

# [Marketing essay example](https://assignbuster.com/marketing-essay-example/)

[](https://assignbuster.com/)[Business](https://assignbuster.com/essay-subjects/business/), [Company](https://assignbuster.com/essay-subjects/business/company/)

## Introduction

The desire for shopping organic fruits and vegetables verses those that were produced traditionally was among other propelling factors that gave birth to ACME Marketing and Consulting by MR. Frederick Nelson a retired government employee. The firm growth and establishment was based on the shopping interests where Frederick and his wife growing pricing and marketing analysis based on the two options led to the need to explore the preceding objectives in reference to the local farmers and distributors; develop a common ground where farmers and the distributors share information, to achieve this he enacted strategies where organic farmers and producers operate under similar environment to enable consumers purchase their products at competitive prices and enact competitive pricing of the organic fruits and vegetables increasing revenue and market share.

## Executive summary

ACME Marketing and Consulting firm was established in upstate New York where the market is flourishing. Global health concerns by the public and regulatory bodies the market for organic food is stable. The limitation for the public on health and quality food varieties is based on the price of the product. The price of organic foods compared to the other conventional fruits and vegetables is much higher tempting the producers to consider the latter. The current economic challenges pressuring the consumers to minimize on the spending has worsened the matter with more consumers considering the cheaper products. The outcomes of the proffered analogy have led to massive loss to the organic firms. To establish an effective pricing strategy ACME through intensive research analysed the supply chain to identify factors credited for high price. Further objectives aimed at establishing competitive pricing strategy include; increasing sales for involved stakeholders through strategic measures lowing costs of segmented markets. These strategies will essentially minimized pricing making the products inexpensive to consumers.

## Situation Analysis

The current market for organic fruits and vegetables in upstate New York and entire US are wide. The market opportunities grow on annual bases (Dreezens, 2005). This stipulates the essentiality of developing effective marketing strategies to boost the sales of the organic fruits and vegetables. The annual growth on the amount of sales can be traced back in 1997 where the market sales recorded $500 million, in 1999 recorded a $2. 5 billion with a 2000 record of 2. 3 billion (Oberholtzer, 2008). The marketing of the commodities in upstate New York is conducted primarily in the city and rural areas. In reference to agricultural departments in the region the marketing of organic fruits and vegetables incorporates every stakeholder that participates in the venue such as the farmers, distributors and manufactures among others. The local government in the region through incentives to enhance production of the commodity, the outcomes have led to growth and development with increased employment to the locals and the State’s economic growth. The high prices and support from the government has led to increase employment opportunities. The high costs of products have largely impacted the projected growth if the marketing strategies are deployed effectively. Various surveys people around the region have indicated that they have limited or no access to healthy and quality food such as organic food based on the high standards of living and low income. Production cost of the organic fruits and vegetables is credited for the high cost of the commodity, according to (Davis, 2004) the high cost of production attributes to the high production cost. This analogy connotes the essentiality of agricultural and food sector within the region to review the current policies and develop strategic approaches based on minimizing the production cost. This will enable the low-income earners be able to afford the essential commodity.

## Market analysis

It is evident from the proffered analogies that organic fruits and vegetables markets are greatly based on the forces of demand and supply. The implications that the economical changes reflect on the harvests produced by the farmers dictates the market of the commodity. Environmental changes and requirements to facilitate production of organic fruits and vegetables also limit market stability. Supply chain of the commodity currently is occupied by the producers and distributors. The packaging and distribution effectiveness and efficiency is essential for the firms and price determining. The selling of the product is based on various channels such as retailer shop near the farmers or grocery shops with the high performing products such as rice milk and soy milk and organic breads dominating the markets (Baxter, 2006). Qualities and benefits attached to the products enhance and facilitate easy marketability. Some these benefits include large amount of nutrients which conventional foods fail to offer. The outcomes have enabled the consumers maintain healthy dietary budgets.

## SWOT analysis

It is essential to conduct a SWOT analyses based on the market to identify the strengths, weaknesses, opportunities and threats.   
Strengths   
The current health benefits that are attached to the products offer a distinctive and stable marketing ground for the commodities. Public awareness and increased health concerns on the benefits that are credited on organic foods avails the market with a clear and firm ground. It is easier to market and increase the share revenue of the product based on the proffered notion. Consumers uphold the commodity highly with professional who have full knowledge on numerous benefits increasing the ability to market the product. Government and other private corporations also create stable ground for the commodity.

