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MARKETING AT A TREE SEED PROGRAMME

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DANIDA FOREST SEED CENTRE

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Danida Forest Seed Centre (DFSC) is a Danish non-profit institute which has been working with development and transfer of know-how in management of tree genetic resources since 1969. The development objective of DFSC is to contribute to improve the benefits ofgrowing treesfor the well-being ofpeople in developing countries. DFSC's programme isfinanced by Danish International Development Assistance (Danida).

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In marketing always be aware of who the beneficiaries are.

1. INTRODUCTION TO MARKETING OF TREE SEED

A typical national tree seed programme (NTSP) is engaged in three major fields of activity:

Seed procurement
Tree Improvement
Conservation of Forest Genetic Resources

If an NTSP shall be able to obtain a considerable degree of economic sustainability, it is necessary to add a fourth activity to the list:

Marketing and Sales of Tree Seed.

Marketing is a way of promoting and stimulating sales, which creates revenue contributing to the economic sustainability of NTSPs. Marketing is also a tool to create awareness of tree seed as a commodity and to make NTSPs visible as well-known and respected suppliers. In order to achieve sustainability the organizational set-up must allow the earning to remain within the programme.

In most developing countries there is a high awareness of the benefit of having access to trees. Especially in rural areas, trees provide the population with many of its basic needs. To be able to sell tree seed it is of the utmost importance that it is recognized as profitable to plant trees.

Those who want to plant trees will normally demand seedlings and not tree seed. Those who demand tree seed are the seedling producers. In marketing, it is essential to focus on the decision makers (the buyers) who are not necessarily the end users.

In general, marketing at NTSPs is meant to help raise awareness of the advantages of producing seedlings and of where to purchase seed, and in particular to make sure that the producers of seedlings are familiar with and have a positive attitude towards the engagement of NTSPs in providing appropriate and healthy seed.

The qualities of tree seed - physiological and genetical - are hard to recognize immediately. Most likely people's interest in tree seed is not the seed itself, but the products that the trees can give them in the future. So the effect of buying quality seed is first seen after several years.

The marketing approach and tools described here assume that the tree planter is looking at trees as an investment. Consequently, the tree planter is expected to be willing to pay for the tree seed. In some countries this is not the case. Marketing is then a question of making tree planters able to recognize the advantages in using better seeds for tree planting through extension.

At some NTSPs the organization procuring seed is financed by the government. The reason can be that the government believes that it is important to provide seed from a large number of tree species in order to help protect the biodiversity. Private seed dealers will most likely only focus on profitable species.

A good product handled with skil! is the fint precondition for successful marketing.

2. POLICY

2.1 National policy and goal oftree planting

It is necessary to know the national policy for tree planting before drawing up a marketing strategy for an NTSP. Trees are planted for many reasons, not only for establishment of plantations for timber, but also for fuel, food, fodder, medicine, shelter or soil stabilization. The required information, e.g. strategies and programmes involving tree planting, should be obtained from all relevant line ministries. Typical sectors dealing with tree planting are:

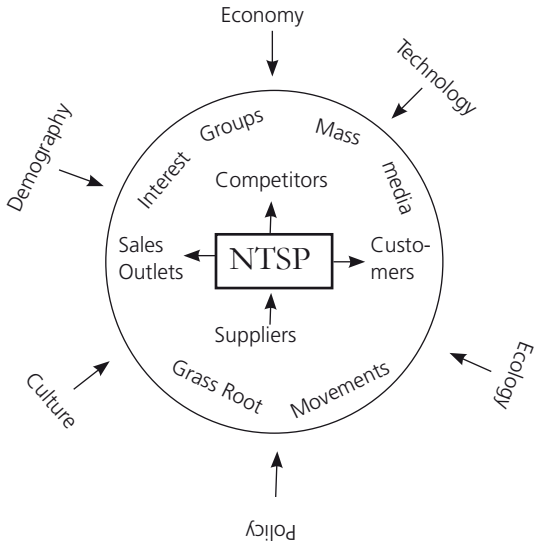
- Forestry
- Agriculture
- Soil Conservation
- Watershed Management
- Horticulture
- National Parks
- Urban Planning
- Energy

Sector programmes and donor agreements (FAO, UNDP, Danish Embassy, World Bank etc.) should be investigated. As major tree planting activities are often donor funded, the major donors in a given country should always be contacted directly. While seeking information one is likely to meet people with special knowledge about tree planting policy and projects. Make a file of these useful key persons to contact for later updating of relevant information.

Major findings should be listed and grouped according to size ofpotential seed sales.

All companies, including NTSPs, are dependent on and integrated in the society that surrounds them, and the surrounding world could, as seen from an NTSP, be described in general terms as shown in the figure below.

NTSP Environment



2.2 Stakeholders

NTSP will not be the only one engaged in promoting and delivering seed and seedlings to tree planting. It is important to analyse NTSP's market for others dealing with the same subject. They might turn out to be future customers, competitors or interesting partners for collaboration.

Examples of stakeholders are:

- District forest officers
- Department for Soil Conservation and Watershed Management
- Nurseries of all kinds
- Donor funded projects
- Private seed dealers
- Contractors and wood industries
- Farmers - both large estates growing cash crops and smallholders
- Various organizations such as NGOs, schools and churches.

2.3 Objectives of NTSP

When focus is directed towards marketing and the possibility of creating an income through seed sales, it might be relevant to adjust some of NTSP's objectives and outputs emphasizing economy and production issues like:

- always to be able to supply the market with the species highest in demand
- to be able to pay for x % of the total costs of NTSP before year 200x
- to transform the economy and organization of NTSP from being based on donor funds to market economy.

The best way to learn about the market is to collect information from primary sources. It is important to meet the customers in order to learn what they want and need. Maketing through personal contacts can be very effective

3. NTSP'S PRODUCT MIX

Services and products that NTSP can offer potential customers could be seed, seedlings, training and consultancies.

