



INNOVATIVE INTEGRATED TRAINING IN HEALING PLANTS BUSINESS

IO3 - The Total Business Plants Training Material

Module No. 4

“Business start-up in the sector of medicinal plants”

FyG Consultores



Unit 4: Marketing Plan

- **Summary**

Unit 4 “Marketing Plan” refers especially to the process of marketing the business in many different ways. It shows how different it needs to be depending on the market and customer preferences. Unit 4 encourage to use as many channels as possible in order to rich the target group from different sources.

- **Learning outcomes**

- ✓ **Knowledge, understanding and professional skills:**

1. Know and define marketing channels
2. Understand the importance of marketing actions
3. Connect marketing actions with specific target group and country

- ✓ **General and transferable skills:**

1. Create Marketing Plan
2. Show knowledge related to marketing sector
3. Ability to work together and create team work
4. Gain skills related to marketing and promotion

Unit 4: Marketing Plan

Most people when asked “what is marketing?” they think about promotion, advertising, pictures, comments, billboards, person who is creating another funny commercial etc. Marketing most of the time is connected with big companies and names like Coca Cola, MARS, Red Bull etc., which marketing events are always promoted on each social media channel. The main goal of creating Marketing Plan which includes: event, promotion, meetings, concerts, commercials etc. is to get more customers and get more money. “Profit” is the aspect that everyone follows. As it might seem very “easy going” and friendly sector, marketing is the most critical component of all business plans. Very famous quotes that represents Marketing is “Find a need and fill it”.



What and where is the importance of Marketing? Why does my business need it? These are reasonable questions: For those that dream of “wealth” in your businesses this is the key and it could not be more significant. Business Plan that was mentioned before can’t exist without marketing strategy – as it’s a way to get more and more customers and start being popular. Very often people ignore that component resulting in a continued struggle towards their goals. Probably you are wondering why this is so important, people know me and they will buy my product anyway.

Wait a second, before you answer consider this: No matter how innovative, beautiful, useful, new or amazing your product or service is, no one will find it if they do not know that it exists somewhere close or far way. So, because of that marketing is the action to make people know about you.

Well prepared marketing can be beneficial to all kinds and types of businesses. Creating marketing is not an easy process but first of all it’s good to know what are the main components of marketing. Below you can find them:

- Advertising**
- Customer Support**
- Market Research**
- Product Planning**
- Product Pricing**
- Sales Strategy**
- Public Relations**

Of course you may face trouble trying to remember or identify all the above mentioned components. Try to think of marketing as everything an organization does in order to build, maintain and boost the business-customer relationship. It is all included there – all the necessary and needed actions taken are just “marketing”.

Useful Tips:

✓ **Who is your customer? Be aware and clarify your target group.**

Old or young people? Workers or students? People from your village, city, country or from the other culture? Depressed, sick or happy with energy people? Group of people that want to live healthy or want to use something new, cheap or popular?

✓ **What is your message? In what way can your product/service facilitate your target group?**

What do you want to share with them? What would you like to present by marketing events? What kind of events you can organize? How would you like them to think about you? What kind of feedback would you like to get? What is your goal in terms of customer perspective?

✓ **Redirect your plan to its real business purpose.**

What’s the purpose of this marketing plan? What do you want to achieve? What are your expectations? Does this plan match with your vision and idea of the business? Look at it from a business perspective.

✓ **Strong customer relationship is the key element** in the effort to growth, stabilize and have a profitable business. Marketing planning is a great way to achieve that.

✓ **A comprehensive realistic marketing plan can boost the life and well-being of your business in the long term.**

Marketing Benefits:

- Stronger company image
- Ability to attract and retain customers
- Ability to establish partnerships
- Reach to the new group
- Get more clients
- Create a new and better image of the company

Common mistakes related to marketing:

- Spend too many hours and too much effort to design your marketing strategies and never actually following your own great ideas.
- Being unrealistic. Do not think that since the beginning you can create a big marketing event as for example Coca Cola is doing. Know your possibilities and use them.
- Having very high expectations regarding sales. Sales grow slowly at first. It is absolutely normal.
- Always have projections and goals that are conservative so you can meet them.
- Spending too much time and money on a fancy website before getting customers – you can develop it later once you are making profit!

