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Final Report : SRDC Project BSS193 : Developing marketing skills for sugar industry technology transfer personnel

McMahon, GG

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FINAL REPORT - SRDC PROJECT BSS193
Developing Marketing Skills for
Sugar Industry Technology Transfer Personnel
by
Gavin McMahon
SD01006

Project Supervisor Gavin McMahon
BSES, PO Box 86 Indooroopilly 4068
Phone 07 33313317
Facsimile 07 38710383
Email gmcmahon@bses.org.au

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APPENDIX 1 - Water management marketing plan
SUMMARY

The aim of this project was to improve the marketing skills of technology transfer personnel in the sugar industry. The role of technology transfer and research in the sugar industry is changing rapidly. Industry needs and priorities have to be developed. Many of the service organisations are now voluntary funded. Solutions to industry problems are becoming more complex and difficult to implement. There are significantly more issues confronting the industry and the capacity of the industry to respond has decreased. Most of the funding organisations are now requiring projects to incorporate a technology transfer plan within the proposal.

As a result, the complexity of technology transfer within the sugar industry is increasing dramatically. Technology transfer professionals within the industry receive little formal training within their discipline, because there are very few quality providers of such training. BSES felt that it was necessary for staff in this profession to receive some marketing training to become better equipped to deliver the products and services that sugar industry participants wanted and needed. SRDC funded the project in 1997 and a training program was developed and delivered to sugar industry technology transfer personnel from a number of organisations within the industry.

The University of Southern Queensland provided the training package, which was based around their undergraduate course. Three marketing workshops were delivered over a four-year period. The marketing principles delivered during the workshop were applied to sugar industry issues and marketing plans were developed for five strategic areas of:

- High density planting
- Improving ccs in northern sugar districts
- Control of cane grubs
- Farm business management.
- Making the most in the low sugar prices

During the 2001 workshop, marketing programs were developed for the following project areas:

- Chemcert chemical accreditation course
- Co-generation, variety best management practice
- Intensive farming systems for the new millennium
- Farm business management
- Harvester BMP
- Water management

The adoption of marketing principles in these programs has lead to a more structured and thorough delivery.
1.0 BACKGROUND

The role of technology transfer and research in the sugar industry is changing rapidly. Industry needs and priorities have to be developed. Many of the service organisations are now voluntary funded. Solutions to industry problems are becoming more complex and difficult to implement. There are significantly more issues confronting the industry and the capacity of the industry to respond has decreased. Most of the funding organisations are now requiring projects to incorporate a technology transfer plan within the proposal.

As a result, the complexity of technology transfer within the sugar industry is increasing dramatically. Technology transfer professionals within the industry receive little formal training within their discipline, because there are very few quality providers of such training. BSES felt that it was necessary for staff in this profession to receive some marketing training to become better equipped to deliver the products and services that sugar industry participants wanted and needed. SRDC funded the project in 1997 and a training program was developed and delivered to sugar industry technology transfer personnel from a number of organisations within the industry.

2.0 PROJECT OBJECTIVES

The objectives of the project were to:

• develop marketing skills, through action learning, for technology transfer personnel in the sugar industry;
• define work areas where these skills can be used;
• implement the marketing skills acquired into the current program;
• evaluate the project.

By achieving these objectives it was felt that:

• technology transfer personnel would have a broader skills base for improving service delivery and problem identification;
• technology transfer personnel and their work programs would become more client focused;
• important project areas would be identified and used as case studies during the project.

These outcomes have been achieved and, in fact, the group involved with canegrubs has been able to develop programs that are now being implemented, with industry support, during the current pest crisis.
3.0 THE MARKETING WORKSHOP

3.1 Workshop development

Initially contact was made with the Australian Institute of Marketers to determine potential consultants who could develop a workshop series that met the project objectives. The suggestions from the Marketing Institute and the project leaders network identified 10 suitable institutions. Six organisations were short-listed and asked to formally submit a proposal. During the latter half of 1997 the marketing consultant was selected and a course outline developed.

The initial selection process involved identifying six suitable candidates and inviting them to tender for the project. The six initial candidates selected were:

- University of Southern Queensland (USQ) Faculty of Business. This institution was chosen for its skills in external education. The majority of the students at this campus study externally and this requires the development of very high quality educational material.
- University of Central Queensland Faculty of Business. This institution was chosen because it has campuses in the sugar towns of Mackay and Bundaberg and has some presence and affinity for the sugar industry.
- University of Queensland Gatton Campus, Department of Natural Resource Systems Management. This college was chosen because of its past association with BSES in a similar exercise.
- Department of Primary Industries. This group was chosen for its marketing skills in the agricultural field.
- ARLO Business Training Centre. The Australian Institute of Management referred this company to the project leader.
- Market Awareness. The Australian Institute of Marketers referred this company to the project leader.

