

MANAGING AND MARKETING OF THE PRODUCTS OF FRUIT TREE - REGION OF KORCA ALBANIA

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Abstract

Korca District is situated in southeastern Albania, in the Central Mountainous Region. Economically speaking, Korca used to be one of the most important centers in the region, in which trade of agricultural products with other countries took place. The main sectors of business include the agro-business sector, garments and tourism. Korca ranks second nationwide in terms of the size of the agricultural land, which makes agriculture the most important sector of its economy. Agricultural products account for 32 percent of all revenues. Great prospects are in store for the small and medium agro-business enterprises and consequently, for the size and relevance of the agricultural sector in the Korca District. During the last years the production of fruit tree has intensified greatly and this has put the farmers in front of new challenges for their activity.

In this respect marketing has acquired a great emphasis, whose role is becoming even more important. This material aims to analyze some of the alternative marketing which can be used to gain a competitive advantage. The methodology of the study includes gathering secondary data and the study of literature in this field. The study ends with giving some conclusions to all the partners in the marketing channel in order to create a long-term relationship and survival in the competition.

Keywords: Marketing, fruit tree, distribution channels

The region of Korca is undoubtedly one of the most prominent Regions in the production of fruit tree especially apple tree. The region of Korçë is one of the most famous areas in Albania for the quality and production of apple and its cultivation. The tradition in the cultivation of apple, the low use of pesticide, the geographical position and the climate of Korçë, are some of the values which are reflected in the special taste of the apple in Korçë. The surface occupied by apple in the Region of Korçë is 1850 ha, with an annual potential for production of about 40 000 ton which

is 65% of the apple production in the whole country. The time for the production of apple is January- February and October – December, but the productive potential and the preserving capacity in the region enable the supply of quality product throughout the year.

Recently the production of the fruit tree has been greatly intensified and undoubtedly this has put the farmers in front of new challenges for their activities. The sale of the products is obviously the final step of the work and attempts of the farmers during the whole years. In this respect a special emphasis is given to marketing whose role is becoming even more important. Differently from what is assumed marketing does not begin after the product is finished. Actually the marketing alternatives ought to be taken under consideration before the product starts. The decisions are ranked from the identification of the cultures with the highest profitability in production to the decisions how the farmer ought to distribute them to the buyer efficiently and economically while preserving the quality of the product. As it was emphasized above, the region of Korçë is noted for the production of the fruit tree and especially apple and there is no doubt that its cultivation is a great advantage to be used efficiently. However, this is not enough. The sale of the products, finding the markets with highest profitability are decisions that require wisdom and getting the reward of the work performed.

The alternatives of distribution

As mentioned above, the next task for the farmer is sale. The alternatives of distribution are ranked from direct forms, the farmer sell directly to the consumer, to wholesale or retail sellers to the consumer.

As far as the first method is concerned, the direct sale to the consumer (one of the most common methods in Albania), is mainly based on the will of the farmer to promptly increase the financial return. This possibility to increase the return of the investment comes from: 1- the possibilities to lower the marketing cost and to maintain the cost otherwise addressed to the intermediaries in the supply chain, 2- the desire of the consumers to buy (and maybe to pay better prices) the fresh fruit.

These two factors combined with each other often generate better profit for the producer. When the producers are ‘retail sellers’ they have the opportunity to sell at the base level, or lower than the retail price in the supermarket and avoid the cost of the service of the wholesale or retail sellers. Thus by avoiding the intermediaries the farmer has the opportunity to get a higher percentage of the profit and this fulfills his desire to have higher return for each article sold.

In a retail store, the price that the consumer pay for the product in general covers the cost of the production, the gathering, packaging, transport, wholesale and retail sale. To be able to have a higher return, the producer

must have a low-cost marketing service, services not available in other markets and/or eliminate unnecessary services.

This form of direct marketing can be useful for the products that do not meet the specifications of the gross buyers. Sometimes the direct marketing is applied for products varying in size, appearance, volume from the commercial standards.