Marketing is the main activity that a company does to acquire customers and maintain a relationship with them. It is based on thinking about business in terms of customer needs and their satisfaction – at this point the customer is number 1. It is not that important to get customers to pay for the product, as it does develop a call for that product and fulfilling the customer's needs. Marketing is a very deep topic, that has many different concepts, techniques, methods and theories. The most known are the 4Ps and 7Ps concept of the marketing mix. The organisation always tends to use marketing mix to create their marketing strategy as effectively as possible. In the 1960s, the American marketer, E. Jerome McCarthy, provided a framework by means of the marketing mix = 4 Ps (McCarthy 1975).

- Product

The product/service should fit the task consumers want it for, it should work and it should be what the consumers are expecting to get from you.

- Place

The product should be visible and available from where your target consumer finds it easier to shop. This may be a big shop on the main street, small shop in the shopping mall, small market, online shop, e-commerce.

- Price

The product/service should always represent good value for a specific price. This does not necessarily mean it should be the cheapest available or the most expensive; one of the main assumptions of the marketing concept is that customers are usually happy to pay a little more for a product or service that works well and lasts for a long time.

- Promotion

Advertising, Public Relations, Sales Promotion, Personal traditional selling and lately Social Media are all key communication tools for an organisation. These tools should be used to put across the organisation's message to the correct audiences in the manner they would most like to hear. Promotion needs to be adapted to the target group. If your group contains people with 50 or 60+ its most probable that they won't follow you on Facebook or Instagram but maybe they will come to you in person on the market and buy your product directly from you. Promotion events are essential but need to reach to your target group.

Creating Marketing Plan try to use all possible channels and do not miss anything that can bring you closer to your customer. Nowadays technology is the key but at the same time traditional ways of promoting the business works the same efficiently – everything depends on the client and on how well the campaign is prepared.

If you want to reach to young people from the UK you definitely have to think about Social Media channels. Talking about Social Media, have you thought what a well-designed and easy to handle website may offer you? Attracting visitors daily, who are able to see what you purchase and its features online – or even being able to purchase from their homes can be your ally. E Commerce in marketing is the best way to fulfil it.

Examples of Social Media and Traditional marketing channels:

Social Media	Traditional channels
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Facebook Instagram Pinterest YouTube Twitter Websites Webinars	Newspaper Promotions (buy 2 get one for free) TV Radio Events related to the topic Fairs related to the topic Advertisements Billboards
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➤ **Which market segments should be targeted in Medicinal Plants Business?**

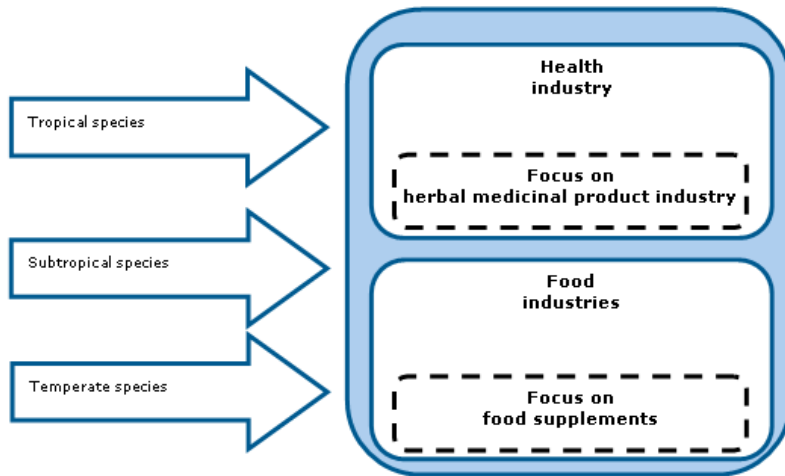
Natural ingredients for health products include:

- raw materials, such as medicinal and aromatic plants (MAPs)
- extracts
- active ingredients that are used as starting materials for pharmaceuticals.

The market segments for the natural ingredients for health products are based on:

- their application in the European market (herbal medicinal products vs. food supplement)
- the type of species (tropical, subtropical or temperate).

