

Whole Farm Planning

Marketing

Objectives:

- Create a market strategy based on original goals and plans in order to specifically address production needs.
- Increase awareness of local marketing and networking opportunities by developing and fostering relationships within the agricultural community.

Questions to Answer:

- What is our product?
- What markets do we serve?
- What are the unique features that distinguish our products?
- How do we distribute our products?
- How do we price our products?
- How do we promote our products?
- How is our market changing?

Overview of Assignments:

- Complete worksheets in “Marketing”
- Make business contacts.

Marketing Assignments

Required

→Complete Worksheets in “Marketing”:

1.3-Who in the World am I Marketing to?

1.31-My Individual Customer Profile

1.32-My Business Customer Profile

1.4-How Do I Find Market Trends?

1.5-Who is My Competition

3.2-Price Strategy Worksheet

3.3-Pricing Considerations

3.4-Further Pricing Assessment

3.5-Place Worksheet

3.6-Promotion Worksheet

→Develop a Farm Marketing Plan

·Summary

·Objective

·Target Market

·Competition

·Partners

·Marketing Environment

·Marketing Strategy

·Product

·Price

·Places of Distribution

·Promotion

·Project Plan

→Make business contacts.

Optional (pick two)

→Create one or more social media pages. (web site, Facebook, Twitter)

→Visit the actual market for commodities included in the whole farm plan. (i.e. cattle auction, farmer’s market)

→Research associations pertaining to commodities included in the whole farm plan and attend a meeting. (i.e. Virginia Cattlemen’s Association, Virginia Soybean Association)

Worksheet 36: Who in the World am I Marketing To?

Definitions:

Target Customer:

The typical customer you expect to market your products to.

Customer Profile:

A detailed description of a target customer to include demographic, geographic, and psychographic factors.

Demographic Factors:

The age, sex, education level, income level, marital status, occupation, religion, average size of a family of your target customer.

Geographic Factors:

Where your target customer lives or works.

Psychographic Factors:

The lifestyle, interests, attitudes, beliefs, values, personality, buying motives, and purchasing behavior of your target customer.

The key to marketing successfully is selling your products to the right person or business. Not everyone wants what you have to sell. When asked the question, “Who are your customers?” Most beginning farmers stop for a moment and may not have a clear picture of who exactly they are selling to, or more importantly who they should target to sell their products to. A common and incorrect answer given by beginning farmers is “Everyone eats, so everyone is my customer.” Yes, everyone eats, but they do not eat the same things, in the same manner. Taking the time to clearly identify your customers is money in your pocket. You will waste precious time and money trying to find customers AFTER harvest. Target your customers BEFORE planting.

The marketing options you selected in Worksheet 2 determine the type of customer you are targeting. If you chose a major channel, your customer has no idea who you are and is not really interested in having a personal relationship with your farm. However, you can develop a customer profile for businesses who you think will buy from you (Worksheet 2B). If you chose farm-to-firm or farm-to-customer channels, your customers are mildly or actively involved in having a relationship with your farm. Developing a customer profile helps you save money by targeting a specific audience (Worksheet 2A). Don’t box yourself in and consider only one customer or business to sell to. Times change and so do customers!

Being keenly aware of your target customer(s) involves answering the following questions:

1. Who is my target customer?
2. What do they value?
3. Where can I find them?
4. What do they buy?

Follow the next steps to answer these customer profiling questions.

Step 1: Start with ONE product in mind.

Write down ONE product you are considering selling here: (Hint: Do not just write goat. Be specific, for example, heat and eat curried goat meat.

Step 2: Identify the specific individuals and businesses interested in the ONE product you listed by creating customer profiles (Worksheet 1.31 and Worksheet 1.32).

