

Marketing for Profit: Tools for Success

The Farmers Market Federation of NY and the NY Farm Viability Institute have partnered with USDA Northeast SARE to present a series of webinars on marketing, *“Marketing for Profits: Tools for Success”*. The series will include coverage of 5 categories of marketing concepts spanning three years: Self-Assessment, Market Assessment, Customer Assessment, Communications Assessment and Business Assessment. Each Assessment will be a series of 3 webinars. These webinars have been designed with the assistance of regional and national marketing experts to provide critical marketing insights for farmers and farm marketers throughout the Northeast. To participate in the webinars, contact Diane Eggert at deggert@nyfarmersmarket.com to register.

2012

Year 1 Curriculum: Self Assessment

Assessing Your Identity

January 10 (10am – 11:30am) & 12 (7pm – 8:30pm)

Speaker: Steve Hadcock, CCE Columbia County

Laura Biasillo, CCE Broome County

An objective look at what your business is, and a realistic assessment of what it might become in the future.

Understanding the market, your current capacity and the possibility for future growth and changes in the business model you are pursuing. More challenging than you may think, but more rewarding than you can imagine in both the short and long term. Having a viable, solid perspective on your business is the foundation upon which many marketing decisions will be made and marketing options shall be assessed.

You must also understand yourself – how does your individual personality, likes and dislikes fit into the equation? This workshop will walk you through a self-analysis and get you started on the road to profitability by entering the marketing channels that best fit you and your farm.

What’s out there? Exploring Marketing Channels

February 7 (10am – 11:30am) & 9 (7pm – 8:30pm)

Speaker: Matthew LaRoux, CCE Tompkins County

Part one of this analysis ends at the edge of your property or the limits of your farmstand. Part two starts in that same place as we account for the multitude of marketing options and how (or IF) they fit into the vision you have outlined. Once you have completed a self-analysis, you need to understand various marketing channels to find those that fit you and your farm. This workshop will provide an analysis of various marketing channels, what they are, how they operate, the requirements of each, what your marketing costs per channel would look like, and how partnerships with other farmers, distributors, account managers, etc., fit into each channel.

Where are We and Where do we Want to be?

February 21 (10am – 11:30am) & 23 (7pm – 8:30pm)

Speaker: Steve Holzbaur, Fingerlakes Fresh, CNY Bounty

Now that we have formulated a vision of who we are and where we fit into marketing “picture” we have to project this information and see how well we can focus the information. What are the trends within the marketing channels? What is your capacity to effect change both within your business and their capabilities?

What may we expect of the “partners” we have identified in the development and execution of a marketing program? Of greatest importance, how will these decisions impact product price and/or business profitability?

2012- 2013

Year 2 Curriculum: Market Assessment

Learning to Look Around, or, Getting Your Head in the Game!

December 4 (10am – 11:30am)

December 5 (7pm – 8:30pm)

Speaker: Bob Buccieri

- Competition
- Product
- Channel
- pricing

Simply stated, this is a realistic assessment of the conditions of the market.

How competitive is the field? Are ten people selling the product or 200? How reliable is the product in terms of being able to project your SUPPLY and estimate at the DEMAND?

How unique, well known, well established, entrenched, etc. is the product? (A tomato is better known than a kiwi, and can influence price, supply, perception, need for education, etc.)

What is the channel in which you are operating? Farm stand, market, CSA, direct sales, large scale commercial sales (Wegmans) or what? Each channel influences the way in which you “go to market”

Pricing is affected by all of the above, and the “elasticity” of that price (or range) that can be asked must be determined. Even within each of these categories, there is “fine tuning”. For instance the Ithaca Market is more \$\$\$ than the Seneca Falls Farmers Market for the same product, competition, and (obviously) the channel used.

How smart ARE you, Really?

Speaker: Warren Abbott, Abbott Farms, Baldwinsville, NY

December 10, 10am – 11:30am

December 11, 6pm – 7:30pm

- Planning the Product
- Incorporating marketing data, sales data
- Extension possibilities
- Price modeling

Simply stated; what sells where and, to whatever extent you can determine, WHY does it sell?

A farmer MAY think “I have to devote the majority of my acreage to peppers and tomatoes because these are the two most popular, bestselling items.” A farmer COULD think “There’s no one selling white onions and there is an opportunity there (based on other research) so I am converting some of my acreage to white, red and yellow onions.” This is the essence of “how smart are you?”

Once you have all the information you can reasonably gather you must apply it. If things are only “good”, but not “great” how do you make it better? What are you selling and can you build on it. Offering three different kinds of lettuce is different than offering three different kinds of eggplant, but either (or, with seasonal offerings BOTH) can work in your channel, farm or marketing plan. This is a “diversity extension” of the same product.

