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**MANUAL ON
MARKETING AND SALES
FOR COOPERATIVES**

ABSTRACT

The Marketing and Sales Manual documents strategies and processes that would allow cooperatives to facilitate effective marketing campaigns that would increase customer acquisition and retention. It highlights that Marketing and Sales functions work hand-in-hand - as in a pull and push strategy respectively - to drive sales and sustain profit for cooperatives. It follows a four-step process of guiding cooperatives through a series of exercises so that they could be successful in: (1) Identifying Marketing and Sales objectives, (2) Conceptualizing their respective strategies, (3) Planning the executions of both functions; and (4) Evaluating their implemented initiatives. Various case studies and best practices within the microfinance and banking industries are also included to serve as benchmarks and good sources of lessons that cooperatives can learn from in order to grow their businesses and remain attractive and relevant to their intended customers, as evidenced by increasing sales revenue.

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I. Foreword

The Marketing and Sales Manual for Cooperatives was commissioned by the National Confederation of Cooperatives (NATCCO) to the Bayan Academy for Social Entrepreneurship in pursuit of its vision to build a Knowledge Resource Center which would aid cooperatives that are part of their federation. The manual holds great inspiration and serves as an adaptation of three publications of Dr. Eduardo A. Morato, Jr. (Manual on Strategic Planning Process, 2018, A Trilogy on Entrepreneurship, 2013, and Social Entrepreneurship and Enterprise Development (SEED), 1994). It contains both international case studies from various sources, and local examples from cooperatives under the NATCCO network. The manual serves as a step-by-step guide in which Marketing and Sales Officers in cooperatives can consult and accomplish as they identify objectives, create strategies, execute initiatives and evaluate campaigns with the goal of increasing their organization's customer acquisition and retention thus, growing the business.

The Marketing and Sales manual is included in a ten-part series developed for cooperatives by Bayan Academy for Social Entrepreneurship in partnership and coordination with NATCCO. This learning material is also complementary to the programs and courses facilitated by Bayan and could be a source of foundational concepts which would be apt for anyone who intends to develop Marketing and Sales initiatives, both students or employees alike. The key is to follow the steps in the manual in order to create sound and effective campaigns that are aligned with the organizations vision and mission and always in view of the intended objectives.

MANUAL ON MARKETING AND SALES FOR COOPERATIVES

We may not often think about it but every single day, we are exposed to marketing one way or another. Oftentimes, we are the customer - purchasing food for lunch in the cafeteria. Sometimes, we are the sellers - promoting our homemade delicacies or *halo-halo* to our next-door neighbors. Other times, we are the actual products ourselves – we sell our knowledge or skills: a teacher lecturing in school, a technician repairing gadgets, or even a doctor checking-up on patients. While marketing is often perceived as simply a person or company selling a product or service to a customer, there is actually more to marketing than just seller – product – customer.

Complementary to the principles and learnings acquired during the NATCCO Leadership and Management Program (LAMP), this manual aims to develop a deeper understanding of marketing beyond just the seller, product, and customer. Through this step-by-step guide, the reader is expected to recognize the many factors that influence the customer in his/her buying behavior and use this knowledge in developing effective and sound marketing initiatives or programs for his cooperative (coop).

The components of this manual suggest an order in developing marketing initiatives. However, in the event that the reader deems the step inapplicable, he/she may opt to utilize only certain parts of the guide based on his coop's situation and context. The steps identified in this manual follow three (3) main parts: Market Analysis, Strategy Planning, and Marketing Mix. These are recommendations to create a comprehensive and strategically-aligned marketing plan for all its cooperative's initiatives.

This manual is a product of several strategies from various resources and authors. To enrich the reader further, a list of references is included at the end of this manual for supplemental reading.

Marketing in Cooperatives

Marketing is both a science and an art. It is a science because it requires data to direct the creative process. Marketers do not just conceptualize ideas and initiatives by mere gut-feel or whim. It must be evidence-based (both from quantitative and qualitative data) to ensure that the coop is properly using its resources – money, time, and manpower. Simultaneously, it is an art because marketing requires a level of creativity in order to stand out and positively affect its customers. If you are able to master Marketing as both a science and art, you will draw in the membership, the results and the revenues that your cooperative needs

Imagine that you are the Marketing Officer of an agricultural cooperative. Based on the data, 30% of the rice farmers within your region are still untapped and have yet to join your cooperative. Most of these farmers according to your customer profiling is from one particular province – Ilocos Norte. As the Marketing Officer, how will you get more of these Ilokano rice farmers to join your cooperative? What creative ways can you employ in order to make these rice farmers aware of your cooperative and push them to joining it?

At this point, is it easy for you to think of catchy ideas to make these farmers join your cooperative and increase your memberships? Probably not.

Before you can conceptualize the most effective ideas (which we may call as “Marketing Plan”), it is necessary to understand the many reasons why you are unable to increase the membership of your agricultural cooperative. You have to look into the science and data first before you could produce the art. The success of your Marketing Plan is dependent on how well you, as a Marketing Officer, can understand your customer and their situation through an External Assessment (EA), guided by its alignment to your coop through an Internal Assessment (IA). By using the data that you have gathered, you will be able to create a Marketing Strategy that will serve as the direction for your coop. In pursuit of this strategy, you will develop a Marketing Plan – the art – the different initiatives that you would want to implement to fulfill your various business objectives. These steps constitute the outline of this manual and will serve as the process that you will undergo as summarized in *Figure 1*.

Figure 1. Manual Summary and Outline



Step 1: External Assessment (EA) and Internal Assessment (IA)

The first step in the Marketing process is knowing the playing field. Just like in any business or sport, you would need to know the area you are getting into before you could start with your move. This study you will be doing, so to speak, is called an External and Internal Assessment, as discussed in the Strategic Planning Process, the first manual of this series.

The External Assessment (EA) is composed of two parts: (A) Market Research; and (B) Market Analysis. Market Research, through the use of various methodologies, will give you significant insight on the players or your customers. On the other hand, Market Analysis using the 5Cs is a framework that will allow you to understand the playing field or situation your coop will become a part of. Both parts of the EA are necessary processes in order for you to get deeper knowledge about your customers and their context. Later on, you will use these data to shape the insights and strategies to create a successful Marketing Plan.

As you study the external factors that influence your customer, it is also necessary to create an assessment of your cooperative, and this is what we call the Internal Assessment (IA). This IA, which you have done through the guidance of the Strategic Planning Manual, will allow you to describe what your cooperative is about, what direction it wants to pursue, and what possible opportunities it can take advantage of. Revisit the EA and IA you have done in the first manual and use it as a guide and groundwork for the Marketing Strategy and Marketing Plan you will be accomplishing for your cooperative through this manual.

A. Market Research

Knowing who you are talking to and who your customers are is necessary if you want to create products and Marketing Plans that will be relevant to them. Conducting a market research is a means for you to do a deep dive into your customer – your “market” - and get the data you need to know what their needs and motivations really are. Market Research is done using several methodologies, either through *primary research* (“gathering new data that has not been collected before”¹ and which your coop will have to conduct) or through *secondary research* (“gathering existing data

¹ BBC. (2019). *Market Research*. Retrieved from BBC Bitesize:
<https://www.bbc.com/bitesize/guides/zd4kq6f/revision/3>