

## Investigation of Advertisement Strategies Regarded to Iran's Pistachio

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**Abstract:** Iran is the first producer and exporter of Pistachio in the world. The research is on codification of advertisement strategies in coherence with the export of pistachio in Kerman province by SWOT model. Objectives of the research were determining the most important advertisement strengths, weaknesses, opportunities and threats of Kerman exporting pistachio and proposing appropriate strategies. At first according to the evaluations done on interior and exterior environment of exporting pistachio advertisement of Kerman province, a list of strong and weak points, opportunities and threats was observed. And after doing a survey by means of questionnaire from authorities (pistachio exporters of Kerman province) the statistical "T" test applied to confirm or deny the strong and weak points, opportunities and threats. Then by weighing each of the confirmed above mentioned factors through Likert spectrum and estimating the total weights, average weights and finally approximate weight, priorities were clarified. Eventually for eliminating or lessening the weak points, threats and improving and strengthening the strong points and available advertisement opportunities in accordance with Kerman province pistachio exporting, using SWOT analytical method appropriate strategies were submitted such as identifying and segregating new markets and using international advertisement agencies for promotion and competing with rivals in view of the superior quality of Kerman's pistachio.

**Keywords:** Strengths, Weaknesses, Opportunities, Threats, Strategy, Pistachio, Kerman, Marketing

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### INTRODUCTION

Pistachio as one of the most important non-oil exports always had the biggest share of export in Iran. In the current situation Iran possesses about 41 percent of global pistachio production and almost 60 percent of its worldwide export and the currency revenue gained from Iran's pistachio export exceeds 1 billion dollars annually (FAO, 2009). Iran's export sector was not successful enough in development due to lack of a suitable and efficient marketing and management system. Whereas in most cases the exported goods and services, although with a good quality often exceeding global standards, were not able to find their desired place in worldwide markets simply because there is not a suitable and efficient

marketing system in foreign trade sector. In most of the situations businessmen have made bed for imports rather than exports. That is because the exporters tend to advertise foreign products in their own country and improve their consumption rate rather than advertising their exported goods in the target market using scientific methods. On the other side of this issue are the uninformed sellers and solicitors whose arrival in the field of exports has decreased our exports in some of the global markets. Of course lack of accurate information about the conditions of global markets on the side of our manufacturers is another main factor diminishing our share in these markets. In 2006, the major producers of pistachio are Iran, The US, Turkey, China and Syria. Among which Iran, in

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terms of high volume production has a specific location, also the major exporters in 2007 are Iran, The US, Germany, Hong Kong and Netherlands. Iran is the largest exporter of pistachio in the world. About 80 percent of Iran's pistachio production is exported [1]. Since pistachio enjoyed the first place in agricultural and non-oil materials export, and because it is a completely Iranian product and Iran has the bulk of its market share at hand and Kerman province is in charge of 70% of pistachio production of the country, it seems essential to consider the export condition and the role of advertisement in the promotion of pistachio export. For the same reason, in this study the researcher will try to compile a marketing strategy related to pistachio export of Kerman province according to SWOT model. Below there are some studies already done on Pistachio export.

Taheri (1994) studied pistachio export problems and proposed desiderated solutions for them. In this study the factors influencing pistachio export was identified and then they were assigned a position in this field [2]. Shafiei (1999) studied assessing the marketing of Rafsanjan's pistachio [3]. First the marketing services of pistachio are analyzed and then its domain is determined and finally using methods of economical analysis the factors influencing the sales methods of pistachio growers of the area are identified. Rezai Some'e (2000) studied factors positively influencing the export of Iran's pistachio [4]. In this research, given that pistachio export with a qualified management and knowledge of factors affecting its export success will generate considerable foreign currency revenues for the country easing the global competition; these factors have been thoroughly studied. Sedaghat (2007) studied marketing margin and efficiency of Iran's Pistachio [5]. This study compared private and cooperative sectors. Results revealed that none of the channels of marketing are efficient, but cooperative sector dose more efficient compare to private sector. Also results indicated

that export to Europe is more efficient than export to the other markets. Sedaghat (2009) forecasted the world pistachio market demand, supply and price [6]. Results showed that each new investment on pistachio production remains economical if and only if yield/hectare remains at least stable and production costs increases with the rate of less than 52.5 percent during each five years in future.

Thus there is no coherent and comprehensive study about the topic of the present study and it can be claimed that this is a genuine and pioneer study.

## **MATERIALS AND METHODS**

### *Research Data process*

The participants were all of the 60 active exporters of Kerman province based on the estimations of Iran's pistachio research institute records. The sampling method used in this study is Random Sampling, since all the participants were given an equal chance to participate in the study [7]. The number of sample population determined by 37 exporters. A questionnaire was prepared to fulfill the objective of the study and completed by the sample exporters.

