



NICHE MARKETING FOR PRODUCERS



This article is for farmers who:

- want to earn a little more to help their family move ahead;
- have grown more in the hope of earning more only to find they were unable to sell the additional produce;
- have switch to higher yielding varieties only to find they cost more to grow and customers do not buy because they do not like the taste, color, shape, etc.
- broke their back to grow and harvest cassava only to find the market flooded with cassava;
- have grown a 'new' crop or have developed a new product, for example, santol or guava jam, only to find customers unwilling to try it;
- joint together with other farmers to open a new market only to find insufficient customers to earn a profit.

What is marketing?

In the Palauan context marketing is defined as the process whereby the supplier of a product or service finds out what the consumer wants and supplies it at a profit in a socially, culturally and community responsible and acceptable manner.

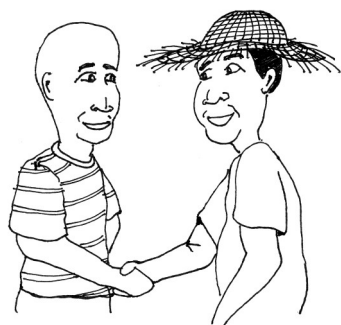
What are the elements of marketing?

Four important elements of marketing are:

The priority of the customer. Marketing begins not with the product, but rather with what the customer needs and wants. In other words marketing begins with marketing research. There is no point in producing something that people do not want to buy.

Producers need to find out what customers need and want.

A process of selection. We select whom we are to serve. We are providing a product geared to our customer, providing a needed and requested service. We are providing a valuable service. We have to link service with profit. By providing a service you can make a profit--if we don't provide a service we will not make a profit.



Promotion. We are satisfying an expressed want or need. The concept of marketing cautions we are not just providing a service. Rather, since our product is satisfying a want or need, it may be promoting an attitude, image or lifestyle: positive, neutral or negative. You can market images, behaviors, attitudes, lifestyles, etc. You can 'create' demand through well thought out promotion.

Relationship building. The concept of marketing states we need to cultivate our customers. We are not to cheat customers. We are to provide value for value. We are to build strong relationships. We are to build friendly, mutually beneficial relationships

with the customer. It implies that agreements will be honored and that commitments to supply products will be kept. It implies delivering consistent qualities.



What is the difference between selling and marketing?

For the purpose of this pamphlet we distinguish between selling and marketing. Selling is when we have an item and look then for customers.

Marketing is a planned process whereby we first find out what customers want and need and then produce according to the customers needs and wants.

What are the six "P's" of marketing?

PEOPLE

The people we are to market to;

Their wants and needs; The people marketing our product; need to be friendly, efficient and knowledgeable about our product.

PLAN

The way we will market our product to our customers; The steps that must be taken to do this.

PRODUCT

The taste and other attributes of the product that consumers prefer; The quantities, packaging and sizes consumers buy; The appearance, including labels; The brand name.

PRICE

Competitors' wholesale and retail prices; Competitors' price response to a new product; Price variations according to location and type of consumer.

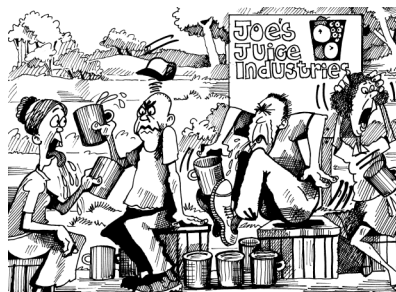
PLACE

Where and how to sell the product; Advantages of different types of distributor; How distributors can be supplied;

Distributors' requirements in terms of quantity, delivery and price; The costs involved in the various distribution options.

PROMOTION

The advertising required; Other promotional tools that are used, such as free samples; Costs involved with various types of promotion; Methods of setting prices.



It is important to be sure that people will like your products

What is niche marketing?

Niche marketing is first finding a small segment or selection of consumers that have a distinguishable unique, or underserved or poorly addressed need or problem or desire and then designing custom-made products and/or services for them. .

As a strategy, niche marketing is aimed at being a big fish in a small pond instead of being a small fish in a big pond .

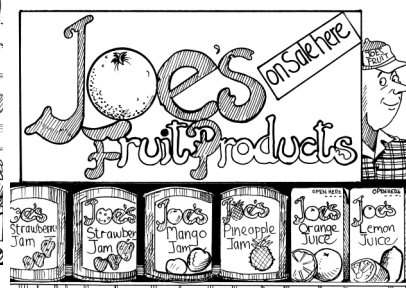
WHAT IS A NICHE MARKET?

Niche markets consist of groups of consumers within the larger marketplace who have similar demographic, buying behavior, motivations and/or lifestyle characteristics. Examples include locavores: food buyers who prioritize high quality and local production , and Japanese tourist seeking 'omiyage' gifts.

Opportunities for niche marketing:

Palau's pure Pacific image is an advantage for any producer who wants to direct marketing to visitors, export a quality product or enter local or specialty markets. Producers in other island nations have developed niche market exports of

differentiated and well branded products showing direct attributes of sustainable sourced raw materials from healthy island environments and traditional communities to attract higher-value niche markets with buyers concerned about environmental (organic) friendly production and fair returns to the primary producers.



An attractive brand name can help you market your products.

WHERE TO LOOK FOR YOUR NICHE MARKET?

- Geographic areas e.g. docks, tourist spots ...
- Demographics: age, nationality, sex, class...
- Personality & lifestyles
- Culture & status
- Benefit & occasions: Health conscious & custom
- Heavy users
- Institutional buyers

The process of finding and filling niches is ongoing. Success requires producing a high-quality product or service, working to increase sales and cut costs, diversifying to reduce risk, and finding niche markets where the added value of your product can be realized in higher prices; plus the added advantage that comes from whatever it is about your operation that cannot be copied, or can only be copied with great difficulty or expense. For example, focusing on your location will attract buyers who want to "buy local." Tell the story of your farm—no one else will have quite the same story.

