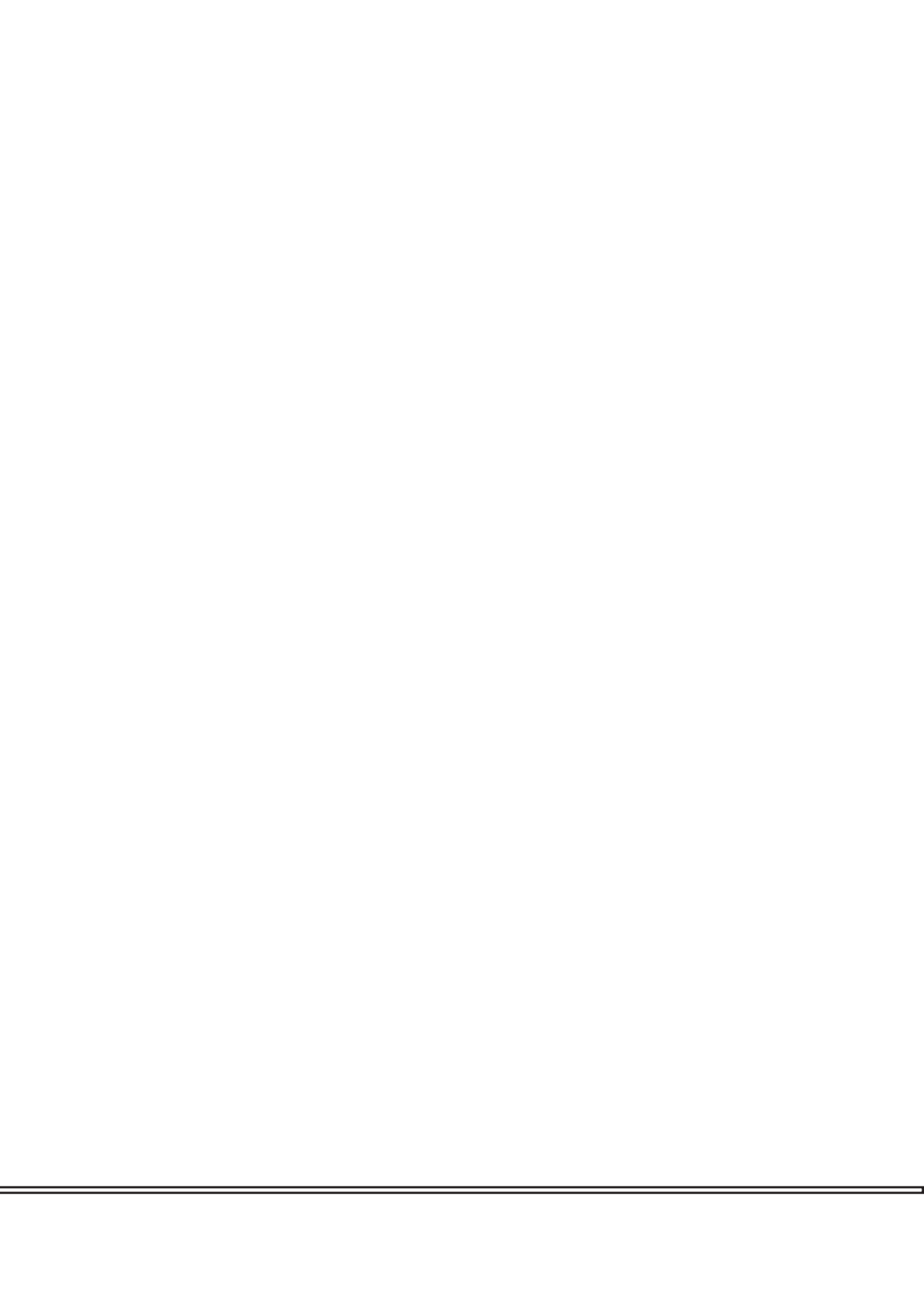


Marketing of Cotton Products





Introduction

Marketing encompasses the activities, institutions and processes involved in creating, communicating, delivering, and exchanging goods and services that hold value for customers, clients, partners, and society at large. Key players in the marketing chain include producers, processors, consumers, and other market intermediaries who perform essential marketing functions such as transportation and retailing. Marketing extends beyond mere advertising and promotion; it is fundamentally about forging connections with customers.

Agricultural marketing

Agricultural marketing involves assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities.

It is a key driver to commercialization of agriculture. An efficient agricultural marketing system acts as a pull for stimulating production, value addition and consumption thereby accelerating the pace of agribusiness and economic development.



