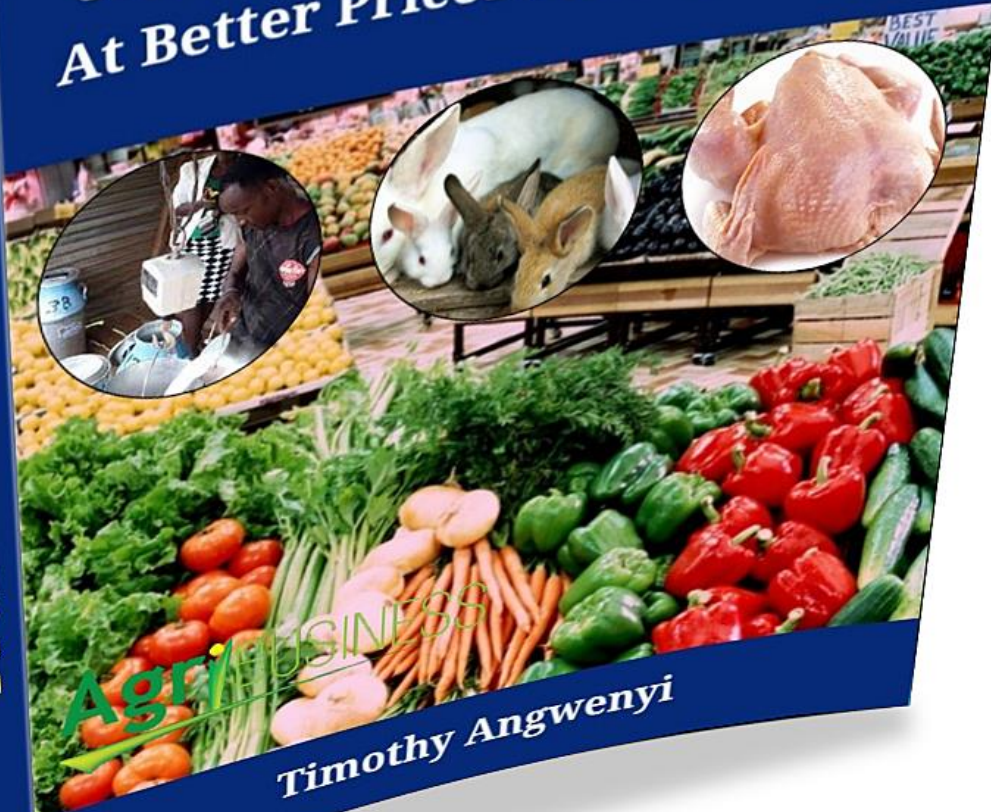


# AGRI-MARKETING

## STEP BY STEP GUIDE

Learn How To Find Market &  
Sell Your Agricultural Produce  
At Better Prices For High Profits

*Profitable Farming In Kenya*



Timothy Angwenyi

# Agri-Marketing

## Step-by-Step Guide

### **Learn How To Find Market & Sell Your Agricultural Produce At Better Prices For High Profits**

How stiff is the competition in your agribusiness? How do you intend to stay ahead of competition in business? What's the average number of new customers that come to transact business with you daily? Do you know how to attract or find new customers for your agribusiness? Do you need marketing ideas for your agribusiness?

Is your agribusiness experiencing difficulties due to a shortage of customers? If I offer you effective agribusiness marketing strategies and ideas that will help you get new customers or clients; and also help you outperform competition, will you be willing to try them out? If your answer to the last question is yes, then read on.

Finding good customers is one of the challenges of starting an agribusiness and one peculiar thing about this challenge is that it never ends. From the day you start your agribusiness; you will constantly be in need of customers. But unfortunately, most entrepreneurs and business owners don't know how to promote their businesses and those who are well grounded on the importance of marketing a business are short of marketing ideas.

“You are in a war. You must plan to take the other guy down first and do it. Winning is not the best thing; it's the only thing. If it were not, no one would keep score. To win the war, you must take charge. You must set the organization's objectives, establish a chain of control, delegate, appraise performance, adjust and act.” – The Mafia Manager

Business is a war; so also is marketing. A case of dog eat dog; and a game where winner takes all. Just like stated in the quotes above; winning is not the best thing, it's the only thing. You must plan to take your competitors out before they do the same.

“In business, the competition will bite you if you keep running. If you stand still, they will swallow you.” – Victor Kiam

In this ebook, I am going to share with you eight effective agribusiness marketing strategies and tactics that will help your agribusiness gain undue advantage and ultimately overcome competition. I am not sharing this guerrilla marketing tactics with you just to thrill you; I believe in action and corresponding results. These are not the regular marketing tactics you come across every day; these guerrilla marketing tactics have been tested and proven.

“If you don't have a competitive advantage, don't compete.” – Jack Welch

I am an entrepreneur doing dairy farming and I face stiff competition every day; from the first day I launched my dairy farm, it's been war. But I survived and my businesses are thriving and growing at an exponential rate. *How did I survive competition?* I didn't survive by rolling dice and praying for luck; I survived competition by being tough and strategic in my marketing approach. It's this same small business marketing strategies I used that I want to share with you today.

“Luck is not a factor. Hope is not a strategy and failure is not an option.” – Timothy Angwenyi.

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Agribusiness Writer

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First Edition: December 2016

Profitable Farming Guide Series

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## About The Writer

Hello! My name is Timothy Angwenyi Morebu. My phone number is **0714723004**. My email also is [timohangwenyi@gmail.com](mailto:timohangwenyi@gmail.com). I am an Agribusiness writer, Agri-tourist & an Entrepreneur. Am currently writing *guides on various ways of earning a living in Kenya through Profitable Farming (Entrepreneurship)*, whereby i educate Kenyans on business ideas to venture in Agriculture sector.



Helping people start Agribusinesses and achieve the income they desire has become a huge part of my life. Being able to share the knowledge I have gained through visiting people's farms and attending Agriculture seminars and exhibitions has become extremely important to me.

I consider my readers my friends. I am always so appreciative that they take their time out to read my eBook guides and to learn about Agribusiness ideas from me. Once you have finished reading this guide, I have no doubt that you will have learned a great deal on How to Find Market & Sell Your Agricultural Produce at Better Prices for High Profits.

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# Chapter 1

## Smart Marketing Strategies for Agripreneurs



In this eBook, I will be sharing with you some brilliant marketing strategies that can make your agribusiness more profitable.

As you probably know, a single marketing strategy can transport an agribusiness from zero to hero.

If there is any term or concept any business owner (or potential business owner) should understand deeply, then, that's marketing.

Marketing is the blood of any agribusiness (or any organization or association) because it's through marketing an agribusiness, organization, or even political party convinces the general public (customers) to patronize its offers or embrace its ideology.

## **So, what is marketing?**

Marketing is the process of identifying consumers` needs, creating products/services to meet those needs and communicating effectively with the target market in order to sell the products or services at profit

The above definition is by no means academic. I expressed it above in a simple term, so as to let my fellow Kenyan agripreneurs understand what marketing is.

If you need a “formal” definition of marketing, then, here you have some of them:

“Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably”... The Chartered Institute of Marketing

“Marketing is communicating the value of a product or service to customers, for the purpose of selling that product or service” Wikipedia

Without wasting more time on definitions, permit me to explain in simple language what marketing is.

Whenever anyone gets an agribusiness idea, he/she will have to do three important things.

First, identify the kind of people who may fall in love with his/her product or service. This step is very important because there is no product/service that can get everybody excited... some people will not just love what you`re selling or doing.

Second, produce or create such product/service in exact way as your target market will love.



Third, promote your product/service to your market whether through advertising, word-of-mouth or sample giving.

Now let me emphasize that many experts try to define marketing by excluding the first two steps (i.e., Wikipedia above). I will not want to agree this is right. The reason is because if you fail to identify your target market, how do you want to know what kind of product, package, distribution, etc. that will be appropriate for them?

If you don't know this, how do you want to produce or create your product or service in such a way as your customers will admire.

In fact, there is no way you can effectively advertise or promote your idea if you don't have a deep understanding of who you're promoting to. The reason is simple. Adverts that will work for people in the Northern Kenya may not work for people at coast.

Promotion that will succeed in South Africa may fail in Ghana... that's the reason why I am of the opinion that marketing starts even before a product or service gets to the market.

Listen to what the management guru, Peter Drucker has to say, "The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself"

Now you see, the first process in your marketing effort is to identify and understand (very deeply) who your customers are. If this stage is carried out with all diligence, the other two steps (creating product/service and promoting it) will be lot easier.

Let me also share with you what marketing genius, Seth Godin has to say about marketing...

"Marketing is a contest for people's attention"

Whenever you walk out and see billboards, whenever you sit down and watch television, whenever you pick up a newspaper to read, you'll find a whole lot of advertising. These advertising are from companies, organizations, political parties, etc. What are they doing? Contesting for your attention. That's marketing.

Since your product/service is going to a market where there are tens (or hundreds) other similar products/services, getting people's attention is very important.

### **Importance of Marketing to Your Agribusiness Success**



For us to understand the importance of marketing to the success of agribusiness, we have to understand the importance of blood to our human life.

It runs around non-stop. It gives us life. If it stops moving, our life is over.

Whenever you see a successful agribusiness, you're likely to see its products/services and its employees. You may not actually "see" its marketing, just as you won't see my blood if you see me, but it controls every other thing.

Products and services you`re selling are like body of a car while marketing is the engine that drives the car. Sometimes a car with a bad “body”, but a good engine will outrun a car with a good “body” but a poor engine.

In today`s business world, having a good product will not make you rich. You need to have good marketing skills.

The following points explain the reason why marketing is so important to the success of your agribusiness.

### **1. Marketing is important because it helps your agribusiness to sell more products**

There was the old adage that if you are selling something good, you can open your shop in a far place, people will find you.

Maybe in 15 century. Not now. No longer can you try that,

In today`s market place where 50 (or more) farms or companies may be competing in a market, you cannot just start a business and hope it succeeds.

You cannot just start selling a product or rendering a service and expect sales. You have to work it out. You have to be tactic. You have to understand and apply good marketing strategies.

Marketing is important because it increases your sales.

A little change in your advert can increase your sales by 200%.

I have learned a single tip from a friend (just on a phone conversation) that increased the value of my business by more than 100%,

I have read a marketing book that increased the value of my sales and earnings by more than 300%.

That`s the power of marketing, when done correctly.

## **2. Marketing increases your goodwill**

Goodwill is an invisible asset of human being, organization or company.

You can call it reputation. It is how people see you. Who people think you are. How much people can trust you,

When an agribusiness takes time to market its products/services strategically, more and more people trust its products/services and that leads to more sales.

Why do you think great companies like Coca Cola, Apple, Facebook, Dangote, etc. still advertise their products? Believe me, if Safaricom stops advertisement, it may not affect their sales for the next six months, but it will start affecting their goodwill (reputation in the mind of the consumers) immediately.

Whenever a company is losing her reputation in the mind of its target market, customers` trust starts dropping so do sales.

That`s why even the biggest companies in the world are still investing heavily on promotions.

Marketing and promotion is very important for every agribusiness, so as to increase (or keep) your customers` trust and sales.

### **3. Marketing is important because it helps us to learn about our target consumers**

The first step, even before coming up with your marketing strategies is to know and understand those you want to sell to. Marketing helps you to do that.

You cannot brand your farm or company appropriately, nor can you position your products the way you should, until you know those to whom you intend to sell.

The best copywriter in the world will fail if he doesn't know those he wants to write advert to persuade.

Because we all know that for a promotion to be effective, we must first learn, know and understand our target consumers, we invest time, energy and money in doing so.

Knowing our customers is a great business asset.

### **4. Marketing is important because it helps us to build a great brand**

Marketing is very important because if done correctly. A time will come when we would have built a great brand that is known with quality, speed, freshness or whatever what our market positioning is, that we can sell more products than our competitors, even when our prices are higher.

At this time, we have achieved great fit. We can now sell easier with less promotion.

You think about it. If you're in a market to buy laptop and you see two brands, HP and Maco, which will you buy?

Even if the price of the HP is 50% more than that of unknown Maco, even if the design of the unknown Maco is far beautiful, even if the sales person tells you that Maco is better, you will still likely go for HP.

Why? HP is a known and trusted brand.

Now you understand why some well-known brands could charge higher prices and still sell more than their competitors. They have used marketing to promote their products and built a solid brand.

Now you see how marketing is very important to the success of your agribusiness.

## **5. Marketing is very important because it increases customers` loyalty**

At a point, some customers become friends and family of a farm or company they love.

Early this morning I received a message from one of my ebook readers. He has not received my mails for a long time and he was worried. Imagine hundreds of people/businesses who might be sending mails to his inbox, yet he feels that he has missed mine.

That`s loyalty.

Another reader of my ebooks sent me a mail and told me that he has told all his friends about us. That`s loyalty.

When customers become your advertisers, that`s loyalty

Marketing is very important because through it, we can get people to know about our good products, get them to fall in love with our services and then they may become our loyal friends who tell their friends about our products.

## **6. Marketing is important because it makes you to spend less while you earn more.**

Some people who are reading this might have been thinking, “How then can I get money to promote my business, being a small agribusiness owner”?

The good news about marketing is that, you can do it without money.

Get me right. Some elements of your marketing strategies will require money to execute. You cannot run adverts without money. You cannot do extensive market research without money.

But you can position yourself in the market with no money. You may not need much money to brand yourself than you need if you don't. You don't need money to come up with a persuasive Unique Selling Promise (USP).

You don't need money to implement many elements of your marketing strategies, but you need marketing skills.



## 5 secrets of great marketing



### 1. Great marketing is directed at *specific*

You want to create a product, service, political organization etc. that everybody will love? Go and sleep, maybe you'll have a dream of what that could look like.

I read a book written by Frank Kern (titled *Convert...*). Kern writes about how he released some “offensive” advertisement. Why offensive?

Well, offensive to people who are out of his target market. While trying to sell your product/service, there will be this temptation to structure your promotion in such a way as to appeal to everybody. Great marketing don't do that.

Identify who and who are your target market and structure your business and marketing appropriately.

### 2. Great marketing promotes wants not needs.

Hummm, I learned this lesson in a little hard way. I once wasted about nine months of my life trying to sell my service to certain group of people who “need” it.

Maybe you don't know, people don't buy what they need. They buy what they want or what they must. Insurance industry is selling what people need to buy, hospital is selling what people must buy. You can see why one industry is struggling and the other is prospering. People in fashion business understand this principle.

That's why you see that 90% of fashion business is directed at ladies/women. Men buy clothes when they need them, ladies buy clothes because they want them. If you understand this, you will structure your agribusiness marketing in order to meet people's want, not need.

### **3. Great marketing doesn't sell product/service, it sells solution.**

Who cares about what you're selling? Only you and your mum. What people care about is the solution to their problems or wants. Your marketing messages must "talk" more about how your target customer gets his wants met by buying your product and not about you or your farm.

### **4. Great marketing communicates to emotion, not reasoning.**

Do you remember what our psychology teacher taught us? Human beings take decisions with their emotion and then justify with their brain.

The meaning of this is that, most people will not patronize your agribusiness (even if it's the best in the country), if it's not appealing to them emotionally.

Yes, most men will not approach the best lady in town (no matter what your own definition of best is) if she's not physically attractive (if you're a lady, be warned, revealing clothes isn't what I mean here).

Most people will not be attracted to your agribusiness marketing, if it's not emotional appealing.

## **5. Great marketing promotes great product.**

Marketing is only a channel (though very important channel) to sell your product, service or ideology.

The best marketing in the world will fail if you`re using it to promote a poor service, product or ideology. Marketing is so important to an agribusiness that without it, no agribusiness venture can be successful and in the other side of the game, the best marketers in the world will fail if they try and promote a substandard service or product.

The reason is because they will not have repeated nor loyal customers who can tell others about their products or services.

Without repeated customers and loyal, unpaid ambassadors for your idea or product, you cannot go far.

### **Marketing strategy: what is it?**



I think you don`t need me to tell you the meaning of marketing strategy, but for us to be sure we are on the same track, let me remind you that marketing strategy is that tactic developed

and applied by a business owner with the aim of winning more market share and making more money.

Agribusiness strategies can differ from one agribusiness owner to another, depending on various situations.

The business approach of a man just starting an agribusiness may be different from that woman trying to grow a business.

The business tactics of an agribusiness which is leading in the market is definitely going to be different from that of the nicher... an agribusiness trying to take a specialist approach to win a share of the market.

In all, let`s get to work and identify some meaningful marketing strategies you can apply to win your market.

### **1. Be the first in your market.**



By far the most profitable marketing strategy is the marketing to the plain mind. Give me a second as I want you to see agribusiness marketing as you see the relationship between a man (the businessman) and a lady (the market).

How easy it is to get a 27 years old lady to fall in love with you? it all depends.

If she has a serious relationship and other three men running after her, you`re in for a long walk (as Nelson Mandela titled his book).

But what if she has nobody she`s dating now? You know what that means.

You can get yes, even now.

That is how business world looks like. An innovatively new products or services get people's attention so earn yes to their cash, easily.

But can there be a completely new agribusiness product or service again? Yes, but waiting for it and working for it is beyond what most people are qualified for.

Human beings are so weak that we don`t usually recognize that there may be the same engine in an unpainted Toyota can and a red coloured Toyota car.

You got it! There is a colour called blue and another one called yellow, but, yellow plus green is what we know as a *new colour*. Being the first person to introduce an innovative agribusiness product or service to the market is the greatest and the most powerful of all the marketing strategies.

## **2. Be the first in a new market.**



Eirtel is a Kenyan telecom company who came late to the market. Since the first market position (as explained above) has already been taken, they try to become a king in a new market. They target phone users who of course are browsing with their phone.

If you look at your agribusiness very well in your location, there are different categories and lines. If you cannot be the king for the whole market, don't fight for the whole market. Identify a category where you can be the king.

This is an example.

You want to start a dairy farming farm in your city or town, but there are already 52 dairy farms and seven of them are highly known.

What can you do?

Don't sell your raw milk to the same market they are selling to. Add value to the milk e.g making yogurt or even you can specialise in selling dairy cows.

You got that! Let's move on.

### **3. Be a specialist.**

Don't be a jack of all trade. Nobody will respect you. You can't do all types of agribusinesses at a go. Identify 1 or 2 or at most 4 agribusiness opportunities and specialize in them.