All six organisations submitted a tender with a course outline. The University of Queensland submission was received late and was not considered in the early selection process.

The project leader made the initial selection with Mr Eoin Wallis and Dr Robert Troedsen of SRDC. This selection panel narrowed the choice to University of Southern Queensland and Market Awareness. The project leader and Mr Eoin Wallis then interviewed the two final contenders over the telephone. The University of Southern Queensland was awarded the project.

USQ submitted the course outline, which was based on their undergraduate marketing course. The course involved action learning and marketing simulation models to ensure active participation by the group. This process has been used by USQ overseas on
number of consultancies that they have undertaken. A meeting between the project supervisor and the USQ team broadened this proposal and tailored it to suit the target audience.

3.2 The first marketing workshop

The first marketing workshop was conducted in Townsville from 9-12 June 1998. Terry Euler of QUT, and Chad Perry and Les Brown of USQ facilitated the workshop. During the workshop many of the marketing principles were introduced to the group and then reinforced within small groups by simulation exercises. The simulation technique provided an excellent learning tool for the marketing principles and introducing concepts. Topics and concepts covered were:

- Marketing fundamentals
- Marketing mix
- Marketing performance
- Forecasting demand
- Product and marketing strategy
- Pricing strategy

These concepts were then tied into sugar industry issues in the final stages of the workshop by developing preliminary marketing plans for five strategic topics of:

- High density planting
- Improving ccs in northern sugar districts
- Control of canegrubs
- Farm business management
- Raw sugar quality

Attendees at the workshop were as follows:

- Geoff Anich BSES/SRDC
- Ash Benson BSES
- Tim Shapter BSES/NSW Sugar
- Peter Lawrence BSES
- Jim Kirchner CANEGROWERS
- Lionel Tilley BSES
- Richard Kelly BSES
- Tony Linedale BSES
- Duncan Bigg BSES/NHT
- Trevor Willcox BSES/Bundaberg Sugar Industry
- Derrick Finlayson BSES
- Allan Royal Mackay CPPB
- Roderick O’Connor DPI
- David Calcino CRC Sugar/BSES
- Debbie Telford BSES
- Bill Webb BSES
- Brad Hussey BSES
- David Sinclair BSES
- Peter McGuire BSES/NSW Sugar
- Peter Whittle BSES
- Mick Webber BSES
- Tim Murphy BSES/SRDC
- Kylie Webster BSES
- Alec Ford Mossman Mill
- Mark Beech Plane Creek CPPB/BSES
- James Holden CRC/BSES
- Bryce Davies BSES
- Doug Paton BSES
- Julian Collins BSES
- Tony Blatch BSES
- John Agnew BSES
- Rob Sluggett BSES
- Greg Shannon BSES
It was also an intention to invite Andrew Wood of CSR; however, due to ill health he was unable to attend.

3.3 The second marketing workshop

After discussions between the project team, the course for the second year was developed and an outline is as follows.

Part A Consumer behaviour and market research

A1. Consumer behaviour: why people make choices and behave the way they do in the market place

The purpose of this segment of the course was to allow participants to gain insights into the psychological factors that govern the way a customer considers purchase alternatives and behaves in the buying environment. An understanding of these factors will enable participants to determine more about customer needs and what drives these needs; research these needs more correctly; and foster better, more productive communicative and selling relationships with customers particularly where strongly held attitudes and beliefs are barriers to new ideas. This segment covered a variety of relevant topics including:

- internal influences, for example, attitudes and beliefs, personality, motivation, learning;
- external influences, for example, reference groups;
- understanding how these principles apply in working with BSES customers.

A2. Market research principles

This segment of the course is aimed at improving participants’ abilities to gather reliable, objective data on customers. In particular, the techniques discussed will provide insights into data gathering and analysis of the types of customers specifically relevant to BSES. Non-intrusive methods received particular attention, and participants practised techniques such as focus groups to improve their current knowledge and skill. The topics included:

- finding out what the customer wants;
- types of research, research objectivity and information integrity;
• research techniques: desk research, focus groups and in depth interviews, survey sampling, observation and other non-intrusive methods;
• how to analyse what is found;
• presenting research reports, both written and in a verbal presentation;
• an exercise of a focus group done by and with participants.

