



# **Agro-food Marketing**

Organized by

Mediterranean Agronomic Institute of Zaragoza

# Agro-food Marketing

Scientific coordinator: **Dr. Luis Miguel ALBISU**  
IAMZ coordinator: **Mario Anamaría**

The Master on Agro-food Marketing provides a two-year programme for graduates who wish to specialize in the subject and professionals interested in updating their knowledge.

In the first year participants follow the Postgraduate Specialization Course. Formal lectures are complemented by round table discussions, case studies, business practices and visits to agro-food industries.

In the second year, students who have successfully completed the first year develop an individual work of initiation to research or to professional activity on a chosen topic of the specialization, leading to a Master of Science Degree.

The programme is held every two years. Next edition starts in October 2009.

Participants must hold a university degree in agronomy, economics, business administration, food science or any related field. Sound knowledge of economics and quantitative methods is required. Experience in the use of personal computers is valued.

The working languages are English, French and Spanish. Lecturers can teach in any of the three languages. Simultaneous translation into Spanish is provided when lecturers speak English or French, therefore participants should prove knowledge of Spanish at the start of the course. From the beginning of July to the end of September IAMZ organizes an intensive course of Spanish for those who require it. Participants can answer the exams in Spanish, French or English. In the selection of candidates, knowledge of English and French is nevertheless valued, as part of the documentation distributed may be written in either of these languages.

The Master of Science Degree issued upon completion of this programme is equivalent to the official Master Degree of the Spanish university system.

## **Objectives**

The first part of the Master programme (Postgraduate Specialisation Course) presents a global and integrated vision of the components of agribusiness marketing and the traditional markets of agricultural raw materials, placing special emphasis on international strategies. The Course enables participants to: (i) become acquainted with the theoretical and practical elements of agro-food marketing, from commodities to consumer products; (ii) apply the most updated quantitative methods in data collection and analysis; and (iii) acquire experience in the analysis and design of marketing plans implemented by agro-food firms.

Through the work carried out in the second part of the programme (Master Thesis), participants complete their training by making a critical application of the knowledge, methods and techniques acquired during the first year of specialization and develop their competence in: (i) analysis of problems; (ii) definition of objectives; (iii) acquisition and treatment of data in compliance to a pre-established research protocol; (iv) analysis of results; and (v) elaboration of conclusions that may contribute to clarify and find a possible solution to problems.

# Part 1

## Postgraduate specialisation course

Training is organized in 6 sections (60 ECTS)

### Section 1 **AGRICULTURAL MARKET ANALYSIS**

In this section advanced microeconomic theory is studied, as well as econometric tools for market analysis. Neoclassical theory is the theoretical framework in which supply, demand and prices are analysed, as well as their application to agricultural products. The same approach is taken for international trade, but it is complemented with the study of institutions and their development in the Mediterranean area. The main sources of information, information technology and the most modern forms of information management are presented in agro-food marketing. The econometric models are studied, with particular emphasis on the analysis of agricultural raw materials.

### Section 2 **AGRO-FOOD MARKET STRUCTURE AND POLICIES**

First of all a description is made of the main elements that characterize the agro-food system. The role of agro-food marketing, in globalization, deserves special attention. Institutions, in developed and developing countries, are analysed in great detail. This section finishes up with the study of policies that are applied to agricultural raw materials and to food products. In the former case, special emphasis is placed on the Common Agricultural Policy and, in the second, on the comparison between the European Union and the United States.

### Section 3 **MARKETING AND MARKET RESEARCH**

In this section the concepts of marketing and market research are addressed. Knowledge of the consumer and consumer behaviour serve as a starting point from which to focus the application of tools used in agro-food marketing. Market research, both qualitative and quantitative, is studied, together with sampling techniques and multivariate methods.

### Section 4 **PROGRAMMING THE MARKETING MIX**

This section addresses the typical marketing tools: product, price, promotion and place. All are individually and jointly analysed. Further knowledge is acquired, starting with the most simple concepts and going on to address the most recent developments. Logistics and integration of the agro-food supply chain, from the individual standpoint as well as that of a group of firms, are presented as drivers of efficiency in agro-food marketing.