This also applies to entrepreneurs offering agribusiness services. Think about this situation. You visit a friend and from there you're having malaria and he tells you, ~Guy, I know of two hospitals in this environment. One is very good and treat just any disease, the other one is treating only malaria, which one will you love to go?~

It is smarter to be known for one thing than to be known for all things.

You see this all around you every day. Do you know a bongo musician who is also a hip hop musician?

He cannot succeed.

Specialization is a powerful business tactic, because it makes people see you as an expert and also you are able to produce at maximum.

#### **4. Identify your position in the market.**

Every business market is eventually going to be divided into four. There will be a leader, a challenger, a follower and a nicher.

Let me use the Kenyan telecom industry to explain this.

Safaricom is the market leader. Airtel is a challenger. Orange is the nicher while that ‘guy’, Yu Mobile is (unfortunately) the follower.

A leader is the king. He can sometimes have 40-60% of the market share. The challenger is a threat, looking for a possible chance just to kill the leader. He can be compared to the strongest opposition party in the political system.

The nicher is that business whose owner admits the fact that he is too late to the market, but he is fighting for a part of the market, as explained in the number two above.

If you know your position in a market, you're more likely able to know how to dominate your market.



## **5. Tailor your tactics according to your market position.**

If you`re a leader, don`t tell your market you`re a specialist and if you`re a challenger, then, *I am better* is your message.

## **6. Fight with your name.**

Your business name or farm name is far important than you think. Do we fight with our names in the business world?

Not in business alone... everywhere in the world.

I know a very close lady friend who introduces herself as Lizy. When I heard her mum call her Elizabeth, i understood.

Al Ries and Laura Ries write in their book, *The 22 Immutable Laws of Branding* that, *the brand with a better name will come out on top*. Your name is part of your marketing strategies.

## **7. Appeal to a group of people.**

Seth Godin says, *create a tribe*. People love to belong, it`s our natural weakness. That`s why you see people identifying themselves with football clubs and social movements.

Most people go to church simply because it gives them a sense of belonging.

How can you ride on this human need of belonging? Structure your marketing message in such a way that shows that you are creating a tribe.

Our name (in this organization) was, *The Optimist*. It is not too smart to go with that name, because we want to create a tribe (so to say it like Seth Godin).

Think about my yogurt brand from my dairy farm, *Kisii Highlands Yogurt*. How does it sound? We choose that name so as to appeal to a group of people, Kisii and Nyamira county residents.

Why is this very important? Because people love what is their own.

You get it.

In your agribusiness and marketing messages, you may target the youth, the men, the women, the aged or a particular nationality or continent.

Those in that group will fall in love with you because they will see you as their lovers.

Believe me, we are enjoying the Kisii and Nyamira county market for our yogurt, thank you for loving us this much!

## **8. Create a Unique Selling Promise.**



I came across the concept of the USP (Unique Selling Promise) in around 2007/8 when I was reading a book from Brian Sher, and since then, I have been applying this marketing technique.

Look at your competitors very well and come up with their three major weaknesses that the consumers are complaining about.

Can you fill this gap? If yes, can you create a simple message that will tell your target market that you have filled that gap?

Because Safaricom came up Kenya when there was no network in most towns and city, they smartly coined the Unique Selling Promise, *everywhere you go!* telling you, we`re there everywhere to give you network.

Because Equity bank felt that many banks say no to people, I guess loan seekers, they coined the term, *saying yes to your dream.*

Because i found out that most dairy farms at my home in Kisii county are selling raw milk, i decided to sell pasteurized milk with Milk dispensing machine (ATM) and also adding value to milk by making yogurt.

Be unique and tell your market how you are unique. There is no better marketing strategy than this... as much as I know.

When you are different, people will fall in love with you and your products/service

## 9. Perception wins, even when quality products fail.



There was a market research to find out how people react to the taste of Coca-Cola and that of their enemy competitor, Pepsi. The outcome of that research teaches us marketer a great lesson... most people prefer the taste of Pepsi to that of coke.

So why does Mr. Coke remain the king in that market? Human beings usually (or always) judge the book by its cover. Many quality products and services are dead and forgotten. Let people perceive you as the best.

## 10. Quality, yes, quality wins.

This is counter-intuitive, I know. But not really. You see, we are already in a world of super stars. Just as I was explaining to two friends of mine yesterday, it seem extra-ordinary needs another extra to make it a winner in the present day world.

You see, in the last 100 years, an average product, service, musician or footballer easily could get to the top, because there was few people in the world (less than 2 billions), there was little noise and there was so little competition.

For instance if you were making soap in the last 100 years, average quality soap I mean, you`re likely to become very rich because only few people (very few people) are soap makers in the whole of Africa.

Today, the soap makers in Nairobi alone may be more than a thousand. So if you don`t have any quality thing to offer, please, go get job.

Don`t waste your time in the agribusiness world. However, always, I said always let your customers perceive your products or services as the quality. I insist this especially in fruits and vegetables farming.

That is where the last point work with this one and make these two marketing strategies work together.

### **11. Give out free samples or services.**

Do you have a great product that you want people to buy? They are skeptical about that product. You need to give them a taste of it.

Remember the first time you visited an orange seller at the roadside. She understood that you may be doubting the quality of her fruits, so she offered you a taste of it.

Car manufacturing companies, whenever they release a new car will offer people the free ride.

This is a marketing strategy. This takes away people's fear and attracts them to the new car.

Do you want people to love your product? Can you produce some samples?

If you're rendering service, this is a lot easier (and cheaper), can you offer people some free service?

Funny? Psychologist Dan Ariely has told us (in his book, *predictably irrational*) that human beings, all of us, are irrational.

Claude Hopkins said, *sample always pay for itself* and even more.

When people taste your product or service, they say, wow, and then buy (that is why it must be a wow product anyway, if you want this agribusiness tactic to work).

When someone gets his cow a free medical test and discovers it is about to have some sickness, will he go home and sleep all night? You get it.

## **12. Spread a contagious virus.**



The truth is, advertising is dying and may soon die. Why? Noisy. Noisy. Crowded.

Because advertising is now everywhere, and hundreds of them for that matter, nobody is paying attention to adverts again (except a few brilliant ones of course).

When last did you react to a television advert?

When last did you buy something because you read its advert on newspaper?

Did you ever take your phone and call a line from a radio advert? Maybe no.

So do you think your own advert will be diligently listened to?

Think again.

But there is a way out... spread a contagious virus.

This is what I mean. Create something that is great enough to catch someone`s attention. After such people fall in love with you, they are more likely to tell their friends about it.

Can you remember few instances when you talked to a friend about a great fast food restaurant, a nice hotel or a great book? Now you can see.

We love to talk about a good product or service to our friends. In fact, we are usually proud of them and talk about them on social media sites.

With this, we`re advertising for the company involve (and we do so willingly).

For instance wherever I read a great book, I tell my friends about it, even force some of them to buy it. I know I am "helping" the author, but that is not the way I see it. Instead, I see it as helping my friends.

Create something worthwhile (a product and service) and people will want their friends to also know about it.



We are so much grateful to Kenyans especially kisii and Nyamira county people who are telling their friends about us, our *Kisii Highlands Yogurt*. This tells me that it pays to give value.

Thanks. Let`s continue.

### **13. Be consistent with your message.**

Don`t be surprise that Safaricom is still using *The better option* as their marketing message after around nine years of creating it. Whatever you stand for, be consistent.

### **14. Be flexible.**

Don`t be surprised by this. Though consistency is good for you, your competitors sometimes will come up with a hard blow. To cope with this, you too may have to change your marketing strategies.

# Chapter 2

## How to Write a Marketing Plan for Your Farm



Most agribusiness farmers recognize the essence of marketing to a business. They know that marketing is directly proportional to sales; yet only few will invest the time and resources to write a marketing plan.

Do you have a marketing plan for your agribusiness? Does your agribusiness need a marketing plan? What advantage does a marketing plan give your agribusiness? Well, I will advise you read on to find the answers you seek.

Before we proceed further, I think it's wise I lay out the definition of a marketing plan. Now what is a marketing plan? According to Wikipedia,

“A marketing plan may be part of an overall business plan. *A marketing plan is a plan which outlines a farm`s overall marketing efforts.* Marketing process can be realized by the marketing mix in step 4. The last step in the process is the marketing controlling.

The marketing plan can function from two points: strategy and tactics. A 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.”*

Now what is the importance of a marketing plan to an agribusiness? Why do i need a marketing plan? What effect does a marketing plan or strategy have on an agribusiness? Well, i advice you read on.

You may have an excellent agribusiness product/produce and a great team but if you can't get the word out about how good your product is, then you will achieve nothing. Without wasting your time, below are the basic importance of a marketing plan to all aspect of businesses.

### **The Importance of a Marketing Plan**

1. A marketing plan assists in ensuring that marketing activities are properly integrated and focused.
2. It enables everyone in the farm to know exactly what is to happen, how it will happen and when it will.
3. A marketing plan helps the agribusiness in taking advantage of market opportunities.
4. It assists in ensuring that the agribusiness remains healthy by making preparations for possible problems.

5. A marketing plan helps to keep the agribusiness in a better position to react to unexpected events.

6. It helps to identify the marketing mix.

7. Marketing plan clarifies the keys of marketing elements of your agribusiness and as well maps out objectives, directions and activities for the agribusiness and its employees.

8. Marketing plan focuses on issues related to the four Ps, which are product, price, promotion and place. As regards to these issues, putting them down in a written form can be beneficiary to an agribusiness owner, because it will force them to analyze their agribusiness. It could be good for employees, as the marketing plan is able to provide them with essential orientation and acts as a motivational source.

9. Marketing plan grants access to a global market which means reaching out to new customers.

10. It uses different methods (or channels) to reach different aspects of customers.

11. Marketing plan makes monitoring and measurement of marketing efforts easy.

12. Marketing plan targets your products or services to the appropriate groups of customers. For instance, market segmentation.

13. Marketing plan uses social media to raise your online profile and build up your reputation.

The end result or outcome of a market plan is an increase in customers, which will lead to an increase in sales. This provides a very great return on your investment including boosting your bottom line.

Before you start an agribusiness, it is expected that you develop a marketing strategy; and a good one. This marketing strategy of yours will form the basis for your marketing plan. Now for those thinking of creative and innovative ways to actually accomplish a superb plan, below are four basic pointers on how to write a marketing plan:

## **Writing a Marketing Plan for your farm**

### **1. Identify your target market**

Your produce may appeal to a lot of people, but that doesn't mean you should spend your resources trying to reach everyone. The truth is that your produce will appeal to certain groups of people more than others. These groups make up your target market.

Some businessmen abhor this part because it not only takes time; it is also costly. However, you must note that research is a very critical aspect of marketing. A good market research, as well as an informative market analysis; is the only way to understand how an agribusiness works and how it should work.

Through research, you will be able to know who your target customers are and where can they be found. Through research, you will be able to know several ways on how to attract such market and to entice them to your product or service. It is only through research that you can get to develop your agribusiness for the better.

By defining a specific target market for your startup product, you will be able to distribute the limited resources you have. *How exactly do you define your target market?* By creating a customer profile, which is an in-depth description of who your typical customer may be. It factors in demographic information (*age, gender, location, and so on*) and psychographic information (*interests, hobbies, behavior, and so on*).

## **2. Detail everything necessary about your produce**

Having identified your target market, you must write down everything that makes your produce suitable for that market. *How does your produce or service benefit the customer? What makes the produce different and better than similar produce that are already in the market? Why should customers prefer your produce to others in the market?* In short, this step involves putting down the unique selling points of your startup product.

## **3. Evaluate your match**

The most important thing to consider when studying the pointers on how to write a marketing plan is the part of strategy planning. After answering the what (goal or objective), who and where (target market), it is now only basic to answer the “**How?**”

You have defined your product and its unique features. And you have defined your target market. Now, it's time to look critically at what you have written down so far regarding your startup product and the target market.

You want to see if your product is really a good match for your target audience. You want to see if your target audience will really feel the need for your startup product. In short, you want to be sure that there's no mismatch between your startup product and the target market.

This is a tricky aspect in marketing plans as they tend to require your effort and superb ideas to make the product or service work. This step is very important, since a mismatch will lead to targeting the wrong market, which will in turn lead to waste of marketing resources. And the ultimate result is failure!

You sure don't want that—so don't skip this step. However, you must not be discouraged if your strategy did not work as planned; this is quite inevitable in every business undertaking. The important thing is to be persistent and never to fear failure.

#### 4. Conduct SWOT analysis

The next important thing is a SWOT analysis, and it should therefore not be taken for granted because it could make or break your agribusiness. Before you launch your marketing campaign, you need to analyze the internal and external factors or issues might affect your produce.

A SWOT analysis is a crucial action you must take because it identifies the elements of your business. **SWOT** is an acronym, which stands for **Strengths, Weaknesses, Opportunities, and Threats**. For your SWOT analysis, you will use the information gathered during the previous steps.

To know your strengths, here are typical questions to answer:

- ❖ What are the advantages of your produce?
- ❖ What makes your produce better than others in the market?
- ❖ What resources do you have that give your agribusiness an edge over the competition?
- ❖ Do you already have a large and loyal customer base?

To know your weaknesses, you must answer these questions:

- ❖ Are there any aspects you need to improve upon?
- ❖ Do you have low customer retention?
- ❖ Do you lack any resources or manpower?

To know your opportunities, you must answer these questions:

- ❖ What market trends can you capitalize upon?
- ❖ Do your competitors have some weaknesses that you don't?
- ❖ Is there a new market you can tap?

To know your threats, here are the questions to answer:



- ❖ Is there any new technology that might threaten your agribusiness?
- ❖ Do the tastes or preferences of your potential customers change quickly?
- ❖ Do you lack financial resources?

These are just few examples of questions you can ask yourself. There are many other questions you should ask, based on the type of agribusiness you want to launch or you are dealing with.

#### **4. Set good and achievable marketing objectives**

There are different and specific objectives for every agribusiness. While some agribusinesses have the goal to expand their revenue, others have goals that are focused on expanding on something else, such as its market base.

Your objectives are the results you want to get from your marketing campaign. For example, your main objective could be, *“To dominate your local so-and-so market by X years time.”*

When establishing an objective, you are advised to use the S.M.A.R.T. (Specific, Measurable, Achievable, Realistic, and Time-specific) characteristics to be able to reach your goal.

Although the objectives may vary, the ways to accomplish it is still the same; and that’s by making sure that your plan has a clear vision statement, a well-thought of SWOT analysis and is applying the S.M.A.R.T objectives.

A vision statement is simple to do as it technically contains only the long-term goals you want for your agribusiness. But bear in mind that a vision statement is important to the success of your marketing plan because it has the ability to move your agribusiness in a precise direction.

## **5. Define your strategies**

This is where you state the strategies you will adopt in order to achieve your objective. That is, what you will do to achieve your objectives. Whether you will focus on radio, TV, and newspaper advertising only or you will also adopt social media and word of mouth advertising. All this goes into your marketing plan.

## **6. Finalize your budget and timeline**

Let's face it. Marketing your produce usually requires a lot of money and time. So, you will need to assign a financial cost and timeline to each step you intend to take during your marketing campaign. After factoring in all costs and timelines, you must find the total to know what the whole campaign will require in terms of money and time.

## **7. Review and adjust**

After taking all the previous steps, your work isn't finished. You will need to review your marketing plan at periodic intervals, making necessary adjustments.

## **8. Stick to the plan**

This is a simple rule and although it looks easy to implement, it is not always the case for some agribusinesses. Sticking to the implemented plan not only gives the impression that you are firm and decisive when it comes to agribusiness issues, it also helps you avoid the waste of time that you would experience if you change your mind about marketing plan.

The best thing to do to avoid regular change of plans is to prepare a marketing plan that will not only suffice to the needs of your agribusiness but will also be the best that you ever did. Go ahead, and outdo yourself.

## A Sample Strategic Marketing Plan Template

To develop a good marketing plan, you need to work on the following metrics. Also, it is important you note that every good marketing plan has the elements listed below.

1. *Summary*
2. *Product description*
3. *Marketing goals and objectives*
4. *Situation analysis*
5. *Market analysis*
6. *Competitive analysis*
7. *Strategies*

### **a. Summary**

This particular summary is called the executive summary. It is a brief summary of the entire marketing plan. It also includes the highlights of each section of your marketing plan. Your business vision or mission statement should also be a part of the executive summary.

Let your mission statement serve as a foundation for your marketing plan and ensure that your mission statement is in a simple paragraph describing your farm or company's values as well as who your farm or company is and what it does. Skip the remainder of this section and come back to it after the marketing plan has been completed.

### **b. Product/produce/service Description**

This is where you provide a detailed description of the product or services that you wish to bring to the marketplace. When writing a marketing plan, you must use this as an avenue to communicate your ideas as regards the features of your product and how your customers will use it (*the benefits of your products*). Let it be within the length of a few paragraphs to a few pages.

### **c. Marketing goals and objectives**

Your marketing goals and objectives provides a direction for your farm or company. It allows your farm to focus its resources on clear and measurable targets. Your marketing goals and objectives must be a reflection of your farm's mission or vision statement. Your goals should posses both long and short term goals and it should be focused on the following areas.

- ❖ – *Financial*
- ❖ – *Personnel*
- ❖ – *Market share*
- ❖ – *Product development*

**NOTE:** Financial goals and objectives are of a great importance because they are not addressed anywhere else in your marketing plan.

### **d. Situation Analysis**

This section details the context for your marketing analysis. This is where you take a close look at the internal and external factors that will influence your marketing strategy. A situation analysis is otherwise called a SWOT analysis.

- ❖ -S=strengths
- ❖ -W=weaknesses
- ❖ -O=opportunities
- ❖ -T=threats

### **e. Market Analysis**

Market analysis is a way of carrying out a market research. It can be drawn either from a third party marketing research company or be done by yourself. In the market analysis, it is important that you discuss the situation of sales in the market, future trends of the market environment in relation to your product and the current conditions if the market.

## **f. Competitive Analysis**

This is where you identify your competitors, both the ones that are obvious and the ones that are not so obvious. Here, you determine the strength and weakness of your competitors including their marketing strategies.

## **g. Marketing Strategy**

The last but not the least element of a marketing plan is the marketing strategy. This is the highest of all the previously listed elements of a marketing plan. It has to do with the marketing strategy and action plans that you will employ in marketing your product or services. Having established your marketing strategy, it is now time to implement your action plan.

