



Learning to Look Around, Getting Your Head in the Game Marketing Webinar for Direct Marketing Farmers

12/4/12 and 12/5/12

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Workshop Questions and Answers:

1. What is the most efficient way to monitor the competition's prices? Food is a commodity, how can we keep up with the fluctuations and remain competitive?

Like many commodities, it is not the PRODUCT which solely determines inherent elements like price, but also product quality, delivery systems, sales channels and the numbers of steps it takes to bring the commodity to market. Since the product is so easily available and so widely variant, I would suggest the best course is to define the "data field" in as precise a manner as possible.

We do not compare the Lexus to the Kia, nor the price of sirloin to that of ground beef. While they are related as categories, they are distinctly different products. I would suggest that the same could be true in looking at tomatoes; not just their form (grape, Roma, cherry, etc) but also their quality, their packing (bushel or quart) and their method of delivery (Market, CSA< direct farm stand, major chain).

I would suggest define the data field carefully to simulate what it is that YOU plan to sell and seek out information on precisely comparable product.

2. Is there a practical or easy-to-use software that you can suggest using?

To be honest, I think entering data into EXCEL is probably the best software. Although it doesn't get a lot of credit for it, EXCEL is quite robust at analyzing and organizing data, especially when that data is of a limited range.

I have executed surveys which asked people to rate various elements (time of market, money they spend, how far they have travelled, etc.) and then put their answers into a spreadsheet program where I can then figure out the average answer and compare data among fields (does a person who favors a 9 AM market spend more than those that would favor a 4 PM market?) and so "drill down" into the data for further insights.

You DO NOT need further insights to begin, simply assembling a customer count, and sub segments like gender, race, age or the presence of children can be an excellent start for you to review the composition of your customer base and identify opportunities.

3. How do you feel about surveying your customers with a paper survey to assess their shopping habits and attitudes?

Love surveys, but they are like frosted cookies; I could have 20 a day, but they are not really helping me. Put another way, nearly every survey I have designed has become 4 or 5 surveys by the time I finished the project because I had so many things I wanted to learn, so many questions and so little time to truly analyze the resulting data and understanding it.

I like to limit my surveys to 20 questions or less. Or try to design a survey that takes less than 15 minutes to complete with 30 multiple choice or True/False questions rather than short answer option.

This also applies to how long you may have to assess what you have learned! If you have a 10 question survey and get 500 surveys back, you have to then gather and assess 5000 pieces of information! Keep this in mind also as you design the survey. Electronic options (such as Survey Monkey) come to mind and can be helpful, but are more difficult to guarantee that you are reaching your customers.

I am also a supporter of the idea that people should be rewarded, or might be rewarded for participating. I have held a drawing and given away gift certificates to local restaurants to entice people to not only complete the survey, but also give me their e-mail address so that I may follow up. Not everyone does, but they might and I do believe it increases participation.

Also, when you consider that you may execute a full-fledged research project for the price of a \$25 gift card, you can see that it is a worthwhile investment.

4. You suggest a large amount of data to be collected, how do you suggest organizing this data?

Think of three “big bowls of data”: Demographics (age, gender, race, etc), Location (large, medium and small markets) and Product Research (price, diversity, packaging, etc.).

Demographics can be further split into two other groups; data on your customers and data on your area, be it city, county or state.

Admittedly, this can be a large amount of data, but there nearly every area may be self-evident in many cases. You can have a degree of certainty about demographics (for instance) if your sales are near a senior center or college campus or tourist destination; you may limit your location data based on the number of markets or location “homogeneity” that you can identify (only large or small markets). Even product info may be easily come by and, while it is still worth gathering, the conclusions may be easily reached.

Still, you may have to look closely at all of these things, in which case I would encourage establishing priorities. There are a lot of reasons that businesses fail to thrive, but the business that faces the greatest crisis are those which feel that “everything is going wrong”. It is nearly impossible to fix everything, unless you can identify, and address the most essential things that need to be addressed.

