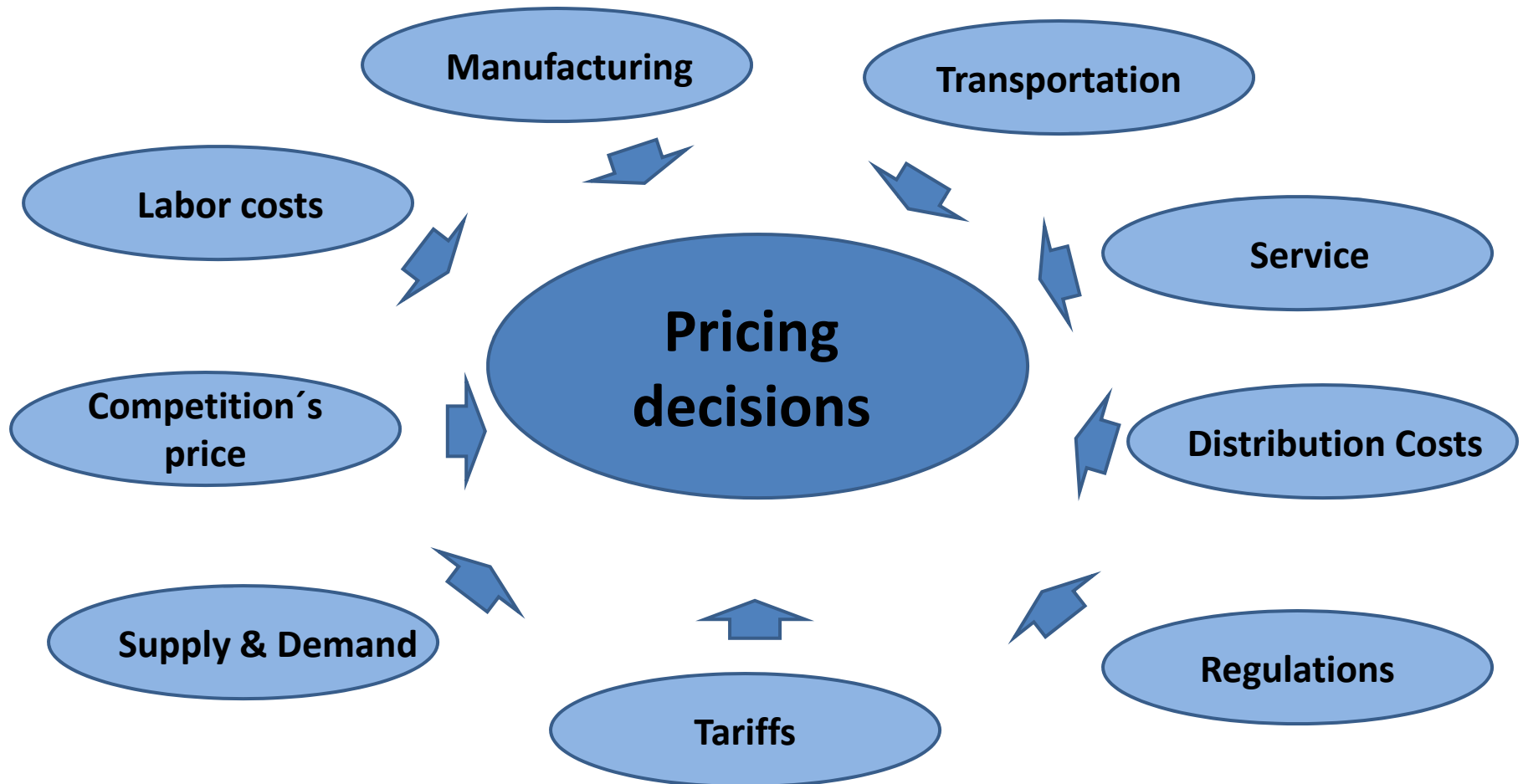
Pack: 14oz/12 Bags, 14oz/24 Bags Single Portions , 75oz Jar

Case size, Case gross wt, cases x pallet, and pallet gross wt.