### Section 5 **MARKETING STRATEGIES IN INTERNATIONAL MARKETS**

At the end of this section, all elements addressed throughout the Course are brought together to draw up strategies, define objectives and develop a marketing plan. Certain aspects of great importance in agro-food marketing are discussed, such as innovation, sales organization and control of the marketing programme. International marketing is analysed from the double perspective of agricultural products and food products. Information gathered over the Course is applied to the case studies that participants work on in groups.

## **Section 6**

### **MARKETING PROJECT**

Throughout the Course, participants carry out, through team work and under the supervision of a tutor, a market research project in one of the firms collaborating with the Course. The project is to study the possible solutions to the marketing problems set forth by these firms. This project enables participants to: (i) become acquainted with the main business issues presently faced in agro-food marketing; (ii) acquire information-retrieval and selective data processing skills; (iii) apply the principles and methodology presented during the Course in each of the work phases; (iv) gain experience in the analysis of situations and in decision-making; (v) propose useful marketing strategies for agro-food firms; (vi) develop skills in team-working and collaboration with the business sector; and (vii) acquire experience in the preparation of oral communications and their presentation in public.

## **TRAINING SEQUENCE**

### **Section 1**

(10 ECTS)

Dates: from 1 October to 2 November 2007.

### **AGRICULTURAL MARKET ANALYSIS**

**Unit 1** – Supply, demand and prices of agricultural products (5 ECTS),

**Unit 2** – International trade and modelling of agricultural products (5 ECTS).

### **Section 2**

(8 ECTS)

Dates: from 5 November to 7 December 2007.

### **AGRO-FOOD MARKET STRUCTURE AND POLICIES**

**Unit 1** – The agro-food system and its institutions (5 ECTS),

**Unit 2** – Agro-food policy (3 ECTS).

### **Section 3**

(9 ECTS)

Dates: from 10 to 21 December 2007 and from 7 to 25 January 2008.

### **MARKETING AND MARKET RESEARCH**

**Unit 1** – Consumer behaviour and market research (4 ECTS),

**Unit 2** – Survey analysis and multivariate techniques in market research (5 ECTS).

### **Section 4**

(8 ECTS)

Dates: from 28 January to 22 February 2008.

### **PROGRAMMING THE MARKETING MIX**

**Unit 1** – Product and pricing policies (3 ECTS),

**Unit 2** – Promotion, distribution and logistics of food products (5 ECTS).

### **Section 5**

(10 ECTS)

Dates: from 25 February to 25 April 2008.

### **MARKETING STRATEGIES IN INTERNATIONAL MARKETS**

**Unit 1** – Marketing strategy and control (4 ECTS),

**Unit 2** – International marketing and case studies of firms (6 ECTS).

### **Section 6**

(15 ECTS)

Dates: from 1 October 2007 to 6 June 2008.

### **MARKETING PROJECT**

## **Comprehensive oral or written examination**

In the case of Sections 1 to 5, participants take 1 written examination at the end of each Section, each unit being independently graded.

Written exams consist of a set of questions that require a concise answer. Some of the questions are multiple choice. Lengthy questions are avoided.

Participants may retake failed exams once.

To evaluate Section 6, participants must elaborate a written document that is presented and defended orally before a jury for its qualification. As the projects are carried out in groups, each component presents and defends a different part and the jury gives a common grade for the project and an individual grade for each group component. Furthermore, each group component is also graded by the project tutor and the IAMZ coordinator of the Course, on the basis of personal attitude and involvement during the realisation of the project.

## **Analytical syllabus**

### **Section 1**

### **AGRICULTURAL MARKET ANALYSIS**

#### **Unit 1 – Supply, demand and prices of agricultural products**

The unit analyses agricultural producer behaviour explained by the neoclassical economic theory. Production is studied, with special emphasis on costs. Special attention is given to returns to scale, measurement of efficiency, and short and long term cost curves. Empirical estimation of elasticities and case studies complete the unit.

