

# Marketing for New Agribusinesses

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# Marketing Essentials

# What Is Marketing?

- The process of creating and delivering desired goods and services to customers
- Involves all of the activities associated with winning and **retaining** loyal customers



# What Is a Market?

- A market is the set of all actual and potential buyers of a product.
- An available market is the set of consumers who have the interest, the income, and **access** to buy the product.
- Consumer interest is not enough to define a market.

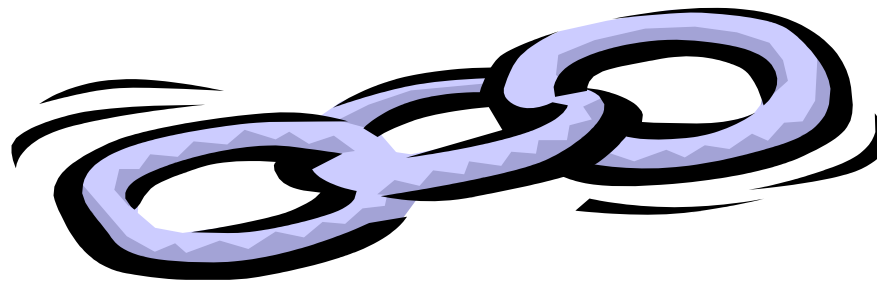
# Linking Seller and Buyer

- The Seller's Four P's

- Product
- Price
- Place
- Promotion

- The Buyer's Four C's

- Customer benefit
- Customer cost
- Convenience
- Communication



# Defining Your Customer

- What are three different types of customers you'd like to reach?
  - Urban, soccer mom, health conscious
- Where will they come from?
  - 100 mile radius
- What is their income range?
  - \$40,000 to \$150,000
- Why will they be your customer?
  - We provide organic fruit pies not offered elsewhere
- What do they require from you to remain your customer?
  - Quality, timely delivery, credit card processing

# Product Positioning

- Marketing Opportunities
  - Supply a product or service in short supply
  - Supply an existing product or service in a superior way
  - Supply a new product or service
- Differentiate the Product
  - Use the firm's strengths to gain a competitive advantage
  - Ensure that customers know the product's key benefits

# Promotion

- It takes 7-9 contacts to make a consumer into a customer.
- It takes consistency
- It takes repetition
- It takes a clear and concise message
- It takes focus
- It takes an investment



# Advertising

- Should be purpose-oriented
- Advertising program should have specific, measurable objectives
- Should be targeted to specific market segment
- Built around a unique selling proposition
  - A key customer benefit of a product or service that sets it apart from its competitors

# Building Your Brand

Product strategy is critical to the success of the overall marketing strategy.

- **Value** is captured in two key areas:
  - Product Strategy
    - Existing and proposed products.
    - Features, supplementary services, quality and design, packaging, labeling.
  - Branding
    - Value enhancement through awareness and image development.

# Features and Benefits

- **Features:** Specific attributes that enable a product or service to perform its function.
- **Benefits:** Need-satisfaction outcomes.



# Quality

**Quality:** How well the product satisfies customers.

- Basic functionality is only the price of entry.
- Superior quality attracts business.
- Poor quality can lead to negative word-of-mouth.



# Design

**Design:** Quality comes from design, components/ingredients, and processes.

- At the forefront of many categories.
- Includes “emotional quality” – the impact of design on how it makes the customer feel.
- Sustainability is driving many design decisions these days.



# Packaging

- Keeps products safe.
- Helps companies burnish their brand imagery and highlight points of differentiation.



# Labeling

- Communicates product contents, uses, and warnings.
- Helps explain product features and benefits.
- Conforms to national, regional, and local laws.
- Helps attract attention, stand out from retail clutter.





# Planning Branding

- Giving a distinct identity using: *words, designs, and symbols.*
- In terms of branding, a product may carry:
  - Company name and individual brand
  - Individual name
  - Private-label brand
  - Multiple brands (co-branding, ingredient branding)



# Branding and Positioning

- Branding not only identifies a particular product, but it sets it apart from the competition (both direct and indirect).
- Can make the product both distinctive and competitively superior.
- Positioning: What the target group perceives about your brand relative to how they perceive the competition.



