

Plan for Marketing Your Organic Products

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http://www.extension.org/organic_production



A photograph of a farmers market stall. In the foreground, a large sign with a chalkboard top lists items 'GROWN in Detroit' such as Herbs \$1, Braising Greens \$2, BBQ Wood \$2, Flowers \$3, and Cucumbers \$3. Below the list are baskets of fresh produce including red tomatoes, yellow cherry tomatoes, and green cucumbers. To the right, a large woven basket is filled with red and green bell peppers. In the background, a photograph shows people at the market. Below the main sign, another chalkboard sign is partially visible, also listing 'GROWN in DETROIT' items. A small sign with a carrot logo and the word 'DETROIT' is at the bottom left.

PLAN for Marketing Your Organic Products

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What is a Marketing Plan?

- ▣ Part of your overall business plan
- ▣ Strategic
- ▣ Written, used & revised as needed
- ▣ What you need to DO to achieve your objectives
- ▣ How you communicate your value proposition



Recommended Marketing Plan Components

- ▣ Mission/Purpose/Message
- ▣ Market & customer analysis
- ▣ Marketing objectives
- ▣ Marketing activities
- ▣ Marketing budget & schedule (both \$ & time)



The 4 (or 5) P's of Marketing

- ▣ **Product** includes tangibles and services
- ▣ **Price** is the assignment of value
- ▣ **Place** refers to where it's available and how it got there (channel of distribution)
- ▣ **Promotion** includes the persuasive efforts used to make the sale
- ▣ **People** – the fifth – and very important – P!

Mission/Purpose/Message

- ▣ Our business is . . .
- ▣ We are in the business of . . .



Marketing Objectives

- ▣ Annual sales of \$150,000
- ▣ Expand winter sales by 20%
- ▣ Add 250 new customers to email list
- ▣ Increase average farmers market purchase from \$21 to \$25
- ▣ 80% CSA renewal rate
- ▣ How do YOU measure progress?



People: Market & Customer Analysis

- ▣ What is your market and what is its size?
- ▣ Who is your competition?
 - Strengths & weaknesses?
- ▣ What market trends may impact your business?
- ▣ Who are your customers? How can you group them?



Why People Buy Organic

- ▣ Personal health
- ▣ Product quality
- ▣ Environmental concerns
- ▣ What do YOUR customers say?



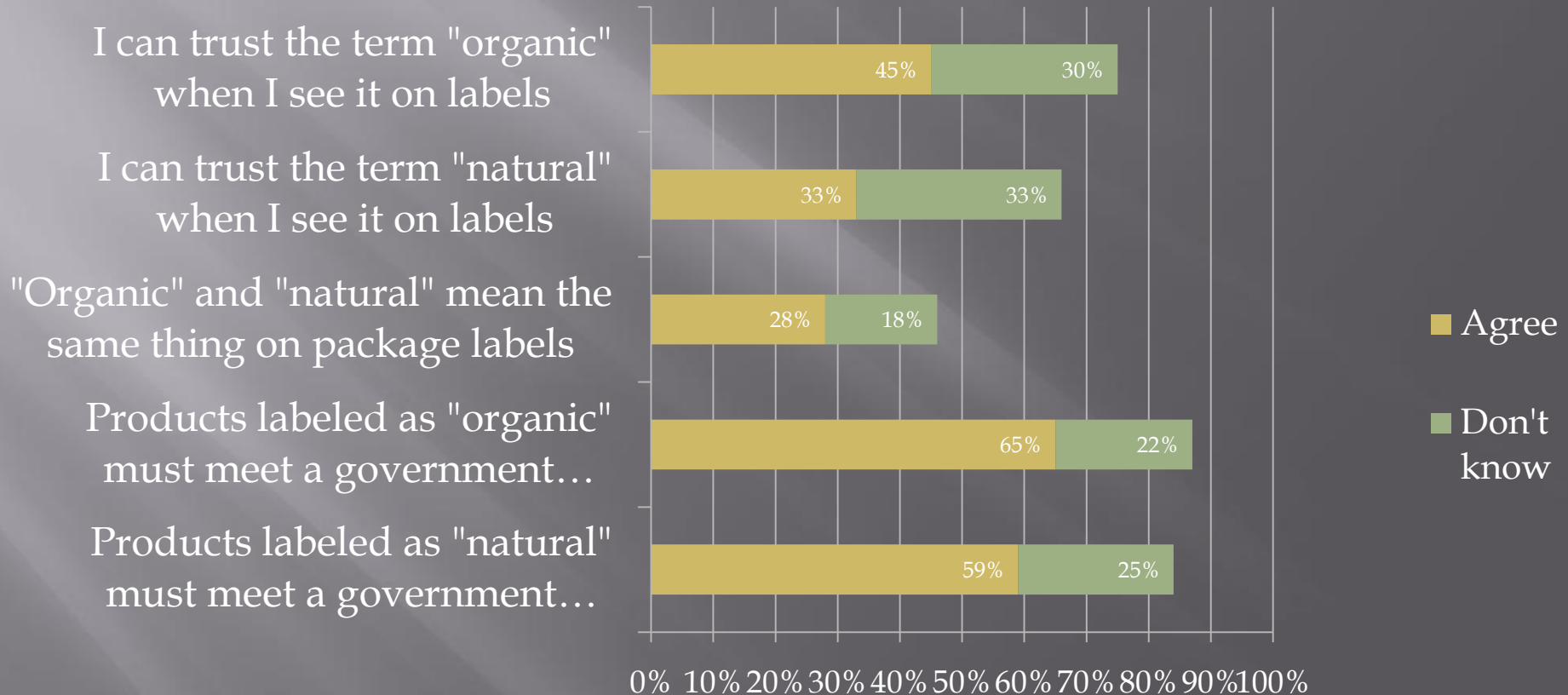
Who Buys Organic Food?