In conclusion, i want you to know that there are many other specific pointers that you need to know when writing a marketing plan but the basics, as mentioned above, should always be prioritized. After all, what is a specific and outstanding marketing plan without a good, detailed and well-thought of foundation?

# Chapter 3

## Advertising & Techniques to Sell Your Produce Fast



Advertising is a persuasive marketing communication from your farm or company, organization or persons with the intention of getting a particular audience to take certain action or to continue in particular action.

Advertising is usually having a commercial motive behind, though there may be some adverts which are non-commercial. Most adverts are either from a company, a political party, an interest group or other commercial organizations.

Advertising, just like most other things have been in the world with us for as long as the world itself. As we advance, so do the ways by which we advertise ourselves, philosophies and businesses. The ancient China has what is known as oral advertising of bamboo flutes played to sell candy (as recorded in the classic of poetry in around 11<sup>th</sup> to 7<sup>th</sup> centuries BC)

There was also Indian rock art painting which could be traced back to 4000 BC.

There are several medium by which advertisement gets to the target audience. We have Newspaper, Radio, Billboard, Television, Magazine, Direct mail, Text messages, Social media, Blog, etc.

The medium of advertisement an agribusiness chooses depends on what it's offering and its target audience.

Over the years, advertising has advanced in terms of mediums and messages. For example if you were talking about advertising in the early 80s, you wouldn't be talking about blog, social media or text messages. You as well would not be talking about several creativity and innovation copywriters have brought in to the industry.

Most people are of the opinion that the tobacco innovative advertising of the year 1920 marked the beginning of modern advertising.

In the year 2015, \$767 billion is estimated to be spent on advertising worldwide. This shows how advertising is more important today than it has ever been.

So why is advertising that important to an agribusiness, organization or interest group?

Because the competition in all field or industry is becoming tougher by the day.

You could produce an average product in the last 100 years and become a millionaire without a single marketing or promotion. You could render a good service in the last 50 years and become rich with just a little advertisement. In today's world, average products/services do not sell, good products/service do not sell much and even great products/services need smart marketing.

We can talk about branding, packaging, positioning and many other elements of marketing, but they are all “insiders”. The only thing that takes you to the minds and hands of your target audience is advertising.

You may brand your agribusiness, position yourself smartly and brand your products/services and still not selling enough to make your agribusiness profitable, if there isn't good advertisement.

Now you may ask me, can every business advertise?

Yes, as I will share with you through bellow tips.

### 1. **First think about your positioning.**

Even before thinking of advertising your products/services, you have to invest a lot of thoughts into your position in the market place. Do you have any unique strength you're known with by your market? Is your product/service in anyway different than that of your competitors?

Do you have a better product, faster service or more professional farm staff?

You have to first sit down and see something in your product/service that is unique and makes your offer more valuable than that of your competitors.

After discovering this strength in what you're selling, the next thing is to position yourself as "the business" that fills that gap.

Let me give you an example on how a company does this.

Fresha Yoghurt Cooperative is having a position which is, "3x better and sweet". By this, Fresha Yoghurt Cooperative is positioning its yoghurt as better and sweet than those of its competitors.

What you have to be careful of here is that, your claim must be true or else your marketing effort will fail. If Fresha Yoghurt is not (truly) 3x better and sweet and the cooperative



claims it does, it's just a matter of time before consumers will know and that's going to be a big failure.

Position yourself as a better product/service in a way, then...

## **2. Invest much time on your branding and packaging**

Yes, I said earlier that branding and packaging are “inside thing”. However, it's what you have inside that you want to take outside. The truth is, people still judge the book by its cover. If what you're selling is not well packaged or you don't create a good brand for your agribusiness, your advertising and other marketing efforts will not be successful.

## **3. Find out who your real customers are.**

Who are those who need what you're selling? Where do they live? How is their daily activities like? Where do they work, school or play? How can they be best reached?

The more you know about those you want to sell to, the better your marketing message will be because you will know what language, slang or communication style they can best react to.

## **4. Let your customers advertise your products/services for free**

Since the beginning of the world, there has been various fashions of word of mouth advertising, whether for products, services or individuals. In the Bible, when Nathanael saw Philip (John chapter one verse 45), he said, “We have found Christ”. That's the word of mouth advertisement.

Human beings are so good and kind that when they have a good experience with certain product or service, they love to tell their friends and relatives about it.

We all do this.

Few days ago I was talking with a friend on phone. He doesn't like Safaricom. I am one of the most loyal customers of Safaricom (I have two active Safaricom Sims) and I love to promote Safaricom whenever I am opportune to, so I started persuading my friend to become a regular Safaricom customers. At a point, he told me, "don't advertise to me".

I immediately understood what I was doing... word of mouth advertising.

One free (and very effective) promotion you can do for your product is the word of mouth advertisement. How can you do this?

Encourage your customers to talk to others about your product/service. Give them something as reward if need be. And...

### **5. Produce/sell a truly great product/service.**

As I earlier mentioned, the era of average products is gone. The era of good product is going. For any agribusiness person to actually make a lot of money in today's highly competitive market, he/she must take to the market, something truly unique.

You cannot sell an average product through word of mouth advertisement. You cannot sell a good service through the word of mouth advertisement. The reason is because until people can say "wow" about what your farm produce or service offer, they wouldn't be willing to tell anybody about it.

A creative product/service can easily be marketed through the word of mouth advertisement. That's why you have to offer something truly great or unique.

## **6. Don't advertise your products/services. Advertise your USP.**

Now when you're willing to put together some marketing messages on your signboard, billboard, poster, or radio, TV, newspaper, social media, blog or whatever other medium you choose, you have to advertise your Unique Selling Promise (USP), not your product.

The reason is this.

Other businesses are selling what you're selling. For example you wouldn't write in your signboard, "buy tomatoes here". That's not persuasive, does it? What if we use, "buy low priced fresh tomatoes here"? Now, you're sounding unique and persuasive. For people who know that fresh tomatoes are good for their health, you're the man.

You wouldn't want to advertise your dairy cow selling business in the newspaper by saying, "get dairy cows at so and so address". Instead, something like "we are the best and productive commercial dairy cows dealers. Come to our farm at..." may be more persuasive.

I'm sure you get my point. Don't tell the world about your product, hundreds of products like yours are already in the market. The only thing that can persuade people to buy from you is your Uniqueness.

## **7. Advertise benefit or solution, not your products/services.**

Who actually cares about what you're selling? You and some of your employees. Nobody else does. The reason why consumers want to buy a particular product or service is because it solves their problem or because buying it benefit them in a certain way(s).

For your marketing message to be persuasive, it must not talk about what you're selling. It must talk about how what you're offering will make people's life better.

Sky Bank of Nigeria ran a wonderful advert that won some cool awards (I think) few years ago. That advert features an assumed customer who says, “I wish I had a friend, to help me grow every day”. Then there is a slogan, “saying yes to your dream.”

Sky Bank didn't advertise banking, they advertised benefit.

Don't advertise what you're selling. Nobody cares about it. Advertise the benefit consumers will derive from buying your products/services.

If well put together, all the above 7 advertising techniques can help you to run a successful advert for your small or big agribusiness.

### **Word of Mouth: How to Advertise Your Agribusiness for Free**



Word of mouth advertisement is a free advertisement by which customers tell their friends and, colleagues and family members about certain products or services they have used and like.

We all do it every time.

No. not with the intention of helping the company involve, but to help our friends or to boost our own ego.

Let`s think about this scenario.

I`m a lover of book. I love reading and once in a while I come across a great book. What I do next is to tell my friends or even write about it on Facebook.

I`m not doing this to help the author of the book I love. Instead, I`m doing this maybe to help my friends to read that great book too or to boost my ego as “the man who reads many books” (you know such pride, don`t you?).

While I`m satisfying my human needs, I`m doing something I might not know... I am advertising the book for the author.

If that book is truly great and many people can spread the word the way I do, such a book may sell more copies than what the most expensive advertisement can sell.

One good thing about word of mouth advertisement is that, it works better than other form of advertisement and promotion.

The reason is simple.

You`re likely to believe your friends than a newspaper or T.V set. You will react positively to what your family member tells you than what a radio tells you.

If I pick my phone now, draft a message and send it to some of my friends about certain products or services, some of them will not check the internet to see how good such products are before they buy them.

You too have influence on some people like that.

The second interesting thing about word-of-mouth advertising is that, it's free. The most effective word of mouth advertising is free. The company or business involved really doesn't pay people to advertise them.

Yes, sometimes it may require some money to apply word-of-mouth advertising techniques (as we will discuss soon), but you will as well see that such money spent is a good investment with good Return on Investment (ROI)

Third interesting thing about word-of-mouth advertisement is that, every agribusiness owner can use it, either to sell products or services.

Let's look into few things you can do to make the word-of-mouth advertising work for you.

#### **1. Add “wow” feature to your product/service**

This morning I called Safaricom customer care line and complained about their slow browsing network. The man answering my call asked me, “is the network going at all”? I answered yes, but very slow.

If people in 19 century could see the kind of the so called “slow network” I'm complaining about today, they would think they have experienced heaven.

Average things doesn't satisfy us in today's world, good things doesn't please us. Only great things make us smile.

For anyone to tell another person about what you're selling, he or she must experience a “wow” treatment.

You have to outsmart your competitors with better service. You must outperform your competitors with better product.

You have to treat your customers like human beings (seriously, many business owners treat their customers like animals). He`s the reason why you`re in business. He`s the king and has to be treated so.

If the above elements (great product/creative service and good customers` service) work together, more and more people will joyfully tell others about their great experience.

Just as I have said, not really because they care about you (nobody does), but because they want their friends to experience such good thing or just to boost their ego.

## **2. Give free samples**

Even after you have gone to the market with something really creative, word of mouth advertisement may not still work for you.

Why?

Because we are in a very clumsy world. The noise in the market place is too much, so much that even good products are not seen.

I have spent hours on the internet (OLX) today to search for a particular service I need for my dairy agribusiness, but I have a big problem.

No. my problem isn`t that I couldn`t find what I was looking for. My problem is, there are too many options (attractive options). At a time I got tired.

As a psychology student (in my library, you know) I understand that human mind gets bored when there are too many alternatives he must choose from, yet I wish to get the best so I have to search for many companies rendering the service I need.

Such is the picture of what our today business world is. That's the reason why so many promotion get lost and advert go unnoticed.

Your creative product/service need something to drive it. Yes, good **brand**, good positioning and good packaging are all needed, but also think of free samples.

Does free sample work? Why does free sample work, if it does?

I have tried free sample when selling my yogurt from my dairy farm and I can tell you that it works (provided you do it right as I will explain soon).

Ok, why does free sample work?

Because human beings love free things. In fact, the word free and the word gift are two of the most powerful English words.

We all love gift (even when you become a millionaire, a Ksh.100 gift might still make you happy). We all love free things.

Now to use free sample as a marketing tools, many agribusiness owners have gone into the market place with a junk product, distributed it and expected result.

It never comes.

Why? Because though people love free things, they think you're playing on their intelligence if you give them free junk.

Instead of this to help your business promotion and word of mouth advertising, it fires back and hurts you.



After reading a book call *Idea Virus* by Seth Godin last year, I decided to give out free samples of my dairy farm high quality and sweet yogurt and it really worked. Seth Godin is of the opinion (just as I am) that whatever you will give out as free sample has to be something valuable.

If it's valuable, people remember your agribusiness for good and tell their friends, family and colleagues about your agribusiness.

Yes, some small agribusinesses cannot give out free samples, but they can give out exceptional products/services to their little customers (after all every business starts with little customers) and do the following:

- 1. Provide customers with the tools to spread your “gospel”.**

Even with little customers who are patronizing an agribusiness, if the products/service of that little agribusiness is truly creative, they can become the “evangelists” of such small agribusiness.

But you have to give them the easy tools by which they can share your virus (sorry, that's what Seth Godin calls it), it means your free (great) sample.

Have a look at this... Some big companies give out shirts, caps or pens. What for?

So you and I could spread their “good news” easily.

As a small agribusiness owner, you can design a little card, give it out to your customers as a “ticket” for their friends to be able to enjoy your service at 5% reduction. By doing this, you're spreading your agribusiness' “gospel”.

If you are online and having a website, you can have social media sharing buttons on your website. You can do this for free.

When your customers come into your website, they share your products, services or blog posts with their Facebook, twitter etc. friends.

This way, they are helping you to advertise your products or services without you paying a shilling. That`s the power of the word of mouth advertisement.

## **Marketing-Mix and How it Affect Your Agribusiness**



The president of the American Marketing Association (Neil Borden) in the year 1953 coined the term, **marketing-mix**.

The term, marketing mix was coined in order to ease the process of executing marketing plans. The rhyme (Ps) makes it even easier for marketers and business owners to remember the marketing mix which in turn makes its application easier after the marketing plans.

The earlier known elements of the marketing mix were known as 4P`s (products, Price, Promotion, Place). In recent time however, some marketers have expanded the mix to 7P`s (Products, Price, Promotion, Place, Packaging, Positioning and People). So we now have 4P`s of marketing and 7 P`s of marketing.

Let`s go into these one after another.

## **1. Product.**

As an agribusiness owner or marketer, you have to make sure you learn how to look at your product or service from the “outside eye”.

You must be able to see your product or service the way an outsider will see it, if not, you cannot have a right assessment of how your market perceives what you’re offering.

To succeed in your marketing effort, you have to offer the right product/service to the right market.

Just as a round peg doesn’t fit the square hole, no matter how good your product/service is, it needs a certain market to flourish.

As part of your marketing strategies, you have to ask yourself some good questions: is this product/service in the right market? Am I trying to sell what I am selling to people who need it (and are willing to pay for it)?

Sometimes the product/service you’re offering is very good, but the market (customers) you’re trying to sell to don’t value it or are not willing to pay the amount you have to sell it to make it profitable. Then, such a product/service is not right for the people.

Then, there is a need for change in your marketing strategy.

## **2. Price.**

The second element in the marketing mix is price.

Pricing is very important to your marketing effort because how much people buy what you're selling determines your profit and success as an agribusiness person.

Just like the first element, price has to fit the market.

Even if you're offering the right product to the right market, but at the wrong price, you will still not go far.

Two things are possible. First, you offer price the customers are not willing to pay (or are not able to pay), so they don't buy or you offer a price too cheap, so you're not making good profit or you're not maximizing the market potential.

Sometimes your target market is willing to pay you 500% profit on your product/service. A good example of this is when you're the leader in the market. Most at times, you're seen as "the real man" and the consumers never hesitate to pay you much more than your competitors.

This happens in the case of Delmonte. They came in and sold fruit juice at high prices and even till now, most people are paying higher for their fruit juice and are not complaining.

Some other times (this is likely to be common than the first instance), you have to watch what the competitors are asking on their products/services to determine how much you will charge for your product/service.

The element of price in the marketing mix is advocating for the right price to the right people, so has to get the best out of your marketing plans/strategies.

### **3. Promotion.**

The third element in the marketing mix is promotion.

The good old days when you have customers searching for your good product/service is gone. In today's world, if you're selling a good product, some people (I mean hundreds of people) somewhere might be selling better fashion of what you're selling.

That's the reason why promotion is of great importance in every marketing plans and strategies.

Promoting your agribusiness is probably the most tedious marketing endeavor for a reason: you don't know what will work and even when a particular promotional medium is working, it may stop working anytime from tomorrow.

Is T.V advert best for your product? Will radio sell your service better? Will you need Newspaper advert? Should you go for billboards or social media? Will word of mouth be better (though slow)?

You rarely can tell until you try and, you get it, trying requires investment of time and money.

Sometimes you think you know your audience so much that you know where they go and how to market to them, yet, you still won't really know until you try.

I once decided to focus a marketing effort on Facebook. I thought the audience for the kind of products I'm selling is on Facebook, so I advertised on Facebook and on Facebook alone.

Though I was right when I concluded that my audience is on Facebook, I never considered the fact that most people go to Facebook when they are tired, weak or idle. Their minds want to socialize and they don't have much space on their brains to pay attention to adverts.

That's one way a promotion can fail.

The third element on the marketing mix teaches that you have to include in your marketing plan, how to promote your product in the right way to the right people and at the right time.

#### **4. Place.**

Where does your product/service meet the buyers?

Your product/service have to meet the buyers for there to be sales. This means that your product/service must “walk” to where the buyers are or where they go.

Many agribusinesses have devised several means of getting their products/services to the hands of their target customers.

Some agribusinesses use direct marketing, sending their sales people out to sell directly to the consumers. Some sell through telemarketing, catalogs or mail order. Some sell at trade shows or through retailers.

The key word here is that you must brainstorm and include in your marketing strategies, the best way by which you can get your product/service to the hands of your targeting audience.

#### **5. Packaging.**

Human beings always judge books by its cover, though it`s foolish at times to do so.

We all see products we love in few seconds after we come in contact with them and there are other products we really don`t like, just by looking at them.

The difference is packaging.

IBM under the leadership of Thomas J. Watson, discovered the importance of packaging to the business success so he restructured the way IBM's sales people dress.

He created dress and groom code and made sure that both the products they're selling and the people selling them were well packaged.

Packaging is all about everything in your agribusiness that customers can see or touch from your products to your salesperson to your office or business environment to just everything, so a deep thought has to be invested on your marketing plan about your business's packaging.

## **6. Positioning.**

This is another element in the marketing mix which is very important to your marketing strategies. Your position in the market is the space you cover, how your market perceive you, what they think about your agribusiness and products/services.

It's very important you put a lot of effort into this. Until you create a space in the hearts of your target market, you will be seeing as "just another business" and your products/services as, "just another product/service".

You don't want that title, do you?

You want to be known for something, something unique and attractive.

You may want your farm produce to be known as the best and sweet (just as Fresha Yogurt is claiming to be 3x sweeter than its competitors) or to be known as most effective (just as Safaricom claims to cover everywhere).

You may want to cover a space for speed (fastest service) or of a specialist, just have a space you are known with by your market (customers).

## 7. People.

The last in the list of marketing mix is people.

This may come last but it controls others. Brian Sher explains in his book (*what the rich people know and desperately want to keep secret*) explains that the quality of people who are managing and working with a company determines the success or failure of such company.

Companies are not competing with each other`s products, companies are competing with each other`s people.

An agribusiness with smarter people will in 100 times win the competing agribusinesses.