3.1 Seed

NTSP's seed statistics will provide the figures showing the development in amounts of seed procured and sold. The different species should be listed according to annual turnover in money. This will give an overall view of development in the assortment of species, and this will help you estimate the actions that should be taken for future production. Make notes of the sufficiency of established seed sources like:

TOP TEN SPECIES OF NTSP

Rank	Name	Turnover $	Turnover kg	Seed Source
1	*Tectona grandis*	2.66 mill.	6640.0	Sufficient
2	*Melia azadarach*	2.00 mill.	431.0	Insufficient
3	*Pinus caribaea*	1.80 mill.	11.9	Imported
4	*Azadirachta indica*	1.34 mill.	262.3	Sufficient
10	*Grevillia robusta*	0.92 mill.	42.8	Insufficient
Total		**13.85 mill.**		

Total seed sales in 199x - 35.22 mil I. Top ten species were 40% ofthe value and 11% ofnumber ofspecies sold.

Information on development in seed sales and procurement costs is essential for judging both future seed demand and feasibility.

3.2 Seedlings

In order to be able to test and improve seeds, NTSP normally runs a nursery, where seedlings, cuttings and grafts are produced. It is important to decide whether a nursery is established only for scientific/experimental reasons or also for commercial production. The nursery's contribution to the product mix would in the second case mainly be seedlings. An overview of the actual commercial activities in the nursery should be made, covering:

- Number of species for sale
- Sales in $ divided to species
- Variable costs in producing seedlings
- Contribution to profit and general expenses
- Who are the buyers
- Trend in sales of seedlings
- How large a part of the seedlings is either not sold or given away
- Efficiency of the nursery workers

Information of this kind will help you identify successes or problems and help you take action accordingly.

3.3 Training

Training of personnel is necessary for all companies if they want to maintain and develop skills of their employees. Training is often given internally by taking advantage of experience obtained by senior staff and advisers. However, many internal training activities and courses might be of interest for people from outside NTSP.

NTSP has special knowledge in fields such as seed collection, processing and testing of seed and nursery management, and training in these fields could be offered for payment to non- NTSP employees.

If training has already been conducted, the following data should be listed:

- Type and number of courses and training offered
- Number of participants and their background
- Income generated from training activities
- Costs of training activities
- Staff involved and time spent on training

3.4 Extension - Consultancies

A fourth element in NTSP's product mix could be extension service. Proficiency in special areas is always in demand. NTSP will often have a possibility of charging fees for consultancies and preparation of extension material. The activity should be characterized by factors like:

- Price per hour for consultancies
- Turnover and time spent (costs)
- Income generated from consultancies
- Income generated from preparation of extension material
- Most important subjects dealt with in the extension service
- Staff involved and their motivation

Any product of economic importance offered by NTSP should be described according to the guidelines listed above whether they generate income or consume resources.

Description of the product mix is the first major input needed to decide where to allocate NTSP's marketing efforts.

Extension does not only mean a well qualified staff of specialists. The good extensionist likes to communicate and listen to people. He seeks new information from the customers just as much as he passes on information.

4. MARKET ASSESSMENT

If there is no market for tree seeds, there is no reason for having a national tree seed programme. In the ideal situation the size of the market would determine the capacity and size of NTSP. No one will be able to estimate the exact market size for tree seeds, but a reliable estimate is necessary in order to evaluate the opportunities and plan the investment in marketing activities. A proper market assessment is conducted by interviews of and discussions with key persons involved in tree planting activities in combination with the impression of which activities are actually taking place. Are many new plantations actually being established? Are the farmers planting agro-forestry species in their fields? Have new nurseries in fact been established and older ones expanded, etc.? It is important that the staff involved in marketing activities as well as the consultant themselves participate in the procurement of this information. It will make their assessment of the market much more accurate.

4.1 Market Size

Useful information about the market has already been collected from the investigation of the national tree planting policy, strategies and plans. The market size can be estimated through the following factors:

- Rough estimates of the consumption of seedlings followed by derived calculations of the necessary amount of seed for the production of these seedlings
- Land owners' /users' willingness and ability to buy seedlings and seed
- Size of the country and use of land
- Forest sector, distributed to natural forest, plantations, protected land, afforestation and reforestation schemes
- Analysis of the national tree planting programmes
- Rough estimates of the use of ornamentals

4.2 Farmers

Farmers are normally a key factor in use of land, so it is of importance to know their:

- Number and share of the total population
- Size distribution of farms
- Land use with crops distributed to areas
- Motives for tree planting
- Present access to seed and seedlings
- Priorities in planting trees

4.3 Nurseries

Nurseries of all sorts are the primary users and producers of NTSP's core product, namely tree seed. The following knowledge is required:

- Number of nurseries
- Production capacity
- Preference of species
- Ability to purchase seed
- Channels of obtaining seeds
- Way they are organized, such as forest nurseries and others, privately and publicly owned.

4.4 Customers

During assessment of the market potential future customers are likely to emerge. It is recommended to group them according to buying behaviour. This is called segmentation of the market and an example could be:

1 Donor funded projects
2 NGOs
3 State forest service
4 Large private enterprises dealing with forestry and agriculture
5 Large farmers
6 Smallholders

and of course nurseries mentioned in 4.3.

The file holding information as described in 4.1 to 4.4 should be considered the first step in compiling information about potential customers. The result of further investigation should be a prospect list with complete addresses followed up by direct contact from NTSP.

Another very important group of customers are those already known. They should be included in the analysis according to size in turnover of seed sales:

TOP TEN SPECIES OF NTSP 199x

Rank	Name and Address	Turnover in $	Species Bought
1	State Forest Service	5.98 mill.	*Dalbergia sissoo* *Tectona grandis* *Eucalyptus camaldulensis*
2	Western Catchment Proj.	3.52 rnill.	*Grevillia robusta* *Senna siamea*
3	Eastern Estate	2.88 mill.	*Pinus caribaea*
10	Southern Nursery	1.20 mill.	Several
Total		**27.89 mill.**	

Total seed sales in 199x - 35.22 mil!. Top ten customers count for 79% of the value and 3% of the number of customers.