For each flavor: part number, UPC Code, Pack Size,



Marketing Mix - Price



Marketing Mix - Price

Approaches for setting prices

- Marketing-based strategies
- Cost-based strategies
- *Stato Quo* strategy

Marketing Mix - Price

Marketing-based strategies

- Flexible pricing - identical products to different customers at different prices
- Static pricing - identical products to different customers at same prices
- Penetration prices - low prices to capture market share
- Price skimming – high prices for new and unique products

Marketing Mix - Price

Cost-based strategies

- Costs cost + markup- including the fixed and variable costs related to exporting

For exporting

- Variable cost + markup- companies with well established domestic market positions which generate revenues that cover their fixed costs

Marketing Mix - Price

Stato Quo strategy

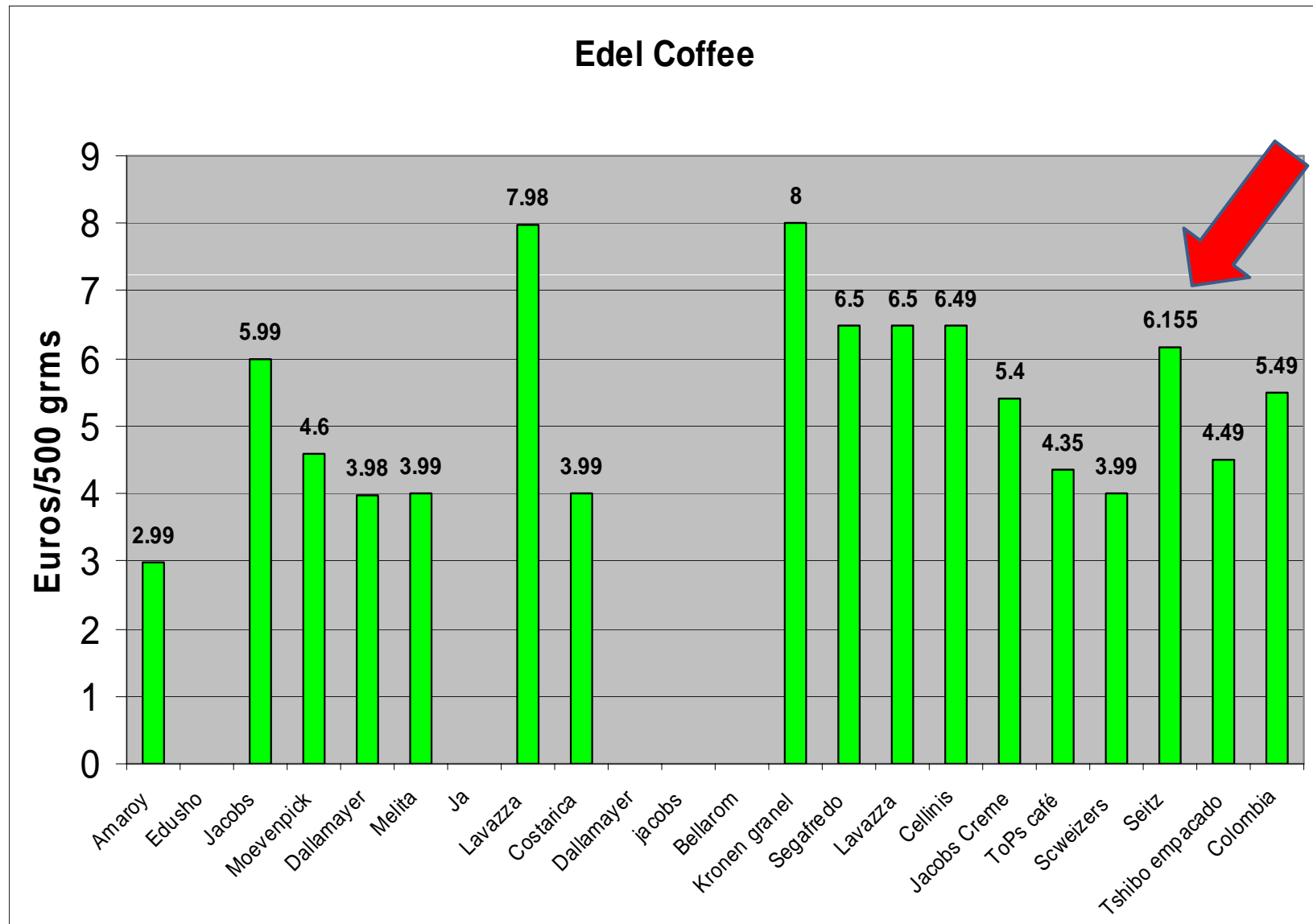
- This is the most common strategy, it consists in defining the prices of your product based on the competition and the positioning that the company wants in the target market.