Jim Collins in his book (*Good to great*) says, get the right people on the bus, and the wrong people off the bus if you truly want to have a great company.

When diligently applied, a good **marketing strategy** that considers all of the above mentioned marketing mix can lead to great business success.



# Chapter 4

## Pricing Strategies: How to Price Your Produce for Great Profit



Just like many other things in the business world, product pricing has strategies which have to be mastered.

How you price your product/service can be the difference between a profitable business and failure.

There are various pricing strategies known by the business genius. These strategies are tested and you can trust them to help you in your agribusiness product/service pricing.

Before I share that with you, let me tell you these three truths:

1. **Your customers don't know how much your product/service worth**

As a matter of fact, human beings don't have value meter on their heads. Don't assume that people know how much they should pay for things, they don't.

What actually happens is that, we usually make comparison between two things before we decide one is right or the other is wrong.

Let me give you an example here.

If today a telecom company wants to sell a sim card for Ksh.750 in Kenya, it will be obvious to everyone that such price is wrong.

Is that price wrong? Yes, it's wrong, but it was right.

Remember Celtel sold sim cards for Ksh.1,000 and above in the year 2001 and people were joyfully rushing to buy them?

Now you're getting something.

We don't actually know how much we should pay for things. The reason why we can decide that a thousand bob for sim card is too expensive is because we have other low prices to compare it with.

That leads us to the second point.

## **2. Your position in the market determines the price of your product/service.**

Why was celtel able to "dupe" us by selling ordinary sim for as high as Ksh.1,000 in the past?

Because they were the leading telecom company that time.

Being a leader in a market gives you an advantage to price your product higher than you can otherwise do.

Coming to compete with the market leader, Safaricom had to fight with price. If you are going into a saturated market, you may have to fight with price.

But you see, when you have nothing to fight with but price, you have already lost the battle.

That`s why I will share the next point with you...

**3. You can still charge good price, even if you`re not the market leader, if you have a good position in your market.**

Just as I have said earlier, if you`re a “me-too” person running “we too” company or agribusiness, your only weapon to make sales is low price and when it comes to that, you may get to a point when the margin between your cost of production and profit is not sufficient to pay your staff.

That`s not business. That`s slavery.

What if you can be competing with other agribusinesses in your market and still charge a moderate price?

Yes, you can do that.

You can concentrate on values. You can compete with the value of your product/service.

Do I mean a better product/service here?

Yes, but even more... a unique position in your market place.

By this I mean that you must differentiate yourself from your competitors. You must position yourself as being the leader in a particular segment, or an expert in something (which other competitors are not).

If you do this successfully, you can charge good price for your products or services... conveniently.

After discussing these three basic truths with you, let`s now go into the proven pricing tactics you can use to sell more of your products or services.

### **1. Use Anchoring**

Anchoring as a pricing strategy comes to live as a result of the psychological discovery about how human brains work.

If you come across something big (let`s say an elephant) first and immediately see a smaller object (now goat), that goat will look smaller than it is in the real sense.

If you want to buy something you don`t have the idea of its price and the seller asks you to pay Ksh.1,000 and just after negotiation he agrees that you should pay Ksh.400, you`re more likely to feel like you have gotten a good bargain than if the first price the seller offers is Ksh.500, isn`t it?

How can you use anchoring in your pricing?

If you're selling varieties of items, make sure you place the higher price items before the lower price ones.

Let me use an example of a suit... This will work better

If you're selling a suit for Ksh.7,000, the best way to sell it fast is to place it right after a suit of Ksh.5,000.

What happens is, when people first come across a suit of Ksh.5,000 and then see another for Ksh.7,000 that second price looks ridiculously cheaper than it would have been if there was never an anchor (the first, higher price)

## **2. Nine is still powerful**

Price ending in 9 is powerful, even till now. I know you must have been seeing prices of different items which end in 9. It was no mistake. It was a deliberate tactic of the smart marketers and business owners to price their goods and services for Ksh.49, #999 etc.

Instead of pricing your product for Ksh.50, why not Ksh.49?

Price ending in 9 will sell more of your products than price ending with 0.

## **3. Write it small**

In human mind FIVE HUNDRED SHILLINGS is more than "five hundred shillings".

If your price is written big, your customers will (unconsciously) see it as expensive.

#### **4. Give two pricing options**

As I have said earlier, we humans really don't know what good price is. For us to know we're buying at good price, we must compare two prices.

That's the reason why some of us love to visit more than one sellers before we buy a particular item... we want to compare their prices.

Now you can help your customers to compare prices easily.

How can you do this? Give two prices for your product/service whenever it's applicable.

You can offer your service and offer the premium of the same service (with additional value). If the price of what you're selling is Ksh.2,000, premium version of it could be Ksh.5,000.

Why you may not sell much of the premium, more people will buy the normal version.

Why? Because it's now easy to compare between two prices and see that one is better.

This is an example of how an eggs farmer can sell big eggs and small eggs at different prices. Or tomatoes farmer sells various types and sizes of tomatoes at various prices.

Since it's now obvious that one price is better than another, it's easier for your customers to compare the prices and go for the "cheaper" one (which is not actually cheap, but become so after comparison)

If applicable, create a premium version of your product/service. You may not sell more of that premium version, but you will sell more of your ordinary version.

## **5. Don't price everything the same**

Human mind get confused easily. If you're having boutique and most of your clothes go for the same price, your customers will not be able to compare prices... which is very important for them to know which is better than what.

They won't just know which one to buy and they may just decide not to buy anyone. This is likely to happen because, to a large extent, most of us judge quality by price. This also applies to agribusiness produce and services pricing.

Tell me you buy a pair of shoes for Ksh.2,000 and I will assume it's a good shoes, so by the time all your products go for the same price, people tend to be confused as per which is better than which.

Let's talk about something similar to this...

## **6. Don't sell good thing too cheap**

I have read about the experience of some people who increased the prices of their products, and unbelievably, the demand increased as well.

In my personal experience, I have sold a digital product and received great testimonies from 90% of people who bought it, but when I give it out for free, maybe 1% of people even like it.

Why? We have been programmed to judge things by their prices. "If it's costly, it must be good". That's how we think.

How can this affect you as an agribusiness owner?

If you have a great product (e.g a dairy cow you want to sell) or produce and decide to sell it at a cheap price, people may assume it's a poor product.

Now you have a task of deciding between a moderate and cheap prices.

## **7. Present it in bits**

I was on a website few days ago. The author is selling a one month course for \$29. Instead of him to write, "Buy this course for \$29", he writes, "for less than a dollar per day, you can get this course....."

This helps people to see his product as "just a dollar per day" and not "\$29".

Can you present your offer in bits?

If people have to pay for your service for a whole year, you can reframe that price, help them to convert it to monthly payment and then present it as, "a year service for Ksh.10,000. That`s just Ksh.830 per month"

It`s easier to think of Ksh.830 per month than Ksh.10,000 per annum.

Ksh.830 per month is "cheaper" to the brain than Ksh.10,000 per annum, isn`t it? Yet, they are both the same.

## **8. Add "just" or "only"**

I used it above. The word "just" "only" "a token" and other words that sound small make people to assume it`s actually small.



You wonder why it's that way? We humans are not rational. We're irrational. We don't know as much as we usually want to think we do.

You have seen it in places. Marketers use the word "only Ksh.50" or "just Ksh.29" etc. to sell their products or services and it works.

Add "only" "just" etc. before your prices and sell more of whatever you're selling.

## **9. PWYW**

That's "pay what you want". Ask people to pay whatever they want, then suggest a minimum price.

What happens here is that, you have removed the first resistance of "I can't afford it".

Pay What You Want sounds so good that everybody will be open to your offer (after all, I can pay whatever I want to get this, isn't that?)

If you intend to sell a product or service for Ksh.500, you can then suggest that buyers pay Ksh.500 and above. Then add, "Just anything you can afford".

What happens here is that you have suggested the lowest price you want (and trust me, most people will not go below that). Some people will pay above your actual price, some will pay below it but the joy of it all is that... you will sell more of your products.

## **10. Beware of comma**

Look at these two prices: Ksh.6,000 and Ksh.6000. Which of them look more expensive?

Look at these too; Ksh.5,000.00, Ksh.5,000 and Ksh.5000.

You get my message. If your price has the comma and that dot, it looks expensive than if the two are removed.

“But that`s not a correct way my math teacher taught me”!

Well, your math teacher taught you mathematics. I am teaching you business.

## Market Segmentation



Today I will be sharing with you about a popular business strategy called **market segmentation**.

### **What is market segmentation?**

Market segmentation is a marketing strategy in which an agribusiness or company deals with different market with different offers, prices or packaging.

Let me explain.

Human beings are very different. Our geographical locations are different. Our financial status is different. Our mindset and beliefs are different.

Because agribusiness people have discovered this truth about human nature, they understand that a marketing tactic that works in a particular market may not work in another, so the need for market segmentation.

Should some people ask me, “**What is a market?**”

A market is a group of people who have needs for a certain product or service and who have the ability and authority to purchase.

As an entrepreneur, you will call a particular group of people your market if they are people you know are in need of the products or services you're selling and they are willing to pay for what you're selling.

Let me give you one or two examples of market segmentation before I will share with you types of market segmentation.

Think about MTN.

MTN is a mobile telecommunication company with the headquarters in South Africa and branches in many other countries of the world, including Nigeria.

MTN, though operating in South Africa with some marketing strategies, will not apply exact same strategies in Nigeria.

Why?

Because the market situations are different. The people are different. The culture is different.

Now you're getting my point. That's market segmentation.

Don't be surprised with this. Sometimes companies sell at different prices to different people in different location. A good example that comes to mind is Facebook.

If you're running advert on Facebook (which is what Facebook is selling to make money), you will find out that the amount of money Facebook will charge you if you are running an advert for people in Canada is different from the amount of money they will charge you for running advert to people in Kenya, Nigeria or Cameroon.

What is happening here? Market segmentation.

The bottle and can packaging Coca-Cola is using for certain countries may be different from others. This may be so for several reasons ranging from culture, competitors or geographical location.

Let me share with you

## **Types of market segmentation**

### **1. Cultural market segmentation**

Just as explained above, a company opening a new branch in a place with different culture will want to amend its marketing tactics to meet the new culture.

Let me give an example here. But this example is not agribusiness related.

If you're selling clothes in Nairobi and you have a photograph of a lady as your billboard advert, when you're planning to use a similar bill board advert in North eastern kenya, you have to put some thought into it.

Does this lady dress without covering her head? Does she wear clothes that is against the culture of the people in north? How can she dress in order to speak to the minds of your new market?

Considering all these will help you to segment your market appropriately.

## **2. Behavioural market segmentation**

Companies at times divide their consumers according to the behaviour of the people therein. This behaviour may be in term of knowledge, educational level or attitude.

If you have an agribusiness in Kenya and you are planning to expand to Uganda, do you think people in these two countries think the same way? Do they have the same attitude toward a product/service like yours? Is their educational level the same?

Since these people are different, it's entirely different marketing strategies that will win them to your side.

## **3. Geographic market segmentation**

Marketers can divide their market and tactics according to nations, counties, cities or communities.

An agribusiness may sell certain product e.g pig meat in Nairobi and couldn't sell the same in the Northern kenya (or it has to offer it in a different way)

Law of a particular country or area can allow you to sell certain products/services while those are totally outlawed in some other places.

#### **4. Demographic market segmentation**

Some smart marketers may consider demography such as age, gender, occupation or education.

This reminds me of some facebook adverts I ran. In those ads, I will targeted male of age 27-47 (or something similar). In this way, I am marketing to a group of people I consider needs what I am selling most.

That`s how a market could be grouped demographically.

In this way, an agribusiness person is able to tailor his/her marketing message in the language understood by his/her target.

You know, don`t you? The way you will talk with a 15 year old lady isn`t the same way you will talk with a 25 year old guy.

#### **5. Psychographic market segmentation**

Sometimes marketers have to take time to study the lifestyle of their prospective customers and tailor their marketing approach to meet their needs.

How your customer lives affect how they buy. The way drunkards live is different from the way born again Christians live.

The way students live and think is different from the way working class in a particular society live and think, isn't it?

So if you're selling to a certain groups of people, you may want to separate the offers, products or services you expose to a group from that of others.

## **6. Segmentation by benefits**

We can divide our market according to the benefit they seek or desire.

Certain people desire certain things. Primary school pupils may desire a soft drink that is sweet (which means it contains a lot of sugar) while a grown-up (35 year old) adult may desire a low-sugar drink.

Since the benefit these different set of individual want is different, we can segment their markets and offer them different products.

### **Price discrimination**

Here is another aspect of market segmentation we should look into.

Let me give you another example with Celtel.

When Celtel first came to Kenya in the 1990s, they were just as powerful as a monopolist. This market domination gave them some unfair advantages.

They were charging Ksh.1,000 (and above) for a sim card and charging terribly high prices for calls.

At this very time, they were struggling in their home country (India) with the market leader there. There was no way they possibly could charge any outrageous price in India because they were struggling with competition, but here in Kenya, they are the king, so they could charge such high prices.

This happens all the time.

In fact, many companies or agribusinesses have branches that are not profitable, yet they keep them active because they are able to have some advantages in other segment of the market.

Should I give you example on this?

Barclays bank opened a branch of their bank in my town in the year 1983.

My little town as at that time was not profitable for a bank, yet, they kept that branch active till date because they could get some profit needed to finance that branch from other segment of their banking market.

### **Why market segmentation?**

What could possibly be the advantage of dividing markets and approach them with different marketing tactics?

Well, so as to speak the right message to the right people and to give certain people the exact thing they desire.

The primary aim of marketing segmentation is to maximize our opportunity in the market... to have more sales and more profit.



# Chapter 5

## 50+ Marketing Ideas to Get New Customers & Clients for your Agribusiness



“The purpose of a business is to create a customer.” – Peter F. Drucker

It's the utmost desire of every business man to see customers trooping into his place of business because one of the most valued assets of a company is its customer base. Most entrepreneurs have successfully built a functional business system around their product or idea but they don't seem to be making headway with respect to finding customers for their agribusiness. And without adequate customers, there will be no sales and without sales; there will be no profits. Without profits, your agribusiness is as good as dead.

Since you have understood the importance of a customer to a business, let's now brainstorm on how to find new customers and increase your customer's base. In this chapter, I am going to reveal to you 50+ smart ways to find or attract new customers in with little budget.

Please note that you are not expected to implement all the techniques; just pick a few and stick with it. Your goal here is to find new customers each day. Secondly, creativity should be applied when implementing any of these marketing tactics. Thirdly, it's advisable you make sure that your entire agribusiness is prepared and able to handle the inflow of new customers.

What's the essence of attracting new customers to your business, only for the customers to arrive and be disappointed by your lack of coordination and poor services? Never let that happen because customers talk a lot and bad news spread like wildfire. Now if you are good to go, then below are 50+ smart ways to attract or find new customers with little budget.

“Sales is about identifying a thirsty prospect and selling them a glass of water. Branding is about selling your 2nd glass and the 3rd glass and the 4th until when they're thirsty they want to buy your water. Branding is finding out what you stand for and then communicating and delivering what you stand for.” – Ben Mack

### **1. Create a branded professional business card and give it away at every given opportunity**

Your agribusiness card should be professional in its design and should maintain your farm or company's brand image and color. Important details about your agribusiness should also be included in the business cards and you must give it away at any given opportunity. Never leave your home or office without your business cards.

### **2. Brand your farm or company's car**

If your company has a car, then brand it. If your company is still a small business, then consider branding your personal car. After all, it's still your business. Brand your car with your company's corporate color and leave a catchy message on it. For instance, if you run a pet food shop; then consider modeling a bone on the roof of the car.

3. **Offer a money back guarantee to new and existing customers.** A money back guarantee will **attract new customers**; the existing customers will tell their family and friends about it and this will lead to repeated sales.

4. Offer a discount to new and existing customers and make sure you give your discount offer maximum exposure.

5. **Give away free samples to new customers.** The free sample marketing strategy actually works; it was on this same strategy that Debbi Fields grew her cookie company.

6. **Motivate your employees to promote your business and help you find new customers.** Make them understand that your business success is dependent on their internal and external contributions to your business; and make sure you provide an incentive for them.

7. **Look for a competition going on in your local area and offer them prizes.** Please note that your donated prize should be the product your company sells and also make sure that the competition will receive publicity.

8. **Write a press release** and send it out to the media.

9. **Advertise your products and services on mobile billboards** that are attached to moving vehicles.

10. **Create an informational booklet and give it away for free.** Your informational booklet should be related to your business products or services.

If you run a pet food shop; create an informational booklet teaching pet owners how to care for their pets. Most importantly, you must give this booklet away for free but be sure to promote your business inside the booklet; preferably on the front page, back page and center page.

**11. Advertise your business in print media.**

**12. Take your business to trade shows and business expos.** These events attract tons of customers and exposure.

**13. Form strategic alliances with other small businesses in your area and cross promote each other.** For instance, if you do dairy farming; you can strike strategic alliances with other dairy farmers in your area. You can even ally with supermarkets or shops to sell your milk; all you need is creativity and a win-win plan.

**14. Advertise your business in electronic media.**

**15. Make an excellent branded sticker and give it to your existing customers.** Make sure its content is something that your customers will be proud to fly. For instance, you can create a branded sticker inscribed with the words *“I am a highly valued consumer of Highland Yogurt.”*

**16. Initiate a loyalty program for your existing customers.** This will encourage your customers to talk proudly or brag about your business.

**17. Promote your business with direct marketing campaigns.**

**18. Approach your local radio station** and offer to provide their audience with valuable information.

**19. Design a hard hitting branded brochure** and give it away to prospects.

**20. Make your packaging branded and reusable.** A biscuit company I know made their big sized biscuit package a dice board game. Once the customers are through with eating

the biscuits, the package can be used as a dice game board. You can also make your package a map or educational material but make sure it's branded and valuable.

21. Get a business website or blog and put your business on the web.

22. **Become a syndicated columnist for a popular newspaper** and offer the readers valuable information relating to your industry.

23. **Start your own branded newsletter.** You can choose to publish daily, weekly or monthly.

24. **Ask your existing customers for referrals and don't be shy about it.** If you've served them well; then be bold to ask them to reciprocate or encourage you by referring their family and friends to your business.