5. How do you account for market positioning, pricing, etc., when events occur such as droughts, hurricanes, or force majeure conditions, that affect supply and demand?

Simply put, I cannot, except to say that “major events” sweep across all vendors, locations and customers and must be regarded as a “statistical outlier” that will have a profound, but hopefully short term event.

Of greater concern, and of longer impact, may be layoffs at a major local employer or some sort of long term employment change (good or bad) that will effect the market for months or years to come. In a case such as this, I would seek out assistance from local business groups, such as Chambers of Commerce or city or county Industrial Development Agencies for advice or insight because it is not just your business, but the entire community that is trying to fix this problem.

As to your business model and structure, I do not suggest any change which you cannot support long term.

Whether it is cutting prices, or developing value added components like coupons in the Pennysaver or recipes at the point of purchase or “bounce back couponing” (come back next week and get \$2 off your \$10 purchase), ANY of these techniques have costs and implications for your business but EACH of them should be employed for a period of weeks or months as the “crisis” unfolds because your customer will look for them from you, or your competition, to help them along.

6. Word of mouth is always stated as the best from of advertising, but how do we get that started?

Every customer is an opportunity to develop more business and spur recommendations. I once suggested that we give a deep discount to a neighbor because she served as the local school crossing guard and I knew that every school day she met with every parent in the neighborhood who came to pick up their kids from school. Make her happy and the entire neighborhood will know!

At a stand or through a market, look for people who have children (a natural socialization engine, having kids) or travel with friends (three seniors together) or are dressed for work as they are going back to the “office” with their purchase and may be approached by others asking what they got and where they got it.

But at the end of the day, the best way to foster word of mouth and return business is to be memorable by supporting your brand image. Remember the comment in the presentation that branding can convert the “third booth on the left” to the “booth with the kid who welcomes everyone with a hardy ‘Howdy’”? There are plenty of ways to make certain you are memorable and DIFFERENT from others; signage, outfits, product display, props, literature, even the 6 foot Styrofoam chicken can work, but may be problematic, especially if you are selling vegetables!

7. When you talk about testing our research, you indicate that we should make those tests measurable. What kinds of things can we do to measure our results?

Let me illustrate this with a couple of scenarios; Let’s say that we have an “average market” whose attendees may be younger or with a high concentration of Asians (for instance). You place for sale bunches of Bok Choi along with heads of Cabbage and price them the same; do you sell the same amount of each? IF Bok Choi sells more, can you price it \$.50 more than the cabbage and would it still sell?

Or, let's say that Peppers are selling well, but Tomatoes are not; can you sell a "salsa bowl" with three tomatoes and two kinds of pepper (plus cilantro would be nice) or offer a "free" tomato with each pint of peppers sold. How did we do? What did we learn? What can we do to apply this data across markets or products? Simply put, think through what you are trying to learn and try to make certain that when the end of the "test" comes you are able to gather data on results.

Finally, please commit to your test; you will need to execute your test for a few times to have sufficient data. If you are testing to see if offering lollipops brings more kids to your booth but ONLY try it on the day the annual Easter Egg Extravaganza is held at City Hall, chances your test will fail and you assume it just didn't work. Try it two, three or four times and see what results you gain at each event and over time.

8. Can we contact Bob directly and if so, how do we contact him?

E-mail is best; senecabob@gmail.com and I can also be found on Linked In.

9. In something as faced paced as a farmers market, where all staff is making sales constantly, what would you suggest as an efficient way of gathering data about the consumer on the spot?

I would suggest that there is always some degree of "down time" in which to take advantage of market observations, but, even if there is no such thing, you have options. Most certainly you should be noting the attributes of the customers you are serving. This is the most definite reflection of you customer base as they are truly engaged in a purchase.