You may also extend by adding radishes to your carrots and building a capacity and reputation for root crops. Or, you may find that herbs can work with your tomatoes and peppers. You can package a group of tomatoes and herbs under a title of “sauce package” and sell as individual or as a prepackaged group. These are examples of extensions through association in that the customer has a preconceived notion or can be easily educated to combine certain products or types of products.

All this (and everything else for that matter) leads to price modeling, and there’s a hundred ways to do this. While the GOAL may be to maximize profitability, the simple OBJECTIVE is to make certain you protect profitability. For instance, if you sell herbs for \$ 1.50 a bunch and tomatoes for \$ 5.00 a quart and feel you can package the herbs with the tomatoes

for \$ 6.00. Well, maybe you can increase \$\$ by raising the prices on the INDIVIDUAL components which will make the package look even better.

Make certain you are looking at the right data, and seeking the best, most relevant information.

Building the Marketing Plan

Speaker: Marty Broccoli, Agricultural Economic Development Specialist, CCE Oneida County

January 8, 11am – 12:30pm

January 9, 6pm – 7:30pm

- Detailed channel, communications and market analysis

Okay, here we go! You know who you are what you sell and to whom you are trying to sell it. You have an unbiased and reasonably accurate perception of competition, regulations and markets/avenues (or options) for how to sell it.

How do you make this pile of info into a reasonable and coherent “plan”?

It is a process of eliminating things that cannot (or simply should not) happen and reinforcing or “fleshing out” those ideas which should or could happen to move your business forward. As ridiculous as it may sound, you know certain media, methods or locations that will not work for your business. May not involve a lot of deep analysis, but there is value in going with “the gut” to some measure in doing this. To say “radio will not work to advertise my products” is fine, but if you are planning a “Maize Maze” or other specific event, radio can be an excellent promotional device. Television is “too expensive” or reaches “all over the place”, but if you are the only vendor in 50 miles offering Hanshu Beef Product (don’t Google it, it’s fictional) you may want to cast your net over a wide area. Also, the TV pros can come capture a BUNCH of video for you to use elsewhere (web, DVD, e-mails, etc.) and save you extra production costs, so they may have a place in certain situations.

Regardless of your decisions at this stage, be prepared for the day when those media outlets come calling. They will not (usually) accept “I just don’t like you” as an answer AND you may miss a great opportunity to have a marketing pro (hopefully) come up with ideas and approaches (and maybe even some research) for your business! Have an idea for an event, new product extension or even a desire to partner with some other farm/business/event and set them on the trail. If you see the local Kiwanis Fest as a great place to sell but can’t get in (for whatever reason) maybe your local TV/Radio/Newspaper has an idea or an “inside track to help you. NEVER PASS UP FREE HELP!!!

Finally, and most challenging to even seasoned marketing pros is producing an unbiased, comprehensive, insightful market analysis. After gathering census data, reviewing sales data, asking your friends and family members and (most importantly) your customers what they feel is going on, YOU must make the final judgment. But be careful, the last thing you want is a marketing plan that reaches only you and your employees; they (hopefully) know what a great operation you are, it’s the rest of the world that needs to be clued in!

Year 2B Curriculum: Customer Assessment

People Sure Are STRANGE! Coming to understand the consumer

Speaker: Marty Butts, Small Potatoes Marketing

January 15, 11am – 12:30pm

January 16, 6pm – 7:30pm

- Customer service
- Employee training
- Religion/cultural difference/preference
- Geographic differences
- demographics

North of the city of Albany, just across I-90 extension, is the community of Loudonville, one of the more affluent suburbs in New York state. But the other side of I-90 is Arbor Hill which sounds really pretty, but has the lowest income, highest crime rate and is deep in the Urban Jungle. You can drive across the highway in under 30 seconds to bridge this gap, but unless you have a really well developed and diverse business in place, you probably do not want, nor expect to be speaking to both these populations because everything from pricing to product offering will be different in these two neighborhoods, although EACH of them may present opportunities to you.

You must understand these geographic differences. You must engage the customer and come to understand them. If they come to your stand and ask if your product is Kosher, you can be pretty certain they are Jewish. Is there a large Jewish population that you've overlooked? Where do they buy Kosher items? Are they buying for themselves or friends and family members? It may seem silly, but there is no denying that EVERY CUSTOMER represents an opportunity to learn more about them all, and engaging them is a good way to learn.