25. **Offer to be a guest on a television show.**

26. **Attend business events, conferences, annual general meetings, stakeholders meeting, lunches and social gatherings.** Be sure to network very well during such events and never forget to give out your business cards.

27. **Send your customers a thank you “branded public display gift item.”** I am talking about gift items such as calendars, memos, customer's loyalty badge, wall papers, awards and souvenirs.

28. **Place branded notice boards in high traffic locations** such as shopping centers, stadium, cinemas and conference centers.

29. **Help your customers advertise or promote your business voluntarily** by providing them with valuable branded promotional materials such as face caps, wristbands and T-shirts.

30. **Organize a “*thank you*” party for your loyal customers and ask them to invite friends who are non customers.** Make sure you give the non customers a warming experience and be sure to hand them branded promotional valuables such as T-shirts and face caps.

31. Start a marketing ideas box

32. Talk to your customers and get feedback from them

33. Choose a business or farm name that is branded and memorable

34. Package your product well and make it stand out

35. Make your staff wear uniform or dress in corporate attire

36. Offer exceptional services

37. Offer a toll free number

38. Keep a notice board in the hallway of your office

39. Teach your staff how to sell and take care of customers

40. Remember your customer’s important dates

41. Send out reminder notice to your customers

42. Say thank you to your customers

43. Offer prizes in competitions within and beyond your community
44. Sponsor events within your business environment
45. Create information brochures about your products and distribute them
46. Ask your satisfied customers for referrals
47. Try to win or attract an industry award
48. Start a loyalty program
49. Attend trade shows and expos. If possible, organize or sponsor such events
50. Create a “Customers Only” membership club
51. Run free seminars
52. Keep in touch with your customers
53. Put your business on the internet by creating a website
54. Start a blog to keep in touch with your customers
55. Create a Facebook Fan Page for your business
56. Join forums related to your industry and participate

57. Be watchful of your web copy
58. Advertise your business on Facebook
59. Use colours and fonts that attract the eyes and enhance readability
60. Advertise your business with PPC (Google Adword or Facebook Ads)
61. Advertise your product and services on Television
62. Run a promotional campaign on your local radio station
63. Utilize outdoor billboard advertising
64. Run mobile billboard advertising campaigns
65. Enter your business in industry competitions
66. Turn your invoice into a sales tool
67. Advertise in newspapers and magazines

As a final note, the above are 50+ effective marketing strategies, tactics and ideas that you can apply to stay ahead of competition in your industry; and attract new customers without having to spend much. Even if you are running on a limited budget or you have no marketing budget at all, you can still take action with the guide provided above.



However, I would like to emphasize that implementing 100% of the marketing tactics listed above in the short run is not feasible. Rather, you will achieve more if you stick with one or combine at most seven of the 67 guerrilla marketing tactics and implement them with a little touch of creativity and new customers will be yours.

## **8 Effective Agribusiness Marketing Strategies for Overcoming Competition**

### **a. Develop a competitive strategy**

Your mission to survive or stay ahead of competition begins with strategic planning. You must identify your competitor; spot out the competitor's strengths and weaknesses, and plan your strategy based on the information gathered. Concentrate all your attacking effort on your competitor's weaknesses while avoiding and defending against the strengths.

The best thing to invest in your agribusiness is your time. To schedule, plan and use time effectively, know your turf and know your objectives. Assess the obstacles and opportunities, then devise your strategies.

When developing a competitive strategy, don't do it alone, do it together with your agribusiness team. Your competitive strategy must not only include plans to defeat competition; it must also include plans that will strengthen the agribusiness from the inside as well as on the outside.

### **b. Focus on a niche**

Don't try to be all things to all people. Concentrate on selling something unique that you know there is a need for, offer competitive pricing and good customer service.

Most agribusinesses try to be everything to everyone; don't join them. Find a niche market and serve that niche to the best of your effort. In every industry, there's an under served, abandoned niche that the big corporations or farms considers too small to be served. It's up to

you to find such niche and focus your entire marketing effort on it. Don't spread your effort, concentrate and don't try to be everything to everyone; be something to someone.

“And here is the prime condition of success, the great secret. Concentrate your energy, thoughts and capital exclusively upon the business in which you are engaged in. Having begun in one line, resolve to fight it out on that line; to lead in it. Adopt every improvement, have the best machinery and know the most about it.” – Andrew Carnegie

Richard Branson's Virgin Atlantic was able to breakthrough because it focused on business men and students while British Airways strives to serve everyone. Facebook was able to breakthrough because it focused on youths. So if you are going to stay ahead of competition; then get focus.

### **c. Strive to be unique**

What sets your agribusiness apart from the competition? What does your agribusiness name or product stand for in the heart of your customers? What's your unique selling proposition? If you haven't given these questions a thought, then I think you are making a grave mistake because creating a unique selling proposition begins with you answering these questions. To outsmart your competitors, you need to be unique. You need to find your strength, work on it and broadcast it to the world.

As an illustration, Aliko Dangote set his company apart with speedy delivery and uniform price. Wal-Mart became a brand with its unique pricing strategy; Apple became a brand with innovation and Virgin Atlantic grew because it offered first class service to an ignored niche; “*business people and students.*” So if your business is going to stay relevant in the marketplace; then you need to be unique.

#### **d. Build a brand for your business**

The fourth agribusiness marketing strategies to outsmarting your competition is to build a brand for your agribusiness. You may say you don't have the huge marketing budget of the big agribusinesses but you can build a brand in your own little way.

“If you are not a brand, you are a commodity.” – Robert Kiyosaki

By emphasizing on quality, striving to fulfill your brand promise and working on your overall brand image; you can build a strong brand image for your agribusiness. Most of the popular brands in the world today were smaller brands of yesterday. If you consistently invest in building a brand for your business; you'll stay ahead of competition.

“To succeed in business, you must build a brand and never destroy it. One competitive advantage I had when I ventured into manufacturing was my brand “Dangote,” which I diligently built in the course of my trading commodities.” – Aliko Dangote

#### **e. Focus on the Customer**

“A business absolutely devoted to service will have one worry about profits. They will be embarrassingly large.” – Henry Ford

In guerrilla marketing key point number two, I emphasized the need to focus on a niche. Now what's that niche made up of? A niche is a group of people with a common interest. Most businesses are so obsessed with keeping an eye on the competition that they ignore the main asset of their business which is the customer.

“Business is not just doing deals; business is having great products, doing great engineering and providing tremendous service to customers. Finally, business is a cobweb of human relationship.” – Henry Ross Perot

*Now does that mean you should take your eye off competition? My answer is no but do it with moderation. Your focus should rather be how to serve the customers more efficiently; your utmost focus should be to give the customer maximum satisfaction.*

“What is good for our customers is also in the long run good for us.” – Ingvar Kamprad

#### **f. Connect with customers emotionally**

All businesses try to communicate with the customers but not all connect with the customers. Your guerrilla marketing tactic here should be to discover your customer’s soft spot and touch them right on that spot. One question on the mind of all your potential customers is “*Wii-FM*,” meaning “*what is in for me.*”

“Stop talking about your products and services. Customers don’t care about products and services, they care about themselves.” – David Meerman Scott

The answer to the “*Wii-FM*” question is the key to successfully connecting with your customers emotionally. Connecting with your customers entails knowing your customer’s need and touching them at the point of that need. If you can successfully do this; you have nothing to fear about competition.

“Spend a lot of time talking to customers face to face .You will be amazed at how many companies don’t listen to their customers.” – Henry Ross Perot

#### **g. Strive to achieve quality**

The seventh guerrilla marketing to outsmarting competition is to give your customers the best of service. You must insist on quality and make quality a standard in your business. Insistence on quality at an affordable rate can set you apart from competition.

“Be a yardstick of quality. Some people aren’t used to an environment where excellence is expected.” – Steve Jobs

Never trade quantity and cheapness over quality because it’s going to back fire. Debbi Fields, Henry Ford and Michael Dell are successful entrepreneurs that carved a niche for themselves because of their insistence on quality. Debbi Fields extraordinary insistence on quality led to the initiation of their company’s motto “*Good enough never is.*”

“Good enough never is. Set your standards so high that even the flaws are considered excellent.” – Debbi Fields

#### **h. Concentrate on innovation**

“Innovation distinguishes between a leader and a follower.” – Steve Jobs

*How did Apple become one of the most respected companies in the world?* They made it through innovation. Concentrating on innovation was Apple’s overall strategy to stay competitive in the market place. Apple’s strategy was to stay competitive by providing the customers with constant innovative products that solves basic problems and all Apple’s guerrilla marketing tactics revolved around that strategy. So if constant innovation helped Apple stay in the game; why shouldn’t it do the same for your agribusiness?

“Pretty much, Apple and Dell are the only ones in this industry making money. They make it by being Wal-Mart, we make it by innovation.” – Steve Jobs

Being innovative doesn’t mean spending millions in research and inventions; being innovative simply means being willing to try out new ways and techniques to improve the value of your offered services or produce.

Being innovative is simply searching outside the box for faster solutions to people's problems so you can choose to compete with innovation or not, but know that an agribusiness driven by innovation will always stay ahead of the pack.

# Chapter 6

## How To Sell Your Agricultural Products Online



With the hustle and bustle of modern life, most households hardly get ample time to go shopping and get the right kind of foods.

In Nairobi for instance, consumers often complain that the vegetables and fruits they buy in markets are not as tasty as those they devour while in the rural areas.

A new online platform, Soko Plus, is seeking to link small scale farmers to markets in various urban centres where limited agriculture takes place.

The web-based platform, championed by the Arid Lands Information Network (ALIN), allows farmers to upload photos of their produce online where interested buyers pick and buy.

Currently, the farmers benefiting from Soko Plus are those from Kitui, Kajiado, Laikipia, HomaBay and Baringo counties where ALIN is implementing programmes aimed at improving the livelihoods of communities in arid and semi-arid lands.

Esther Lungahi, the ALIN knowledge management officer, says transactions may also begin from customers requesting for certain products.

“We will then get in touch with farmers through our various knowledge centres to check on the availability of the products,” she says.

Once customers have made payments, ALIN agents arrange for the products to be transported to a location convenient to the buyer.

“While doing this, they also ensure that the quality and quantity of the products is maintained just as the customers would prefer,” says Ms Lungahi.

Even in areas where ALIN doesn't have agents, farmers can still register and upload photos of their products online.

“We will then share their email and phone contacts to all people registered in the Soko Plus database,” says Ms Lungahi.

The platform will be instrumental in tackling the issue of limited access to markets for farmers and tackling food insecurity.

In various instances, agricultural experts have lamented that as farm produce rots in some regions due to surplus production, citizens in other parts of the country may be dying of hunger from drought and food shortages.



Technological solutions such as Soko Plus are increasingly providing the missing link between these two different ‘worlds’ long before the government succeeds in expanding the transport infrastructure all over Kenya.

Peter Mwaniki, a farmer in Laikipia County, says Soko Plus has enabled him to sell his Lima beans far beyond his home area to customers in Mombasa and Nairobi.

Due to the high profits he has reaped, Mr Mwaniki says he is now motivated to increase beans and maize production on his farm as he is now assured of ready market.

Apart from the buyer-seller transactions, Soko Plus provides an avenue for Kenyan farmers to access information on prevailing market prices.

“I heard about this source of information from a friend who is a farmer. It has helped me to know when to sell at the right price to make profit,” says Mercy Njoki, a farmer in Rongai, Nakuru.

Farming communities tucked in remote areas are often at the mercy of middlemen who buy their products at extremely low prices and make exorbitant profits in urban centres. Knowledge of markets prices cushions them from this kind of extortion.

Another challenge faced by many smallholder farmers, Ms Lungahi notes, is the lack of information on latest farming technologies that can boost yields.

Through its knowledge portal, Soko Plus offers farming tips touching on various agricultural sectors such as bee keeping, dairy cattle rearing, horticultural farming and disease management.

“As a young farmer who knows little about agriculture, I believe this site will help me stand on my feet fast. They have almost everything an entrepreneur like me needs. So I don’t

need to hire experts, which would have been costly for me,” states Ben Kariuki, 26, a small scale farmer in Ngong.

The platform also has a directory section, which comprises names and contacts of agricultural extension officers in a locality, who are instrumental in passing practical specialised agricultural information to farmers.

Whereas anyone can access the Soko Plus web platform ([www.sokoplus.sokopepe.co.ke](http://www.sokoplus.sokopepe.co.ke)), only registered members can buy and sell.

“But registration is free for all those interested,” Ms Lungahi adds.

Though online platforms like Soko Plus are gaining popularity, their potential cannot be harnessed fully unless Internet penetration – currently at around 35 per cent in Kenya – increases.

Experts are also concerned that failure to address the digital divide will deny farmers in remote regions numerous opportunities for gaining knowledge through Internet sources.

## **How To Sell online**



The agriculture sector is one of the oldest industries in history. With man's insatiable need for food, agricultural businesses would always keep generating high revenues.

Starting and growing a farm is one thing, but getting your agricultural products to the customer is another. While there are many ways to sell your farm products, one channel most farmers never explore is the internet. Many may wonder how a farmer could get agro products to sell online, but the reason most people have no answer to this is because they probably never knew it was possible.

Successfully selling-off your agricultural products within a short period of their harvest is not just ideal, but is essential to your overall agribusiness growth and survival. While you try to sell your farm products offline as usual, these online channels will not just help reduce the quantities lost to both spoilage and other factors, but would ensure you maximise your agricultural product sales to the highest value possible.

Here Are 5 Ways To Sell Agricultural Products Online In Kenya & Anywhere In The World:

### **1). Online Market Place:**



With the proliferation of online market places, selling agricultural products online just got a lot easier. Many online market places in Kenya, are tailored for farmers. Some examples are [www.mfarm.co.ke](http://www.mfarm.co.ke), [www.mkulimayoung.com](http://www.mkulimayoung.com), [www.olx.co.ke](http://www.olx.co.ke) and a couple of others. Listing your farm products on these platforms is another way to get more exposure, and subsequently sales.

The first thing to do if you want to sell your agricultural products on an online market place is to read their terms & conditions. These would usually contain their charges and general rules and regulations. You wouldn't want to get kicked off the online market place because you violated their terms whether knowingly or unknowingly.

## 2). Online Grocery Store:



Online groceries stores are a good place to sell off some of your agricultural products. According to wikipedia, “*A grocery store is a retail store that primarily sells food*”. While the food items online grocery stores sell may differ per store, if you're a farmer that probably grows agricultural products like potatoes, poultry product (e.g chickens & turkeys), aquatic animals (e.g fishery products), and a couple of other farm products, many online grocery stores would be a good fit for you.

The market size for grocery shopping online is huge. This has been proven overtime by the two largest online grocery stores in Kenya; [www.foodplus.co.ke](http://www.foodplus.co.ke), & [www.mamamikes.com](http://www.mamamikes.com). They have shown that online grocery shopping in Kenya, and in many places in Africa can be highly beneficial to producers of grocery products.

Taking advantage of online grocery shopping to sell your agro products faster is a smart move for any farmer. Simply contact the online grocery store of interest to you to let them know of your possible constant agricultural products delivery rate. Offer them a good price (maybe better than their already existing offers), and your agricultural products could be listed in a short time.

### **3). Social Media:**

The success of Facebook, Twitter, Instagram, and many other social networks has helped many small business owners reach millions of more customers without leaving their computer screens. Social media marketing is growing stronger everyday, and has the potential to either explode your sales, or destroy it.

Many have failed to realise that they could take advantage of a social network like Facebook to sell their agricultural products. With millions of people using these social networking sites, you could play out a good social media marketing strategy with the help of a social media marketer to create strong awareness for some of your farm products.

Not all agricultural products can sell via social media, but poultry products like Chicken & Eggs, fishery products like Catfish & Tilapia, and a couple of other quick consumable agro products could be promoted via a social network like Facebook.

Simply create a Facebook page for your farm products, use a great looking banner, and a good page profile photo. You could curate creative video around your agricultural products, so as to make them more appealing to people. Since videos are really big now on Facebook, you can take advantage of the trend to build a brand around your agro products.

### **4). Personal Web Store:**

While it could be great to sell your agricultural products on social media, an online grocery store, and an online market place, owning your own web store is ideal to closely control your farm products sales on your platform, incase you get kicked off the rest.

An online store is ideal for any internet entrepreneur that has some items to sell. Their popularity has greatly risen to the extent that a lot of people around the world prefer to sit in their home and use online shopping sites to make their product research, rather than going out into the market.

Taking advantage of online shopping to grow your farm product sales is a way to sell more of your agro products quickly. You must have appealing product images, promote your website by narrowing the reach to only those that absolutely need your products & services, and deliver an exceptional customer service.

It's important that all through the process of trying to sell your farm products online, the value of online shopping through your web store must exceed the offline means people offer, else you'd have a problem closing any sales at all.

### **5). Online Food Delivery:**

Just like several other products and services, people now order food online. The question now could be; how does selling agricultural products relate to online food delivery? The answer is processed farm products.

After your agricultural products are harvested and either sold or not, they are then cooked into various fast-food and household meals. These meals sold online or at fast-food restaurants show another source of agricultural products sales. Even if they're not in their raw forms.

By processing agricultural products to edible form, they can be sold online via a food delivery service. There are also many restaurants that deliver when customers order food online. The food delivery is usually done via online food shopping sites.

Just as people can order pizza online, fast food delivery of any meal at all is an extension of several agricultural products grown, harvested, and successfully sold.

# Chapter 7

## Where to find market for your farm produce in Kenya



With more and more individuals making investments in agriculture, a lot of people wonder how they'd sell their farm products. Generating high revenues and eventual profits is never an easy feat for any business, but knowing exactly what you're doing and what you plan to do next will determine how successful you'd be on the long run.

Knowing how to sell your farm products is one very important reason you must prepare a business plan for your farm business. Whether you're asking questions on how to sell your poultry farm products, or how to sell your goat farm products, or how to sell your potato farm products, and more, this chapter will show you how to successfully sell your farm products in Kenya and get it in the hands of the consumers.

Here are 8 ways to market your farm products in Kenya and anywhere else in the world:

### **1). Identify Your Farm Market:**

Before you start a farm, grow your farm products, and start marketing, the first and most important thing you need to do is ask yourself this question: **what does the market want?** The farm products your market wants is more important than the farm products you want to grow. Once you're growing what the market wants, finding customers and distributors for your farm products will be a lot easier than trying to sell a farm product a lot of people are not interested in.