The theory and methods required to specify and estimate consumer demand relationships for food agricultural products are also presented. Important items are: the foundations of the neoclassical theory and the properties of the demand functions. Empirical analysis of demand is presented based on time series demand analyses and household budget studies.

Finally, the theoretical framework for the price determination analysis in agricultural markets is studied. The spatial price variations are examined in detail, as well as agricultural prices over time and the theory of marketing margins. Empirical cost studies and marketing efficiency analyses provide applications to the theory.

#### **Unit 2 – International trade and modelling of agricultural products**

In this unit, through a theoretical framework of international trade, the main theories and present trends in international trade of agro-food productions are explained. Various aspects are addressed in further detail, such as the framework for trade liberalization and WTO negotiations in agriculture.

The unit also presents the potential of modern information and communication systems for food marketing and possibilities for its utilization. The alternatives in technology and information/communication system designs are reviewed: from the videotext to internet. Other issues are the linkages between management approaches, information needs and information system implementation, and the principles of electronic commerce.

Finally, models for agricultural products are studied through a systematic approach to analyse market behaviour. Main steps covered are the identification of the economic structure, forecasting and policy analysis. The process of the econometric model building is studied: problem identification, model specification, data gathering and estimation, verification (and re-specification) and application of the model.

## Section 2

### AGRO-FOOD MARKET STRUCTURE AND POLICIES

#### Unit 1 – The agro-food system and its institutions

In this unit agro-food structure and performance are studied, with special reference to the European market. Particular attention is given to analysis of the structure, behaviour and functioning of the market. Different study methods are presented, as well as the analysis of the supply chain and the evolution and perspectives of the agro-food system in developed countries.

The main elements characterizing food market globalization are addressed. Within this framework the dimensions of agro-food marketing are analysed, both for large firms and for small firms that are beginning to go international in their activities. Strategies deserve special attention as well as the global consumption trends, distribution and agro industrial processing.

The unit also analyses the characteristics and roles of major institutions that have become an important part of the agricultural marketing systems. The major institutions include private sector firms of various sizes and types, cooperatives, futures markets and government agencies that provide services, rules or facilities. These elements should facilitate the analysis of actual markets in order to identify potential opportunities for business firms, farmers, farm organizations and government agencies.

The importance of institutions in the agro-food market dynamics of developing countries is then shown, as well as how their absence or their failures influence these dynamics. Furthermore, the important role of professional and inter-professional associations and their impact on developing countries are shown. Case studies are presented covering cooperatives, consumer associations and firm's exporting strategies.

#### Unit 2 – Agro-food policy

This unit first offers a vision of policies related with agricultural products and in particular, concerning the Common Agriculture Policy. Agricultural developments of other parts of the world are also shown, particularly the case of developed countries. Aspects that may be more relevant in the future are also presented.

Current trends in food policy are then studied. A large number of issues that influence the evolution of food safety and its regulation are discussed, as well as sanitary and phytosanitary measures of agro-food product trade. Furthermore, the constant increase in consumer demand for quality assurance is also addressed. Finally, methods are presented to assess the benefits of incorporating quality assurance processes in firms.

## Section 3

### MARKETING AND MARKET RESEARCH

#### Unit 1 – Consumer behaviour and market research

First, an introduction to marketing applied to agro-food products is given. The starting point is the definition of marketing and concepts related with marketing objectives, strategies and the marketing mix. Different scenarios are presented both for sectors and for firms.

In this unit consumer behaviour is analysed from the traditional standpoint to the most modern theories. Neoclassical theory is the starting point, addressing both economic and non-economic factors. Different updated models are presented, incorporating dimensions related with convenience, nutrition and health, as well as food safety.

The basic principles of research techniques are then studied: qualitative (observation, focus group interviews, etc.) and quantitative through surveys and panels. Market experimentation is also provided. All the procedure is presented from information analysis and interpretation to reports preparation.