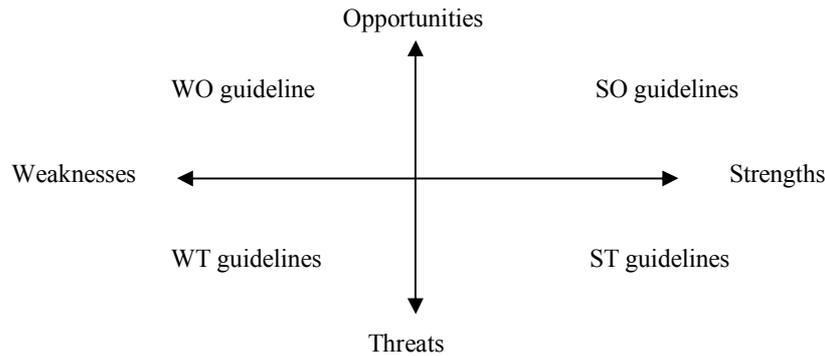
### *Research models*

To achieve the goals of the study a compound approach (explanatory survey method) was used. First, a nomenclature of strengths (6 factors), weaknesses (13 factors), opportunities (12 factors) and threats (7 factors) were presented. A single-variable t-test was used to ratify or reject the strengths, weaknesses, opportunities and threats. Then according to Likert spectrum each of the approved factors were weighed after that, sum of weights, mean of weights and relative weight were calculated. The null hypothesis and the alternative were as follows:  $H_0: \mu \leq m$   $H_1: \mu > m$

At the end suitable strategies for Kerman pistachio export were proposed using the SWOT model .The evaluation procedure of internal and external

environments of an entity refers to SWOT analysis. Using this tool, the strengths and weaknesses of the internal environment and opportunities and threats of the external environment were analyzed. This method was based on the logic maximizing the strategies of efficacy, strengths and opportunities and meanwhile minimizing the weaknesses and

threats. To determine the guidelines, first the strengths, weaknesses, opportunities and threats were analyzed while looking at the internal and external environments of the organization which were determined based on the SWOT matrix as follows:



Source: Pierce & Robinson, 2006[8]

Fig 1. SWOT analysis figure

SO guidelines are the guidelines for maximum usage of environmental opportunities while incorporating the strengths of the organization. ST guidelines are the guidelines for usage of strengths to prevent the threats. WO guidelines are the guidelines for the usage of potential opportunities implied in the environmental opportunities to compensate for the weaknesses of the organization. WT guidelines are the guidelines for minimizing the disadvantages of threats and weaknesses.

## RESULTS AND DISCUSSION

### *The Influential Internal Factors' Matrix (Strengths/Weaknesses) and the Relative Weight and Prioritizing Each of Them*

In this section the questions were given a relative weight to prioritize the factors of strength and weakness. First the sum of all weights, the mean of weights and the relative weight of every question that was approved by the test is calculated and presented in Table 1. Then using the relative weight, the strengths were prioritized.

- The sum of weights: the sum of scores of choices for the given question.
- The mean of weights: the sum of scores of choices for the given question divided by the number of respondents of the same question.
- The relative weight: sum of all weights divided by (the number of respondents \* 5). While the 5 multiplier was used for yielding the maximum possible weights.

Table 1 shows the influential internal factors' matrix (Strengths/Weaknesses) and the priorities of the studied questions based on the relative weight. It can be concluded from the table that the weaknesses have a relative weight of more than 0.6 in all cases which shows the seriousness of internal weaknesses of Kerman province's pistachio advertisements.

As is apparent, the relative weight of weaknesses is significantly high compared to strengths which necessitate the incorporation of specific strategies related to the topic.

Table 1. The influential internal factors' matrix (Strengths/Weaknesses)

Strengths		Weaknesses	
Factor	Relative weight	Factor	Relative weight
S1: The superior quality of Kerman's pistachio compared to foreign competitors	0.772	W1: Lack of knowledge of environmental variables which influence the advertisement proves	0.815
S2: Appropriate use of the name and reputation of Kerman's pistachio	0.676	W2: Lack of suitable packing compared to the rivals	0.807
		W3: Lack of knowledge on the part of exporters of modern techniques of advertisement	0.800
		W4: Lack of appropriate information giving systems	0.787
		W5: Lack of exact statistical data in pistachio advertisement sector of Kerman province	0.779
		W6: Unavailability of subsidies and facilities of export to the exporters of pistachio	0.764
		W7: Lack of knowledge of global markets	0.759
		W8: Not having directed advertisement process in Kerman's pistachio export	0.757
		W9: Lack of an appropriate commercial name	0.750
		W10: Not having an active presence in the national and international exhibitions	0.733
		W11: Not using modern technologies in order to speed up the international trade process	0.729
		W12: High costs of advertisement	0.711
		W13: Lack of sufficient information about the evolution of the market	0.673