Development in sales to major customers should also be noted.

This type of information is essential for planning NTSP's marketing efforts.

4.5 Competitors

Considerable knowledge ofNTSP's competitors makes it easier to decide which parameters in the marketing mix (see further chapter 7) that should be given priority in order to optimize competition.

From the stakeholder analysis there is presumably already some information on competitors. Basically, all local collectors and other suppliers of tree seed are NTSP's competitors. List as many as possible and evaluate everyone deciding whether they are:

- Serious; necessary to compete or make agreements with
- Unimportant or not to compete with
- Interesting to co-operate with.

4.6 NTSP's Actual Potential Market

The result of such a survey will be an estimate of the total potential size of the market. It is not likely that NTSP would be able to cover the total market. Therefore, we need not consider the total potential market but only the market which NTSP could actually be expected to cover.

NTSP's TOTAL POTENTIAL MARKET 199x

An example:

The market size of tree seed expressed as value of seedling production may vary from 50 million a year up to a potential level of 300 million. The estimated demand for tree seed which could be supplied by NTSP is 80 million allocated as follows:

	Value in Money	NTSP Share
Forestry	45 mill.	35 mill.
Soil Conservation	30 -	15 -
Agriculture	210 -	30 -
Other Forms	15 -	-- -
Total	**300 mill.**	**80 mill.**

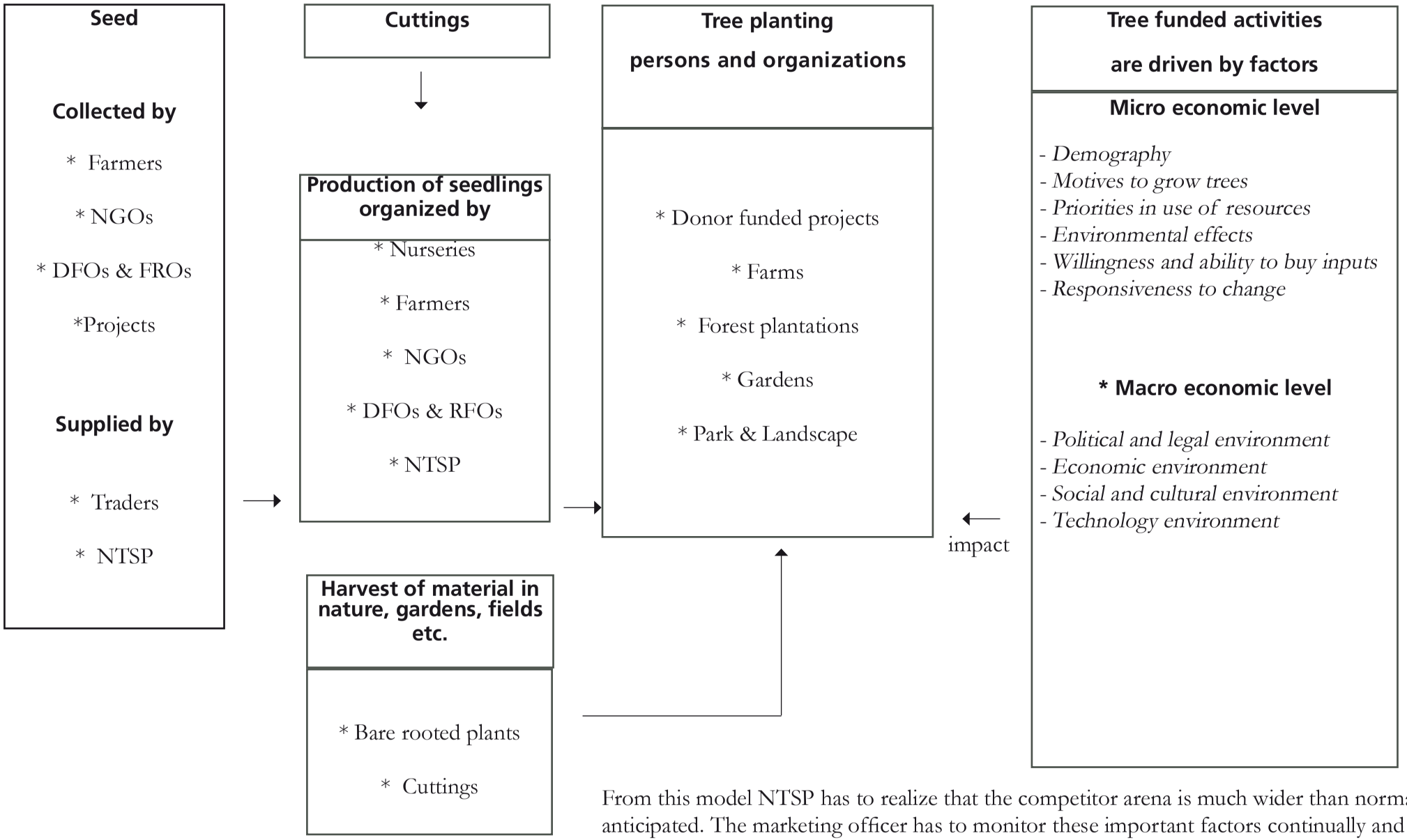
NTSP will not be able to supply all the seed required. Many seeds are collected locally and lack of infrastructure makes it difficult for NTSP to deliver in some parts of the country. NTSP has good relations with both private and public forestry sectors and projects dealing with soil conservation and watershed management. Relatively few farmers own large areas of farm land. NTSP has good possibilities of identifying them. Thus the actual potential market for NTSP is estimated to be 3/4 of the forestry sector, 1/2 of soil conservation and 1/7 of the agricultural sector per year.

4.7 Product Flow

As a result of all market assessments it should be possible to draw up a product flow map. It is recommended to do so for two reasons:

1. To give an extracted overview of the market in which NTSP operates
2. To secure that all important actors in the market are described.