Your employees must dispense with their natural "stereotypical" thinking and approach everyone the same. You may want to establish certain things to learn each week or month at the Market like

- Is your customer base employed? Point out "after a tough day of work, these tomatoes will taste really good!" and see what response you get.
- Do you have a lot of families in the area? Maybe you could say "My kids really enjoy these grape tomatoes, you sure one pint will be enough?"
- How about students? Shift workers? How about the timing of certain customers? If a customer comes to you at the end of every market day and always buys a quart of peppers, ask them if you can make it more convenient for them by putting aside tomatoes as well which sell out quickly, if they commit to buying the tomatoes. Ask if they may want a CSA membership (if you have one) so they can pick up everything they need at once.
RESEARCH, RESEARCH, RESEARCH
- In the immortal words of Henny Youngman (those of you under 40, Google him) "I got a million of 'em". You can come up with your own ways to learn more at each opportunity.

How important is "customer service" in what you are doing? In a Farmers market it will be vastly different than for your CSA customers and even somewhat different than a stand set up at your Farm.

Understand what you can do and draw the line where you cannot go in the name of customer service. If your CSA client instructs you to just leave the dairy products on the south facing porch during the midday heat, you do not want to point out that they are IDIOTS, but you must explain that food safety guidelines prohibit that kind of behavior and we must reach other arrangements.

BOGOs, Bounce Backs and the cost of freebies! Promoting the Product

Week of January 14

Speaker: Lindsay Ott Wilcox

January 29, 11am – 12:30pm

January 30, 6pm – 7:30pm

- Regional branding
- Positioning (differentiating the product/farm)
- Competitors vs partners

You may grow the best darn Hungarian Wax Peppers in the nation, but you will never be able to broadcast that message to a national audience. Remember the market assessment you've completed? Well looking around markets and farms in the area has taught you what you are going to offer and how you may be able to price it. You can "own" a brand image within your own county, town or region and work to establish, and build from that.

In the process, you also will be differentiating yourself from others. Let's say that there are six farms raising tomatoes in the market. All different tomatoes, each farm going to various farmers markets and selling to regional markets. Al and Bernice decide (along with their son, Cliff) that they are going to build a brand called the "ABC Farms". They will all wear blue shirts with an "ABC" logo and all their signs will feature a large first letter to help support the alphabet idea as in Tomatoes, or Carrots. They will call their tomatoes "Tom Thumb Tomatoes" for no other reason than they want to carry out the alphabet idea throughout their business. Well they may be selling Early Girl or Beefsteak or Jet Star like everyone else, but their tomatoes have some extra "spin" to them and people will remember and, if they like the product, come looking for it. This is both branding (ABC) and differentiation (Tom Thumb) in one!

In the course of assessing your market you have come into contact with many local farms and food producers. As your business becomes more established and you gain a better understanding of their business and approach to business, you may come to partner with some of these farms. Adding meat, cheese, eggs, baked goods or even fresh pressed oils to your CSA may require partnerships and you should look to work with those you consider equals. You don't want to partner with a huge conglomerate to whom you mean little or nothing, nor do you want to help someone get started by being their only sales outlet! Find partners that suit you, everyone else is a potential partner and some are outright competition.

You treat each of these differently.

Every Silver Lining has a Cloud! - Market assessment & Analysis

Speaker: Marty Butts, Small Potatoes Marketing

February 12, 11am – 12:30pm

February 13, 6pm – 7:30pm

- SWOT analysis/updates
- Demographic trends
- Product trends

Ever notice how every five to six years cars get bigger, or smaller? They seem to change just like the width of men's ties or the hemline of women's skirts! Product change is constant and affects all products including food. Margarine and high fructose corn syrup were supposed to save us from the problems associated with butter and sugar, but now we're wondering if they really are a solution!

Change occurs in communities too as families age, kids move out, move back and there is a constant flow of people in and out of any given area. This also affects business and should influence the products you offer and the strategy you

employ in going to market. You don't need to wait for the US Census to come out (although there's plenty of good info there!), you can check class sizes in schools around you. What's being built in your community? Senior centers or health clubs? Patio Homes or new Cul De Sac construction? These things (and many more) tell you a lot about your community.

Strengths, Weaknesses, Opportunities, Threats, the classic S.W.O.T analysis. Sounds silly, may even prove easy to do for you, but to implement and act upon what you learn can be tricky. Can you keep an "even minded" perspective when assessing your own Strengths and Weaknesses? How open are you to really learn what others may think? What is a real "opportunity" and how can you tell when it has "played out"? These are among the critical questions to explore and better understand moving forward.