### **Unit 2 – Survey analysis and multivariate techniques in market research**

Techniques are covered, starting with the simplest sampling techniques and going on to explore the more sophisticated methods. Elaboration of questionnaires covers a large part of this unit, as well as their relation with the types of analysis. Sampling for experimental economics and for the analysis of artificial markets is also analysed. Participants carry out practical work on determining sample size and discussing different survey examples.

The unit also analyses the theory and the application of multivariate techniques according to data properties and research objectives. The techniques studied are: factor analysis, cluster analysis, non-metric multidimensional scaling, discriminant analysis and conjoint analysis, each with their respective applications and interpretation of results. Participants carry out computers practices to analyse data properties and apply different multivariate techniques.

## **Section 4**

### **PROGRAMMING THE MARKETING MIX**

#### **Unit 1 – Product and pricing policies**

In this unit, an overview of product and product range decisions, within marketing policy, and the influence of structural changes in food retailing and consumer preferences, are provided. Product policy within the marketing system is studied, as well as the objectives of product policy decisions, the nature and life section of the product, product evaluation and the development of new products, their importance and stages for their creation. Product range decisions are exposed with respect to quality, packaging and branding.

The objectives and the factors influencing price determination are also analysed, such as organizational objectives (financial, marketing, competitive, product differentiation), costs, marketing mix strategies, competition, intermediaries, customers, considering that price is one of the most visible variables.

#### **Unit 2 – Promotion, distribution and logistics of food products**

This unit first analyses the economic theory and the application of commodity advertising and promotion programmes, with greater emphasis on generic advertising. An overview of generic advertising is given, covering the structure for this type of advertising, tools needed to study checkoff programmes, types of commodity programme, target audiences, programme intensities and methods to evaluate their impact.

Regarding the branded food product, that is closely related to consumer behaviour and lifestyle, geographical origin, relative prices and the search for information, consumer decision-making, evaluation and learning, the following are studied: brand loyalty, role of brand strategies, portfolio of brands, co-brands, the relationship between brands and the product, the buyer and the company. Participants carry out practical work analysing advertising elements used in real case studies.

Distribution functions are then analysed (exchange, physical and facilitating functions), distribution decision making and strategies. Special care is given to the institutionalization of the distribution process affecting producers, wholesalers and retailers. The structures and evolution (marketing strategy, efficiency drive and concentration) of marketing channels are exposed.

Finally, the unit gathers the objectives and main components of logistic supply chains. All the steps are analysed, from the network configuration, transportation, warehousing, inventory control to customer services. Strategies are presented whether they are related to production or time-based. Technological influences are presented with special emphasis to electronic approaches.

## Section 5

### **MARKETING STRATEGIES IN INTERNATIONAL MARKETS**

#### **Unit 1 – Marketing strategy and control**

This unit first addresses how the organization should define the nature of its activities in terms of the generic requirements of the target market. The strategic marketing management process is studied, considering financial objectives, strategic direction, product, swot analysis, market segmentation and product life-section.

The unit then gathers the theories and applications of product and process innovations to the agro-food industries. The product development process receives special attention covering the different models, key activities and technological implementation. The success factors and the organizations also receive careful analysis.

An overview of the role of the manager and of sales management in agricultural organizations is provided, including support and implementation of the marketing functions. The basic theories and practical applications of sales management are discussed: the framework of sales management within the overall business, the role of leadership and motivation in management and marketing, and the aspects of managing team and individual performance to fulfil business goals.

Finally, the unit gathers the framework for business diagnosis. It specifies all the contents, such as the control panel, the business environment, including the strategy, the mode of organisation, the systems and procedures, the productivity and the functions. Some items deserve special attention like the global business diagnosis, market share, marketing costs and marketing productivity. Participants carry out practical work on the solving of case problems.

#### **Unit 2 – International marketing and case studies of firms**

This unit begins with an overview of international markets, to cover immediately afterwards the determinants of export competitiveness, strategies for export marketing, organising firms for foreign sales and public issues. Motivation for firms to seek foreign sales, factors affecting stability of firm share of import markets and determinants of international comparative advantage are also presented.