- ▣ All demographic segments
 - *Slightly* higher for more educated, female, more affluent, with young children
- ▣ Two-stage decision
 - WHERE to shop
 - WHAT to purchase
- ▣ ~75% shoppers purchase SOME organic food
- ▣ ~20-25% shoppers account for MOST sales
- ▣ What about YOUR customers?

People are Confused

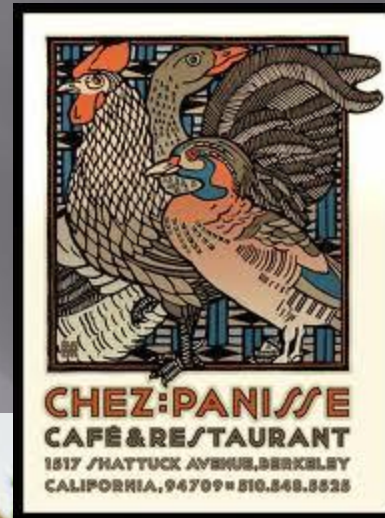
- Organic → natural → fresh → local → fair trade
→ carbon footprints → ???
- Consumer perceptions of
 - Organic certification
 - Organic
 - Clean
- What is important to YOUR customers?

Trust and Understanding of the terms "Organic" and "Natural"



Eating Occasions

- ▣ Instrumental – 59%
- ▣ Savoring – 41%
- ▣ Inspirational - <1%



Product

- ▣ Product mix – What do I offer? How much do I try to sell?
- ▣ How do I process it? Wash?
- ▣ How do I package it? Bulk? Single? Mixed?
- ▣ How is my product different?
- ▣ What is my unique selling proposition? How do I uniquely bring value to my customers?



“Ideal” Organic Package

- Mission statement
- Foster personal connection
- High quality product imagery
- Highlight production methods
- Show raw ingredients
- Show the farm; tell its story
- Show/tell specific product attributes
- Include certifications

Place

- ▣ Where and how are my products available?
- ▣ Farmers market? CSA? Farm or roadside stand?
- ▣ On-line ordering?
- ▣ Home-delivered?
- ▣ Year-round?
- ▣ Via credit/debit card?
- ▣ Via SNAP/FMPP card/coupons?

Drive-Through Farmers Market



Expanding Your Market



Price

- ▣ The value that **customers** place on your products/services must be greater than your costs
- ▣ You need to manage your costs AND your customers' perceptions of your products
- ▣ Know your costs; know how much profit you want/need to make

Impacts of the Economy

- ▣ “... While the organic-goods sector has boomed in the last eight years, going up to \$29 billion from \$9 billion in sales, the industry’s yearly growth dropped to less than 6 percent in 2010, from between 15 and 20 percent previously.”
- ▣ Laura Batcha, Executive Vice President, Organic Trade Association

Impacts of the Economy

- ▣ “For me, it’s a matter of choosing what should be bought organic . . . and what isn’t as crucial’ Ms. Yarnall now saves money by buying organically grown produce only if it’s on . . . the so-called ‘Dirty Dozen,’ a list of the 12 fruits and vegetables most susceptible to absorbing pesticides . . .”
 - *Megan Yarnall, recent college graduate*