Small farmers may discover that the direct marketing brings extra profits when there is not a sufficient volume in production or possibility to choose to attract the big manufacturers and/or the retail merchants.

Thus the direct marketing can be an applicable alternative only for the small farmers. A considerable number of farmers use the direct marketing channel to increase the sale to the wholesale, retail sellers, the manufacturers, to reduce the risk of having just one market channel.

However, the most attractive aspect of the direct marketing for some farmers is the possibility to own the whole business, to be one's own boss and to do everything by oneself. This flexibility allows them to determine their product and to balance this product between the demand of the consumers and their individual talent to sell and manage the market.

On the other side the direct marketing is related to the consumer's demand. The main attraction of the direct marketing for the consumers is the opportunity to buy fresh, healthy products straight from the farm. The surveys show that the consumers are willing to buy in a friendly and relaxing atmosphere. The early interest in buying the products straight from the farm is also related to their growing interest in the safety of the product. Another reason that favors this method is the opportunity for the consumer to enjoy the nature and to learn where the food they consume originates from.

Farmers sell their products directly to the consumer in several ways. The main methods are the sale from the farm, from the markets on one side of the street, local markets near urban areas, door-to-door sale, and sale from the car, truck or other vehicles parked in the street, in the places where there is a lot of movement by possible consumers.

Presenting the method of the direct marketing, which is a very widespread method in Albania, will make the farmers wonder. *Is direct marketing, from the farm to the consumer, the best option for my business?* We can answer this question by making first the following evaluation in relation to the possibilities, the willingness to sell straight to the consumer and the adaptation of the farmer's operation to the procedures of the direct marketing. Part of this evaluation should also be a review of the alternatives of the marketing together with their advantages and their disadvantages. Knowing these alternatives, the producers can evaluate their need for marketing or the possibility that the direct marketing will meet these needs. The marketing needs of the individual producers will vary in relation to the

products they have, the quantity offered to direct sale and the marketing channel available.

Thus often this method is related to other issues like personal and family consideration, which means if we have created some aims and objectives for the business and our personal life?

-Are we willing to make the sacrifices required to make our business profitable (commitment in time, change of lifestyle, personality – direct sale to the consumer could be a challenge.), - can this be technically possible (here we include the factors related to the climate, water, diseases etc), - with the market factors – how large is the demand, the consume per individual etc. If we have selected this method there is a question which arises naturally. What attracts the consumers to buy in this way, and is this the proper way? If yes, this is an alternative and what should we do to be more successful? Some of the moments related to this discussion are ranked as following

Product exhibition

An attractive appearance gives the market a good image and it generates impulsive buying. The design can influence the sale of all the products. The exhibition must be planned to maintain also the quality of the fruit. Some practical advice can be recommended in this situation like, avoiding the direct exposure to the sunlight, keeping the product fresh in ice, having the shelves full and reachable for the clients. They should create a contrast of colors to attract clients, e.g. red apples after yellow apples. The crates where the fruit is put must be clean, attractive, usually wooden ones. The products may be given in paper bags, where one can find the name of the farmer or of the association, its logo and this can also serve as publicity for the business. There can also be offered other things besides fruit or vegetables like flowers, recipes that have the product as an ingredient or other objects with the logo of the association.

Positioning

Staying on the side of the street has a great influence in profit. Very few of such places are ideal. There are some variables to be considered when choosing an area, traffic, density of the population, the distance from the consumer and competitors, the kind of products offers. Having a position on the side of the street is best when it is near the consumers and easily visible from the street. The availability of parking space is another important factor while choosing a place on the side of the street, which is essential for the safety of the consumer but also of the other automobilists.

There is no doubt that the other forms of distribution take under consideration the sale through wholesale and retail sellers to reach the final

consumer. By using the intermediaries the farmer can reach thousands of consumers, the efficiency of the contacts makes it possible for all the actors to reduce the time and financial expenses.