Cotton bolls



Cotton lint



Cotton fibre/twine used to make cloth



Clothes made from cotton




Cotton cake by-product from oil processing



Value added cotton oil

Marketing strategy

A marketing strategy is a long-term plan for achieving a company's goals by understanding the needs of customers and creating a distinct and sustainable competitive advantage. It encompasses everything from determining who your customers are to deciding which channels you will use to reach them.



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

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



Elements of a marketing strategy

Marketing mix

Marketing mix, also known as the 7 Ps, is a set of marketing tools that a company or farm employs to promote its products or services in the market. It helps businesses deliver the right product in the right place, at the right price and at the right time. It includes product, price, promotion, people, process, place and physical evidence.



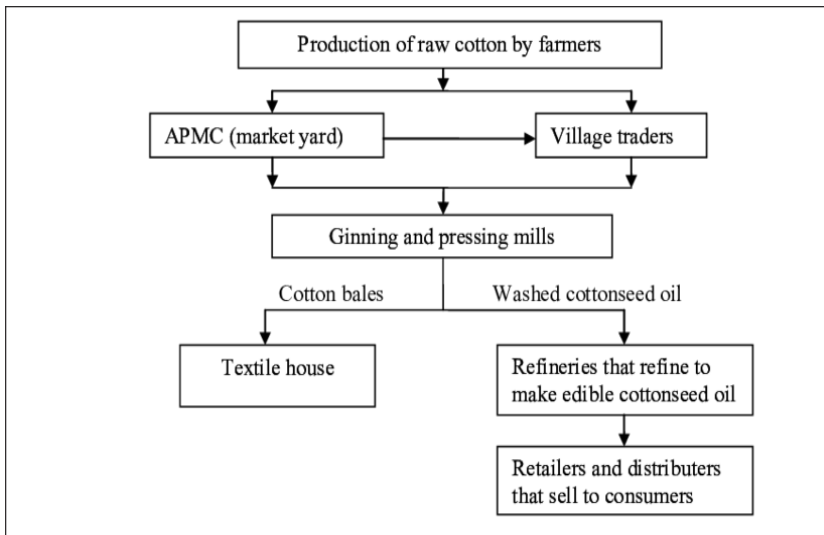
The 7 Ps of marketing mix

1. **Product:** Ensure product meets customer needs by prioritizing its enhancement. Customers must grasp the features, advantages and benefits it offers.
2. **Price:** Set prices carefully to cover costs and ensure profitability. Research customer willingness to pay and market demand before pricing.
3. **Place:** Make product available where customers expect it, such as supermarkets, local markets, hotels or online. Consider logistical factors like storage and distribution.

- Promotion:** Employ effective communication strategies to attract potential customers. Channels include branding, advertising, social media, content and influencer marketing, sales management, promotions, and exhibitions.
- People:** Create positive experiences for employees, customers, and stakeholders. Their interaction with the business is crucial.
- Process:** Optimize every step of the customer journey, from inquiry to purchase.
- Physical evidence:** Establish the presence of brand through physical stores or offices, websites and printed materials like business cards.

Marketing channels

Marketing channels refer to the pathways through which agricultural and livestock products reach consumers. In cotton marketing, various channels play crucial roles, as illustrated below:



Cotton marketing channels


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

Market participation



Packing cotton for transportation.

- Despite the high demand for cotton products, most producers are not market-oriented. Most smallholder farmers sell their products individually, exposing them to exploitation by middlemen.
- The smallholder farmers lack bargaining power and transaction costs are high, thereby reducing profit margins.
- One solution is through collective marketing, whereby farmers are organized into marketing organizations like farmer producer organizations (FPOs) and cooperatives.

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- Some of the benefits of collective marketing are:
 - Bigger bargaining power
 - Bulk storage to keep costs low
 - Accessing specific export markets
 - Building relationships with domestic and international traders
 - Attaining critical volumes required by the market
 - Reduced transaction costs



Compiled by: Wambua S.M., Musila R.N., Kinyua Z.M., Kirigua V.O.
and Wasilwa, L.

Contacts: The Centre Director, KALRO – ICRI – Mwea,
P.O. Box 298-10300, Kerugoya, Kenya

Tel: 020-2028216/17: Email: kalro.mwea@kalro.org

KALRO Call Center: 0111010100

Editors: Nyabundi K.W., Maina F.W., Mukundi K.T., Maina P., Wanyama
H.N. and Ekadeli J.

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