Marketing Mix - Price

Guava Preserve		
Product	Retail Price	Price per oz
La Fe, 10 oz product form Ecuador	US\$ 1,19	US\$ 0,12
Goya,17 oz product form Brazil.	US\$ 1,89	US\$ 0,11
Conchita, 9,75 oz, product from Ecuador	US\$ 1,39	US\$ 0,14
Disfruta 16 oz, product from El Salvador	US\$ 7,28	US\$ 0,46



Marketing Mix - Price



Marketing Mix - Price

Other things to think about

- List Price
- Payment Period
- Credit terms
- Discounts
- Allowances

Marketing Mix – Place (Distribution)

- Distribution Channels
 - Food Channel Sub-sector
 - Processed products
- Marketing Entry Strategies
 - Intermediaries
 - Brokers
 - Distributors
 - Private label

Marketing Mix – Place (Distribution)

Distribution Channels

The path or route taken by goods as they move from producer to final consumer.

Marketing Mix - Place (Distribution)

Food Channel Sub-sectors - Retail

- Supermarket: Publix, Winn Dixie, Sedano's,
 - Superstore: Super Wal-Mart, Super Target
 - Wholesale club store: Sam's, Costco, BJ's
 - Convenience store: gas station
-
- *Independent: fewer than four retail stores*
 - *Chain: An operator of four or more retail stores*

Marketing Mix - Place (Distribution)

Food Channel Sub-sectors - Food Service

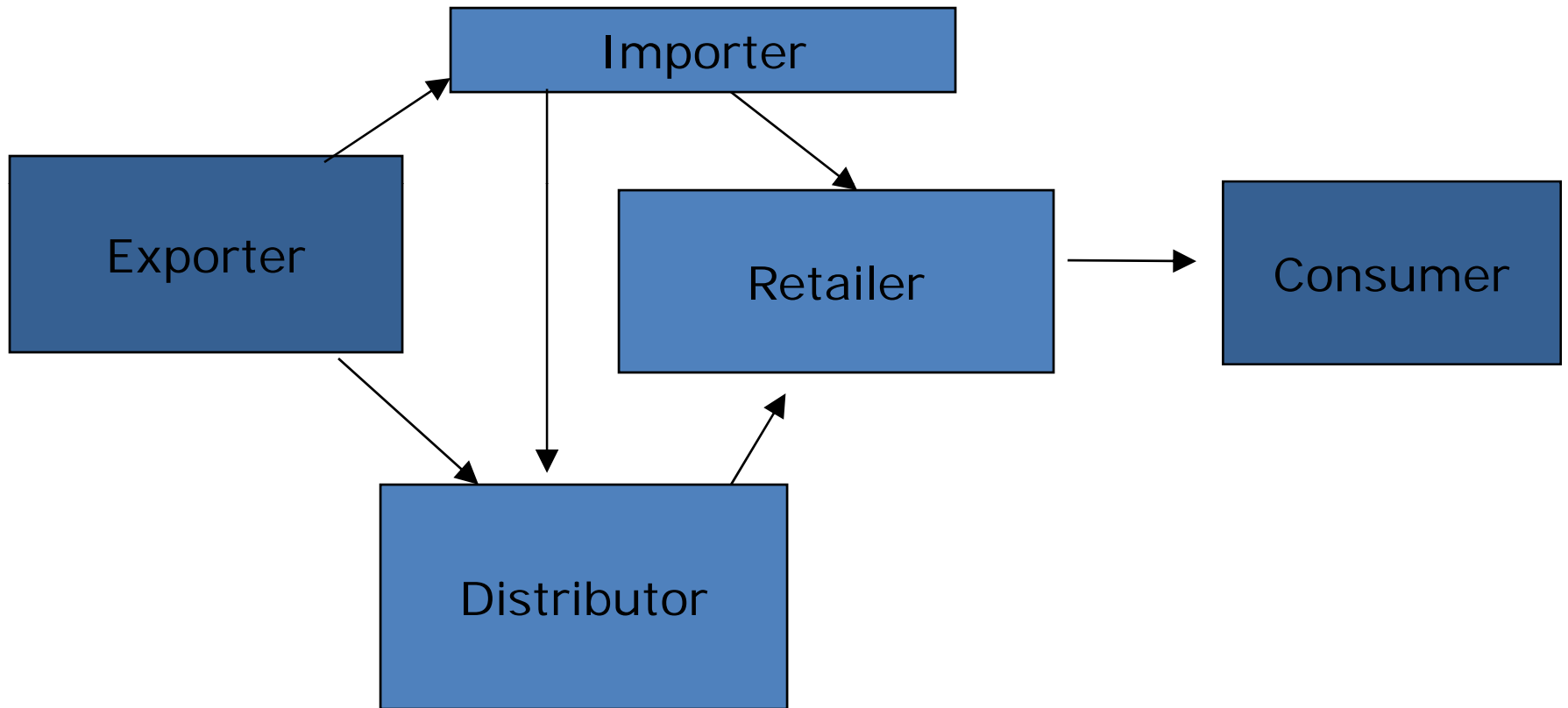
- *Restaurants*
- *Bars*
- *Catering services*