### **2). Join Farm Associations:**

It's important you belong to several farm associations. Being a part of such associations will keep you up to date with the trends affecting the farming business in Kenya. Associating would help you know of new market trends, potential customers, disease outbreaks, tax regulations, and a lot more.

The advantages far outweigh the disadvantages. Joining farm associations is a cost-effective way to stay in the middle of the market trend, and subsequently increasing your sales because of your access to the right information. An example of a reputable farm association in Kenya is Kenya National Farmers Federation (KENAFF).

### **3). Supply To Food Markets:**

Commercial food markets are a great place to find retailers. With thousands of traders regularly trading farm products ranging from tomatoes, to potatoes, rice, and much more at retail prices, you could approach them, make them aware of your farm's existence, and how you can offer them a better deal than their existing suppliers.

You can also find distributors in the markets that would want to resell your farm produce in large quantities, and at the right price. With a hold on some key distributors, you can move your farm products as fast as they are harvested.



#### **4). Supply To Hotels & Restaurants:**

Hotels & restaurants collectively process thousands of tons of food items everyday. These food items are generally farm products like rice, plantains, beef, tomatoes, and more. Approaching restaurants and offering to beat their existing supplier's prices is a good way to start. If you can also guarantee that the farm products you supply them would mostly be fresh crops, you'd sign on a restaurant or two in a short time.

Restaurants and Hotels in Kenya are always buying farm produce. Without farm produce there is no food and this means no business for the hotels. You can easily find market in a hotel or restaurant by visiting one and checking out the menu and type of food served. This will help you get information of what you can supply.

Submit a request to supply later to the Chef/Head Cook inquiring if you can supply your produce to them. Bring samples of the products to the hotel and book an appointment with them to come and look at your products so that they can build confidence in your products. Finally you arrange with the buyer schedule of delivery and prices.

In summary, find reputable restaurants, offer them fresher crops, & beat their existing suppliers price to be in business.

#### **5). Supply To Homes & Offices:**

Many individuals are mostly busy at work during the day, and as such, never have real time to go out to the market to purchase food stuffs and other farm products. The same applies to homes with bachelors, or pregnant women. These kind of households find it difficult to constantly visit the market.

Marketing your fresh farm products to these individuals is a profitable feat.

#### **6). Own A Retail Store:**

Setting up your own personal retail store is one great way to escape the middle man, and cut costs. By starting a store of your own, you can generate retail value revenues from your crop sales. This is a good route to sell your farm products for a higher value.

#### **7). Partner With Online Grocery Stores:**

Online grocery stores are great stores to sell your fresh products on. Partnering with them to constantly deliver fresh farm products like fruits, frozen foods, and more is a good way to move your farm products fast.

#### **8). Setup An Online Store:**

With the vast e-commerce trend gradually becoming a norm in Kenya, “in all thy starting, start an online store”. You don’t necessarily need to spend a lot of money in promoting your online store, but you can start small and grow your online fresh food store over a long period. With a weigh lesser population in this niche, you’d turn in some revenues over time.

#### **9). Direct farm sales or on farm sales.**

This is whereby a farmer sells his/her produce on the farm after harvest and can simply be done via a farm stand. This is the simplest and most convenient method of making sales since one does not have to carry produce anywhere since customers are readily available and buy from the farm therefore saves on transport costs.

#### **10). Distribution to institutions.**

If you are a medium/large scale farmer, you can apply for tender to supply to supermarkets, hospitals, County governments, Universities and Secondary Schools. Market is

constantly assured in institutions due to the large population. Clinching a supply tender will be a game changer to your profit margins.

### **11). Export Your Farm Products:**

Exporting farm products is a way to generate large sales, especially from rare crop products. Exporting barleys for instance to foreign alcohol production companies will turn in a lot of revenues. This is also a good way to get paid in Dollars, which when converted to the local currency in Kenya or any other African country, gives a better value, than if the farm products were sold locally.

I will talk more about exporting farm products in the next chapter.

### **Tips to selling your farm produce faster**



Selling your crops successfully starts with making sure your products are fresh and healthy. No matter where you sell, customers want high quality. Next, think about what is important to you about selling your crops. Do you want to sell them fast? Do you want to meet and talk to your customers, and can you give them excellent service? Do you want your customers to pick their own vegetables?

The answers to these questions will help you decide which market best fits for you. If you have a big farm or live far away from customers, you might want to sell your crops to one place, such as a store, restaurant, and food co-op. This is wholesale marketing. Selling your crops this way is faster than other ways. It is also a good choice if you are not comfortable meeting and talking to a lot of people.

Wholesale marketing will probably not make you as much money as selling directly to the customer, and you may not get paid right away. But it is a simple, easy way of selling. On the other hand, if you do not have a big farm or if you are a new farmer, it is a good idea to sell your crops directly to customers what is called direct or retail marketing. Although you can make more money and get paid faster this way, you will need more time to sell. It is a good way to sell your crops if you are a good planner, have time, and enjoy meeting and talking to people.

Farmers' market is another place where many people visit. Here, you can sell a lot of vegetables, so you need to bring enough vegetables to last the day. You have to plan carefully. If you want to sell your vegetables at a farmers' market, look for a market that is: in a busy area, is well known, clean and well managed. While at the market, make the area around your booth attractive.

Customers like a large display to choose from. Put as many of your vegetables out as you can while still keeping them fresh in shade. Tilt every item to give your customer a better view and make your supply look larger. But be careful to place the vegetables so that they don't fall over when a customer takes some. Put your crops up on shelves, not on the ground. Put each of your crop in a group to make large blocks of colour. Yellow vegetables, especially, catch the customer's eye.

Make signs for all your crops with each name and price. Customers also like to read information about your farm. If you would like, hand out recipes on how to use the vegetables you are selling. Roadside stands People like to stop at roadside stands to buy fresh vegetables. Roadside stands can be close to your home or garden.

You can sell your crops without traveling far, and you can make money selling only one or two crops. For instance, fresh-picked sweet corn, tomatoes, and pumpkins sell well. Customers

who stop at roadside stands like to see colourful plants, gardens, animals, even clean gardening tools.

### **How I've gone around brokers to earn more**



Director of Migwi Farm, Mrs Alice Migwi supervises planting activities at her farm in Gitaru, Kikuyu, the farm specializes in growing high-value vegetables and fruit for supply across city restaurants and hospitality training colleges

#### **In Summary**

- ❖ Branding her farm was important in making her produce stand out as it communicates to her clients that she is serious about farming.
- ❖ While farming and supplying vegetables to restaurants is a profitable business, Alice says her greatest challenge is that most clients expect credit and sometimes the payments take very long to come.
- ❖ “In a few years’ time, I envision myself managing a wide network of out-growers. That is the future of farming,” says the mother of two, whose interest in farming started while living in Uganda and Tanzania between 2005 and 2012.

Her home in Nairobi looks like a huge big store for farm produce that includes vegetables.

Alice Migwi has converted part of her home in Kileleshwa into a depot where she packages her fresh fruits and vegetables and then distributes them to restaurants and hotels in the city.

When we visited her, we found Alice and her employees busy sorting out fruits and vegetables and loading them into a waiting van for delivery in a city restaurant.

Our talk is intermittently interrupted by business calls as Alice gives instructions on what to deliver to employees and informs her clients when she would deliver their orders.

However, the depot that is usually a beehive of activity is just a small department in Alice's grand empire that began with only a small vegetable garden behind her house in 2012.

"I started with a kitchen garden. I would grow my family's vegetables. Soon, I realised I had a lot of surplus and I approached mama mbogas in the estate who were very interested in buying the excess harvest. I later realised it was a profitable business," says Alice.

Alice talked to her husband and the two decided to scale-up the business.

The couple bought three acres in Gitaru, Kikuyu and invested Sh.5 million which they used to buy an agro-solar drip irrigation system, setting up three greenhouses and buying seedlings.

It seemed like a great plan and Alice thought that they would recover their money after the first harvest. She was wrong.

"We lost the entire investment in a night because it rained hailstones. The greenhouses were also destroyed. We lost almost Sh.2 million worth of crop in a single day. That is when I realised that farming is not an easy task," recounts Alice, who had to pump more money into the business.

She notes that farming does not start and end with planting a seed and waiting for bumper harvest. “It is a synergy of entrepreneurship, spirited marketing strategies, branding and understanding market trends and consumer needs,” says Alice, who has nine employees.

Armed with the realisation, Alice branded her business Migwi Farm, dealing in organic high-end fresh fruit and vegetables.

The farmer had sharpened her entrepreneurial skills by working for shipping logistics company MEARSK for 15 years.

“Branding is any businessperson’s footprint,” she advises. “Our logo and our position in the market mirrors our target market. We also use social media to leverage on our brand.”

## **FARM BRANDING**

Branding her farm was important in making her produce stand out as it communicates to her clients that she is serious about farming.

With three greenhouses, two for horticulture and one for seedlings, Migwi Farm started out with coloured capsicums (red, yellow and green) and then ventured into other vegetables. Migwi Farm uses an agro-solar drip irrigation system that relies on the sun and gravity to water the land.

They avoid using pesticides and herbicides opting for organic methods of eliminating pests as well as crop rotation which also allows the soil to regain its nutrients.

“The produce takes longer to flourish since we do not use fertiliser. Organic farming needs patience but it fetches good money.”

In the greenhouse, Alice plants herbs and capsicum but often interchanges them with cucumber. In the open field, where she ventured as she expanded her business, she plants potatoes and maize. She supplies tomatoes, cauliflower, broccoli, Italian spinach, onions, leeks, parsley, chives, basil, traditional vegetables, spinach, potatoes and maize.

“The high-valued crops such as capsicums and a variety of herbs are very sensitive and they require a controlled atmosphere to grow well and meet market specification.”

She started supplying tomatoes and chili to a friend’s restaurant until her clientele grew into a wide network that includes city restaurants and hospitality training schools.

“The job is demanding. I am required to be always on my toes. We cater for clients from early in the morning to late in the evening. Therefore, timing, quality and availability are key in succeeding in this business,” she advises.

Alice has found herself overwhelmed with demand. She now buys from fellow farmers produce to sell, but it must adhere to her standards.

“We work with out-growers who are youth and women. We tell them what to grow and how to grow it depending on their knowledge in farming and soil. We also insist on natural methods such as crop rotation.

After harvest, the produce goes through quality control checks at the farm and later it is ferried to her home in Kileleshwa where further checks are administered.

“On the farm, the tomatoes are sorted according to the size and quality and then transported to the depot. They are also checked to ensure they do not have any diseases. At home, the checks include weighing to the client’s orders, packaging of fruits such as strawberries and adding value by chopping the salads and vegetables according to client needs.”



While farming and supplying vegetables to restaurants is a profitable business, Alice says her greatest challenge is that most clients expect credit and sometimes the payments take very long to come.

She notes that farmers need to start practising what she terms as ‘smart farming’, where a farmer understands a client’s needs before setting out to farm.

“Many venture into farming thinking that there is a lot of money without understanding the market. Don’t aim to harvest watermelons in the cold season because people will not eat watermelons during the period. Understand how your clientele behaves and come up with products that they will not put down.”

Alice says that marketing and directly selling her produce is more profitable than using middlemen because they often short-change farmers.

“Farmers should take up marketing and branding to get full benefits from their ventures.”

She also advises farmers to understand market forces, especially pricing, which is not always as straightforward as many expect.

“In a few years’ time, I envision myself managing a wide network of out-growers. That is the future of farming,” says the mother of two, whose interest in farming started while living in Uganda and Tanzania between 2005 and 2012.

According to James Ngomeli, the chairman of Chartered Institute of Marketing, farmers need to take marketing and branding seriously because this extra effort is what makes the venture profitable and worthwhile.

“Marketing is making your product different from your neighbour’s. It shows why people should buy your cabbages. It has to do with what value you have added to your products to make them stand out.”

Ngomeli adds that products that have been branded and properly marketed sell almost twice since consumers connect with a specific brand.

“Branding allows visibility and recognition. It also shows your level of professionalism and it shows that people can trust your products.

# Chapter 8

## Exporting Your Farm Produce



Anyone who told you that Kenya lacks valuable minerals and agricultural resources probably knows nothing about the country. Kenya is richly endowed with a wide range of resources. These includes cash crops like tea, coffee e.t.c, which are the country's major money-spinner, avocados, pig and chicken meat and lots more.

Starting an export business in Kenya is one of the most lucrative agribusiness decisions you can make. The reason is because most export commodities are worth much more in the international market than they do in the local market. The business offers unlimited opportunities and ultimately unlimited profits.

Though you can make money selling any of these resources and commodities to the local market, you can make much more by selling to foreign countries where the commodities are of greater value. This explains why the export industry is one of the most lucrative business sectors in the country. If you are based in Kenya or overseas and are looking to start a profitable business in the country, starting an export business is one of the best business decisions you can make.

It is impossible to cover everything about the export agribusiness in Kenya within this chapter. However, this write up explains the steps involved in starting the business. Read on to understand the guidelines for starting a profitable and successful export agribusiness in Kenya.

The export of fresh produce keeps growing in popularity, and Kenya is known for growing and exporting high quality fresh produce to the European market and other parts of the world.

Over the years, the export business has been largely dominated by large-scale commercial growers.

However, just about anybody can tap into that huge international market as long as they understand the ins and outs of the trade.

If you feel that you have what it takes to become an exporter, well, I'm gonna help you to achieve just that.

In this chapter, you are going to learn how to export fresh produce from Kenya and all the requirements that you will need along the way.

My only assumption is that you already have clients abroad.

### **Requirements for exporting fresh cut flowers**

Fresh cut flowers have always been in great demand in most European countries especially during special occasions such as the Valentine's Day, Mothers' Day, and Easter Holidays.



The demand for flowers by florist in the UK is enormous

Instead of selling your flowers locally to agents or middlemen, why not export them to get maximum returns possible. Among the most important requirements, the following are must haves.

**1. Apply for Export license from Horticultural Crops Directorate (AFFA-HCD)**

To be approved for the issuance of an export license, you must undergo a vetting process to demonstrate that;

- You are practicing Good Agricultural Practices (GAP certification).
- You've put in place environmental conservation measures.
- You have a traceability system in place.
- You and/or your staff have attended annual training on the safe and effective use of chemicals. Check it out at <https://www.hortzone.com/training-safe-effective-use-pesticides>
- You have a clear pest control protocol.

The export license is renewed annually.

## **2. Conformity and Phytosanitary certificate from KEPHIS**

Phytosanitary and conformity certificates are applied online prior to approval by Kenya Plant Health Inspectorate Services (KEPHIS). The physical inspection is done at the airport to ascertain that your flowers are free from any harmful pests.

**Tip:** Hire a clearing agent and documentation clerks to facilitate your documentation at the airport so that you can concentrate on running your agribusiness.

### **Requirements for exporting fruits and vegetables**

As opposed to fresh cut flowers, more emphasis is placed on the growing and exporting of fruits and vegetables to enhance food safety. There are more stringent measures on fruits and vegetables and times this discourages many exporters would be.



Export of fresh fruits and vegetables needs high degree of quality standards

However, in my experience, compliance to the standards has always proved to be cheaper and cost-efficient as opposed to non-compliance.

Therefore, if you want to succeed with your export business, always do the right thing no matter how bureaucratic things might get sometimes. To start us off, you'll need

1. **An Export license** from Horticultural Crops Directorate under Agricultural Fisheries and Food Authority (AFFA-HCD). – The process of acquiring the license is more or less as I have described above.
1. **Conformity and Phytosanitary certificates from KEPHIS**
2. **Global GAP Certification.** There are accredited bodies such as AfriCert at <http://africertlimited.co.ke>, EnCert at <http://www.encert.co.ke>, and Bureau Veritas Kenya at <http://www.bureauveritas.com>, that conducts farm audits to verify whether you meet the Global GAP standards or otherwise.
3. **Euro 1 Certificate** in the event that you're targeting any market in the European Union.
4. **BRC Certification** for UK supermarkets.
5. Maximum Residue Levels limit, commonly known as '**MRL limit compliance**' which is required for EU market.

**Tip:** It's important to check the requirements for each certification and work on it beforehand. You can also employ the services of a consultant to help out with the technicalities involved in the process.

### **Common fruits and vegetables with a huge international export market**

If you want to diversify your enterprises, the following are some of the fresh produces that are in high demand in Europe.

They are; French beans (extra fine, fine, and bobby), Snow peas, Mango, Avocado, Passion fruits, Red onions, Sweetcorn, Red cabbage, Coriander, Sugar snaps, Courgettes, Asparagus, and Baby corns.

**Note:** Always keep in mind that market requirements are not the same as product specifications. Specifications are arranged between you and the client. For example, if you intend to export French beans, your client may prefer only fine or extra fine or whatever. Those are product specifications.

## **How to Start an Export Business**

### **1. Learn about the market**

The export market in Kenya is so complex, you will fail if you take a plunge without having gathered enough knowledge and experience. So, before starting out you need to take your time to learn vital details about the export business such as licensing requirements, port procedures, product sourcing, working with foreign agents and distributors, locating profitable foreign markets, and so on.

In Kenya, you will find many e-books on how to become a successful exporter. Ironically, most of these e-books are written by people who are not exporters themselves! You need to be wary of these.

The best way to learn about the export business is to contact a seasoned exporter with years of experience in the business and ask them to teach you all you need to know before kick starting your own business. Practical teaching in a face-to-face setting is best.

### **2. Figure out what products you will sell**

In Kenya, there are more-than-countable agricultural commodities and resources that can fetch you huge profits in the international market. But you will fail woefully if you try to sell too many items at once. So, you should focus on only one product from the start. As you gain more experience, you can expand your scope to include other products.



As a recommendation, start with products that you can easily make available in the required quantity whenever there is demand for it. Flowers, french beans, Snow peas, Mango, Avocado, Passion fruits, Red onions, Sweetcorn, Red cabbage, Coriander, Sugar snaps, Courgettes, Asparagus, and Baby corns are very good examples of products to start with.

### **3. Decide how you will source the products**

After deciding which product you would like to export, you need to decide how you will source the product. Basically, you have two options: you can either produce the product yourself or buy from farmers or producers in wholesale quantities.

For a start, buying from someone else is the easier and cheaper option, as you might not be able to afford the cost of setting up and maintaining a production point. If you are going for this option, then you need to find suppliers or producers of the product. It is recommended that you have one or two ‘standby’ suppliers aside your main supplier, so you won’t have much worries if your main supplier suddenly runs out of stock.

