



SECTION 1

MARKET RESEARCH

The marketing system - Objective statement and elements of marketing:

All fishery and aquaculture projects have a basic objective from their investments – to maximize returns to their investors – by utilization of resources available to the project, satisfying either existing or potential demand for the output of the project.

Marketing objectivity can best be described as the concept where the management of a project looks towards the sale of their product, rather than towards the technology of production. This has to be reflected in the original concepts of the project, and it is essential that the marketing is considered in the feasibility study stage, and is then incorporated in the company's corporate strategy. This approach is known as the four elements of marketing.

1.1. Business philosophy

This is the orientation of all decision making personnel in the project to think about marketing, and not to focus on production. The emphasis of the project is on the needs and desires of the potential consumer groups who will buy the product.

1.2. Market research

Marketing research needs to be well structured and systematic (similar to a design spiral – reviews and refinements are needed to regularly update the latest analysis) in approach and should consider all aspects of the marketing mix (see below). It is important to allocate sufficient funds for market research so that the existing market and the potential markets are clearly defined. Market research should not only focus on the end consumers, but should also study the supply markets, e.g. that the proposed project will be able to source the raw materials at the correct times to meet the potential demand of customers.

Market research can be summarized as:

- Outline the project strategy – by geographical area, market share, cost leadership, differentiation, substitution, and market niches. This includes current and new producers (competitors) and their levels of production, the existing marketing mix, substitute protein products (these may not only be fish), distribution channels in particular the influence of major retailers, consumer and end user buying behavior, (especially price barriers over which consumers will not pay – Eco-labels; seasonal influences, e.g. summer demand for fresh fish for the barbeque or tourism).



- Outlining the marketing concept – the dimensions of the marketing strategy, product and target group, marketing aims and marketing strategy. This section considers the output of the project and its placement in the market to maximise the efficiency of the project. In terms of aquaculture projects this includes deciding when the juveniles should be stocked, (and are they available) to meet important consumer demand peaks (highest market prices) and what the end product should be; e.g. whole fresh fish, fresh fillets, prepared meals, value added products (smoked, marinated, tinned, etc.). In many major markets there are more and more single people (Germany 60%) who wish for ready meals, so market demographics form part of this analysis.
- Outlining the marketing methods – dimensions of the operating market, the marketing mix, marketing instruments (advertising and promotion) and marketing budget. These are practical issues which are needed to achieve the marketing objectives desired by the project, and which are defined by research.

However there is a very basic concept that we need to address to be able to undertake market research – the ability to ask questions.

1.3. Questioning

Questioning is the way that we are able to get data, but there are two types of question that are used.

The closed question: – with a Yes/No answer. Not very useful unless you wish to know if someone consumes fish

And the open questions which cannot be answered Yes/No.

These questions always begin with:

- Who?
- Why?
- What?
- When?
- Where?
- How?
- Which?

And the answers always generate information.

People generally like to talk, but they need to be encouraged if the collection of marketing data is to be successful, and open questions are a very powerful tool in achieving this, the problem is most people ask closed questions naturally, so data collection becomes more difficult. The ability of the analyst to pose questions is the key to successful market analysis and create market research that provides the answers for strategic planning within the organisation.