## Weaknesses

Though the market presents itself with the stipulated strengths it fails to capture the projected and available potential. The high cost of purchasing the commodity attracts only the middle and high income earners limiting effective market segments. According to researchers most of the residents admit to prefer organic foods if they were cheap compared to conventional foods which are normally cheap. The failure to secure lower production materials to minimize the price of the commodity has also limited the market diversity.

## Opportunities

The stipulated fact that the product is available to the middle and higher income earners indicates that the lower income earners who are majority and willing to purchase can boost the market if the product was affordable. Developing strategic measures and reducing the cost of the products will enable the low income earners a chance to purchase the products. Effectively and efficiently managing the supply chain reduces the cost hence affordability of the product.

## Threats

The scientific claims that criticize the products healthy benefits limit the consumption of the commodities by the consumers. These claims conducted by various universities pose a threat to the future consumption levels and welfare of the consumers. If the claims are proven to be true, the outcomes would be drastic to the market growth of the commodity. Limitations include; the economic recession and high cost of production.

## Competition

The major competition that the products receive includes the cheap and affordable prices of conventional food. The notion that the products are only affordable by the middle and higher income earners complicates the effectiveness and efficiency of marketing the products. Apart from the high prices of the commodity limiting the success of the commodity factors such as accessibility and convenience in preparation also hinder the marketability of the products (Asami, 2003). The competitors’ products are easily accessible with packaging and premium charges minimal hence high completion for the organic foods. The distributors point out the notion that the product is a premium to be one of the attributing factors behind the high cost.

## Product offering

Reviewing and analysing the players in the products venue can aid reduce the cost of production hence lowing the purchasing cost. These include the farmers or producers, the distributors and consumers to help establish competitive price that caters for all their preferences. Adjusting the cost of these commodities will not only make the product affordable to the low income earners but also provide them with the numerous healthy benefits attached to the commodity. According to (Baker, 2002) offering the products the market after a deep and clear analysis on catering for the necessities of every consumer helps to boost the entire community. The preceding preview indicates some of the organic fruits and vegetables that the market highly demands; fruits include; apples, bananas, watermelon among others with vegetables including bean, Cole, asparagus and peas among others.

## Ways to success

The ability to achieve the proffered marketing objectives by the firm, it is essential to consider implementing and amending policies. This will enable the firms achieve their objectives with those of the consumers forming the baselines. The most significant and essential considerations that the firm (ACME) can deploy is being able to induce and persuade the farmers and distributors to minimize the cost of production. This forms the baselines on achieving the projected goals. Another drive that can facilitate success is a review on the supply chain where reducing the factors that may be contributing to the high cost of organic produce. Effective and efficient strategic supply chain will not only reduce the cost but also facilitate coordination between the stakeholders involved. Effectively involving the government through policies also offers potential key to success. This can be through advocating and enticing the government to offer incentives to the farmers and the distributors hence minimizing the production cost.

## Critical issue

As stipulated above supply chain review is essential in reducing the high cost of production. According to (Benbrook, 2002) the supply chain is critical and essential in success of the market. In the initial stages of supply chain, farmers or the producers and the packaging process dominate distributors such as the wholesalers and retailers are the next players in the chain with the last contributors to the chain made up of chain are the consumers purchasing the product from distributors. High labor cost and other production factors are credited for the high price increase on the products hence need to review. This should be done in reference to those set by the competitors other critical areas that need deep analysis to enable the firm achieve these objectives include; minimizing the middle men, effectively involving the government in plans to lowering production cost and strategizing on increasing consumers awareness to increase purchase of the products.