Marketing Mix - Place (Distribution)

Food Channel Sub-sectors – Institutional

- Healthcare: hospitals, retirement homes, long term care
- Education: schools, universities and colleges
- Military: armed forces
- Transportation: train, rails, cruises
- Correctionals
- Workplace: cafeterias, restaurants

Florida: Processed products distribution channels



Marketing Mix - Place (Distribution)

Marketing Entry Strategies – Intermediaries

- Buy the products in the facility
- Usually pay in cash
- Assume the risk of the marketing
- Pay lower prices to the producers

Marketing Mix - Place (Distribution)

Marketing Entry Strategies – Brokers

- Independent sales force
- Don't take title of the products
- Work on a commission basis
- Provide their services to a number of different producers
- Own the clients
- Has a small structure
- Don't assume the commercial risk
- No after-sales service
- Usually don't decide on the marketing
- Short term relations

Marketing Mix - Place (Distribution)

Marketing Entry Strategies – Distributors

- Take title of the products
- Resell the product for a profit
- Have a developed structure
- Assume the commercial risk
- Offer after-sales services and follow-up to customers
- Usually take part or define the marketing
- Long term relations

Marketing Mix - Place (Distribution)

Marketing Entry Strategies - Private Label

- A brand owned by a wholesaler, retailer or distributor.
- Store brands now account for one of every five items sold in U.S. supermarkets.
- In South Florida most of the distributors of ethnic products work with their own brands (Goya, El Sembrador, La Fe, Iberia, El Latino

Marketing Mix - Place (Distribution)

Marketing Entry Strategies - Private Label

Benefits for the producers:

- Economies of scale
- Minor investment in promotion or packing
- Market Information
- Most of the regulations are responsibility of the owner of the brand

Marketing Mix - Place (Distribution)

Marketing Entry strategies - Private Label

Risks for the producers:

- They can be easily replaced if another producer can offer better prices or better quality for the same price.

Marketing Mix - Place (Distribution)

Marketing Entry strategies - **Private label**



► Nectars & Juices

Kids and adults alike love the rich fruit taste of Goya's wide variety of 100% natural Nectars and Juices. Four of our most popular flavors are also available in an easy-to-grip carton.



► Tropical Fruit Beverages

Refresh yourself with the flavors of the tropics, Goya's Tropical Fruit Beverages come in 10 mouth-watering, exotic flavors, such as the ever-popular mango, papaya and passion fruit.



► Fruit Pulp

In several delicious tropical varieties like Passion Fruit, Papaya, Mango and Tamarind, these frozen fruit pulps are 100% natural, low in fat, high in Vitamin C, and cholesterol free. Used in smoothies and frozen desserts, Goya Fruit Pulp are the key ingredient in tropical treats. And now Fruit Pulp are available in convenient packages with four individually-wrapped, single-use servings.



► Caribbean

Enter the world of Goya and find a variety of Caribbean staple items, from zesty mojito to sweet guava paste.



► Mexican

Jalapeños, tortillas, salsa... Discover Goya's incredible selection of quality Mexican specialties.



► Central & South American

Savor the unique and fascinating flavors of Central & South America, right in your own home!



Marketing Mix – Place (Distribution)

Other things to think about

- Location
- Inventory
- Transport

Marketing Mix - Place (Distribution)



Marketing Mix - Promotion

Promotion Strategy

- Is the mix of promotional tools a company uses to reach their distribution channels and target customers.