PRODUCT FLOW MODEL



From this model NTSP has to realize that the competitor arena is much wider than normally anticipated. The marketing officer has to monitor these important factors continually and implement corrective action in the marketing action plan if important changes are observed.

5. NTSP COMPANY PROFILE

Many NTSPs have produced nice brochures presenting themselves. In many cases they present the ideal pieture of the firm showing how NTSP would like to be recognized by the public.

For both managerial and marketing reasons it is important intemally to have a clear picture of the systems and organisational structures making NTSP operative.

5.1 Systems

Information about administrative systems is important. E.g.:

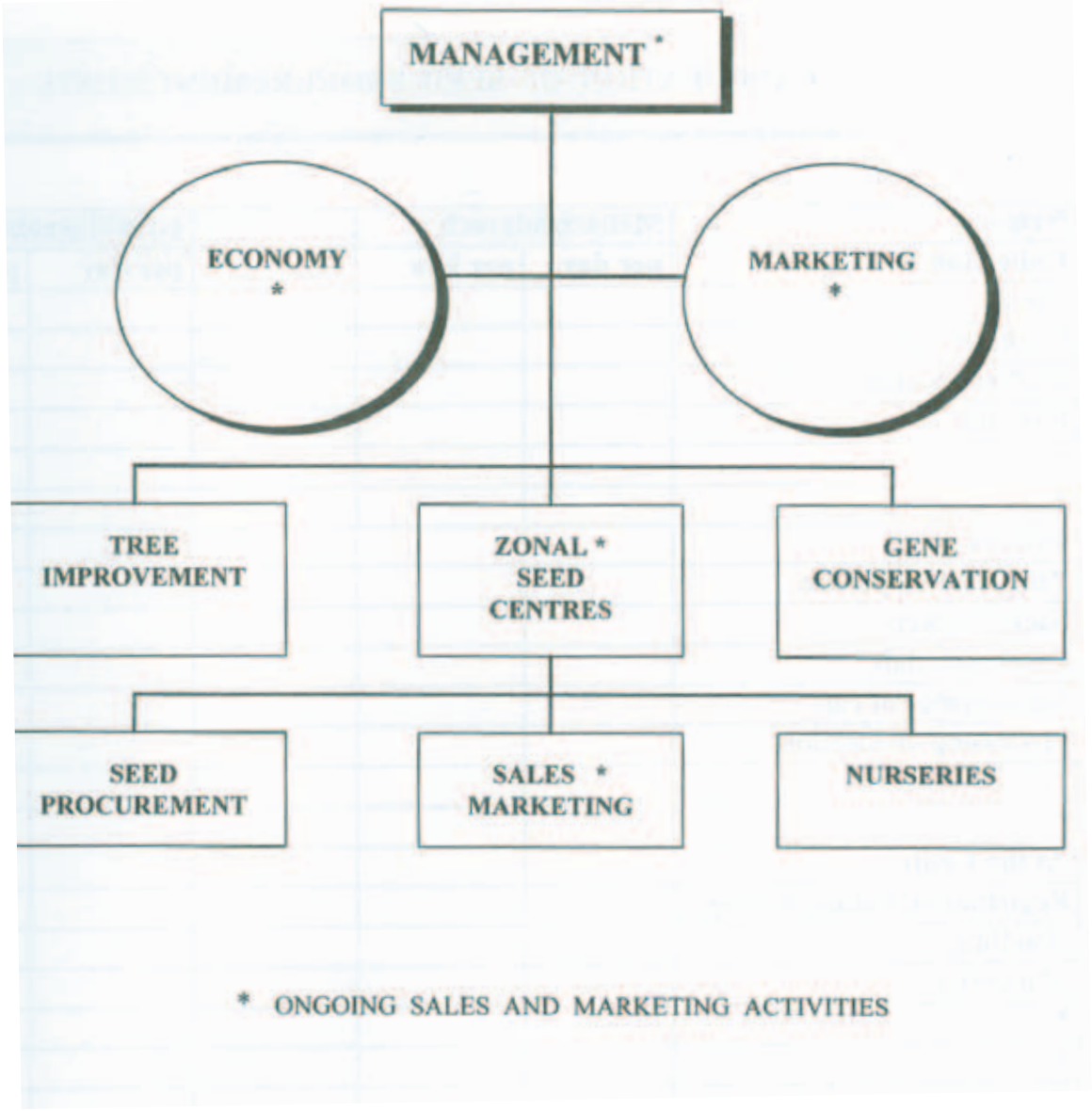
- Reports that could be drawn from the financial system
- Stock monitoring
- Customer registers
- Invoicing
- Debtor lists
- Unfulfilled orders

5.2 Organisation

Likewise, information about organisation of marketing activities should be available:

- Organogram ofNTSP showing persons participating in sales and marketing activities
- Who is responsible - and for what
- Division of marketing activities amongst regional centres and the national centre
- Duties of the Marketing Officer
- Duties of the Sales Officer

ORGANOGRAM OF NTSP



5.3 Results

As far as sales and marketing are eoneemed, it is the eeonomie re sult s that eount. NTSP should develop routine s for measuring these and seeure follow-up. The following figures are of major interest:

- Tumover of eaeh produet offered by NTSP
- Cost of produetion and marketing alloeated to produets offered
- Ineome generated from NTSP aetivities and produets
- Calculation of profitability of the produets and serviees offered by NTSP
- Development of sales ofNTSP produets
- Sales eontribution to eeonomie sustainability