## Marketing strategy

Marketing programs calls for enacting and initiating a strategic marketing plan. It is a detailed process that consists of analyzing environmental, market competitive and business factors affecting the firm and the strategic business units. This can be done by identifying market opportunities and threats and forecasting future trends in business areas of interest for the enterprise and anticipating in setting objectives and formulating corporate and business unit strategies. Ability to developing, maintaining and managing the marketing program positioning strategies in order to achieve the stipulated goals requires an effective and efficient team work. It separates and differentiates mainly from the normal operative marketing by focusing on achievement of long term objectives. In the market programs of the firm some key aspects should be held in to account in relation to strategic planning programs. These aspects define a unique feature under which the management focuses on. It offers guidelines through which the firm can follow to enact and implement the strategies. Some of the aspects that the marketing program must address on the initial planning include; delimitating the relevant market, developing market segmentation, evaluating the segments (size, growth of demand) plus aiming at budding a competitive analysis based in the competitive positioning (Driftmier, 2009).

## Mission

The essentiality of the plan is to offer competitive price for the commodity to enhance availability. Aiding farmers and distributors minimize the production costs to create a competitive advantage within the market share are some of the driving force that the firm strategize on. To achieve this firm is aimed at developing and enacting a competitive pricing strategy. This is to be backed up and supported by intensive research. Reviewing the supply chain and eliminating middle men to reduce the cost of production is another motive of the firm. To avail the low income earners with the product also forms the baseline behind the firms’ strategies.

## Marketing objectives

- Some of the objectives that the firm seeks to accomplish include the preceding preview.   
- Develop and implement a new marketing platform for organic fruits and vegetables within the region   
- Reduce the cost of production to avail the products to low income earners   
- Increase awareness on health benefits attached on consumption of the products   
- Segmenting the markets to increase the market share and create competitive advantage   
- Enacting strategies to manage and review the supply chain to reduce unnecessary costs

## Financial objectives

- The firm seeks to achieve the following goal based on financial analyses.   
- Lowering the cost of production   
- Increasing market share hence increasing number of consumers   
- Increase financial growth of the firm and that of the food industry

## Target markets

It is essential for every firm to identify and enact strategies catering for the targeted markets. This not only increases the profits but also caters effectively for the consumers within these markets. Demographic features such as professionals present can be used to boost the sales by segmenting the markets based on their preferences and tastes. This can be incorporated with the psychographic features such as; age, gender status and lifestyle hence clear identification of target markets. Target market segments can be defined based on consumer market where age can be used as a reference, business markets with channels of distribution used as the reference and finally the potential markets such as hospitals and schools.

## Positioning strategies

Every success is based on effective positioning strategies. This can be achieved by developing these strategies basing on every factor with potential implications hindering the effectiveness of the plan. The notion that has been set already that the products are expensive needs to be eliminated. Basing the main objective on marketing which is to offer quality and affordable products to the consumers, the firm needs to develop strategies that are aimed at reducing the production cost. Positioning the product can be differentiated or undifferentiated (Barry, 2004). The consumer preferences and the benefits attached to the product are essential in developing the strategies. The consumers should derive value on the consumption of the commodity on their spending. Some of the strategies that can be incorporated include; pointing out to the farmers and the distributors on the essentiality of minimizing the cost of production and reviewing the supply chain to reduce costs.

## Marketing mix

This incorporates aspects that the firm plays within the markets towards achieving their objectives and those of the consumers. It integrates the four Ps that is the price, place, promotion and product. The price is essential in the marketing strategy it forms the baseline behind the success of the firm, regulating the production cost and reviewing the price to reflect those of the competitors is essential in safeguarding the consumers benefits and those of the firm. Place entails the location which also implicates on the cost of the products. Those consumers purchasing products near the production sites enjoy lower prices compared to those purchasing from the retailers. Promotion involves creating or increasing awareness on the features and benefits attached to the commodity. This can be achieved through focusing on the core benefits and the other benefits attached. The product involves pointing out the value derived from the commodity after consumption by the consumers.