2013 -2014

Year 3 Curriculum: Communications Analysis

How to Say what we mean and mean something! Communication Assessment

Speaker: TBA

- Branding
- Public relations
- Digital strategies
- Core brand components

What is it you NEED to say, WHERE will you say it and HOW much can you control the way in which it will be received?

Branding is the most understandable way to assemble the core components of your business and transmit them consistently to your customers, partners and stakeholders. It must be understandable to a nine year old who knows nothing about your business and can be explained in less than 90 seconds. Most of all, it must be based on your understanding of the customer's perceptions and understanding of your business, in other words; RESEARCH.

That message must be carried through advertising, promotion (coupons and pricing events), value added ideas (like recipes, demos, partnerships, etc) and other core brand communications. Assessing and understanding the most UNASSAILABLE parts of your brand and what is important, though perhaps not essential, is another part of this process. Finally, what is transitory or arbitrary about your brand and may be lost without much effort or damage to your business.

Look at the car industry. Once their central brand message was built around POWER and size, then came efficiency and practicality, then financing, and now all of these elements are combined in a "branding goulash". At this moment, ALL these elements are important to the auto industry, which makes one car completely indistinguishable from another, and fails the "brand" test.

Of course, this must also translate digitally, if appropriate, available and affordable to your business. The use of "social media" e-mail, electronic newsletters, web site, and e-offers may be adapted to help carry the message and build your business. Each of these possibilities should be assessed and prioritized in the plan. As always, you may also need to seek out expertise to learn how best to use the appropriate avenues to best effect.

You are what you Look Like! Preparing the Product

Speaker: TBA

- Displays
- POP/POS
- Collateral materials

Presentation is the key to selling a product for a maximum profit. How your product looks, how it is presented and how it is labeled and promoted to consumers can make the difference between selling success and utter failure. Is your product clean? Does the size of the display promote abundance? Does the design of your display invite customers to buy?

Your display should appeal to the senses – all five of them! It should have eye appeal that will draw consumers to your market booth or the displays in your farm store. Once the customer has approached your display, does it invite them to touch – reach out and pick up the tomatoes and sniff the aromas. Are your salespeople engaging customers, telling the story of your products/farm? Are you offering samples of your product to showcase the incredible taste of your food? Are you building relationships with your customers that give them a sense of ownership in your farm? Consumers who feel a part of your farm family will be loyal customers. They will ride the highs and lows of your business, because this is their business too.

Are you making your farm a household word? The brand you have built needs to be used everywhere. You want to be Kleenex, not tissue. Promote your brand at all times, with your signage, advertising program, business cards, brochures, recipe cards and the clothes you and your sales people wear. Create POP materials that build your brand. But make them “Keepers”, something the customer takes home and puts on their refrigerator door to refer to again and again. It’s all these things added together that makes your customers spend money with your farm and not the local Wal Mart or Wegmans.

You are what they THINK you are! Selling the Product

Speaker: TBA

- Advertising
- Building Awareness
- Education

You know what your business is, but you may not know what your customers THINK of your business and what you have to offer them. People make presumptions all the time; your product is great, your prices are fair, you know your business, you always have helpful suggestions and ideas.....or, perhaps, only SOME of these things.

Fair or not, justified or not, what these people believe to be the truth is exactly the truth in their minds and your challenge is to come to understand what it is they believe and how you can address any of these perceived shortcomings. The “correction” of these perceptions is important, but need not be difficult. Also, if you have a good relationship with your customers, you will establish an ongoing process of gathering this information and be prepared to respond.

This constant feedback “loop” allows you to avoid having to act in haste, or on limited information, and follow a course that may seem wise, but could lead to disaster. Another constant should be your advertising and message delivery as a regular approach to market will help you craft a consistent message. It need not be expensive, but it must say the same thing, or similar things every time you use it and should be consistently timed.

For instance, we know one Market that runs a single radio ad each morning at 8:10 AM. The Manager calls in live for a 60 second commercial reminding listeners that the market opens at 9 and speaking of features, recipes, special guests etc. with the radio hosts. The cost is about \$25 per commercial and over the course of the market season, people come to expect the news on the market and appreciate the reminder of when and where it is held.

Also of value is the time spent educating the consumer as each piece of information shared may overcome a bit of misinformation that is out there. Just think, there was a time when people thought the Tomato was poisonous, or the pomegranate made you invincible! The more informed your customer is, the better for your business and the greater they will come to rely on you for the best information.