Worksheet 37: My Individual Customer Profile (NxLevel, 2000)

	Customer A	Customer B
Product:		
Geographic Characteristics		
Counties customer lives in		
Counties customer works in		
Miles from your farm		
Zip Codes		
Population of identified counties		
Demographic Characteristics		
Gender (<i>male, female</i>)		
Age (<i>0-4</i>), (<i>5-18</i>), (<i>19-24</i>), (<i>24-34</i>), (<i>35-59</i>), (<i>60 and over</i>)		
Income Level		
Occupation		
Family Status (<i>single, married, separated, widowed, divorced</i>)		
Children		
Education Level		
Race		
Ethnic Culture		
Religion (<i>Atheist, Jewish, Catholic, Baptist, Muslim, Hindu, etc</i>)		
Psychographic Characteristics		
Where do they prefer to shop? (<i>Farmers market, grocery store</i>)		
When do they prefer to shop? (<i>Morning, evening, weekends, specific day of the week, celebratory days</i>)		
Why do they buy products? (<i>Customer motivations, for example health, prestige, convenience, etc.</i>)		
How do they prefer to shop? (<i>web, email, phone, in-person</i>)		
How do they spend leisure time?		
What are their hobbies?		
Customer Expectations		
What do customers expect from your product or service?		
How can you exceed customer's product expectations?		

Reference

NxLevel. (2000). *Tilling the soil of opportunity...NxLevel guide for agricultural entrepreneurs*. Denver, CO: NxLevel Education Foundation.

Worksheet 38: My Business Customer Profile (NxLevel, 2000)

Characteristics	Wholesale Customers (Major Channels)			Retail Customers (Farm to Firm)		
Name						
Annual Sales						
Number of Employees						
Location Address						
Number of Business Locations						
Do they currently sell products similar to yours? <i>(indicate brand, packaging, price, quality, origin)</i>						
What are their buying procedures?						
What do they expect from your product?						
What price they are willing to pay?						
Buyer Contact Information						

Worksheet 39: How Do I Find Market Trends?

Trends are everywhere! So what? Trends come and go, but some arrive and evolve. Staying in business today means knowing the current and emerging product desires of your customers. Farmers that excel in marketing identify consumer trends and act on them in a way that increases sales and does not jeopardize the operation.

How do you identify market trends? Just follow the steps below:

Step 1: Perform an internet search.

Google the following terms: Top Food Trends YEAR (Write in current year, you can also write in next year)

Write down the top five food trends you found:

- 1.
- 2.
- 3.
- 4.
- 5.

Google the following terms: Top Consumer Trends YEAR (Write in current year, you can also write in next year)

Write down top five consumer trends you found:

- 1.
- 2.
- 3.
- 4.
- 5.

Thinking Cap Moment: Are there any trends you can adopt right now? How can you adapt your current product to fit an identified trend? Do the web articles note what type of customer is buying the trend products?

Step 2: Visit the nearest specialty food store.

Note what is displayed on the end caps of aisles and in the aisles

Note what is displayed at eye level

Note the highest priced items similar to your product

Note any local products and in-store promotions

Thinking Cap Moment: Are there any new products that you noticed? Are any of these products ones which can grow, produce, or raise this or next season?

Step 3: Visit the library and read the latest food related magazines.

Focus on new foods, food features, and time-saving recipes.

Thinking Cap Moment: What new foods did you notice? Which foods were featured as key stories on the front cover? Are there time-saving recipes you can adopt with your current product line?

Step 4: Ask your customers if they are interested in a similar product and what would make them buy it from you.

Adopt the survey example below. Notice how short it is. Keep it brief if you want a response.

Example Customer Survey Questions:

How many pounds of tomatoes do you buy each week?

☐ None ☐ less than 1 lb ☐ 1 lb ☐ 2 lb ☐ 3 lb ☐ Greater than 3 lb

How much more per pound, would you pay for pesticide free, heirloom tomatoes? (Check one):

☐ \$0.00 ☐ \$0.25 ☐ \$0.50 ☐ \$0.75 ☐ \$1.00 ☐ Greater than \$1.00

Check the three heirloom tomatoes you would MOST LIKE us to grow next season (Check one):

☐ Cherokee Purple ☐ Green Zebra ☐ Brandywine ☐ Amish Paste ☐ Black Krim

The following questions will help us better serve your needs.

Family income range (Check one): ☐ Below \$10,000/year ☐ \$10,000-\$19,999 ☐ \$20,000-\$29,999

☐ \$30,000-\$49,999 ☐ Above \$50,000

Number of children (Newborn to 18) living in household (Check one): ☐ None ☐ 1 ☐ 2 ☐ 3 ☐ 4
☐ 5 ☐ More than 5

Worksheet 40: Who Is My Competition? (NxLevel, 2000, Schuck et al., 1991)

Rank yourself and competitors (1=Low, 5=High). Based on highest totals, who is your strongest competitor? Can you identify strengths and weaknesses of yourself, of your competitors? In the final column, rank each item (1=Low, 5=High) on your targeted customers perceived value of each factor. Can you identify any potential opportunities based on shortcomings of competitors?