In the region of Korçë, there are some centers for the accumulation of the fruit tree; meanwhile there are also several farmer associations among which the ones related to the production of the apple. Currently there are 11 association of this kind

The question that arises here is about the advantages of the commitment in associations, what they should do to serve better to the farmers and their interests. The services that this association can offer to the farmers can be seen in several directions, having to do with – market research to find the sale markets, - negotiations with the suppliers about the price, - information about the clients and the availability of the products, - information about the way to the farm, - the aid given to the farmers to participate in different fairs abroad,- information about new kinds of fruit – the regulation about the export documentation, - the creation of a web page and its updating with new information.

The strategies for the advertisement and promotion

Although a market may have products of high quality, service and favorable prices, it still will not be successful if it does not attract a considerable number of consumers. To attract consumers each business needs promotion and advertisement. For many merchants the cost of the advertisement and promotion is extremely high. The potential for success of the advertisement and promotion is higher when the products are clearly differentiated and are fresh and of high quality, when they have similar size, quality and appearance. In this respect the differentiation of the tree fruit and especially of the apple with the brand “Korça Apple” or the certification of the producers with the standard of quality “Albanian Guarantee” are attempts to increase the product differentiation and to have higher chances to face competition. The differentiation of “Korça Apple” from other products is realized through having the logo “Korça Apple” in different promotion material like plastic bags, brochures, leaflets, etc.

The aims of the advertisement and promotion

It is already known that the aim of the advertisement is to maintain the actual consumers, while attracting others, creating an image of the market in the minds of the consumers. A weak image will reduce the sales and expectations of the consumers. The market operators need to decide what is the impression of their consumers by asking their opinion when they visit the market.

The types of media

There are many types of media which can be used separately or in combination with each other. Some of them are verbal communication, buying in the selling point, fairs, newspapers, magazines, yellow pages, web sites in internet.

Let's stop in the use of internet as one of the most used method in our days. We all know that the number of users of internet has grown considerably today, and it is considered as a very efficient way that saves time, money and has low maintenance costs. It is often advised to create a web page so that the world will know that you exist. Show the world how much you love your farm, how much you work, how you produce the products that are fresh and healthy, enrich the page with new information, the prices of the products, their photos and try to show something unique, photos, images from the work process, your e-mail address.

The internet can be used in several ways:

1. The creation of websites for the sales transaction, which is used to sell the products. The orders are performed online and this enable the clients to buy the products which are then transported using packages designed exclusively for internet sale. This method is used for the sale of tomatoes and apples.
2. Websites that give information. In this case there is no sale but only information to the customers. An interesting technique could be the use of coupons for clients who are frequent visitors to the webpage.
3. Websites that combine the two previous forms. They give information and provide transactions

Thus the advertisement of the product in different media will not only make the business known but will also increase the interest of the buyers and the finalization of sale transactions.

To have a positive outcome it is necessary that all the actors, farmers, collectors, merchants, manufacturers create a long-term relationship, a relationship based in mutual partnership, trust and commitment. The marketing relationship created by these actors will have reciprocal acknowledgment and understanding, because their success is achieved by the coordination of the efforts of each of them.

Conclusion:

The region of Korçë in Albania is one of the most prominent regions for the production of fruit trees and especially apples. The growth of the product has put farmers in front of new challenges especially in relation to the sale of the product and in the use of marketing.

The direct marketing it seems to be one of the most widespread forms in Albania, but the growth of the competition, the increase of the products

have made it necessary the use of other methods, indirect channels. The creation of the farmers association is seen as a good way to help the farmers to find the sale markets and other services provided to the farmers. The main issue remains the fact how well will the association work after its establishment.

The differentiation of the fruit trees especially with special trademarks like the use of the brand “Korça Apple” or the certification “Albanian guarantee” are attempts that increase the possibility to differentiate, the chances to face the competition and at the same time to increase the possibility for greater profit.

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