Which segment you should target depends on how well you can comply with their particular requirements. In order to answer their needs, you have to study the market before you start your marketing plans.



Herbal medicinal products vs. food supplements

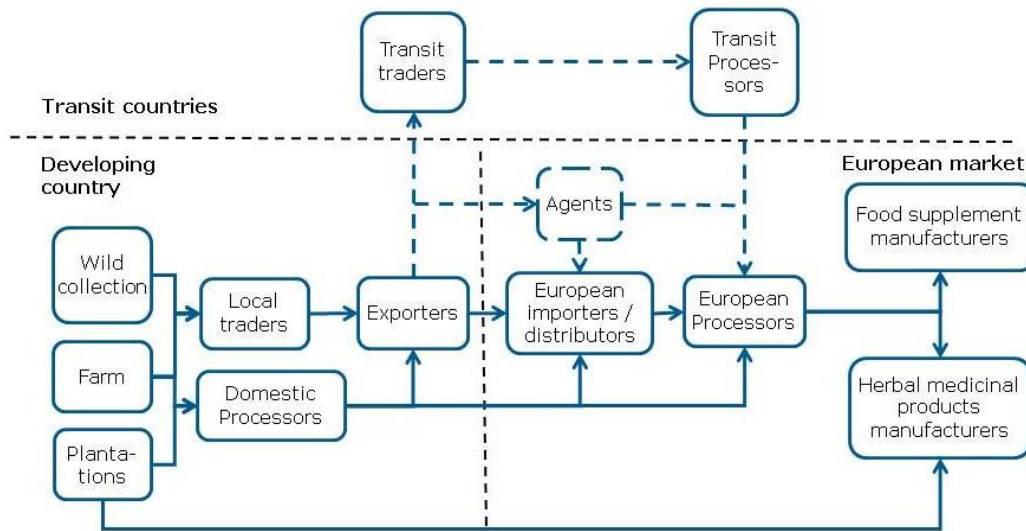
There is definitely a clear difference between medicinal products for human use and food supplements. This is because of several borderline issues and at the same time countries classify products differently. For example, a product that contains turmeric (*Curcuma longa*) could be classified as a food supplement, but also as a herbal medicinal product. This is related with active ingredients or compounds it contains and, most importantly, how it is marketed. Only herbal medicinal products can make a medicinal claim.

The most important reason to still categorize these two segments is that there are big differences in related legislation. Because of these legal differences, you need to take a specific way to get to the market and be aware of the difference. Aside from different legal requirements, the route to the market is also different for established and new ingredients. Each specific market also has their own trends and competitor profiles.

You can access the specific market through similar market players, in terms of importers, distributors and processors but it's important to adjust the strategy to the specific consumer.

- Through what channels can you market your natural ingredients for health products?

Major market channels for natural ingredients for health products



European importers and distributors as the most important entry point

In general, European **importers** and **distributors** are your most important entry point into the market. These can trade in up to 500 species, together with other ingredients and synthetic. Their functions include:

- global sourcing
- analysis and quality control
- rectification
- blending
- product documentation
- sales to processors and end-product manufacturers.

You can commerce your natural ingredients through either general or specialised players. Both types of players can be interesting for you, depending on the:

- size of your company
- type of products you supply
- certification and documentation required.

All over the Europe main importers, distributors and processors are expanding their product range and increasingly work at different levels. The diversification is the result of the merger of end-product manufacturers and the high costs to comply with legal requirements. Some of them stock a wide variety of conventional, organic and/or fair-trade ingredient lines to cosmetic, supplements, food and herbal medicinal product manufacturers.

Examples are:

- processors such as Naturex from France, and Indena from Italy

- traders such as the Martin Bauer Group
- distributors such as IMCD.

Have in mind that, if your product is a high-quality product these kinds of companies are at the same time a good connection in order to enter to the market.

Even if nowadays specialisation is becoming less common, there are still members that specialise by:

- direct their sales only to the one sector, for instance: ingredients for food supplements, cosmetics or herbal medicinal products
- limiting their product offers and having less product but with high quality, for example offering a product from a particular region, producing extracts or active principles
- having ingredients which are certified such organic, FairWild and various fair-trade labels.

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