Impacts of the Economy

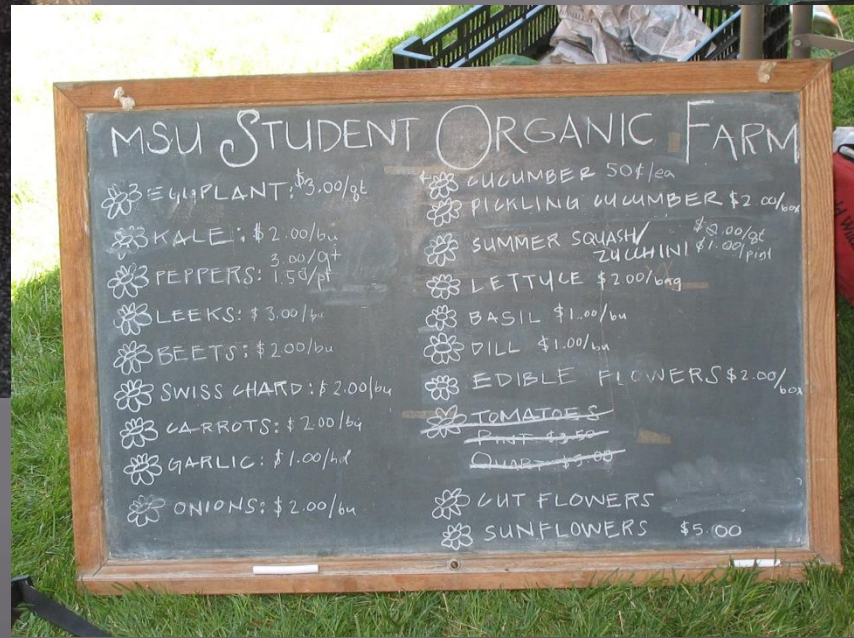
- ▣ “‘I have to prioritize my spending’ Not long ago, Mr. Alter found himself in a grocery store, trying to decide between \$10-a-pound organic bacon and a non-organic brand that cost \$5. In the end he didn’t buy either one. ‘More and more people are doing that,’ he said. ‘It’s like ‘Buy Nothing Day’ all year
- *Lloyd Alter, design blogger for TreeHugger*

Impacts of the Economy

- ▣ Families who can no longer afford to purchase organic produce may be growing and preserving vegetables and fruits themselves



Some Ways to Communicate Price



Promotion

- Outreach
 - Advertising, brochures, build your market mailing list
- On-site marketing
 - Signs, merchandising, recipes, information
- Business relations
 - Collaboration with other businesses
- Public relations
 - Nurture media relationships
- Special events
 - Come to the farm
- Calendar



Promotion

- Put your website URL EVERYWHERE: posted at your farmers market stall, on your business card, on all promotional materials
- Be sure that the quality of your signs equals the quality of your products
- Signs for EVERY product including
 - Name
 - Price
 - Three benefits or tips about the product

Promotion with Great Signs



Promotion

- ▣ Show customers how to use your product; how it was grown
- ▣ Wear a nametag





Beautiful Product – Missed Promotion Opportunity



Signs can be Easy!



Provide Information



Your Stall can Promote!

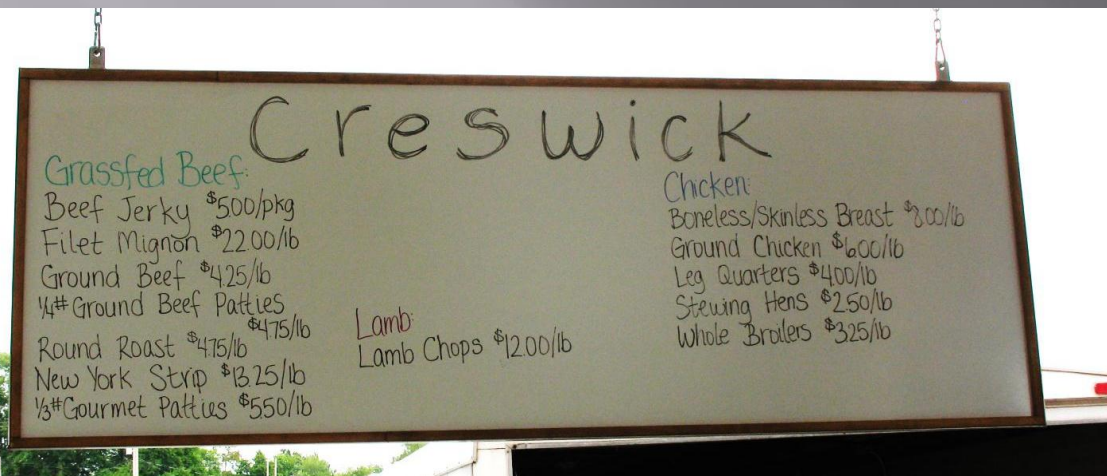


Banners & Signs are Important









Engage the Senses



What Product Mix Works Best for You?



Learn Effective Display Techniques



Thanks very much!

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email survey!

