

FIS 501: FISH PRODUCTION AND MANAGEMENT (3 UNITS)

MARKETING OF FISH AND FISH PRODUCTS

BY

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- Traditionally fish marketing and distribution systems involve the collection, processing and transportation of fish from fisher folk at remote landing areas to major consuming centers. This activity in most part of Nigeria is done by women.
- The fresh fish could be further differentiated into those from fish farms and those from: rivers (riverine), reservoirs (Lacustrine), lagoon (estuarine) and the sea (marine).
- Fresh fish is sold at landing site to middle men processor who smokes the fish (sometimes smoking is done by the family processors) and sell to distant wholesaler or middlemen transporter, this fish then pass through some intermediaries before getting to the retailers who finally sells to consumers.

- Marketing is the series of human activities by which a product is exchanged between the producer and the consumer during which the place, time, form and possession desires of the consumers are satisfied.
- Elements of the definition are: (1) Series of activities (2) Product (3) Producer and consumer and (4) Satisfaction of wants.
- The commonest products are: fresh, iced, dried and smoked fish, they are bought by high and low income consumers.
- Marketing processes actually should begin well before production takes place and should continue even after a product has been sold to consumers.

IMPORTANCE OF MARKETING IN FISHERIES

- It locates areas of surplus production and relocates the produce to areas of shortages.
- Income from export trade provides foreign exchange for import of agricultural machines.
- Provides information to the farmer on what and how much of a produce he is to produce.
- Ensure the availability of seasonal produce at off season.
- Creates employment
- Attracts basic amenities to rural communities.
- Through it, consumers taste is known thus enabling research to revalue varieties and better forms of produce.
- Encourages or motivates farmers to produce more.
- Ensures growth of the fish industry and continuity.
- Increases efficiency in business operations, provides customers satisfaction and improves standard of living of people.

MARKETING FUNCTIONS

- Physical function: This is series of activities that involves transportation, storage, handling and processing.
- Facilitating Function: This includes all non-physical activities that are involved in the smooth running of the fish market. These are: standardization, financing, market intelligence and risk bearing.
- Exchange Function: This is the judgment of value, usually expressed as 'Price'. It comprises of negotiating for the title of the fish and fish products in a favourable term of exchange. This is buying and selling function.

PROBLEMS OF FISH MARKETING

- Lack of Funds/capitals
- Negative activities of middlemen
- Transportation and communication
- Inadequate storage and warehousing
- Poor market organization
- Lack of institutional support
- Poor road networks

TOTAL MARKETING ENVIRONMENT

- The total marketing environment of the firm involved the controllable factors (the marketing mix) the resources objectives of the firm, and uncontrollable factors (competitive, political, social and economic).
- **DIAGRAM**

FISH MARKETS

- The fish markets in the state (Ogun) for example operates under either government-influenced or public-influenced systems are many and with permanent structures, however, markets such as Olomore market and other fish landing sites as those in Akere, Ere, Iro, Mokoloki, Magbon, Igbeki Igele, Ode-Omi, Makun-Omi and Awodikora etc are without permanent structures.
- Local fish markets are available in Ode-Omi, Ijebu-Ode, Ijebu-Ife, Ibefun, Abeokuta, Ifo.
- However, full-fledged fish markets of repute like those of Epe, Agbowa, Badagry and Lagos are rare.

- **MARKETING EXTENSION:** This is a form of adult education and literacy programme through which farmers and traders are encouraged, through co-operation, improved market knowledge, efficient pricing, the use of modern methods of storage, processing etc. to undertake none efficient marketing so as to reduce marketing waste, thereby using returns to farmers and for rising consumer satisfaction.
- **MARKETING MANAGEMENT:** This involves the co-ordination of people and fixed in order to achieve the objective of moving commodities from production into consumption.
- Important factors in marketing management include pricing, organizational structure, human behavior, public relations, advertising etc.
- Management is getting things done through others.
- Marketing management is therefore the planning, organization and control of people and activities to achieve the marketing objective.
- **MARKET ORGANIZATION**
- Another area of interest in the study of marketing is how middlemen and institutions are grouped together in carrying out the marketing functions.
- These arrangements make up what is known as marketing channel.

MARKETING CHANNEL

- A M.C is simply the path of a commodity from its raw form to the finished form or the path of a product as it moves from the producers to the final consumers.
- M.C. are input in evaluating marketing system because they indicate how the various market participants are organized accomplish the movement of a product from the producer to the final consumer.
- **TYPES OF M.C** (i) Centralized channel and (ii) decentralized channel

I. CENTRALIZED M.C.: Is one in which the farmer's products or commodities are brought together in larger central and terminal markets.

- There they are purchased by the processors or wholesalers from commission men and brokers who act as the farmer's selling agent.

II. DECENTRALIZED M.C.: On the other hand is one that does not use such established large market facilities rather, wholesalers and processors purchase directly from the farmers.

- The M.C. for agricultural products in Nigeria is mainly the decentralized type.
- Decentralization means that farm products move from farms and into the hands of processors and wholesalers without utilizing the services of the older, established terminal facilities.
- Buying agents of processors, wholesalers and the retails firms contact producers and take title to the products in the production area.