You may want to ask a friend or family member to serve as a market observer and learn what they can from away from your sales area. Give them a checklist of what you want them to look for (age, gender, etc) and ask that they keep an eye out for people who DO NOT stop at your booth, shop others or are buying product you do not offer.

10. Is seems that you want to find what works/recipes that people will buy and mimic that, but when do you want forge ahead into something new... something no one else is doing?

It depends on the costs/risks you would have to undertake to do this. If Grandma's curry rice rolls recipe is easily available and you suspect that Indian cuisine is on the upswing, investing the time and effort to distribute that recipe would be cheap and easy. On the other hand, if you want to send a staff member on a three day training at the Culinary Institute to learn about Swedish Hot Rock cooking (totally fictional term) you should be more certain there is an opportunity there for your business before investing the time and effort to complete this endeavor.

Look to local college campuses for new trends in food, they are often a good benchmark for things to come. Read over the food column in the local paper, the NY Times, the Washington Post or the Miami Herald (you pick, but try to make them geographically dispersed to get a broad perspective) to see what they are talking about. If you are not a "newspaper person" try Bon Appetit, Food and Wine or similar magazines to see what they are talking about!

Talk to chefs, restaurant owners or hotel & catering managers about the trends they are seeing or feeling. Maybe you could cooperate with a certain recipe served at their place and they could publicize the product came from yours!

Have a culinary school or program in the area? See what they are teaching; not just the name of the course, but see if you can find the syllabus online to better understand what is being reviewed.

11. How do you balance your ideals with the customer? In agriculture, it seems that the grower needs to balance the ideal health of the land with the ideals of the customer. Do you see a middle ground between the producer and the consumer?

I believe the grower needs to lead, rather than try to anticipate the consumer on this one. Customers are more sensitive to concepts surrounding sustainability and organic processes than ever before, yet the level of "expertise" is widely variant and subjected to the prejudice or perspective from which the consumer gleans their information. As such, growers may be performing "ideal land health" but consumers perception or understanding of the issues and activities involved may lag significantly behind.

If you believe this to be important to your customers, helping them form opinions and understanding of these issues may be part of your regular communications and contact with these customers. This could be as simple as

sharing “trade” info as you get it, providing a list of resources on your website or at your point of sale or developing a series of educational pieces to help consumer understanding.

I would hope that just as most of us do not tell our mechanic or our doctor the best way to their job, we would trust the farmer/grower with whom we have a relationship to take a leadership position based on their expertise and deliver to our expectations. They may be able to help us FORM reasonable expectations!

12. Have you ever partnered with other corporations to advertise a product? Do you see a problem with partnering with other farms?

Yes and no! I have partnered with others to help promote products in many categories.

Certainly there are plenty of agricultural examples of partnering as the interest in and aspects of “local foods” continue to expand. A produce farm should build relationship with beef, pork or chicken producers and maybe a baker or two to help cross promote their product, even share customer data or insights if that seems worthwhile.

But even beyond farms, the ability to partner with chefs and restaurants, local schools, healthcare organizations or large employers is all possible. For instance, maybe your school district would be interested in starting a community garden that you could supply with seed and professional guidance in exchange for their buying your product for their cafeteria. The same could be said for local church or community groups, large employers or healthcare organizations. Maybe they want to donate to their local soup kitchen or food pantry and have business to exchange for your benefit!

Partnering opportunities are vast and varied, and could be a complete subset of marketing assessment. They are only limited by the resources of time and imagination which you could bring to them.

13. What are your thoughts on best practices to engage customers with Social Media?

I view social media as still being in its infancy, regardless of the hype and PR being thrust at us from all corners. Facebook, Twitter, Four Square, YouTube etc. etc. are still trying to figure out how to truly engage people and offer unique space to clients, especially businesses.

That being said, I believe the opportunity this media presents is one that requires a distinct strategy to engage the customer and use the interactive nature to develop and maintain a position. Recipes, announcements, pictures of events, engaging “friends” are all good ideas, but can also be maintained through a website and/or e-mail engagement. At the end of the day, It becomes a question of how much time do you have to dedicate to these different outlets, and what is it that you are getting in return.