Inter- and intra-industry trade is thoroughly analysed. It provides a basis to present the determinants of international competitiveness, protocols and conventional practices, international marketing strategies and techniques, organization of multinational marketing enterprises and related public policy issues.

Finally, the unit aims to apply all the information and knowledge put together during the Course. The Galbraithian scenario of food distribution is applied to all cases. A diversity of cases are presented covering different industries, mostly multinationals but also of medium size firms. The participants in the Course have to work in groups and present the cases that are discussed with the rest of the class.

## **Section 6**

### **MARKETING PROJECT**

## **Part 2**

### **The Master of Science thesis**

#### **Project (10 month duration, 60 ECTS)**

This part of the programme is carried out in well-recognized institutions (universities or research centres), generally throughout Spain or in the participant's country of origin, under the scientific supervision of a thesis director that must be a doctor of renowned prestige. Participants choose the topic according to their interest of training, which is approved by a Committee. If the participant so requires, IAMZ advises on the choice of the most appropriate thesis director and institution to carry out the desired project, and likewise proposes topics related to activities of cooperative research coordinated by IAMZ or other topics of interest previously accorded between IAMZ and other institutions.

As a consequence of the previous facts there is a wide range of research topics available for Master of Science theses. Many of the theses deal with market analysis of diverse agro-food sectors, focusing on one country or comparing two or more. Some of these analyses study the competitiveness of a country sector in international trade within the framework of a determinate international marketing policy. Other theses deal with the study of consumer behaviour and market research of a product in a given market context. Product and pricing policies and marketing strategies for a sector or type of product are other topics frequently covered.

The participant, with the support of the thesis director, should inform IAMZ periodically on the development and progress of the research work. This part concludes with the writing of a thesis to be defended in public before an examining board convened by the IAMZ. The jury is composed of a representative of the IAMZ and at least three external members selected in each case for their expertise and prestige in the field of the thesis.

#### **INDICATIVE MASTER THESES REALIZED WITHIN THE AREA**

**Title:** Strategic plan for DO Calatayud wine marketing (2005)

**Author:** Gustavo Fabra, Economist, Spain

**Place of realization:** Unidad de Economía y Sociología Agraria, Centro de Investigación y Tecnología Agroalimentaria de Aragón, Zaragoza, Spain

**Thesis director:** Luis Miguel Albisu

**Title:** The market for ready-to-eat lamb meals (2004)

**Author:** Daniel Aurelio Feliciano, Zootechnician, Portugal

**Place of realization:** Unidad de Economía y Sociología Agraria, Centro de Investigación y Tecnología Agroalimentaria de Aragón, Zaragoza, Spain

**Thesis director:** Luis Miguel Albisu

**Title:** Study of the olive and olive oil sectors and analysis of olive oil consumption in urban environments in Morocco (2003)

**Author:** Mohamed Ichibane, Agronomist, Morocco

**Place of realization:** Departamento de Economía y Sociología Agraria, Centro de Investigación y Desarrollo Agrario, Junta de Andalucía, Granada, Spain

**Thesis director:** Javier Calatrava

**Title:** Electronic market for certified quality agro-food products in Castilla and León (2003)

**Author:** Zein Kallas, Agronomist, Lebanon

**Place of realization:** Departamento de Ingeniería Agrícola y Forestal del Area de Economía, Escuela Técnica Superior de Ingenierías Agrarias, Universidad de Palencia, Spain

**Thesis director:** José Antonio Gómez-Limón

**Title:** Vertical transmission of marketing prices and margins in the Spanish agro-food sector. Study of the apple and sheep sectors (2002)

**Author:** Fathi Ben R'haiem, Agronomist, Tunisia

**Place of realization:** Departamento de Gestión de Empresas, Universidad Pública de Navarra, Pamplona, Spain

**Thesis director:** Ana Isabel Sanjuán

**Title:** Analysis of brand and designation of origin, and their importance in marketing strategies of quality wines (2002)

