



# Strategic Marketing in a Changing Marketplace

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## Part II: Simplifying the Marketing Process

## Simplifying the Marketing Process



- The tools a business uses to pursue its marketing objectives are called its **marketing mix**
- These tools have been classified into four broad groups—called the **Four P's** of marketing
  - Product
  - Price
  - Place
  - Promotion

## The Four P's



## Product



- It is customary to treat the products we produce as commodities
  - Homogenous
  - Undifferentiated
- But are they?
  - They are as long as we think they are
  - By thinking strategically about how we may differentiate our products, it may be possible to present it differently in the marketplace

## Product



- Food and agriculture are taking on increasingly complex roles in society
  - Hunger
  - Nutrition
  - Health
  - Recreation
  - Education
  - Environmental protection
  - Community and social activism
- We can define which of these increasingly complex roles we want our products to fit
- Only when we have decided on the product role can we effectively handle the other three P's



Increasing complexity

## Product



- Identity preservation strategies help differentiate your “commodities”
  - The purpose of strategy is to give competitive advantage
  - Therefore evaluate cost-benefit relationships in implementing these strategies
  - See Warburton Bakeries and Western Canada wheat growers

## Price



- Price is the money the buyer is willing to exchange for our product
- It is frequently an indicator of the value the customer places on the product or service we are offering as a solution to the identified need
- The more complex the need being addressed by the product, the higher the price customers are willing to pay

## Promotion



- Promotion is the collection of activities to increase the awareness of prospective customers about our product or service
- It embodies two components for reaching identified customer groups
  - **Communication mix**
  - **Communication channels**

## Promotion



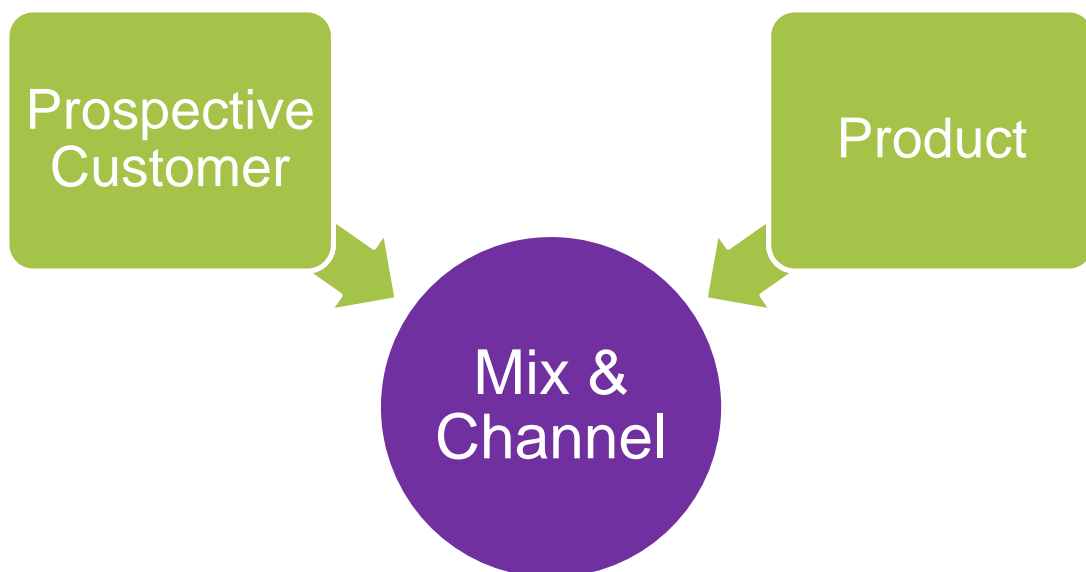
- Communication mix encompasses:
  - Advertising
  - Word-of-mouth
  - Direct marketing
  - Sponsorships
  - Advertorials
  - Press releases (public relations)
  - Publicity

## Promotion



- Communication channels
  - In-store or on-farm signage
  - Radio
  - TV
  - Print (newspaper, magazines, etc.)
  - Newsletters
  - Internet
  - Billboards
  - Postcards

## Promotion



## Promotion



- If we consider our product to be a commodity, then there will be no need to promote it
  - We deliver it to the elevator as “plain old vanilla”
- On the other hand, if we consider our product to be differentiated, then we need to promote it to maximize its value

## Place



- Place is where we want our prospective customers to access our products or services
- The place is a function of the product, the customer and our value proposition

## Place



Meat processing facility



Specialty Products (IP)



Country elevator

## Simplifying the Marketing Process



- What we discussed in this section
  - In an increasingly complex marketplace, we cannot let our products be defined by the market
  - We have aggressively develop an understanding of where in the marketplace our products are most valued
  - And consciously and deliberating develop processes for extracting the highest value

# Simplifying the Marketing Process



- We may accomplish this through a careful and deliberate assessment of
  - Our product and its place in the market
  - The price that customers are willing to pay for the value we present
  - The promotion that we need to undertake to successfully extract this value from our customers
  - The place we have to present our products so that it yields the highest value for our customers and for us
- We discuss strategies for doing these in the next section



Thank You & Good Luck

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