The potential return through social media (as opposed to e-mail and we) can be considerable as it allows you a much more robust view of your customer. You will know their children, pets, favorite vacation spots and probably a lot more, which forces the question: Do you really need to know a lot of this stuff? Also, do you have the time to truly take advantage of all this information?

I am still a doubter when it comes to social media and see the time and energy required of a small business to be better spent in web and e-mail programming.

14. What would you consider the best type of survey question(s) for e-surveys, like survey monkey, to obtain the most useful insights about our customers?

I would suggest surveys have a specific goal (or very few goals) in mind and learn as much about that particular aspect of your customer or market as possible. Every survey I have ever designed ended up being two surveys (or more) by the end of the process.

I prefer to use either multiple choice or “scale” questions (on a scale of 1 to 5 where 1 is strongly agree and 5 is strongly disagree....) to determine key issues. This method allows for relatively easy computation of the results and ease of use for the customers. You should always provide the opportunity for short answers so that people who really want to share have the opportunity, but remember the more of this space you provide, the more you will need to review and (potentially) respond.

Multiple choices also allow you to manage the answers and the data,, to some degree. If you are asking about where a market may be held and ask people to choose among a) Park, b) Beach, c) By the water, d) in the

Parking Lot, or e) other, you allow for opinion but limit the responses, perhaps avoiding a choice which may be undesirable or forbidden (I .e. inside Wal-Mart).

- 15. Sales data seems a critical tool for assessing marketing success. Some farmers are hesitant to provide gross sales data to our farmers market organization. As an organization, we are spending more on advertising our markets, but are having a hard time justifying these expenditures since it's difficult to measure marketing success without our farmers' sales data. Please detail what (if any) importance there is in establishing baseline for gross profits and monitoring profits over time.**

In my experience, people need to understand WHY this data is needed to better serve their needs. No doubt, this is viewed as "private information" and they may feel uncertain as to your intention or need for it. In this case, you may need to set up some options for them in reporting it. You may just want to approach the data a little differently so that you are not trying to determine "profit" but attempting to assess "activity".

For instance, you can ask farmers to report their sales data as \$\$\$, or you may ask them to report the increase or decrease (in dollars or percentage) from week to week. You may ask them to report sales by product or sales by total items; but at the end of the day, you have created a frame to allow you to assess what is happening one week to the next.

- 16. Bullet points or story. Which is better?**

Bullet points

Seriously, depends on the forum in which the information is delivered. I like stories when you have an audience, a set amount of time and can get immediate feedback (non-verbal or direct) on what it is you are addressing. But, on the web, in a letter, through a You Tube video, people expect quick and easy access to information. Ever try to look up a recipe on line and get a site where you have to read the whole story of how that person's grandmother had to clear a field of rocks and import the soil too grow the crop of squash that they used.....nice story, but all I wanted to do was learn how to make SOUP!

Save the stories for the occasions where they do the most good, when you can easily assess the impact they are having.

- 17. Aside from consumers asking for it, how would you determine if there is interest in a new product for which comparative/competitor information is scarce?**

When you say "comparative/competitor information is scarce" I take that to mean that it is simply "not obvious", which means it will take more time and effort to assess.

Where did you get this insight and can you follow up with that source to learn more about what they have learned and where their trail of information may lead? Is there a group (trade association or consumer group) that has formed to discuss issues relating to this idea? Has anyone (whom you trust) had any experience or can offer any insight to help out?

When I was doing media planning, I was once asked to research advertising opportunities to reach a particular group (you can name the group, this happened quite a bit). No matter what the group was, no matter how obscure the audience may have seemed to me, I ALWAYS found a magazine which was designed to reach them, and nearly always, found MORE than one.

Now, between the web and social media sources, there are groups and sites dedicate dto exploring ANYTHING you can name, I am sure.