**Author:** Ronald Bolaños Taleno, Agronomist, Nicaragua

**Place of realization:** Departamento de Análisis Económico y Administración de Empresas, Facultad de Ciencias Económicas y Empresariales, Universidad de La Coruña, Spain

**Thesis director:** Laurentino Bello

**Title:** Spatial and vertical transmission of prices in the Spanish sheep sector (2001)

**Author:** Ledia Boshnjaku, Agronomist, Albania

**Place of realization:** Unidad de Economía y Sociología Agraria, Centro de Investigación y Tecnología Agroalimentaria de Aragón, Zaragoza, Spain

**Thesis directors:** Monia Ben Kaabia and José María Gil

**Title:** Study of trade relations between Algeria and Spain in the agro-food sector. The Euro-Mediterranean context (2000)

**Author:** Mohamed Ounes, Agronomist, Algeria

**Place of realization:** Departamento de Economía, Sociología y Política Agraria, Escuela Técnica Superior de Ingenieros Agrónomos, Universidad Politécnica de Valencia, Spain

**Thesis director:** José M García Álvarez-Coque

**Title:** Strategies for the development of an *interface* marketing structure between small producers and mass distribution (1999)

**Author:** Manuel Afonso Barroso, Zootechnician, Portugal

**Place of realization:** Facultad de Economía, Universidad de Porto, Portugal, and Departamento de Gestión de Empresas, Universidad Pública de Navarra, Pamplona, Spain

**Thesis directors:** Américo Mendes and Ildefonso Grande

**Title:** Consumer preferences for ecological products (1997)

**Author:** Inci Tekelioglu, Economist, Turkey

**Place of realization:** Departamento de Gestión de Empresas, Universidad Pública de Navarra, Pamplona, Spain

**Thesis director:** Mercedes Sánchez

## REFERENCES OF THE MAIN ACADEMIC STAFF TEACHING WITHIN THE M.Sc. PROGRAMME

Some 35 invited lecturers from about 10 countries participate in each edition of the M.Sc. programme of which, 69% come from Higher Education Institutions, 10% from Private Companies, 9% from Research Centres, 9% from International Centres and 3% from Administrations. Considering their implication in the programme, the following academic staff is taken as reference:

- Luis Miguel **ALBISU** Scientific coordinator, Centro de Investigación y Tecnología Agroalimentaria (CITA), Unidad de Economía Agroalimentaria, Zaragoza (Spain)
- Marianne **ALTMANN**, Co Concept Marketing Consultancy, Luxembourg (Luxembourg)
- Michael **BESCH**, Technische Universität München, Department of Agro-Food Marketing, Freising-Weihenstephan (Germany)
- Sanjib **BHUYAN**, Rutgers University, Department of Agricultural, Food and Resource Economics, New Jersey (United States)
- David **BLANDFORD**, Pennsylvania State University, Department. of Agricultural Economics and Rural Sociology, University Park (United States)
- Julián **BRIZ**, Univ. Politécnica de Madrid, Departamento de Comercialización Agraria, Madrid (Spain)
- Javier **CALATRAVA**, Instituto Andaluz de Investigación y Formación Agraria (IFAPA), Departamento de Economía Agraria y Sociología Rural, Granada (Spain)
- Hoy F. **CARMAN**, Univ. California, Department of Agriculture and Resource Economics, Davis (United States)
- Julie **CASWELL**, University of Massachusetts, Department of Resource Economics, Amherst (United States)
- Philip **GARCIA**, Univ. Illinois, Department of Agricultural and Consumer Economics, Urbana-Champaign (United States)
- Georges **GIRAUD**, Ecole Nationale d'Ingénieurs des Travaux Agricoles (ENITA) de Clermont-Ferrand, Unité Typicité des Produits Alimentaires, Lempdes (France)
- Ildefonso **GRANDE**, Univ. Pública de Navarra, Departamento de Gestión de Empresas, Pamplona (Spain)
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