Source: Research findings

*The Influential External Factors' Matrix (Threats/Opportunities) and the Relative Weight and Prioritizing Each of Them*

Table 2 shows the influential internal factors' matrix (Threats/Opportunities) and the priorities of the studied questions based on the relative weight. Based on the results of this table, it can be witnessed that the matrix of opportunities possesses rather high weights which is indicative of the fact

that improvement in Kerman's pistachio advertisement will be met with highly potential and significant opportunities. And with harvesting these opportunities, desirable strategies for Kerman's pistachio advertisement can be presented. Based on the results of this table, all the proposed opportunities have a relative weight of more than 0.72 which is suggestive of a significant importance in Kerman's pistachio advertisement.

Table 2. The influential external factors' matrix (Opportunities/Threats)

Opportunities		Threats	
Factor	Relative weight	Factor	Relative weight
O1: A great reputation (global fame) of Kerman province's pistachio	0.893	T1: Effective advertisement campaigns for foreign competitors	0.893
O2: The internal and external exhibitions for Kerman's pistachio	0.841	T2: Lack of knowledge of pricing approaches of the competitors in international markets	0.836
O3: Identifying and segregating new markets	0.822	T3: Lack of specialized managers who are experienced in advertisement	0.836
O4: Using a customer-oriented approach in production and export of Kerman's pistachio	0.786	T4: The fact that Iran hasn't yet joined WTO	0.821
O5: Providing facilities for advertisement and marketing from the funds of export initiatives, especially in expert magazines	0.779	T5: A higher inflation rate than that of global community	0.821
O6: Paying attention to effective environmental factors of advertisement and export of pistachio	0.772	T6: The increase in global competition and presence of new rivals	0.807
O7: Having active research institutes	0.726	T7: Lack of management for a suitable distribution and lack of specialized personnel as solicitors	0.807
		T8: No budget for advertisements on part of exporters	0.800
		T9: Lack of attention on the part of pistachio exporters to the needs of the customers	0.766
		T10: Not using international advertisement agencies	0.764
		T11: Increase the costs of pistachio advertisements	0.736
		T12: Not having an active private sector	0.671

Source: Research findings

*Presenting Advertisement Strategies for Kerman Province's Pistachio Using the SWOT Model*

Table 3 shows the Final SWOT Matrix for Policies, Breakthroughs and Solutions of Kerman Province's Pistachio Advertisement. Using this table a complete and comprehensive model of Kerman province's pistachio export can be achieved.

**SUGGESTION AND POLICY IMPLICATION**

Based on the results of study, the following

suggestion can be made to enhance pistachio export in Iran:

Improving the storage and transportation systems, Reinforcing the pistachio research structure in the country , providing identification card only for those who have enough scientific and practical knowledge on pistachio export, Detailed control of the quality of the packaged pistachio and finally Active participation in international scientific conferences, meetings and exhibitions.

