

Developing your Marketing Plan for Success

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Marketing is Everything!

- Knowing the most you can about everything related to:
 - Product and/or Service
 - Marketing options/strategies
 - Customers
 - Local marketing resources
 - Competition

Developing a Marketing Plan

Charting your course...

- Involves Research and Analysis
- Forces you to:
 - *Know* your product or service
 - *Develop* your niche, your target market, your uniqueness
 - *Decide* on most effective methods

RESEARCH: Staying aware of market trends

- Knowing your product
 - History of sales in industry
- Knowing your target market
 - Current and future trends in consumer demand
 - Demographics
 - Economics
 - Preferred attributes



Trends

- Population Demographics
 - Increasing population
 - Regional shifts - to South and West
 - Aging Population
 - Increase in numbers who live alone
 - Population more educated
 - Increase racial and cultural diversity

Economic Trends

- Income growth at 1% per year
- Increase in expenditures on food
 - By 2020 increase by 50- 80 million

Changes in eating and purchasing habits

- Projections favor a large demand for fruit (apples, citrus and grapes)
- Less meat, fish is up, and eggs & poultry are even
- Organic segment increase
 - 30% of population report they have purchased organic products in the last year



Food consumption trends

- People are buying food for reasons other than just "for food"
- As we become a richer society we become more discriminating
- More are looking for "Experiences" associated with their food and with the outdoors/nature

Attributes of food that will sell

- Freshness
- Flavor
- Nutrition
- Aesthetics
- Diversity of varieties (color and size)
- Novelty products
- Heritage varieties (nostalgia)



Other attributes

- Convenience
- Value-added
- Services "beyond products"
- Attributes that relate to their values
 - Environmentally friendly production practices
 - Treatment of labor or animals
 - Family owned
 - Locally produced



Research consumer trends? YES!

- There are several market segments for producers to tap into.
- Researching consumer buying habits can help producers develop a market niche.

Developing your Product Definition

- Product features
- Service features
- Marketing season
- Benefit to buyer



Identifying a target market

- Demographics
- Lifestyle
- Expectations

Identification of your customers

- Who are your customers?
 - Where they live and shop
 - What they want; when
 - How much they would use



Customer values



- Health conscious?
- Concern about the environment?
- Support of local farmers?

What are benefits of your product or service?



Research Data

- Secondary - Studying data already collected and published
- Primary - gathering information through observing, surveying, interviewing

Secondary

- Demographics
 - How many and types of people? Age, ethnic background, income levels, etc.
- Consumption data - average lb. of certain foods consumed
- Trends - specific market studies

Sources of Secondary Data

- Economic Research Service
<http://www.ers.usda.gov/>
- National Ag Statistical Service
<http://www.usda.gov/nass/>
- Ag Marketing Service (AMS)
<http://www.ams.usda.gov/>

Collecting Primary Data

- Observation
- Surveys
- Personal Interviews
- Product Testing/Tasting

Tips on Surveys

- Formulate questions to receive quantifiable information
- Multiple choice and checklists
- Sampling method, size and response rate influence results

Assessing the Competition

- Who sells similar products
- Conduct a competitive analysis
- Look at Strengths, Weaknesses, Opportunities and Threats (SWOT analysis)

Current market demand

- Use demographic data and consumption data or even estimation
- Estimate should be on conservative side

Estimating Price and Volume

- Research price range, variation and trends
- Sales volume to meet demand
- Factors influencing price and volume of product

Evaluating your research

- Based on marketing analysis
- Consider production limitations
- Realize that the market is dynamic

Marketing Strategies

- Choice will depend on:
 - Location
 - Population demographics
 - Personality
 - Product and/or service
 - Expertise level
 - Economics
 - Other...

10 Ways to Market your Products

- Farmers' markets
- U-Pick
- Farm stands
- Ag Tourism
- Community Supported Agriculture (CSA)

10 ways...continued

- Grocery stores
- Restaurant sales
- Cooperatives
- Mail order catalogs/ Internet
- Custom sales

Narrowing down your options

- Select three potential market strategies
- Evaluate pros and cons of both

Other Tips for Marketing Success

- Diversification
- Be unique and tell your story
- Build relationships
- Focus on quality
- Have a plan
- Monitor your progress
- Enjoy what you do...

Diversification to reduce risk

- Use a combination of marketing methods
 - Increases sales
 - Spreads out labor
- Diversification helps promote stability and sustainability



The Sustainable Advantage:

- Your uniqueness cannot be duplicated
- Identify your unique characteristics
- Clearly define your product niche



Quote of the day:

Your uniqueness is your only source of profitability that cannot be competed away, and thus, is the only source of sustainable profits.

- John Ikerd

What are the unique qualities of YOUR products or services?

Tell your story

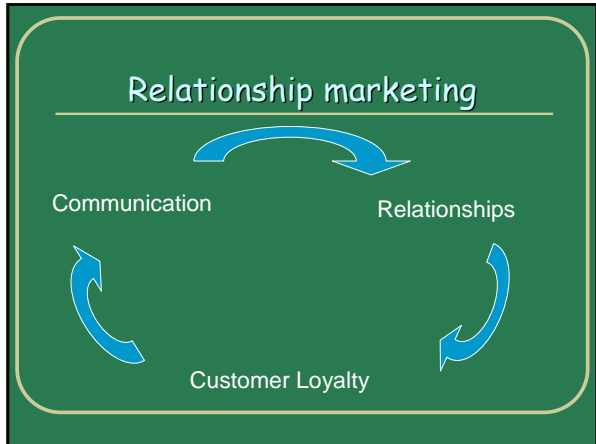
- The farm
- Your farming practices
- How to use products
- Benefits of products



Market your message

- In everything you do
- More information is better





Quality is Everything

- Sell quality
- Professionalism
- Presentation

Have a Plan...

- Business plan is a roadmap to success
- Yearly sales goals
- Markets identified
- Distribution plan

Monitor your progress

- Keep marketing records
- Assess costs and benefits
- Did you meet your goals?
- Identify problem areas

Parting Thoughts

*Do what you love,
love what you do...*