Year 3B Curriculum: Business Assessment

Keeping an eye on your customers. Long term Assessment

Speaker: TBA

- Building, using and managing databases
- Long term assessment

Once you have established ways in which to capture your customers “vital information”, you need to keep the “feedback loop” open and be able to assess what it may be telling you. Having a newsletter or an e-mail blast or social media presence is a good idea, but make sure it is NOT just you talking about you and the products. Ask for feedback, information or suggestions from your customers. Each time you do, try to capture some insight into who they are and what their interest is in your business.

Are they professional chefs or family cooks? If they are cooking for their family how many people are in the group and what are their ages? If they are pros, what kind of cooking are they doing (Hospital, school, private restaurant, catering)? Maybe they shop for themselves AND others, well, what others? Neighbors, friends, family members, community groups; each offers you and your business an opportunity IF you can uncover this data?

Have a plan to gather data; set up polls, questions, requests for recipes even ask for e-mail addresses regularly through which you will offer additional information or incentives. Talk with your customers and see what you can learn; Do the kids/grandkids have any plans for the Summer? My whole family has the “spring sniffles” how’s your family doing? Are you travelling this summer and where to? It may seem trivial but all of this is DATA and it adds to your knowledge about your customers.

No one expects that you to know everything about every customer, but you should know enough to assess the general make up of your consumers. If there are many children under 10 you may find an unexpected market for cherry tomatoes while teenagers may favor hot peppers and other “pizza toppings”. Empty nesters appreciate new recipe ideas or may be looking for herbs and spices to add to their old time favorites.

Feed all this data intowell, whatever you feel comfortable with! Computerized database programs will allow you to search and assess the data you enter. Three by five index cards may be a little more tedious, but still offer the opportunity to retain and summarize what you learn. Understanding and revisiting this data, keeping this information close by as you plan your plantings and project your sales is essential to move the business forward. How to fit this into your plan and keep at it for best advantage is critical part to maintain marketing success.

Putting a handle on the Tomato: Reinventing the Product

Speaker: TBA

- Crisis management
- Reposition the product in the face of crisis, or better opportunity!

In 1982 Holiday Inn was running what was then the largest national hotel chain in the nation, but threats were appearing on the horizon and their business was slowing. A young and ambitious ad executive at their Agency recommended that they should begin a focused campaign stressing that every one of their hotels had rooms for people in wheelchairs or otherwise “handicapped” (that was the word used back in the 80’s). The rationale was that if you had a physical limitation, you would seek out Holiday Inn and if you didn’t, you may have a better impression of them since they had this feature.

The fact is that even in 1982, every hotel had to have accessible rooms by federal law. THAT fact was not part of the ad campaign, but featuring it allowed Holiday Inns to have a perceived advantage.

Every product has an aspect that is news to someone less familiar with the product. No matter what Saturday Nite Live says, you cannot turn a floor wax into a dessert topping, but there are degrees of change, small adjustments that can be made to turn a consumer’s perception about a product. We know one farmer who recommended grilling eggplant and had a recipe card at his stand. He sold out of eggplants for several weeks and many customers admitted they had never tried it before but LOVED IT!

Another farmer brought Pittipat squash to the Market and was asked by a customer if she had any small ones. The farmer admitted she didn't even know you can pick them when they were silver dollar sized and serve them sliced on a salad, raw. Again, a sales opportunity was born and she continued to bring the product to market for months, even selling it to a local restaurant who wanted something "new" to offer.

On the flip side, when things go wrong, you need a plan, you need to have an absolute, written in stone approach to a crisis BEFORE it comes at you. In this day and age of instant information, Twitter, Face Book and the like, you may be facing questions about an outbreak of goodness knows what halfway around the world and if you are SURE there's no chance of that happening with your product! We will help you be ready before it's too late.

Drudgery that Pays Well! Maintaining database and information

Speaker: TBA

- Library of data
- Record keeping

Everybody hates paperwork. Yet we all acknowledge its necessity and the opportunity which is buried within the pages and pages of data which is out there.

Once you have successfully built, executed and reviewed a marketing plan, you will need systems and methods to recreate this success again and again. You will need to be able to find, and update, critical data on a constant basis and you will need the systems to allow you to do this as effortlessly as possible because you have a million other things to do!

It is more than just "being organized", it is building a system of marketing that uses the most reliable data in the most effective and efficient manner available. It may mean "bookmarking" critical census or industry pages on your computer; or reserving one night a month to updating your e-mail lists; or creating time to pay attention to Social media outlets, or even deciding to employ some outside help to care for this aspect of business.

It can be done, provided you identify what is really valuable. Prioritizing information is the most difficult part of running any business because there is so much of it out there. Understanding what is absolutely essential, important, relevant and "interesting, but not right now" is a part of the ongoing business of your business.