# Developing A Unique Selling Proposition (USP)

- USP - A key customer benefit of a product or service that answers the critical question that *every* customer asks: "*What's in it for me?*"
- Identify your product or service's USP by describing the primary benefit it offers customers and then list other secondary benefits it provides.



# Developing A Unique Selling Proposition (USP)

- Briefly list a few facts that support your product's USP.
- Then, focus your ads to stress these top benefits and the facts supporting them!
- Put together a value proposition
  - Put this together before you craft a marketing plan or advertisement.



## Sample Needs, Features, and Benefits

<b>Product</b>	<b>Targeted Segment</b>	<b>Need</b>	<b>Feature</b>	<b>Benefit</b>

# Differentiation and Positioning

## Developing a Value Proposition

- **To (target segment and need) our (brand) is (concept) that (point of difference)**
- **Example:** To busy, mobile professionals who need to always be in the loop, The Surface Pro is a wireless connectivity solution that allows you to stay connected to data, people, and resources while on the go, easily and reliably—more so than competing technologies.

# Developing a Value Proposition

- For (target market)
- Who (statement of need or opportunity)
- The (business name) is a (product/service category)
- That (key benefit)
- Unlike (primary competitive alternate)
- Our business (primary differentiation)
- Is available (where)

- For \_\_\_\_\_
- Who \_\_\_\_\_
- The \_\_\_\_\_ is a \_\_\_\_\_
- That \_\_\_\_\_
- Unlike \_\_\_\_\_
- Our business \_\_\_\_\_
- Is available \_\_\_\_\_



# Six Sentence Advertising Strategy\*

- Primary Purpose
  - What is the primary purpose of our ad?
- Primary Benefit
  - What unique benefit can we offer customers?
- Secondary Benefit
  - What other key product attributes support our unique product benefit?
- Target Audience
  - At whom (what market segments) are we aiming this ad?
- Audience Reaction
  - What response do we want from our audience?
- Company Personality
  - What image do we want to convey in our ads?

# Pitching Your Product

# Elevator Pitch

- Approximately 2-minute presentation
  - Time it originally took an elevator to go from lobby to executive suite.
- Now vary in length depending on situation.

# When is it Valuable?

- When you have a small window of time to:
  - Make a good first impression
  - Convey 2-3 key points or highlights
  - Close the conversation but leave door open

# Different Pitches

- Different pitches for different audiences
  - Current Customers
  - Community leaders
  - Potential investors
  - General public
- Isolate the audience's need
  - Will help prioritize key points

# Current and Potential Customers

- Even loyal customers need to hear why you are offering them the best value
- Potential customers require a customized approach
  - Switching from your competitor

# Community

- Leaders: Valuable to be able to communicate how your business brings value to the community
- Members: How your business meets regulations and brings value

# General Public

- Potential customers, influencers, voters, competitors that have no knowledge of your business
- Opportunity can present itself anywhere
- Be prepared to discuss what your business does and why



# Essential Functions

- Identifying the **problem** that your are **solving**
- Clearly communicating how your and your business bring **value** to your customers

# Preparing the Elevator Pitch

- List at least 4 types of audience members
- What value do you bring to those individuals?
- Where would you meet them?
- Would you have their full attention?
- How much time would you have?
- What are the two or three key points to want to highlight for each?
- What do you want to accomplish with this pitch?
- How will you open the pitch?
- How will you close the pitch?

# Farmer's Market Tips

# How Small Farmers Can Better Market Their Farms

- Brand and label clearly
- Tell people where to find you
- If you have social media, keep customers updated

# Increasing Sales at Farmers Markets

- Presentation is EVERYTHING!
  - Brand yourself
  - Be clean
- Be interactive (or find someone who is)
  - SAMPLES
  - Recipe cards (with your brand, contact info)
  - Tell customers what you are “featuring” that day

# Conclusion

The ultimate objective of marketing is to link

- Product to customer benefit
- Price to customer cost
- Place to customer convenience
- Promotion to customer communication