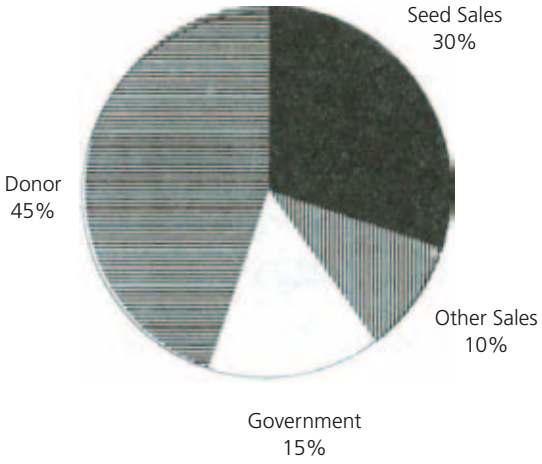
Economic figures such as calculations of costs, sources of income, development of sales and other factors are in general clearly and well-illustrated by tables, spreadsheets, or graphic representation like:

CALCULATION OF SEED PROCUREMENT COSTS

Name	***Melia azadarach***			***Grevillia robusta***	
Collection	**per day**	**per kilo**		**per day**	**per kilo**
Direct					
Unskilled labour					
Staff allowance					
First aid					
*					
*					
Indirect					
Petrol and oil per km					
Sacks, baskets					
Other materials					
Maintenance of cars					
Processing on location					
*					
*					
At the Centre					
Registration, testing, storing					
Handling					
Marketing					
*					
*					
Depreciation					
*					
*					
TOTAL					

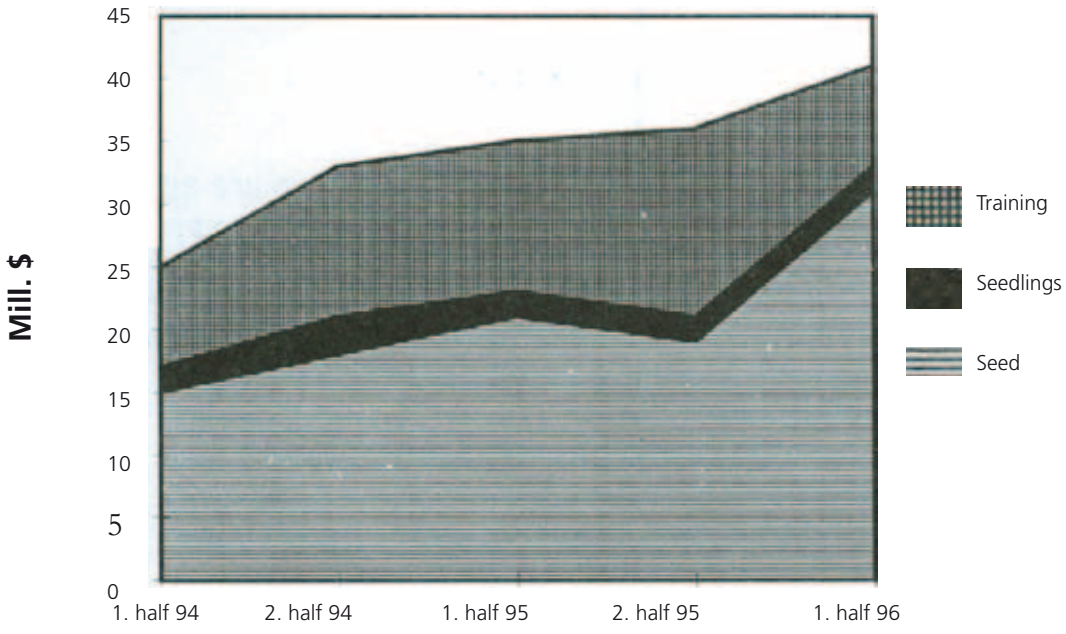
At regular meetings for NTSP staff, figures should be presented showing the relative share of NTSP's financial resources and their development. Targets should be set for especially those who contribute to the economic sustainability of NTSP.

NTSP FINANCING 1995



Describing the development in figures might reveal future trends useful for decision making.

NTSP SALES INCOME TO PRODUCTS 1994-96



6. ANALYTICAL TOOLS

6.1 SWOT Analysis

This analysis is used to clarify the Strengths and Weaknesses within NTSP and the Opportunities and Threats in the surroundings. A proper SWOT analysis should always be carried out in dose co-operation with a marketing specialist.

Assuming a prerequisite for the existence of an NTSP is:

- To be able to sell seeds enough to generate sufficient income to be independent of external funding.

The correct approach could be:

- List areas where NTSP has special advantages **S**
- Name fields in which NTSP can improve its efforts **W**
- Suggest positive trends influencing the future of NTSP **O**
- Suggest negative trends influencing the future of NTSP **T**

An example:

Strengths: Know-how in seed procurement Good seed sources Broad assortment Highly motivated staff * *	**Opportunities:** Tree planting activities are increasing Number of nurseries are increasing Good economy in producing seedlings Fuelwood and timber prices are rising Farmers possess willingness to buy * *
Weaknesses: Only few big customers Low customer orientation Low awareness ofthe existence ofNTSP Constraint in internal and external communication * *	**Threats:** Private seed dealers are appearing on the market High seed prices from NTSP due to high cost level Lack of seed sources in two major species Lack of distribution opportunities in the market * *

6.2 The Boston model

The Boston model is a model used to identify the position of NTSP's product groups on the markets. When this is identified and described, the management is in a better position to decide how marketing funds might be used in the best way.

All NTSP product groups are described according to (1) their relative market share and (2) available information on the annual market growth rate.