### **4. Register your business**

Legalizing your business is one of the most important steps towards starting any business in Kenya—and the export business is no exception. You must register your export business with the Corporate Affairs Commission.

Aside giving you the legal permission to operate your export business, registering your business will boost your credibility. Before doing business with you, most foreign distributors will try to establish your credibility by requesting a certificate of incorporation and other documents showing that your business is legally registered in Kenya.

## **5. Find your buyers**

With the internet, export business has become easier than ever. You can find buyers for your products and seal trade deals right from the comfort of your room without necessarily holding a face-to-face meeting with the buyers. All you need to do is join trade websites, become an active member, and start sealing trade deals with interested buyers.

## **6. Exhibit your products**

Trade fairs and missions provide great opportunities for exporters to showcase their products. As your export business grows, you will need to attend more of these events to create awareness about your export products. You have bright chances of meeting with potential buyers and sealing additional lucrative trade deals.

While starting an export business in Kenya could be your best business decision ever, it can also be your worst nightmare. With the huge profit potential of the business comes huge risks and pitfalls that could cripple anyone who is not wary of them. Unfortunately, most casualties are the new exporters who are just starting out.

So, before starting your export business in Kenya, you need to know what to do to boost your chances of success and what you must avoid. Here are five common mistakes you should avoid when you are just starting out as an exporter in Kenya:

### **A. Not understanding the export business**

As with any other business, starting an export business requires lots of learning and research. You need to really understand how everything works in the business. To achieve this, you may need to contact seasoned and successful exporters who have deep understanding of the Kenyan and foreign markets.

If you plunge into the export business without adequate information and knowledge, you will most likely fail, and you will quit much sooner than you can imagine.

### **B. Not targeting foreign markets that are promising**

To earn maximum profits from your export products or commodities, you need to sell them in a country where they are in huge demand. While it could be tempting to send your products to any just country that you can establish connections in, selling them to a market that is hungry for them and has low competition is the smartest way to make maximum profits.

*How do you figure out the most promising foreign market?* You can do this by simply conducting structured research. This entails short listing countries where you think your products will sell well in, and then carefully researching the market in each country before making a decision. If you export your products to a foreign market that does not want them, you will record very little profits—if any at all—or even huge losses.

### **C. Trying to enter too many markets at once**

Many new Kenyan exporters are often tempted into targeting multiple foreign markets at once. This is a huge mistake that leaves most of them badly burned because they get to spend more money, time, and resources than they can afford.

Even if you can afford the cost of sending your products to multiple markets at once, take your time to study all the aspects of the export business before doing such. When starting out, always stick with one foreign market at a time. After you have gained enough experience and know-how, you can then start focusing on multiple foreign markets.

### **D. Not carefully finding foreign agents or distributors**

Another common problem that many new Kenyan exporters face is the inability to find a good agent or distributor in their target foreign market. Some of them fall into the hands of

greedy distributors that leave them with very little or even no profit. Worse, some fall into the hands of fraudsters who disappear into thin air after receiving their products.

Though chances are slim that you can find the perfect agent or distributor on your first trip, with carefully conducted research, you will be able to find good ones that you will be happy working with. So, when choosing your export partners, choose with care. Make sure to invest ample time and effort to locate and secure the commitment of really good agents, distributors, customs brokers, and other agents in your country.

#### **E. Not visiting your target market**

Many Kenyan exporters send their commodities to foreign markets without having a feel of those markets themselves. Though you can still achieve success without necessarily visiting your target market, the only way to really appreciate a new country and its people as well as understand its market is by visiting.

Aside that you will be able to perceive the demand for your product, you will also be able to meet with distributors face-to-face. Such face-to-face meetings will reduce your chances of landing in the hands of the wrong distributors (*you never know the guy at the other end of your emails or phone calls*).

#### **F. Not understanding foreign product regulations and preferences**

Countries all over the world have varying regulations and policies regarding products that are acceptable into their local markets. Unfortunately, however, many Kenyan newbie exporters neglect to find out and understand these regulations and modify their products accordingly. This usually leads to rejection of products by foreign product regulatory agencies, which ultimately results in huge losses for the exporter.

To become a successful exporter, you need to modify your products and packaging to suit the preferences of your target market, even if it means completely redesigning your domestic

approach. In addition, ensure that your business methodologies are both legally compliant and culturally acceptable in your foreign market.

### **G. Reliance on inadequate relationships**

In the rush to start making huge profits, some newbie exporters hurry through the process of choosing foreign distributors and agents. But they later pay the price the hard way when their budding export business becomes a tangled mess of distributions worries, shady transactions, and marketing breakdowns.

So, before you begin exporting, take your time to verify the credibility of any foreign partners you will be working with. Before going ahead to deal with them, be sure that they are reliable and capable of delivering what they promise.

### **H. Lacking a coherent international marketing plan**

In certain aspects, selling to an international market is just similar to selling to a domestic market. Your products won't find their way into your target market unless you have taken the time to put together and implement a marketing plan. Doing this for a foreign market is trickier and more complex, but it must be done.

Whether your products will enjoy massive patronage in your target foreign market or not depends on your marketing efforts. So, if you want to realize huge profits from your exports, you need to market like wild. Don't leave this to foreign distributors.

### **I. Having money as primary motivation**

There are no doubts over the huge profitability of the export business in Kenya. But then, going into the business with the sole aim of raking some quick profits is a recipe for failure. When starting out, you need to focus on a lot of aspects to get your business firm on the ground.

These include building connections with foreign partners, finding profitable products to export, prospecting for lucrative foreign markets, and so on.

So, you need to focus on growing your business. That should be your primary aim. The more focused and determined you are, the more successful you will become, and the more money you will make. If you are able to avoid these nine mistakes, then you will be on your way to joining the league of successful exporters in Kenya.

### **How to Deal With Product Sourcing Agents**



If you are into exportation business, you can save yourself a lot of stress by using product sourcing agents to search for your export products. Product sourcing agents help to search for products at cheap rates from farms and local markets.

If you want to buy products food crops for export for instance and maybe you live in a city like Nairobi, you would need northern, eastern and western based product sourcing agents to help you go to the farms to search for the quantity and specifications of the products you want, pay for the items and then arrange for it to be transported down to your location in Nairobi and from there you can now arrange for it to be shipped to the overseas buyer.

This is one of the easiest ways to run an export business however; it has to be done with utmost care to avoid being ripped off or jeopardizing your business. Some of these tips would help you deal with product sourcing agents and get the best out of them-:

## **1. Understand the types of Product sourcing Agents deal with:-**

Even though they are all referred to as product sourcing agents, there are different types of product sourcing agents deal with and the type you decide to deal with would have an impact on the prices of the commodities you want to buy.

- ❖ **Local Buying Agents:-** These are agents that deal directly with farmers. They have extensive knowledge of the area where they operate and can go deep into the villages to get products at cheap rates. They usually offer the cheapest prices on commodities.
- ❖ **Commodity Merchant:-** This is like your local trader who stock commodities in large quantities and then resells to exporters. Commodity merchants often get their products from local buying and this makes the prices of their items slightly higher.
- ❖ **Commodity Sales Agents:-** They are usually registered agents with offices and their primary duty is to help exporters source for products. They are usually expensive but safer because most of them have offices in towns and cities where you can easily trace them so your funds are safe to an extent. However, they would usually ask for an advance payment before they can supply you needed commodities. You can literally go to sleep and run your export business with ease when you find an honest commodity sales agent to deal with.

## **2. Check the Agent's track records:-**

If you have chosen a product sourcing agent to deal with, it is important that you investigate the agent's track record and credentials before doing business with them. It is safer to go with recognized and credible agents with physical and traceable offices. You should also find out how long they have been in business and who they have worked with.

An honest and credible product sourcing agent would not have problems giving you a few references that you can investigate. The internet has even made it easier to investigate people and find out their track record. If an agent has been involved in a scam or funny practice before, it is likely that the search engines would turn up his name and expose him. You can also find out whether or not the agent's business is duly registered and licensed so that you can be protected under the law.

### **3. Ensure that you give clear instructions-:**

Your overseas buyers would definitely tell you what they want and provide you with a list of specifications. If you don't follow this strictly, you may run into problems with the buyer; like having the products being rejected and payment denied.

Therefore, you must ensure that you provide your agent with a detailed specification of what you want. If you have samples, you can send it to him to be used as a guide. You can also provide picture samples to make it clearer and then ensure that you provide a written list of specifications to further guarantee clarity and adherence to instructions.

### **4. Ask For Samples-:**

Ensure that you instruct the product sourcing agent to send you samples of the commodities before he goes ahead to start buying in bulk. With a smaller sample, it would be easier to reject products that don't meet your specification. Some of them might ask you to pay for the samples but I believe this is a small price to pay considering potential losses if this step is skipped.

### **5. Arrange for Inspection-:**

Another tip to ensure that you are playing on the safe side is to ensure that you have the commodities inspected after purchase. You know the saying that seeing is believing right? Pictures may not be able to reveal a true state of the commodities hence, it is important that you arrange for a physical inspection before the goods are shipped. If you are unable to conduct an inspection yourself, you can arrange for quality inspectors do it on your behalf.

### **6. Focus less on price-:**

It is true that you are in a business and would like to make as much gain as you can but you have to take care and avoid making price your only decision-making factor. You shouldn't



always go for the cheapest product in the market because cheap doesn't always go with quality. You would be able to retain your overseas customers if you are able to keep supplying them with good products but the moment you start to fall short of their expectation, they begin to look for other credible suppliers.

Therefore, you must ensure that you find a balance between price and quality. You can have more than one product sourcing agent and try to ask for quotes from each one as well as samples before you enter into a contract with them.

Product sourcing is a very important aspect of your business and you should try as much as possible to approach it with care. You can also consider learning how to source for products yourself but this would take some time especially if you are new into exportation business.

### **How to Find Foreign Buyers for your Agricultural Export Products**



No doubt, finding buyers for your export products would be one of your biggest challenges as an exporter, especially when you are just starting out or entering into a new market. Selling in an international market has never been simple—with diverse language, geographical distance, cultural differences, and lack of market knowledge posing real challenges to any exporter.

Yet, you must know how and where to find buyers for your export products, considering that having ready buyers is the only way to make headway in the export business. Finding buyers in an overseas market is now much easier than it used to be decades ago.

Now, there are many silver linings in the forms of friendly government policies, favorable international climate, less tariff or non-tariff barriers, and above all, the presence of and inexpensive access to the Internet. So, provided you plan well and play your cards right, you shouldn't have much problems finding buyers for your export products. Below are six tips for finding buyers for your export products:

### **1. Contact government-owned foreign agencies-:**

In many countries, there are government-sponsored or government-controlled companies or agencies that usually import various commodities needed by local consumers—in bulk. These are sometimes called trading companies.

To connect with these foreign agencies, you need to conduct research to identify which countries your export would be great for. Then contact those countries' embassies in Kenya. Better yet, you can contact the companies or agencies directly in their own country.

However, you must bear in mind that most agencies are selective about what they import, and they may not necessarily be importing your own type of commodity—even if you strongly believe there's a good market for it in that country.

### **2. Connect with buying agents-:**

Some foreign agencies are proactive and already have buying agents in countries that have abundant supplies of products needed in their home countries. If you have such foreign agencies in Kenya that are looking to buy your type of export products, then get in touch with them.

Again, your local embassy is a great place to look for these specific buying agents. However, the Internet is another powerful tool. Visit the official website of the country's import-export agency, or simply search for local representatives. Be sure to communicate or deal with an official or officially accredited representative of the agency.

### **3. Contact foreign wholesalers-:**

There are wholesalers in virtually all countries. So, you can sell your export products to privately owned wholesale companies instead of government agencies. Dealing with private firms instead of government agencies is usually much quicker—and allowing them deal with the intricacies of importing is a big benefit, too.

Although you may have to settle for smaller margins when selling to wholesalers, the time you save trying to sell your export directly to the market may be well worth it. However, be aware that there are many fraudulent syndicates presenting as wholesalers. So, be careful when dealing with foreign wholesalers and don't do business with any until you've verified their credibility.

### **4. Connect with commission agents-:**

Just as government-owned foreign agencies have their own local agents in Kenya, foreign privately-owned wholesale firms do, too. These agents are middlemen finding great export opportunities on behalf of the foreign wholesaler. They are easier to deal with and you can communicate easily with foreign distributors through them.

### **5. Hire your own sales person-:**

You will wear yourself out if you try to do all the work yourself. Just like foreign wholesalers have agents to find imports on their behalf, you can commission a sales representative to help you find individuals and firms that are looking to buy your export products.

Though you will have to pay the sales representative a fixed salary or percentage commissions, you will be able to focus your time and energy on manufacturing your product, searching for other markets, and other vital aspects of your export business.

## **6. Attract buyers-:**

While you will most likely have to proactively look for buyers, it's possible to attract buyers, too—because they are also looking for you just as you are looking for them. And there are many strategies you can adopt to attract buyers to your export business. These include advertising in foreign magazines and newspapers published in your target countries as well as sponsoring trade shows in those countries.

Don't forget online marketing, too. Set up a small website that provides information about your company and export products. And implement online marketing strategies such as pay-per-click ads, search engine optimization, and so on.

## **Tips to Avoid Being Scammed**

If you are already in the Kenyan exportation industry or conversant with the happenings therein, then it's no news that people get scammed and ripped off of their hard earned money sometimes. You advertise your export products on the internet, a supposed manufacturer or agent contacts you showing interest in your goods, you enter into a contract with them and fulfill your own end of the bargain but when it's time for them to fulfill theirs, they disappear into thin air.

It's a very terrible situation to find one's self in. Some of the scammers are even so organized that they provide you with a letter of credit only for you to find out at the end of the day that it was all a fluke. As a new or regular exporter, it is important to find out ways of protecting yourself and your business from fraudulent overseas buyers. This section of this chapter will teach you 10 tips to avoid being scammed when exporting from Kenya and even other countries.

### **1. Do a Background Check-:**

Don't get too excited when you get a sales offer. You must first take time to do a background check on the company and find out whether it's a legit company or not. You can ask for help from the embassy where the buyer's company is based in. For instance, if it's a Chinese company, the Chinese embassy in Kenya should be able to confirm whether or not the company is legitimate. If it's an individual buyer and not a company, the embassy can also help you investigate the person through the country's citizen's database. You can also conduct a background check through internet search engines.

### **2. Check the Company's Website-:**

Almost every company has a website these days especially if it's a large company hence, you can ask for the company's website to confirm some of the details about the company that you have already been given. Some small companies may not have a website but they would at least have a registered office, phone number and a business license. You should ask for this information from them and investigate to know whether it's a company that is licensed to do business in the said country.

### **3. Watch Out for the E-mail Address-:**

When you see e-mails from personal addresses, you should be very careful with dealing with such people. A serious company would have a business website e-mail address that would be used in contacting suppliers; when you get supposed company e-mails from personal e-mail addresses like @yahoo.com or @hotmail.com; your scam alert should be very high at this point. To find out if an e-mail address is from a company webmail or a personal address, copy the letters after the '@' sign and use your search engine to find out.

#### **4. Use an agent-:**

There are a lot of companies that provide agency services to exporters. They would help you arrange a meeting with the buyer and investigate the business to determine if it is a legitimate business or otherwise. Although this might raise the cost of your business a little bit, you would wish you had taken that step if you fall into a scam trap. You may also use family members or friends that stay in the country the buyer is from or if you can afford it, arrange a trip to the said country to see things for yourself. This is something you should really consider especially if it's a large order.

#### **5. Investigate Scam Reports-:**

If it's a potential scam, it's possible that you are not the first person the buyer has tried to rip off. It's most likely that they would have done it to a couple of people before contacting you. This is why it would help to investigate scam reports against a company or person you are planning to do business with. Again, the internet would be of help; copy the company or buyers name and the word 'scam' and then paste it in your search engine; it would pull up any previous scam reports filed against the company in the past.

For instance, if the name of the company is 'cupcake limited'; you would post the words 'cupcake limited scam' in your search engine to see if it would bring up any scam reports about the company. You can also do the same for an e-mail address or a business website.

#### **6. Use E-mail Backtracker-:**

You can find out the buyer's real identity as well as his IP address using e-mail backtracker. You see, when it comes to protecting your business from scam, no step is too much to take because scammers also spare no costs or energy to pull a perfect job. Therefore, you must always bring in your 'A' game whenever you are considering doing business with an overseas buyer; take as many steps as is necessary to ensure that your investments are safe. A popular website that offers this kind of backtracking service is [abika.com](http://abika.com).

### **7. Ask for all the information you need-:**

You should try to ask as many questions as you feel would be necessary to help you form an opinion. Don't be scared to ask the buyer questions. If he has nothing to hide and represents a legitimate company, he wouldn't have any problem giving you all the information you need.

### **8. Use Government Trade Sites-:**

Trading on government established trade sites is also a good way to protect yourself because illegitimate companies and buyers know better than to bring their tricks on a government website.

### **9. Don't ignore your guts-:**

If you have a feeling that something doesn't seem right, don't ignore those red flags. Sometimes, we are so eager to make money that we ignore warning signs and end up blaming ourselves for doing so. If you don't want to be in that position, you must never ignore your guts.

### **10. Never let down your guard-:**

Some scammers are so organized and tricky that they would deal with you for some time and then close to end of the deal, they would try to pull some stunts; never back down or accept terms and conditions that you are unsure of because at the end of the day, it's not worth it.

You should also ensure that you use escrow payment system so that you can always be guaranteed of getting your money or your goods back. You should also ensure that it is a good and reputable escrow payment services provider.

## How to Negotiate with Prospective Buyers as an Exporter



As an exporter, you will be doing business with people in foreign countries—people who share certain common interests with you, but also share conflicting interests with you due to their different cultural backgrounds. Yet, you have to communicate effectively with these people and foster a relationship that will result in a “*win-win*” for you and them. This is why negotiation is an integral aspect of the export business and an art that must be mastered by every exporter.

The success of your export business hinges largely on your ability to negotiate effectively with buyers, since they can only do business with you if they agree to your terms and conditions and you agree to theirs as well. And remember, you will have to go through negotiation with any buyer you intend dealing with. With the above in mind, let’s now discuss how you can become a good negotiator as an exporter.