## Marketing research

This is conducted to justify and offer a clear insight on attaining the set objectives by the firm. It includes clearly defining the market. When a market research the preceding features or aspects can be advocated on:   
- Empathizing on the long term implications   
- Corporate or the firm input which are basically corporate culture, corporate publics and corporate resources   
- Premising on the varying roles for different products or markets offered by the firm   
- Organizational level   
- Relationship to finance

## Controls and implementation

The following factors should also be considered by the company in strategic marketing programs. They are cornerstones of a successful business marketing programs upon full consideration.   
- The company position in the market. This in relation to the firm which is entering the market for the first time it should consider the position that it is more likely to possess.   
- The company mission, policies resources and objectives. These factors should form the baselines for the company marketing strategies.   
- The competitors marketing strategies, this review on the competitors’ strategies facilitates the enactment of the firms’ strategies. By reviewing competitors’ strategies, the firm can be able to adjust or improve their strategies.   
- Anticipated life cycle stage of the product   
- The universal economic conditions under which the firm is going to operate under   
These factors provide a clear insight on the expectations and the considerations of enacting marketing programs. The ability to develop effective and competitive marketing strategies is one of the most significant essentials determining the success of the firm. Implementation, evaluation and control are normally based on the success on developing the programs. The firm should incorporate other stakeholders when developing these programs as failure to involve them can cause minimal performance in some sections of the firm.

## Marketing organization

This include effectively incorporating all the stakeholders interests such as: discussions with the farmers and distributors, developing strategies to cater for all consumers even the low income earners, develop effective and affordable prices by regulating on distribution prices, develop a budget on marketing strategies and other developmental strategies and involve effectively the government to offer incentives to the farmers and distributors.

## Contingency Planning

This are developed to supplement the strategies developed in case they fails to meet the set goals. They could include; seeking government assistance if farmers and distributors fail to adhere to the set policies even after incentives are offered or questing assistance from non-governmental organizations to offer financial aid to boost the plans.

## Conclusion

It is evident that organic fruits and vegetables are essential for the entire population in New York. The fact that the affordability of the products is restricted to high income earners needs close look. The proffered analogies and notions are essential in availing the products to every consumer within the location. Though challenges such as lack of unity among players may limit lowing the production cost which is the major hindrance, incorporating efforts among all stakeholders can aid achieve the proffered goal. Reviewing the supply chain is essential in relation to achieving these objectives. The healthy benefit attached to the consumption of organic fruits and vegetables are numerous hence should not be limited on financial baselines they should be availed to every consumers within every income range.

## References

Barry, M.,(2004). The New World Order: Consumer of Organic Products Lifestyle Segmentation. [N]sight, The Hartman Group, pp 3-7.   
Baxter, B., (2006). Who’s Buying Organic? Demographics. Vol. 7, p. 45   
Dimitri, C., and Venezia, K., (2007). Retail and Consumer Aspects of the Organic Milk Market, Outlook Report LDP-M-155-01, USA   
Dimitri, C., and Oberholtzer, L., (2008). The U. S. Organic Handling Sector in 2004: Baseline Findings of the Nationwide Survey of Organic Manufacturers, Processors, and Distributors, Economic Information Bulletin No. 36, U. S. Department of Agriculture, Economic Research Service,   
European Commission. (2003). Monitoring of pesticide residues in products of plant origin intheEuropeanUnion, Norway, IcelandandLiechtenstein. Brussels, Belgium: Commission of the European Communities.   
Driftmier, C. F., (2009). 10 Ways To Thrive in Turbulent Times,” Organic Processing. Vol. 6. No. 1.   
Asami, D. K., Hong, Y. J., Barrett, D. M., Mitchell, A. E., (2003). Comparison of the total phenolic and ascorbic acid content of freeze-dried and air-dried marionberry, strawberry, and corn grownusing conventional, organic, and sustainable agricultural practices. J Agric Food Chem 51: 1237–41.   
Baker, B. P., Benbrook, C. M., Groth, E., Benbrook, K. L., (2002). Pesticide residues in conventional, integrated pest management (IPM)-grown and organic foods: insights from three U. S. data sets. Food Addit Contam 19: 427–46.   
Baxter, G. J., Graham, A. B., Lawrence, J. R., Wiles, D., Paterson, J. R., (2001). Salicylic acid in soups prepared fromorganically and non-organically grown vegetables. Eur JNutr 40: 289– 92.   
Davis, D. R., Epp, M. D., Riordan, H. D., (2004). Changes in USDA food composition data for 43 garden crops, 1950 to 1999. J AmColl Nutr 23: 669–82.   
Dreezens, E, M., , Tenbult, P. C., (2005). Food and values: an examination of values underlying attitudes toward genetically modified- and organically grown food products. Appetite 44: 115–22.