Table3. The SWOT matrix

<p style="text-align: center;"><b>SWOT</b></p> <div style="text-align: center;"> <p><b>External factors</b> →</p> <p><b>Internal factors</b> ↓</p> </div>	<p><b>Opportunities:</b></p> <p>O<sub>1</sub>: A great reputation (global fame) of Kerman province's pistachio</p> <p>O<sub>2</sub>: The internal and external exhibitions for Kerman's pistachio</p> <p>O<sub>3</sub>: Identifying and segregating new markets</p> <p>O<sub>4</sub>: Using a customer-oriented approach in production and export of Kerman's pistachio</p> <p>O<sub>5</sub>: Providing facilities for advertisement and marketing from the funds of export initiatives, especially in expert magazines</p> <p>O<sub>6</sub>: Paying attention to effective environmental factors of advertisement and export of pistachio</p> <p>O<sub>7</sub>: Having active research institutes</p>	<p><b>Threats:</b></p> <p>T<sub>1</sub>: Effective advertisement campaigns for foreign competitors</p> <p>T<sub>2</sub>: Lack of knowledge of pricing approaches of the competitors in international markets</p> <p>T<sub>3</sub>: Lack of specialized managers who are experienced in advertisement</p> <p>T<sub>4</sub>: The fact that Iran hasn't yet joined WTO</p> <p>T<sub>5</sub>: A higher inflation rate than that of global community</p> <p>T<sub>6</sub>: The increase in global competition and presence of new rivals</p> <p>T<sub>7</sub>: Lack of management for a suitable distribution and lack of specialized personnel as solicitors</p> <p>T<sub>8</sub>: No budget for advertisements on part of exporters</p> <p>T<sub>9</sub>: Lack of attention on the part of pistachio exporters to the needs of the customers</p> <p>T<sub>10</sub>: Not using international advertisement agencies</p> <p>T<sub>11</sub>: Increase the costs of pistachio advertisements</p> <p>T<sub>12</sub>: Not having an active private sector</p>
<p><b>Strengths:</b></p> <p>S1: the superior quality of Kerman province's pistachio compared to foreign competitors</p> <p>S2: appropriate use of name and reputation of Kerman's pistachio</p>	<p><b>Competitive/Aggressive Strategies (SO):</b></p> <ol style="list-style-type: none"> <li>1. Encouraging exporters to have a more effective and active participation in international exhibitions and international advertisements and marketing</li> <li>2. Promotion of global markets regarding the fame and superior quality of Kerman province's pistachio compared to the rivals</li> <li>3. Providing facilities and export prizes to pistachio exporters aiming to improvise and change the global advertisement and marketing</li> <li>4. Holding scientific, specialized and commercial seminars and conferences inside and outside the country</li> <li>5. Advertising and keeping presence in export markets in a coherent and organized way</li> <li>6. Conducting marketing research to identify and segregate new markets</li> <li>7. Using customer-centered approaches in packaging and pricing</li> </ol>	<p><b>Variety Strategies (ST):</b></p> <ol style="list-style-type: none"> <li>1. Using international advertisement agencies for promotion and competing with rivals in view of the superior quality of Kerman's pistachio</li> <li>2. Following a membership request in WTO using the high quality of Kerman's pistachio</li> <li>3. Training experts and specialized managers in advertisement affairs</li> <li>4. Studying and screening the behavior of global competitors in the field of advertisement campaigns</li> <li>5. Providing state-facilities to exporters for the purpose of advertisements</li> <li>6. Establishing advertisement agencies for Kerman province's pistachio inside and outside the country</li> <li>7. Training qualified and specialized personnel as marketers</li> <li>8. Encouraging private sector investments in establishing big and capable corporations in marketing and advertisements regarding the name and reputation of Kerman's pistachio</li> </ol>

Con.Table3: The SWOT matrix

<b>Weaknesses:</b>	<b>Reviewing Strategies (WO):</b>	<b>Defensive strategies (WT):</b>
<p>W<sub>1</sub>:Lack of knowledge of environmental variables which influence the advertisement proves</p> <p>W<sub>2</sub>:Lack of suitable packing compared to the rivals</p> <p>W<sub>3</sub>:Lack of knowledge on the part of exporters of modern techniques of advertisement</p> <p>W<sub>4</sub>:Lack of appropriate information giving systems</p> <p>W<sub>5</sub>:Lack of exact statistical data in pistachio advertisement sector of Kerman province</p> <p>W<sub>6</sub>:Unavailability of subsidies and facilities of export to the exporters of pistachio</p> <p>W<sub>7</sub>:Lack of knowledge of global markets</p> <p>W<sub>8</sub>:Not having directed advertisement process in Kerman's pistachio export</p> <p>W<sub>9</sub>:Lack of appropriate commercial name</p> <p>W<sub>10</sub>:Not having an active presence in the national and international exhibitions</p> <p>W<sub>11</sub>:Not using modern technologies in order to speed up the international trade process</p> <p>W<sub>12</sub>:High costs of advertisement</p> <p>W<sub>13</sub>:Lack of sufficient information about the evolution of the market</p>	<ol style="list-style-type: none"> <li>1. Active and routine presence of Kerman's exporters in international exhibitions</li> <li>2. Using experts of research centers of Kerman's pistachio and also the experts in advertisements to identify environmental variables that influence the process of advertisement in Kerman province</li> <li>3. Identifying tastes and demands of the market (design, color, size, etc.) to provide a packaging in accordance with the needs and tastes of the customers</li> <li>4. Establishing regulated and focused information giving centers to collect statistical data and to provide fast and timely information to exporters.</li> <li>5. Providing facilities for advertisements from the exports motifs funds specially in specialized magazines and international TV channels in an effort to increase Kerman's pistachio advertisement in international markets</li> <li>6. Holding training courses to familiarize the exporters with modern commercial technologies</li> <li>7. Developing organized plans regarding influential environmental factors for a goal-oriented and efficient advertisement</li> </ol>	<ol style="list-style-type: none"> <li>1. Knowing the advertisement methods of competitors in foreign markets</li> <li>2. Teaching the modern and scientific methods of advertisement, exports and electronic commerce to the exporters and training an efficient and specialized workforce who have mastered the rules and regulations of international markets</li> <li>3. Supporting the exporters and giving out rewards and export initiatives to improve the advertisement system of Kerman province's pistachio</li> <li>4. Making facilities available for the private sector in order to design and implement suitable packaging techniques for Kerman's pistachio to maintain a healthy competition with rivals</li> </ol>

Source: Research findings

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