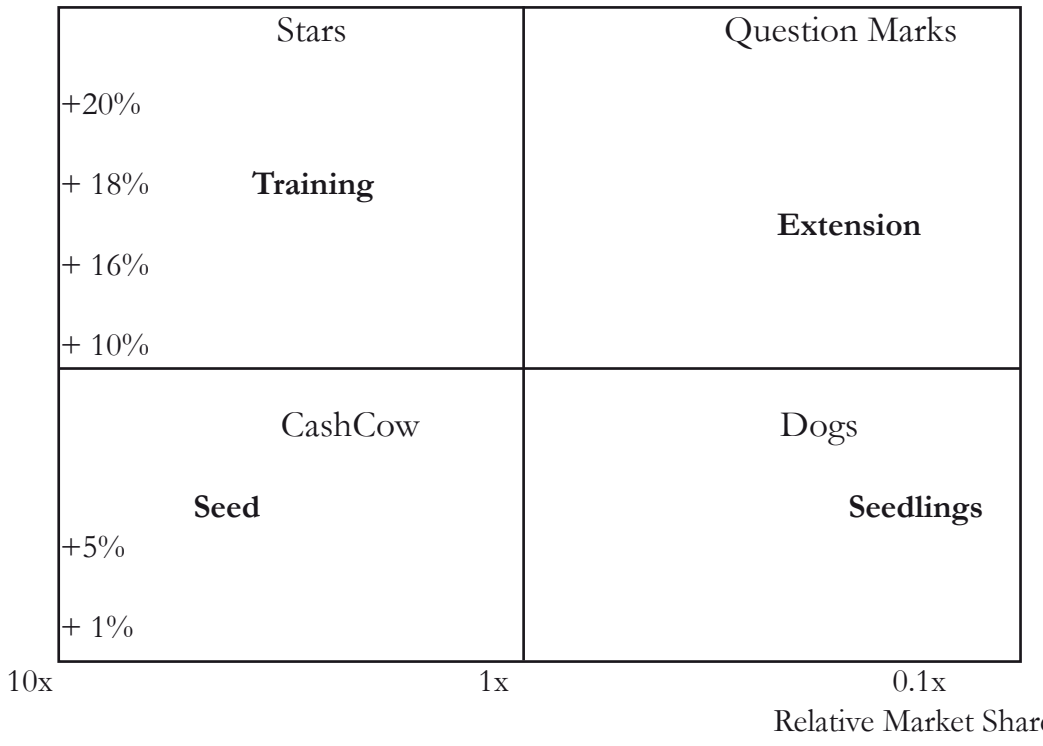
The market growth rate expresses the interest of the market. A growth rate of 10% and above is considered high.

Relative market share refers to market shares relative to the largest competitors. It serves as a measure of NTSP's strength on the relevant market. A relative market share of 0.1 means that NTSP's sales volume of one specific product is only 10% of its largest competitors.

$$\text{Relative market share:} \quad \frac{\text{NTSP market share}}{\text{Market share of largest eompetitor}}$$

Example:

Boston-model



- Question marks are NTSP products operating in high-growth markets but with relatively low market shares. Most products start off as question marks. They have recently been introduced to the markets and the turnover is still low. They are costly and require a lot of investment in marketing just to keep the relatively modest market share stable and even more to develop it. If NTSP is successful in introducing a new product (Question Mark) into the market, the product might turn into a Star.

- A Star is the market leader in a high-growth market. However, this does not mean that the Star produces a positive cash flow to NTSP. NTSP must spend substantial funds to keep up with the high market growth and fight off competitors' attacks. Stars are usually profitable and become future Cash Cows.
- When the market growth rate declines substantially (to less than 5%), the Star becomes a Cash Cow if it still has the largest relative market share. The product is well known on the market, sales are stable and contribution to profit is high. A Cash Cow requires less investment in marketing.
- Dogs are products on markets with a low growth rate and a weak market share. They typically generate low profits or losses. NTSP should consider whether or not there are good reasons for holding on to these products, such as expected increase in market growth rate. Dogs often consume more management time than they are worth and should be phased down or out.

6.3 The McKinsey model

If sufficient information on market growth rate and competitors' market share are not available, the Boston model can be difficult to use.

Another model, the McKinsey model, could then be used to evaluate NTSP product groups (seed, seedlings, etc.). The model demands reliable judgement of:

- Attractiveness of the market, i.e. size, growth, customers, competitors, complexity, profitability.
- NTSP' s strength and power in competition.

In the model below strategies for development of the products are placed according to their position within the two dimensions: attractiveness of the market and NTSP's strength on the market.

McKinsey-model

Attractiveness of the market

	Low	**Medium**	**High**
High	Secure position	Invest	Invest
Medium	Phase out	Secure position	Invest
Low	Phase out	Phase out	Secure position

NTSP's strength on the market

It is much more costly to transport seedlings than it is to transport seeds. Seedlings are easily produced locally, so it makes good sense to look at the attractiveness of the market for seedlings and NTSP 's strength - and then decide whether to invest, keep on or phase out.

7. MARKETING STRATEGIES

Most NTSPs are in a phase of introduction to the markets or in the beginning of the growth phase, thus it is necessary to investigate possibilities of further development. Ansoffs Growth-matrix might be relevant in this case.

7.1 Ansoff's Growth-matrix

In this model growth strategies are placed according to the combination of four marketing options: marketing on existing or new markets and marketing of existing or new products.

- Market penetration is a strategy based on NTSP's wish to enlarge market shares for existing products, which could be done by conquering market shares from competitors, encouraging well-known customers to expand consumption or by finding new customers. For most NTSPs in the phase of introduction to market, this strategy will be the most logical choice.
- Market development is a strategy based on NTSP's wish to open new markets for existing products. This could be done by expanding operations geographically (go into export or establish sales in more remote regions), seeking for new customer groups or introducing new sales forms like sales through dealers. NTSPs which are well established on the markets and in the middle of the growth phase will choose this strategy to secure further expansion.

- Product development is a strategy based on introduction of new products to existing markets. Product development could be new species, cuttings or better packing, and information about the product and services available.
- Diversification is a strategy seldom realistic for NTSP. It is based on the idea of obtaining synergy by opening brand new operations and is often done by buying another company (e.g. a charcoal agency).

Ansoff's Growth-matrix

	Existing Products	New Products
Existing markets	1. MARKET PENETRATION	3. PRODUCT DEVELOPMENT
New Markets	2. MARKET DEVELOPMENT	4. DIVERSIFICATION

7.2 Skimming and Penetration

When it is assumed that the market for tree seed is growing and since most NTSPs have paid only little attention to marketing, it is relevant to look at the choice between four different introductory marketing strategies using different combinations of price policy and promotion effort.