Marketing Mix - Promotion

Promotional Tools

- Advertising - large number of potential customers, very expensive (TV, radio, newspapers, magazines).
- Personal Selling - face to face, long-term relationships (representatives), trained sales force.
- Sales Promotion - short run, coupons, contests, tastings
- Public Relations – build public awareness through non-commercial means, such as news or public campaigns

Marketing Mix - Promotion

Sales Promotion

- More accessible for small and medium sized companies
- Effective in the short term
- Get the attention of the potential customer
- Provide the customer with purchase incentives
- Can be developed for the consumers or for distributors (commercial)

Marketing Mix - Promotion

Commercial Sales Promotion

- Quantity Discounts
- Cash Discount
- Seasonal Discount
- Sales Contests
- Rewards
- Sampling
- Tasting

Promotional Strategy for Supermarkets in Miami

Item	Unitary Investment	Units	Investment
“Slotting fee” for 6 SKUS in 34 Points of sale	US\$ 2.700	6 flavors	US\$ 16.200
One box of product for each supermarket	US\$ 50	29 Points of sale	US\$ 1.450
Tasting. 4 times, 1 hour per day in the 29 supermarkets	US\$ 100	29 supermarkets, 4 times per stores 1hour	US\$ 11.600
TOTAL			US\$ 29.250

Promotional Strategy for Distributors in Miami

- **Stage 1: Distributor**
 - Negotiate the price
 - Offer a discount for the first order “introduction price”
 - Direct incentive for the seller (US\$ 5 per box).
- **Stage 2: Incentive for the retailer**
 - Tasting (US\$ 100 per hour + product)
 - Customer sales promotion (2 x 1, buy 1 and receive 50% on another one)
- **Stage 3: Second order**
 - Direct incentive for the seller (US\$ 3 per box)
 - Retailer: buy 10 boxes and receive 12.

Promotional Strategy for Supermarkets



Marketing Mix

Marketing tools used to pursue marketing objectives in the target market.



Source *Marketing Management*, Philip Kotler, p15

Marketing Budget

- Marketing tactics must be planned only if they can be funded and implemented.
- It can serve as a summary of the marketing activities.
- It can work as time line for implementation.

Marketing Budget

- Marketing budget includes the cost of the marketing activities, but also the market research.
- It should include the source of funds (borrowed, savings, percent of revenue)
- Marketing budgets are often set at 5 to 10 percent of the annual sales.

Evaluation and Follow-up

Type of Control	Prime Responsibility	Purpose of Control	Approaches
Annual plan control	Top management Middle management	To examine whether the results are being achieved	<ul style="list-style-type: none"> • Sales analysis • Market-share analysis • Sales-to-expense analysis • Financial analysis
Profitability control	Marketing controller	To examine where the company is making or losing money	Profitability by: <ul style="list-style-type: none"> • Territory • customer group, • Channel • Order size
Efficiency control	Line and staff management Marketing controller	To evaluate and improve the spending efficiency and impact of marketing expenditures	Efficiency of : <ul style="list-style-type: none"> • Sales force • Advertising • Promotion • Distribution
Strategic control	Top management Marketing auditor	To examine whether the company is pursuing its best opportunities with respect to markets, products, and channels	<ul style="list-style-type: none"> • Marketing effectiveness rating instrument • Marketing audit

Wrapping-up. Estructure of a Marketing Plan

Section	Description
Executive summary	Presents a brief overview of the plan.
Corporate mission statement	Defines the goals and objectives of the company in the target market.
Market analysis	Includes the market information gathered during the market research process
Market segmentation	Defining the target market
Market objectives (current and long-term)	Sales volumes, sales values and market share goals for the next five years.
Product strategy	Analysis of where the company's product is positioned with respect to the capabilities of competitive offerings.
Pricing strategy	Determination of a strategy best suited for target markets.
Promotional strategy	Description of the promotional elements that will be used.
Distribution system	Description of the distribution channels and their roles and responsibilities.
Budgets	The financial implications of executing the marketing plan.
Time line and performance criteria	A listing of priority actions, including what will be done, who will be responsible for each task, the time frame of the tasks and how much each will cost. Includes a procedure for follow-up and evaluation.

Thank You

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