A3. Preparing a plan for doing market research in a BSES project/program

Part B  Relationship marketing

This part of the course was aimed at providing participants with two essential tools for good marketing and selling: negotiating and communicating with customers. The essence of marketing communication is to assist customers to buy needed products and services. Because of competitive forces in the market place, negotiation must be capable of persuasively convincing customers while, at the same time, establishing conditions for a long-term association.

B1. Differences between one-off transactions and long-term, adaptive relationships

• Social and economic bonds in a relationship.
• Principles of planning and closing a negotiation to start or maintain a relationship.
• Exercise: doing a negotiation between a buyer and seller within the sugar industry and within the BSES framework of stakeholder influences using the principles above.

B2. Communicating within relationships

• Who are stakeholders?
• What do stakeholders want?
• How to develop and maintain relationships with stakeholders.
• Market communication and its role in gaining and maintaining customer relationships through use of promotional tools, advertising, public relations and so on.

The second marketing workshop was conducted in Townsville from 31 May - 4 June 1998. Terry Euler of QUT, and Jane Summers and Les Brown of USQ facilitated the workshop. During the workshop many of the marketing principles were introduced to the group and then reinforced within small groups by role-plays. This technique provided an excellent learning tool for the marketing principles and introducing concepts. These concepts were then tied into sugar industry issues in the final stages of the workshop by developing preliminary marketing plans for five strategic topics of:

• High density planting
• Improving ccs in northern sugar districts
• Control of canegrubs
• Farm business management
• Making the most in the low sugar prices

3.4 The third marketing workshop
The third year extended and applied the principles covered in previous years. The major theme was formulating and implementing strategic marketing plans for projects/programs.

To begin, in year three, the program covered the core ideas introduced in year one, and especially the rudimentary ideas in the plans prepared by participants on the final day of year one. These core ideas were then broadened by the market research and relationship/communication techniques covered in year two. As well, year three introduced some new theories about services marketing like the consultative selling of ideas and customer service. However, the major focus of year three was **experiential** learning of marketing principles, through actually doing a plan for a BSES project. The course outline was as follows.

**Part A   Advanced negotiations**

This part was an extension of the negotiation exercise from the 1999 workshop, and revised the principles of "win/win" outcomes to conflicting needs of people who need to work together.

**Part B   Relationship marketing**

This part of the course builds on the previous parts of the program that aimed at providing participants with two essential tools for effective marketing and selling.

**B1. Continuum of differences between goods and services**

- Intangibility, inseparability, variability, perishability
- Core, actual and augmented product
- Developing new products and services

**B2. Differences between one-off transactions and long-term, adaptive relationships**

- Social and economic bonds in a relationship.
B3. Communicating within relationships

- Who are the stakeholders of BSES and of farmers?
- What do these stakeholders want?
- How to develop and maintain relationships with stakeholders based on win/win principles.
- Lecture: Integrated marketing communication and its role in gaining and maintaining customer relationships through use of promotional tools, advertising, public relations and so on (this was planned for 1999 workshop but not enough time was available to cover it).
- Personal selling:
  - The move from broadcasting to narrowcasting.
  - Steps in the personal selling process: prospecting and qualifying, preapproach, approach, presentation and demonstration handling objections, closing, follow-up.
- Lecture: principles of agricultural extension.
- Discussion: how is extension an application of the personal selling process?

B4. E-commerce and its role in the market place

Part C Marketing experiences and plans for BSES projects

C1. Participants apply what they have learnt in detailed plans for some BSES projects

These concepts were then applied to sugar industry issues by developing preliminary marketing plans for the following topics:

- Chemcert chemical accreditation course
- Canegrubs
- Variety best management practice
- Intensive farming systems for the new millennium
- Co-generation
- Harvester BMP
- Water management

4.0 OUTCOMES OF THE WORKSHOPS

The marketing principles delivered during the workshop were applied to sugar industry issues and marketing plans were developed for five strategic areas of:

- High density planting
- Improving ccs in northern sugar districts
- Control of canegrubs
- Farm business management.
- Making the most in the low sugar prices
During the 2001 workshop, marketing programs were developed for the following topic areas:

- Chemcert chemical accreditation course
- Co-generation, variety best management practice
- Intensive farming systems for the new millennium
- Farm business management
- Harvester BMP
- Water management

These marketing plans will enhance the delivery and adoption of these products and services. The marketing plans will be implemented during the coming year. The full marketing plans and progress programs can be obtained from previous milestone reports. However, the water management marketing plan is attached as Appendix 1 as an example.

The skills of most technology transfer staff in the sugar industry have now been broadened with the introduction of marketing principles. Most of the programs used as case studies in the workshops have benefited from the marketing focus. The extension products now being delivered in the greyback cane grub control program were developed in the marketing workshops. These products are very timely considering the increase in pest outbreaks occurring in the industry.