	High Promotion	Low Promotion
High Price	RAPID SKIMMING STRATEGIES	SLOW SKIMMING STRATEGIES
Low Price	RAPID PENETRATION STRATEGIES	SLOW PENETRATION STRATEGIES

- **Skimming** is a choice of trying to investigate the market for a new product by introducing it at a high price aiming at the most price-inelastic customers (skimming the cream of the market). Advertising and sales would be limited to specific targets, thus distribution would also be selective.

- Market **penetration** is a way to increase the market share of NTSP's current products without opening new markets. Advertising and sales would concentrate on inspiring already known customers to buy more and raise awareness of NTSP's products amongst new potential customers on the already known markets.

7.3 Pull or Push Strategy

There are two ways of allocating marketing activities:

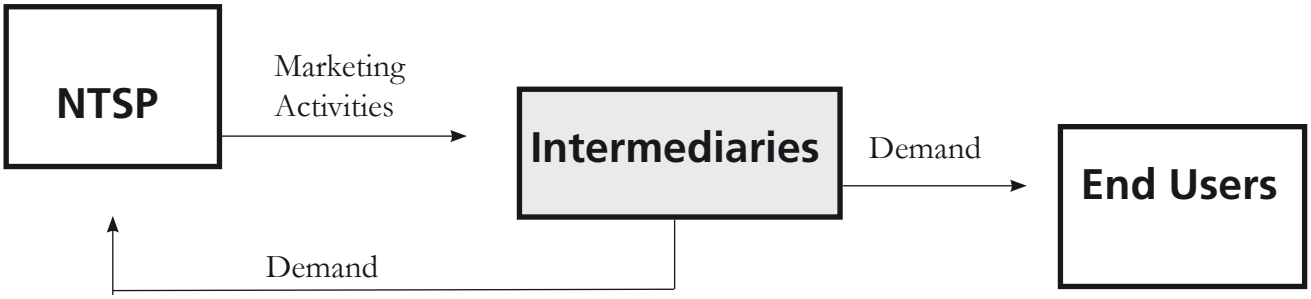
When Pull Strategy is used, marketing activities should concentrate on the end users trying to create requirements for NTSP products. The demand from the end users will then pull the products through the distribution chain.

When the Push Strategy is used, NTSP will direct its marketing activities towards intermediaries (middlemen or dealers) and literally try to push the products through the distribution chain to the end users.

Since the markets and distribution systems in many developing countries are not very transparent and only weakly organized, the best way to increase sales through marketing activities will be the use of a Pull Strategy.

Pull Strategy

Push Strategy



8. MARKETING MIX

8.1 The five Ps

The use of various parameters in marketing is called the marketing mix. There are at least five parameters, the so-called five Ps.

1. Product
2. Price
3. Place
4. Promotion
5. People

- The product is in fact more than just the seeds: it is what the customer receives. Seed is the core product. In order to deliver it in proper condition it has to be packed in sacks which could be reused by the customer and valued as such, and not only as wrapping. Seeds and packaging together are called the formal product. It is always recommended to add information on handling of the specific seed lot to the consignment. After-sales service, such as visits to customers, quick follow-up on complaints, additional advice on seed treatment, is also part of the product. Altogether seed, packaging, information on handling and after-sales service are called the expanded product.

- Price is not only considered to be the amount of money the customer has to pay according to the price list. Price is an important parameter in marketing. Important customers may get deductions or favourable conditions of payment. Customers who only buy small quantities may have to pay extra for delivery on location and so forth.

- Place is another word for distribution. It is of utmost importance that the customer has easy access to the commodity, in NTSP's case the seed. Normally, one distinguishes between direct distribution, which is the rule for NTSP, and indirect distribution by middlemen. While NTSP would not be able to have a seed shop in every major town, it should be considered to distribute partly through dealers. Distribution is mainly a matter of communication. The customers have to know where and how to purchase NTSP seed. This leads directly to the fourth parameter, which for many is the synthesis of marketing, namely promotion.

• Promotion is:

Advertisements in newspapers, journals and magazines
Commercials in cinemas and on television
Radio spots, which in developing countries are often very effective
Brochures mailed to selected segments of potential and existing customers
Posters on buses or logos on sparewheel covers, which is a way of spreading the message widely.
Public Relations.

The purpose of promotion is the creation of additional sales. When communicating with potential customers it is important to be aware of the four principal steps of the process leading to actual buying. First it is necessary to get the customer' s Attention, secondly to create Interest in the product, thirdly to cause a Desire for purchasing the product, and lastly to secure Action in the actual ordering of seed. This communication description is called the AI DA model.

These four steps of the communication process should be kept in mind when advertisements, radio spots, brochures, etc. are prepared. Communication is a question of sending the right message to the right receiver, and to make sure that no information is lost in the process or misunderstood when it reaches the customer.

It is often a good investment to seek professional assistance.

Public Relations (PR) is a way of creating awareness ofNTSP and its products without paying many direct costs except for those related to the manpower used to produce the materials and to identify the most appropriate channels for PR. Examples of PR are articles in scientific magazines or interviews given to the radio or a newspaper. Press releases are a common way of promotion whenever there is something of importance to tell about NTSP activities or products. Be aware of the risks when you are dealing with the media. Do not expose weaknesses, if any. Bad publicity is worse than no publicity. Statistics show that it takes more than ten successes to eradicate one failure. When you do not pay for the publicity, you are normally not entitled to decide any detail s about it.

- People is the whole work force of the NTSPs. Successful development of NTSPs depends on the basic resources, i.e the chances of success are greater with a better qualified and motivated staff. Internal training, seminars and a positive attitude to changes and suggestions from all personnel groups are necessary in order to increase competence. Common knowledge and recognition of goals from a highly motivated staff will increase sales. All sales of NTSP products should be accompanied by personal service.

The five Ps are in fact the basic tool kit of marketing. The appropriate use of the marketing mix in combination with the choice of the right strategy is the real art of marketing.

