



MARKETING OF TOMATO 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 more than just advertising and promotion – it's all about connecting with the customer.

Agricultural Marketing:

- Agricultural marketing is a process that involves assembling, storage, processing, transportation, packaging, grading, and distribution of different agricultural commodities across the country.
- Agricultural marketing is a key driver of agriculture commercialization.
- An efficient agricultural marketing system stimulates production, value addition, and consumption, thereby accelerating the pace of agribusiness and economic development.



Tomato before and after harvesting

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 encompasses everything from determining who your customers are to deciding which channels to use in reaching them.



Tomato paste



Tomato juice



Tomato sauce



Tomato jam

Marketing strategy begins with identifying which customers to serve and determining a value proposition that best serves the targeted customers. It consists of four steps:

i. Market Segmentation

The act of 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 actually differentiating the market offering to create superior customer value. To determine the most beneficial positioning, companies must differentiate their products, services, people, price, and timeframe to distinguish them from competitors in the target market.

iv. Market Positioning

Attempts to influence perception versus the competition to establish a clear, unique, and advantageous position in the customer's mind. Companies must distinguish their products in comparison to what competitors offer in their target market to make them stand out and demonstrate the value customers are looking for.



Elements of a marketing strategy

Marketing Mix:

The marketing mix, also known as the 7 Ps, is a set of marketing tools that a company or firm employs to promote its products or services in the market. In simple terms, the marketing mix helps businesses deliver the right product in the right place, at the right price, and at the right time. It includes seven categories required to successfully market a good or service, which are **Product, Price, Promotion, People, Process, Place, and Physical Evidence**.



An Illustration of the 7 Ps of Marketing Mix

The 7 Ps of the marketing mix include:

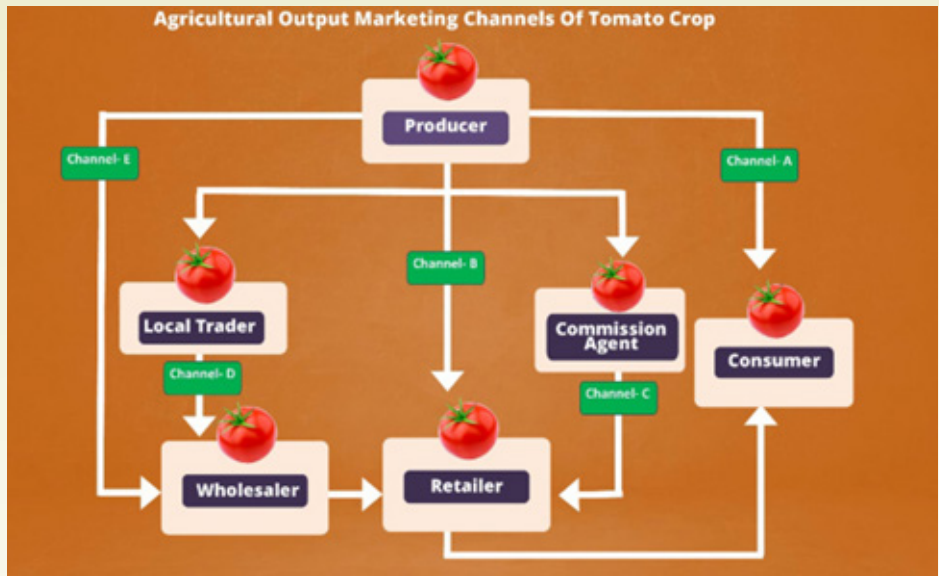
- I. Product:** The product must meet customer needs; therefore, it is essential to prioritize making your product the best it can be. Customers need to understand the features, advantages, and benefits that can be enjoyed by buying the goods or services.

- 2. Price:** It is important to get the price right to not only cover costs but also to generate profit. Before setting prices, research information 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. Place also takes into account logistical factors affecting a product's profitability, such as storage and distribution.
- 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, and exhibitions.
- 5. People:** People are the employees, customers, and other stakeholders who interact with a business. It is important to create a positive and memorable experience for these individuals.
- 6. Process:** This encompasses what goes into every step of the customer journey—from making an inquiry 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 only operates online, and printed business cards that you exchange when meeting people are all examples of proof that your brand exists.



Marketing channels

Marketing channels refer to the pathways that agricultural/livestock products take to reach consumers. In tomato marketing, some of the channels are indicated in the plate below:



Source: Springer link

- The number of intermediaries involved will have an impact on both producer and consumer tomato prices.
- From the consumer's perspective, a shorter marketing chain is more likely to result in a lower and more affordable retail price.

Market participation



Women tomato traders

- Despite the high demand for tomato products, most producers are not market-oriented. The majority of small-holder farmers sell their products individually, exposing them to exploitation by middlemen.
- They also lack bargaining power, and transaction costs are high, consequently reducing profit margins.
- One solution is through collective marketing, where farmers are organized into marketing organizations such as Farmer Producer Organizations (FPOs) and cooperatives.
- Some benefits of collective marketing include:
 - Significant bargaining power
 - Bulk storage to keep costs low
 - Access to specific export markets
 - Building relationships with domestic and international traders
 - Achieving the substantial volumes required by the market.
 - Reduced transaction costs



Tomato sauce in a supermarket in Kenya





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