### **Preparation matters most**

To be able to negotiate effectively with potential buyers, you must prepare your mind for it. However, you must bear in mind that every prospective buyer you meet will disagree with some of your terms and conditions, and you will disagree with some of theirs, too. The earlier you come to terms with this reality, the better for your business.



After developing the “*there will always be need for negotiations*” mindset, your next step is to understand your target audience better. Though this will require spending some time and effort on research, the results will be well worth it.

The more you know about your target audience, the better you will understand them as well as their business etiquettes, preferences, and concerns. And with this knowledge and understanding, you will be able to predict what they will likely want to negotiate about. This will, in turn, help you figure out how best to negotiate with them in order to get positive results.

To understand your target foreign audience, you might want to start with reading up about the particular country on websites such as [www.countryhelp.com](http://www.countryhelp.com) or by doing a more specific web search for information about the country. Read about the people of that country, the business climate in the country, the products and services in huge demand, the regulations regarding import commodities, business-related government policies, and other information that is relevant to you as an exporter.

Alternatively, you can call the local Embassy of the country you are planning to export to, and find out if they have a business library. If they have one, visit the library and browse through some of the magazine and newspapers to get a feel for what is happening in the country’s business arena.

In addition, if the local Embassy of that country has a trade section, meet with the trade representative and ask questions about the business climate in the country. Also, ask for some guidance on how to do business in their country and what social practices and courtesies you should follow. This way, you would be able to get valuable information and feedback.

### **What are the keys to successful negotiation?**

There is much more to negotiation effectively than preparing your mind for it. There are other ingredients of a successful negotiation, and they are highlighted below:

- ❖ **Know the outcome you want.** Most of the time, your goal will be to sell your export product to the potential buyer or establish a connection with them that could evolve into a business relationship.
- ❖ **Know your position.** Have all your facts at your fingertips, and know your limits. A recipe for failure is to have no set limits to which you can compromise during negotiations.
- ❖ **Understand the potential buyer’s position.** This can only happen if you put yourself in their shoes (*and you won’t be able to put yourself in their shoes unless you understand their business and country—through research*).
- ❖ **Work out different scenarios ahead of time.** Prepare for every likely request that the potential buyer might want to make. This will help you remain confident throughout the customer’s approach, since you won’t be caught unawares by any terms or conditions presented by the buyer.
- ❖ **Understand your strengths and weaknesses** and be open about them. Honesty boosts credibility.
- ❖ **Back up all your positions with logic and facts.** Don’t negotiate based on emotions. If you do, you will most likely get badly burned.
- ❖ **Have an exit strategy.** Know when you will get out of the negotiation. Don’t be of the “*it must work at all cost*” mindset. Desperation sends wrong signals about you and your business.

### **Characteristics of Successful Exporters in Kenya**



There are no accredited schools or institutions in Kenya that teach export business specifically. So, Kenyans planning to venture into that business will have to turn alternative ways of learning to understand what the business is all about.

Even though there are books and e-books that can teach you how to become a successful exporter, most of those available are catered to business atmospheres that are different from what obtains in Kenya.

So, the best way to learn about the export business in Kenya is to learn from seasoned exporters who have been running their export businesses in the country for several years and have experience with multiple foreign markets. Now, what are the characteristics of successful Kenyan exporters? Read on to find out what separates them from the unsuccessful ones.

### **1. Keen eyes for opportunities**

Successful exporters in Kenya have the ability to quickly sense profitable opportunities—even in foreign countries. They keep abreast of latest information regarding foreign markets as well as new opportunities that they can take advantage of in those markets. They are also able to quickly figure out which opportunities are worth going after and which ones aren't. This explains why they always record huge profits in all their export deals (*they only go for high-paying deals*).

### **2. Research and analytical skills**

Another hallmark of successful Kenyan exporters is their ability to extensively and objectively research and analyze new opportunities before plunging into them. This gives them a lot of insight into new opportunities and helps make well-informed decisions to either grab those opportunities or abandon them. To figure out the potential of any opportunity, they know what factors to consider, evaluate, and analyze. They don't jump at new opportunities without fully understanding what those opportunities entail.

### **3. Marketing skills**

As with other businesses, export requires solid marketing skills. Successful exporters in Kenya are very good at marketing, especially to a foreign market. They know how to use various marketing strategies and mediums to their own advantage and get positive results.

#### **4. Willingness to build connections**

One of the smartest ways to achieve success quickly—without cutting corners—is to establish connections. And the export business in Kenya is no exception. Successful Kenyan exporters jump at any opportunity to build connections that will be of advantage to them, be it locally or in their target foreign markets. Through the power of connections they are able to break into new markets easily and get information about latest opportunities.

#### **5. Integrity**

There are ethical and unethical sides to any business. This runs true for export business, too. As a Kenyan exporter, you can easily get tempted into adopting some unethical or questionable practices. A common example is exporting substandard or fake products and selling them as authentic ones. Another is breaking local rules that bind the export business. Successful exporters in Kenya don't cut corners, and they stay away from unethical practices.

#### **6. Promptness**

Successful exporters in Kenya understand the importance of time and keeping to deadlines. They honor appointments at their fixed times, and they don't disappoint their foreign agents, either, when it comes to delivering their products to them. This fetches them repeat business from their foreign agents and opens more doors of opportunities for them.

#### **7. Optimism**

No one succeeds at something they are pessimistic about. To succeed in any business, you need to be optimistic at all times. Optimism is one of the characteristics of successful exporters in Kenya. They always see the good side of things—but they are realistic with their thoughts. Their optimism spurs them to take risks and go for huge opportunities. This is why they have achieved multiple successes.

## **8. Resilience**

Everyone in business will certainly experience challenges, bad times, and even failure—which can be so frustrating that quitting comes to mind next. Successful exporters in Kenya don't give in to such circumstances because they understand that hard times are inevitable. Rather they learn from them while thinking of ways to bounce back and operate in a stronger way.

## **9. Smartness**

Achieving success in any business requires smartness. And that's another hallmark of successful exporters in Kenya. They are fast at making deductions and decisions, and they are very fast but careful when implementing strategies that they think will work for them. Smartness can push you far ahead of the competition, and that's why some Kenyan exporters are far ahead of others in the same business.

## **10. Intelligence**

Successful Kenyan exporters have the ability to comprehend new ideas and understand them. And they are able to put their experience into practice. This is another reason why they have achieved success in the export business.

**I connect farmers to viable export markets**



A seed company in Nakuru is giving smallholder farmers access to high value vegetable crops while connecting them to ripe export markets in a venture that is redefining smallholder farming in Kenya.

Simon Andys, the founder of Premier Seeds, is a trained agronomist who left his job in a local seed industry to breathe new life to smallholder farming after a wrong seed variety devastated the farmers he was serving. “I used to work very closely with the farmers in training them on good farm management practices and handling their grievances.

A seed variety which the company imported had been bred for different climatic conditions caused devastating damage to farmers producing near zero yields. It was heart breaking to see farmers lose resources and days’ worth of toil to something that could have been avoided. I had to do something about it,” Simon said. And he did. He left the company to start his own outfit that would correct the ills that had bedeviled the farming industry. Thus marked the birth of Premier Seeds.

At the helm of the seed company, Simon has worked with breeders outside the country to breed for him the most suitable varieties that adapt to local climatic and growing conditions. “The problem with our seeds is that we import those that have already been bred for overseas growing conditions which end up disappointing our farmers.

So I decided to partner with seed breeders in Netherlands. What I do is to first do a thorough analysis of the climatic and growing conditions identifying which conditions would produce the optimum yields. I then communicate the analysis to my breeders in Netherlands and explain to them the kind of seeds I would like to work on and the process starts,” said Simon.

Through such arrangements, Simon has managed to bring to the country, the fastest maturing tomato variety dubbed Tomato Premier F1 which takes on average 60 days to mature compared to existing varieties that take between 90 and 105 days. The variety is also accustomed to tough climatic conditions and has been bred to tolerate common tomato diseases. Its shelf life, another of its unique selling point, is 15 days compared to between seven and ten days for the other varieties. “It is a variety that has been bred with the local conditions in mind. Even when it

is exposed to sunlight as it usually does especially when it is being sold by roadside and open market traders, it still can go for days without going bad,” Simon added.

Simon whose mantra is to deliver smallholder farmers from the yoke of overreliance on traditional crops is working with farmers in Bahati Constituency in Nakuru County to plant high value crops for the export market. He is currently working with a group of farmers in the farming of chives, a herb belonging to the onion family, that is enjoying huge demand in the export markets. The farmers who traditionally relied on maize and vegetables are now more than doubling yields and incomes with the chives venture. “At Premier Seeds we felt that if we were to involve farmers in the growth of these high value crops, we needed to move them from traditional way of doing things.

We needed them to own greenhouses. And because greenhouses appeared beyond the reach of many farmers, we have an arrangement with Chase bank that would finance the construction of greenhouses on credit, which farmers would repay using the proceeds from the sale of their produce. The model has been successful so far,” Simon said.

Simon has made it his business to train individual farmers and walk with them through the farming journey since most of them are making their first stint at greenhouse farming. “Again you have to factor in the fact that the crops they are growing, chives for example, are meant for the export market where buyers are very strict about growing conditions, so we have to train them on the specifics of farming for export for example when to spray the produce, how much they should spray, how to look out for pests among other farming practices,” he added.

The farmers are now earning over 5 Euros per kilo of chives which they will be harvesting after every 20-25 days.

Simon has also partnered with academic institutions like Egerton University – Agro Science Park who have been breeding high yielding and stress tolerant bean varieties dubbed Tasha, Chelarang and Ciankui for mass distribution. Under a contractual farming model, Simon connects the academic institutions with farmers who grow the beans on behalf of the institution.

Upon maturity the institution buys back the beans at market prices. “This has allowed the university to test how the new varieties perform in farms while mass producing the beans for distribution. Farmers on the other hand get firsthand experience with the new varieties and a guaranteed competitive market. This model has been key in lifting farmers from poverty,” Simon added.

Such steely determination and will to change farming’s modus operandi hasn’t gone unnoticed. Simon is a fellow of the *Tony Elumelu Entrepreneurship Programme (TEEP)*, a continental programme that recognizes vanguard entrepreneurs that are providing homegrown solutions to Africa’s problems.

The Tony Elumelu foundation has also funded Premier Seeds to advance the course of fighting hunger through various initiatives that the company is involved in with the farmers.

Simon believes a hunger free Kenya is possible. “Kenya is blessed with a beautiful climate and a very entrepreneurial people. It’s the few hiccups like lack of inputs for example the right seeds that, technical back up is holding us back. It is this gap that we have been trying to bridge. It is what keeps me awake at night. I hope for the day when every farmer’s efforts in the farm will always be rewarded. We can do it. It is possible,” Simon added.

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# Conclusion



In this conclusion, I will be discussing with you about agriculture in Kenya and how you can take advantage of the business opportunities in this sector.

The other day I read a quote from Prof. Moses Wagwa. It goes like, “I wish my country had agribusiness minded youths, we`ll have been a better country than we are today”

We have to start seeing farming as business and blood of our nation.

Don`t let me spend my time talking here about how neglect of agriculture affects us as a nation, since I know you may not have much interest in that. Instead, I`ll discuss various business opportunities in Kenyan Agricultural sector.

You have options to choose, whether you`ll love to go into agribusiness (business of agriculture) as a crop and plant farmer or as a livestock farmer... rearing animals for commercial purpose.

Either of this can be done with modern agricultural tools and implements. Either of this can be done in large and profitable scale.

## **5 secrets you have to understand**

### **1. Farming is a business.**

Farming could be a profitable business in Kenya, if you understand it to be a “business”. The first problem I have about encouraging Kenyans to embrace farming is that, most people see agriculture as a very dirty thing. How did we arrive at this mindset?

Because our forefathers were subsistence farmers. They were poor and dirty. This has made us to have a wrong conclusion about the whole concept of farming.

The good news is, farming can be a source of wealth for you. There are now many commercial farmers who are wealthy.

### **2. Farm produce will always be of high demand.**

Business world is unstable. A product that rains today may be nothing tomorrow, but farm produce is different. People must continue eating three times each day, and since we only have certain limited numbers of food, we have to eat the same foods week after week.

If you're like me who like banana and orange, you will not resist banana or orange because you ate them yesterday. People who love watermelon, carrot, beans, rice, yam, plantain, cassava products, etc. will not say, “I bought this last week, so I won't buy again”.

Most of us eat fish or meat every day, so cow price will surely keep on increasing. Catfish must continue selling. Poultry birds, chicken, turkey, etc. will always have market demand.

If you understand this fact, you'll be encouraged to go into farming business as a Kenyan.

### **3. Kenyan population is increasing at alarming rate.**

I wish I could stop it, but I cannot.

As at the time of writing this ebook, Kenya has over 44.35 million. Wow! We`re in a mighty country. But that`s not all, by the year 2050, Kenya is projected to have a population of over 60 million.

What does this has to do with agriculture in Kenya?

Well, the more population there is in a particular environment, the vibrant the agribusiness will be. People have to eat?

People can be poor and not buy clothes. They can be poor and not buy cars. People have to buy food, fish, and meat. This understanding is enough to encourage you to go into agricultural business.

### **4. Governments are now aware of the importance of agriculture.**

Yes, they may not be granting enough loan as expected. They may not be sensitizing youths as expected, but they are reducing the saturation of the market by importers. Believe me, as this trend is going, very soon, you can expect more and more government`s policy to favour agricultural businesses in Kenya.

The reason is because government is now seeing that agribusiness is one of the ways by which we can reduce the rate of the unemployment in our country and to do this, we must restrict importation of the likes of chicken, canned fish, tomatoes and processed products etc.

## **5. Most people are yet to discover the great potential in agribusiness.**

School has deceived us to believe in “good job” and that deception is so deadly that even when it`s so apparent that good job is no more, our universities are still brainwashing our youths to love job.

This makes me angry all the time. This is the number one reason why I hate school.

But you see, this ignorance can actually be an advantage for you.

How?

If you go ahead and start your little farm now, you will grow and become a successful farmer before most people wake up from their ignorance.

Just as I said (said or wrote?) in the tutorial about marketing strategies, the most profitable marketing strategy is to get to the market when the competition is little. That time is now.

Agriculture business in Kenya is a gold yet to be mined.

Don`t be afraid of starting small.

## **Must You Become a Millionaire to be Successful?**



In our today`s world, success is synonymous to money. If you have more money than I do, it`s generally assumed that you`re more successful than I do.

This erroneous belief has led so many people into the endless pursuit of money at the expenses of other (more) important things.

So many people have pursued money at the expense of their health. So many people have pursued money and neglected their marriages. So many people have pursued money at the expense of Heaven or their very life.

No doubt, money is the only meter by which most people in today`s world use to determine success or failure. This wrong assumption has hurt our world so much that most people simply don`t care about anything else... just money.

Must you become a millionaire before you will become “successful”?

No.

Get me right. I like money and teach so many people every day how to start agribusiness and make money. However, I belong to the school of thought that believe that money is just one out of many things that are very important in life.

As for me, having a good health is important. That`s the reason why I read many things about how I can maintain a healthy life and apply what I read to my daily lifestyle.

Having a blissful marriage is as well important to me. I have been reading books about marriage since when I was around 17 and now that I`m married, getting the best out of my marriage is more important.

I wouldn't call someone like Paul Getty a success. Though he was one of the richest people in the world, he divorced four times in his life time. No! that, to me, is not a success.

So many rich people are having miserable homes. How can you call that a success?

My mental life is also an area I cannot joke with. I agree with what Bible says in Prov. 24; 5 “A wise man has great power, and a man of knowledge increases strength”.

Knowledge makes you powerful.

The more you know, the more awareness you will have about the world we are. The more conscious you will become and the less fear you will have. All of this leads to peace of mind and true success.

I read books on psychology, human relationship, leadership. A little science, a little geography and a little of everything.

That`s why I question things and walk against public opinions.

Knowledge is still power. That`s why (I think Nelson Mandela) said, “you cannot cage whoever is educated”. By education we`re not talking about the kind we get at school. Far more than that.

Having great friends is also one of my life`s priorities. I love people (especially smart people). That`s the reason why I invest part of my time to make and keep friends, great friends.

Some of my friends worth millions to me. I can`t imagine becoming a millionaire and being lonely or being with empty-minded people. To me, that`s not cool.

And lastly, my relationship with Jesus Christ is very important to me. So many people can call themselves Christians and still lie because they want to make money. Some people can call themselves Christians and still forge documents because they want to make money. For me, that`s not cool.

Though I love business, if I would have to lie to make more money, I will rather make a little. Though I love money, if I have to steal to be a millionaire, I will rather remain a “thousandnaire”.

What is the point I`m making here? There should be more to your life than money.

Though money is very important and being a millionaire is good, you have to **define your “success”** much deeper than that.

If you focus all your life on how to **make money**, just after you have made enough of it, you will start becoming thirsty of some other (very) important things of life.

Now back to our question. Must you become a millionaire before you become “successful”?

No!

Money is meant to meet our needs. After meeting our daily needs, other things we need money for is to impress other people around us.

You heard me right. For most of us, the reason why we dream of millions of shillings is not because we need such money for any good reason, but because we want to build a name for ourselves.

There is no problem about building name for yourself. Only know that that doesn't add anything to your **real self**.

My purpose in writing this actually is not to discourage being a millionaire. It will be my joy to see you becoming a billionaire, but not a miserable billionaire.

So many people are miserable millionaires and billionaire because they don't know what true success means. They have spent most part of their life to search for money and neglect every other important areas of life.

I see so many people falling into the same error these days.

People don't think about their health. They simply eat anything and drink anything. They don't care about their marriage. They simply assume, "money will solve all problem".

Most people don't care about acquiring knowledge in every aspects of life, having a team of great friends or being in good term with God.

All they want out of life is money.



You can become a happy man/woman, full of life and joy, even without millions of shillings, if you will seek to live a balanced life, if you will invest your time, money and energy into other important areas of life aside money.

Be wise. Don't make mistake of thinking that money alone will make you happy.

Well that's it.

It is my hope that this ebook has been beneficial and enlightening to you. I wish you success in your quest to become a successful farmer.

Thanks for taking your time to read this guide. Am still writing more and more Agribusiness guides that will nourish you in your profitable farming endeavours. Always keep in touch with me on whatsapp **0714723004** to get more of my Agribusiness guides and Agribusiness advice.

Also whatsapp me and give me your feedback about this guide...