DIAGRAM

MARKETING CHAIN

- The marketing chain describes the succession of markets through which products pass until they reach the consumers.
- It is part of the marketing channel.
- The study of marketing chain is important in that it reveals the relative importance of various markets or exchange points in the marketing system.
- A long marketing chain implies that the commodity changes hands many times before reaching the final consumers.
- The longer the chains the higher the price that the consumers will have to pay.
- The length of the chain depends on the nature of the commodity and how far the consumers are from the producing areas.

ORGANIZATIONAL EXPANSION

- There are two main ways in which marketing firms can grow in size, namely integration and growth by diversification.

MARKET INTEGRATION (MI)

- MI. is the grouping of firms that perform similar functions under one management.
- It enables marketing firms and agribusiness firms to grow in size and increase their marketing power.
- It is the process of expansion for marketing institutions through which additional agencies or functions are brought together under one management.
- There are two types of integration namely: Vertical Integration and Horizontal Integration.

VERTICAL INTEGRATION (VI): This is one in which a firm combines activities which are not similar to its present function but related to them in sequence of marketing activities.

- The simplest meaning of V.I. is “OWNERSHIP”.
- When a firm owns two or more levels of production or marketing.
- A livestock/fisheries feed company which feeds its own fish rather than selling the feed alone is said to be V.I.
- Likewise a fish packer which owns retail stores and sells fish directly to consumers is V.I.

HORIZONTAL INTEGRATION: This refers to a situation where a firm gains control over other firms performing similar activities at the same level in the marketing sequence.

- For example, small firms that handle processing fish could decide to merge with bigger firms in the same business.
- Such merges enable the firms involved to enjoy a wider market share of the product and also to exercise greater market power.

ADVANTAGES OF MARKET INTEGRATION

- It organizes or co-ordinate the marketing firms to obtain increased operating efficiency or wider market power over selling or buying process.
- It has effect of shortening the marketing chain between the producer and the final consumer. Integration thus helps to reduce marketing margin.
- Integration could increase the profit of a firm because it may place a firm in a more advantageous bargaining could help to firm to influence the market price.
- Integration could also enable a firm to operate with greater efficiency and lower cost. It guarantees steady supply of inputs to agribusiness firms and ensures uninterrupted flow of products to consumers.

DEMERITS OF INTEGRATION

- The concentration of market power in a few firms. For example vertical integration of a firm already possessing substantial market power may be anti-competitive because it may make entry more difficult for potential competitors.
- It gives the integrated firm the power to exert a prize squeeze.

MARKETING EFFICIENCY

- Marketing efficiency can be defined as the maximization of an input – output ratio, when the output is consumer satisfaction or utilities created in the marketing system and the inputs are the different resources (land, labour, capital, management, etc), used in marketing.
- Also be defined as the movement of commodities at the least cost consistent with the services consumers want.
- Efficiency is defined within the context of the success of a firm to produce as large an output as possible from given sets of inputs.
- Efficiency in the agricultural industry is the most frequently used measure of market performance.
- Improved marketing efficiency is a common objective of farmers, food marketing firms, consumers and the society at large.
- Efficiency is an engineering terminology which is measured as a ratio of output to input.
- Marketing efficiency can be defined as the maximization of the ratio of output to input in marketing.

- Efficiency ratios can be expressed in physical term or in monetary terms.
- If monetary terms are used, the efficiency concept becomes a ratio of benefits to costs.
- Expressing marketing efficiency in both physical quantity and monetary terms we have:
- Marketing efficiency (ME) = $\frac{\text{output}}{\text{input}}$
= $\frac{\text{value of output}}{\text{value of input}}$
- Marketing efficiency could be achieved in any of the following ways:
- Output remains constant while input decreases
- Output increases while input remains constant
- Output increases more than increase in input
- Output decreases more slowly than decrease in input
- The higher the efficiency ratio the higher is the market efficiency.

TYPES OF MARKETING EFFICIENCY

- The performance of the firm is viewed as an input-output system; this makes the measures of efficiency easy as a ratio of output to input.
- Marketing efficiency can be broken down into the three concepts of (1) operational (technological), (2) pricing (economic) and (3) over-all efficiencies.

FACTORS FOR PRICING INEFFICIENCY

- Lack of price information to consumers.
- Presence of firms that dominate marketing due to location or excellent personnel.

CONDITIONS FOR PRICE EFFICIENCY

- The consumers must be provided with numerous alternatives from which they can choose.
- The price must reflect the cost of providing the goods and services.
- Free entry into and exit from the marketing.

PROSPECTS OF FISH MARKETING IN NIGERIA

- Advancement in marketing will lead to development of other industries producing accessories for packaging rather than relying on used materials. This will subsequently lead to increase in employment and economic development.
- It will implore research into more techniques of fish preservation and preparation of various fish product so as to meet the different tastes of the consumers and subsequently lead to advancement and general development of the sector.
- Any expansion in the volume of trade occasioned by improved marketing will create for the government further incentives to provide additional infrastructure like road, storage facilities and warehouse etc. which will link up the villages to urban centres and improve the living standard of the participants which will subsequently enhance their performance.
- With good and efficient marketing set-up, fish supply can be guaranteed throughout the year with little variation in prices. This will favour the producer, consumer and even policy makers for appropriate economic planning in the country.
- Good fish marketing will ensure production of the right product at the right time and at the right place and form and in effect will ensure judicious use of resources to the best advantage of the fisher folk.

TERM PAPERS

- Fish Marketing in Nigeria: Prospect and Challenges
- Consumer is a king, Discuss.
- Marketing add value to fish and fish product, Discuss.

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