A newspaper or magazine advertisement could look like this:

SEEDLINGS

They All Begin With High Quality

SEED

NTSP offers tree seed of high standard and purity to all producers of seedlings.

We have more than 50 different species in our stock both species traditionally used in forestry, agro-forestry, and as omamentals e.g.

	Approx. Germination %
Grevillia Robusta	-"-
Tectona Grandis (Teak)	-"-
Azadirachta Indica (Neem Tree)	-"-
Pinus caribaea (Pitch Pine)	-"-
Dalbergia Sissoo (Sissoo)	-"-
Terminalia Catappa (Indian Almond)	-"-

Contact NTSP for a price offer, ordering or advice on handling of tree seed at: Address, phone and fax no.

If seeds are in stock, they can be delivered within one week after ordering.

8.2 Implementation and Resources

When a strategy has been chosen and the marketing mix has been decided, NTSP needs to allocate the necessary resources to marketing and make a plan of implementation. This plan, which is normally yearly, is called the Marketing Action Plan.

Marketing is a question of allocating human resources to where it pays off in the best way. Therefore, invest in the staff and make them look upon themselves as team members working for a common goal: marketing ofhigh-quality service s from their NTSP and at the right price.

Example of Marketing Action Plan 199x				
Actions	**Persons in charge**	**Start of action**	**Objectives**	**Estimated costs**
COMPANY IDENITY				
Develop communication standards. Use Logo on all material, letters, faxes, invoices, reports, labels, etc.	Management	1 June	to obtain a consistent and high profile in communication. (It is recommended to buy professional assistance from an advertising expert.)	
CUSTOMERS REGISTER				
Develop overall customer registration system I Finance Office	Finance Office	1 June	To prepare the system for computerisation.	
PROSPECT MONITORING				
Develop system to monitor new donor funded projects	Marketing Officer	1 June	Two yearly meetings with key persons in relevant line ministries to ensure contact to embassies and international donor organisations.	
QUARTERLY MEETING				
Registration of all unfulfilled orders	Regional Managers	1 October	To monitor quality level by securing seed supply and adjusting seed procurement prograrnme accordingly.	
Top 10 customer and species list of the year and quarter	Finance Office	1 October	To stimulate awareness of customers and monitor marketing results and elaborate on trends in demand of species.	

Example of Marketing Action Plan 199x continued				
Actions	**Persons in charge**	**Start of action**	**Objectives**	**Estimated costs**
PRICELIST				
Develop communication standards. Use Logo on all material, letters, faxes, invoices, reports, labels, etc.	Marketing Officer	1 August 1 February	To maintain high level of awareness and interest among customers - existing and potential.	
PRODUCT				
Notes on handling and pre-treatment of seed	Research and Regional Centres	When ready	To maximize customers' satisfaction and their success in producing seedlings.To avoid claims. Give priority in production of seed notes to the most demanded species.	
Radio spots			To create nationwide awareness of NTSP and especially increase interest in purchasing tree seed from NTSP in the target segments. Communication objectives have to be relevant and create curiosity among potential customers. (Professional assistance is recommended.)	
Sales visits	Marketing Officer	1 August	To all major donor funded projects on the prospect list interested in NTSP's products.	

9. USE OF MARKETING SPECIALIST

Marketing is a skill like the ability to identify good seed sources. It provides the best results when carried out by professionals. Skills required when assisting in the preparation of marketing strategies for NTSP include:

1. General knowledge of marketing theory.
2. Experience in elaborating Marketing Action Plans and especially in marketing tree seed in developing countries.
3. Knowledge of local culture.

The more information that NTSP would be able to collect before a marketing consultancy the better. Valid information makes decisions more likely to achieve the goals. Collection of data makes the persons involved in marketing more aware of NTSP's situation in general and more prepared for taking specific action and choosing the right strategy using the most appropriate marketing mix.

A marketing specialist analyses the information collected and participates in the decisions concerning choice of marketing strategy and preparation of the Marketing Action Plan.

An integrated part of the Marketing Action Plan is the budget. Figures should be allocated to every specific activity so that it would be possible later to compare with the money actually spent.

It is often difficult to measure the direct effect of marketing efforts. Some indicators are, however, easy to measure and this should currently be done by NTSP: increase in the number of customers, increase in the number of enquiries and sales of seed after advertisement. Always ask customers and others who contact NTSP how they have heard about NTSP.

Marketing is resource consuming and funds could be spent wrongly if the necessary information for making decisions is not available. The marketing specialist is trained in analysing the market and its potential and knows when information is sufficient and reliable enough to make decisions concerning use of funds for marketing issues.

More economic sustainability of NTSP requires a change in attitude by the management towards marketing and a focus on activities that are in demand and create income.

APPENDIX I

Vocabulary and List of Abbreviations

DFO	District Forest Office
DFSC	Danida Forest Seed Centre
NTSP	National Tree Seed Programme
RFO	Regional Forest Office
SWOT	Analysis of Strength - Weaknesses - Opportunities and Threats
$	Fictive Money Unit

DEMOGRAPHY	Composition of wealth within the country, distribution of age within the population, cultural differences amongst groups of inhabitants, etc.
MARKETING MIX	The combination in which the company chooses to use the five parameters: Product, Price, Place, Promotion and People.
MARKET PENETRATION	Ways to increase the market share for one's current products without opening new markets.
PRODUCT MIX	The different offers from NTSPs to their customers.
SEGMENTATION	Division of a large heterogeneous market into smaller segments more alike in relation to some characteristics relevant to the target produet in order to develop a distinct marketing mix for one or more segments.
SKIMMING STRATEGY	A choice of trying to investigate the market for a new product by introducing it at a high price aiming at the most price inelastic customers (skimming the cream of the market). Advertising and sales would be limited to specific targets and distribution would be selective.
VARIABLE COSTS	For seeds it is the cost directly related to the production of a seedlot ready for sale (mainly procurement cost, cleaning and storing costs). Costs that increase and decrease in accordance with the quantity of goods (seed) produced.