Factor	You	Competitor A	Competitor B	Competitor C	Perceived Value (first column) to target customer
Name & Location Address					
Products					
Price					
Quality					
Product Selection					
Customer Service					
Product Service					
Reliability					
Expertise					
Image					
Reputation					
Location					
Layout					
Appearance					
Sales Method					
Credit Policy					
Availability					
Management					
Longevity					
Advertising					
Estimated Sales					
Customer Satisfaction					
Total					
Summary of Strengths					
Summary of Weaknesses					
Areas of Opportunity					

Reference

Schuck, N. G., Knoblauch, W., Green, J., Saylor, M. (1991). *Farming alternatives: A guide to evaluating the feasibility of new farm-based enterprises*. Cornell Cooperative Extension Publication ISBN 0-935817-14-X

Worksheet 41: Price Strategy(Emkhe, Fulton, Lusk, 2005)

For each of the following pricing strategies, describe the advantages and disadvantages of using that method for your product. Which is the best one for you to use?

Strategy Type	Definition	Product Advantages	Product Disadvantages
Cost-Plus	Adds standard profit % over cost of production		
Value-Based	Includes buyer perception of value (quality, prestige, environment, society)		
Competitive	Sets prices based on prices of competing firms for competing products		
Going-Rate	A price charged that is the common marketplace rate		
Skimming	Introduces a product at a high price for affluent consumers, price is later decreased when market is saturated		
Discount	Reduction in the advertised price, such as a coupon		
Loss-Leader	Attracting customers to a store by selling at a price lower than the cost of production, in hopes of making additional sales		

Worksheet 42: Pricing Considerations (Emkhe, Fulton, Lusk, 2005)

For each pricing consideration, describe the advantages and disadvantages for your product (first column), and describe how your competitors are implementing the price policy (second column).

	Definition	Advantages and Disadvantages	Competitor Use of Pricing Policy
Payment Period	Length of time before payment is received		
Allowance	Price reductions for promotional services (in-store display upkeep)		
Seasonal Allowances	Reductions given to increase sales during slow times		
Product Bundling	Offering products together		
Trade Discounts	Payments to distribution partners for storage, or shelf stocking		
Price Flexibility	Ability to modify price		
Price Differences for Target Groups	Pricing differences between target markets		
Price Differences Based on Locale	Pricing differences among geographic regions		
Volume Discounts	Price reductions for bulk buys		
Cash/Early Payment Discount	Price reductions to encourage cash purchase, or early sales		
Credit Terms	Allowing customers to pay for products on credit		

Worksheet 43: Further Pricing Assessment

(Emkhe, Fulton, Lusk, 2005) *Answer the following questions regarding your pricing strategies and considerations.*

1. How sensitive is your target market to changes in prices?

2. How does your expected pricing compare to your competition's pricing?

3. Will pricing make your business special?

4. How will your products/services provide a better price-performance balance than your competitors' products/services?

Worksheet 44: Place (Emkhe, Fulton, Lusk, 2005)

Describe how you plan to distribute your products. Compare your plans with your competitors' existing product distribution.

	Definition	Your Product	Your Competitors' Product
Direct Sales	Selling directly to the customer via retail, door to-door, mail order, e-commerce, on-site, etc.		
Reseller Sales	Selling through an intermediary (wholesaler or retailer) who resells your product.		
Market Coverage	<p>Intensive Wide product distribution (Common, non-distinguishing products)</p> <p>Selective Product distribution to only a few businesses (Specialty products)</p> <p>Exclusive Restricts distribution to a single reseller (Prestige brands).</p>		
Inventory/Warehousing	Product availability and storage		
Transportation	Methods used to distribute product		
Logistics	Management of the flow of goods from beginning point to end user		

Worksheet 45: Promotion (Emkhe, Fulton, Lusk, 2005)

Describe your product's promotion in the first column and your competitors' promotion in the second.

	Your Product	Your Competitors' Product
Advertising		
Radio		
Television		
Print		
Electronic		
Word of Mouth		
Other Methods		
Public Relations		
Personal Selling		
Sales Promotion		