5.0 INFORMATION DISSEMINATION

This project was a technology transfer project and the principles and skills learnt during the workshops were utilised in industry programs. A few examples of the information dissemination are as follows. The "managing low sugar prices" handout was sent to every cane grower, milling company and representative body. The high-density planting newsletter and associated manuals have been sent to in excess of 2,000 interested industry participants. The cane grub promotional material has been utilised in all districts from Mackay north.

6.0 PUBLICATIONS ARISING FROM THE PROJECT

During all phases of this project significant effort was made to ensure that all relevant participants in the industry were informed of the case studies associated with the project. Numerous publications, articles and promotional material were produced for the projects used as case studies in the project. Publications were produced for the ASSCT conference and the articles produced were released through the BSES distribution system.

It is not the intention to document all publications from this project but only the more significant ones released.

6.1 Publications

6.2 Publications produced at BSES

Managing low sugar prices
Manual for dual rows in sugar cane
Manual for High Density Planting
High Density Planting fact sheet
High Density Planting newsletters
Canegrub newsletters.
Sugarbiz marketing plan

7.0 ACKNOWLEDGMENTS

I would like to thank those who were involved in developing and delivering the marketing workshops. They are Terry Euler of QUT, Bill Proud of the Marketing Centre, and Chad Perry, Les Brown and Jane Summers of USQ. Without their dedication and skills this program would not have been possible. I would also like to thank the participants who absorbed the information and have continued to implement programs utilising their newly acquired skills.
APPENDIX 1

WATER MANAGEMENT MARKETING PLAN

Slide 1

Irrigation consultancy concept

By

John Turner
Chris Chinn
Peter Sutherland

Presented by Peter Sutherland
At first glance, what do you see--Could it be the word "liar" or is it something more. I would definitely give this one a second look!
BurTech BSES
Tailored Irrigation Scheduling and Management Solutions
Current Position

- Low levels of adoption of scheduling to maximise production
- Limited understanding of irrigation principles
- Limited technical ability
Priority Issues

- Marketing the benefits of the increased production from the **BurTech** service
- Water Pricing policy
- Sugar price into the future
- Climatic and weather influences
- Pests and disease
Project Goals

- Maximise productivity through improved irrigation scheduling
- Develop a culture of dependence
- Provide a high quality service to growers on a user pay system
- A stable client base through the establishment of long term relationships
Quantifiable objectives

• 10 clients (large growers) in the first season
• 80% retention of client base
• Growth equal to 50% of client base over long term
Strategic considerations

- Internal Issues
  - Strengths - strong technical base, extensive knowledge and experience, proven track record in the field
  - Weaknesses - untested niche (market), limited client database
  - Implications - conduct market research

- External Influences
  - Positive - Established long term relationships with industry service providers-excellent relationship with majority of client base
  - Negative - Climate variability, grower resistance, sugar price,
  - Implications - demonstrate cost benefits, pricing needs to be structured to match the growers ability to pay
Marketing strategy

- Increase grower productivity from correct scheduling of irrigation
Marketing planning

Service to fit customer
Personalised
Timely
Flexible
Responsive

Identified value and benefits
Increased productivity of 5% on 40000T = 2000t
@$30 = $60k
Cost of service = $3000/P.A
5% of a 5% increase in production
Availability of service

There are no apparent limits to service availability.
Communication

• Establish web site for service
• Direct mail out
• Word of mouth
• Referral from other extension staff
Customer service and feedback

Options

• Fax reports to individual clients twice a week.
• E-commerce two-tier system - Public access, password access to individual irrigation information.
• General inquiry on home page email, mobile, fax or phone.
Relationship marketing considerations

Establish long term relationship to ensure a high rate of customer retention through customer satisfaction. The organisation has an established long term relationships with agribusiness, Water suppliers and other R&D providers.
Market information and research

Personal communication
Survey grower base and test product. Under current project, information is being amassed and will be analysed to determine market dynamics, product life cycle.

Use mill stats and water service provider stats to determine high volume users and growers.
Project Budget Issues

Cost
Capital
Computers
Monitoring equipment
Web site establishment
Vehicle
Operating
consumables
Income
$1000 +5cents/T
**Action plans**

- **2 months**
  - Introduce concept to growers selected from industry information

- **3 months**
  - Produce irrigation assessment plan

- **6 months**
  - Develop growers understanding of irrigation

- **3-12 months**
  - Consolidate new client base
  - Expand client base by 10%

- **12 months**