



MARKETING OF BANANA PRODUCTS





Introduction

- Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging goods and services that have value for customers, clients, partners and society at large.
- Key players in the marketing chain include producers, processors, consumers, as well as other market intermediaries who undertake marketing functions like transportation and retailing.
- Marketing is therefore about connecting with the customer.

Agricultural marketing

- Agricultural marketing involves assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities.
- An efficient agricultural marketing system is a key driver in commercialization. It acts as a pull for stimulating production, value addition and consumption, thereby accelerating the pace of agribusiness and economic development.



Healthy banana planting material



Bountiful harvest ready for the market



Ripe Bananas



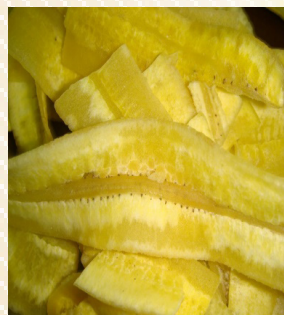
Mixed banana salad



Banana traditional beer



Plantain banana crisps



Banana crisps



Marketing Strategy

A marketing strategy is a long-term plan for achieving a company's goals by understanding the needs of customers and creating a distinct and sustainable competitive advantage. It involves determining who your customers are and deciding what channels to use in reaching out to customers.

It consists of four steps:

- i. **Market segmentation:** Involves dividing a market into distinct segments of buyers with different needs, characteristics, or behaviors who might require customized products or marketing programs.
- ii. **Market targeting:** Evaluates each market segment's attractiveness and selects one or more segments to serve. It involves designing strategies to build the right relationships with the right customers.
- iii. **Market Differentiation:** Involves differentiating the market offering to create superior customer value. In order to determine the most beneficial positioning companies must differentiate their products, services, people, price, and timeframe to distinguish products from competitors in the target market.
- iv. **Market Positioning:** Attempts to influence perception of products versus the competition in order to establish a clear, unique, and advantageous position in the customer's mind. Products should stand out and demonstrate the value customers are looking for.

Marketing Mix

The **marketing mix** which is also known as the 7 Ps is a set of marketing tools a company/farm employs to promote its products or services in the market. It includes the seven categories required to successfully market a good or service, which include **Product, Price, Promotion, People, Process, place and Physical evidence**



An Illustration of the 7 Ps of Marketing Mix

The 7 Ps of marketing mix include;

1. **Product:** The product must meet the customer needs. Customers need to understand the features, advantages, and benefits that can be enjoyed by buying the goods.
2. **Price:** It is important to get the price right to not only cover costs but generate profit. Before setting prices, we need to research on what customers are willing to pay and gain an understanding of the demand for that product/service in the market.
3. **Place:** The product should be available where the customer expects to find it, such as in supermarkets, local markets, hotels or online. Consider logistic factors such as storage and distribution which affect profitability.
4. **Promotion:** This pertains to the communication strategies employed to make potential customers aware of and attracted to the product. Some channels used for promotion include: branding, advertising, social media, content marketing, influencer marketing,

sales management, promotions, exhibitions

5. **People:** Refers to employees, customers, and other stakeholders who interact with a business. It is important to create a positive and memorable experience for them.
6. **Process:** Encompasses what goes into every step of the customer journey - from making an enquiry to requesting information and making a purchase.
7. **Physical evidence:** Does your brand exist? A physical store or office for your business, a website if your business operates online, and printed business cards that you exchange when meeting people are all examples of proof that your brand exists.



Figure 9: Illustration of operationalizing of a market strategy

Marketing channels

The pathways that agricultural products take to get from farmers to consumers are called marketing channels. The figure 10 below indicates some of the channels in Banana marketing.

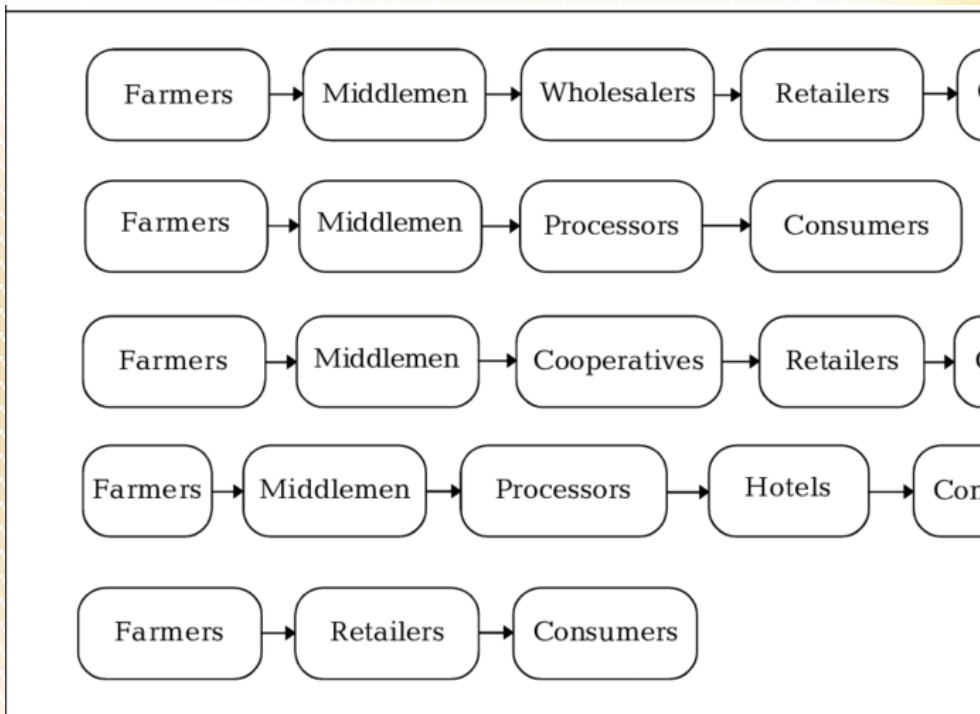


Figure 10: Banana marketing channel

- The number of intermediaries involved will have a bearing on both producer and consumer prices.
- From the consumer point of view, the shorter the marketing chain, the more likely is the retail price going to be low and affordable.

Market participation



Figure 1: Banana delivery to wholesalers
12: Bananas in a Kenyan supermarket



Figure

- Despite the high demand for Banana products, majority of small-holder farmers sell their products individually and this exposes them to exploitation by middlemen.
- They also lack bargaining power and transaction costs are high hence reducing the profit margins.
- One of the solutions is through collective marketing whereby farmers are organized into marketing organizations like farmer producer organizations (FPOs) and cooperatives
- Benefits of collective marketing include:
 - Bigger bargaining power
 - Bulk storage to keep costs low
 - Accessing specific export markets
 - Building relationships with domestic and international traders
 - Attaining big volumes required by the market.
 - Reduced transaction costs

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KALRO/NAV CDP/BANANA/Pamphlet No. 115/2024

